THE MIKE ALKIN SHOW
TALKING STOCKS OVER A BEER

Ep. 19: How to Avoid Falling Prey to the Next Debt Crisis
with guest Jamie Keech

Announcer: Free and clear of the chatter from Wall Street, you're listening to Talking Stocks Over Beer, hosted by hedge fund veteran and newsletter writer Mike Alkin, who helps ordinary investors level the playing field against the pros by bringing you market insights and interviews with corporate executives and institutional investors. Mike sifts through all the noise of mainstream financial media and Wall Street to help you focus on what really matters in the markets. And now, here is your host Mike Alkin.

Mike Alkin: It's Tuesday, June 19th, 2018. Welcome to the podcast. Hope you had a great Father's Day if you're a dad. If you're not a dad and you have a dad, hope you were able to spend some time with him, speak with him on the phone. Father's Day is a big deal for me. I didn't have a dad growing up, mine flew the coup when I was born. So, for me, with my kids, I really try and savor it and enjoy it and my kids try and make it real special, so it was great. I got the usual, you know, I got a breakfast, they made bacon and eggs, my favorite. I got a gift, they give me my shorts and shirt. I'm very easy to buy for. I wear the same stuff all the time. I either wear jeans or I wear a pair of khaki shorts and a golf shirt, so pretty low maintenance on that. I got a few other knickknacks and I'll get to that in a second.

Mike Alkin: So, if you listen to the podcast you're probably sick of hearing me talk about my New York sports teams. If you live in New York and you grow up here, you're a Met or a Yankee fan, you're a Jet or a Giant fan or you're an Islander or a Ranger fan. I'm a Met, Islander, and Jet fan. Now, in the summer time, I wear my Met hat, once in a while I have a Met tee shirt on, my wife is appalled at it, she's like, "You're a grown man, do you have to walk around in a Met tee shirt?" But, you know, hey, who am I trying to impress?

Mike Alkin: I've been married 24 years and I really don't care. I like my Mets. And I sing the Met song, Meet the Mets, meet the Mets," since I was a kid, in my sleep, I could sing the introduction to the Mets coming on the broadcast. Meet the Mets. I had a Mister Met bobble head doll. So it's Mets in my house. After 24 years, my wife knows I'm a Mets fan. So part of my gift was my shorts, my shirt, and a nice bag of ballpark peanuts that she got at one of the stores. You know, you go to a ball game and you can't wait to get the peanuts, you have a cold beer, maybe a diet coke or a coke, whatever you drink. Well, my wife knows I love the ballpark peanuts and she says, "I got peanuts and it's in the bottom of the bag," I pull them up, it's a Yankees peanut bag. On Father's Day, my wife gives me a Yankees peanut bag.

Mike Alkin: I've been married 24 years. My wife hears me say every night in baseball season to my son and daughter, "You guys want to watch the inning at the Met game with dad?" My daughter has no interest, my son is a lacrosse player, he says, "Dad, I'd rather watch paint dry than watch baseball. It's horrible," I remember I took him to little league when he was six. I was thinking hey, you know, maybe he'll be a pitcher like his dad. Five, six, tee ball, even then he'd cry getting out of the car. Lacrosse, no problem. Want to get out there, run around, hit kids, he loved it. Baseball, he would cry. He said, "I hate it," okay, fine, you don't play baseball.

Mike Alkin: But my wife, no excuse. 24 years married and she buys me a Yankee peanut bag. I gave her a free pass. She's busy, she's mom, and she's a great wife, so I let it go. But anyway, that was my thing. The rest of the weekend was nice, and I know you're sick of hearing about this, but I spend my weekends in the summer on the lacrosse field. My kid plays, we have tournaments, and yesterday was six hours, they made it again to the championship game. But yesterday I had almost one of those moments, I had that guy standing ten feet away from me on the lacrosse field. That guy, the obnoxious, loud mouth, all over his son, dad from the other team, screaming at him the whole game, "Come on. You gotta play harder, you gotta play better. What's wrong with you?" I mean, you talk about self-awareness.

Mike Alkin: First of all, that's appalling. I mean, they're kids, they're 12, 13, years old. They have good days and bad days, some days my kid, he plays great, other days, I don't know, he's thinking about what he's gonna put on his hotdog for lunch, mustard, ketchup, am I gonna go home and play Fortnite? I don't know who is gonna be around when I get home to ride bikes. I mean, it just happens. Who cares? They're kids, let them play. This guy, he was all over his kid. And the thing was there was no self-awareness. The kid was huge, he was very overweight, he was the slowest kid on the field. Who cares? He's a kid, he's having fun, he's playing.

Mike Alkin: And this guy, you would think that the guy thought he was Dwayne Gretzky of lacrosse. It was crazy. It was everything I could do to not say something to him. But, you know, what's the point, right? But anyway, if you're a parent of a sports kid, just let them have fun. I mean, yeah, it's nice, and I've talked about this before, lacrosse stuff is crazy, travel hockey stuff is crazy, all that stuff. I mean, everyone thinks their kid, at 12 or 13, has to play in a club team, they're gonna travel because they're gonna go to college. News break, most of these kids will never go anywhere, right? News break, most of these kids aren't getting D1 scholarships, almost guaranteed, a few will. So get over it. Have fun, let them enjoy themselves.

Mike Alkin: But anyway, what else? Oh yeah, over the weekend I read a really good article by Steve [Pearlstein 01:07:50] in the Washington Post. Now, some of you may say, "Oh, the Washington Post is like the New York Times, really liberal," I don't care about that. Once in a while I read some good stuff. So, Steve Pearlstein is a business columnist for the Washington Post and he wrote an article that relates to what you've heard me talk a lot about, which is ... if you subscribe to my newsletter or you listen to my podcast, you hear me talk a lot about financial engineering, how companies are increasing earnings throughout this cycle for the last ten years. There was no revenue growth so they cut costs, and once they got done cutting all their costs, they use these very low interest rates to go out and borrow debt and with that, borrow money, issue debt, borrow money, and lever up the balance sheets.

Mike Alkin: Since they've done that, they went out and bought a ton of stock, I'm gonna quantify ton in a few minutes. And when you buy back stock you reduce the share count, when you reduce the share count your earnings go higher, all things being equal, right? So, Steve Pearlstein wrote a really interesting article, and this is something I really want you to think about because right now it doesn't feel like it, it's like it's been great, it's a bull market, right? Every time something happens, I know it's been a week to last five days that tariff talk is back in the news and all this, and every time somebody comes out and the market is week, the buy the dip guys come back out and tell you why the economy is great, unemployment is low, consumers are doing great, and everything is going great, everything is gonna be good. That's what it was like in 2006, right?

Mike Alkin: Remember those big days of '06? Everyone was going out and refinancing their mortgages, taking out a ton of money, like 300 billion dollars in cash from the increased value of their real estate because home prices were going up ten to 15, 20 percent a year. Why not? Sure. Let's take some money, let's go buy vacations, second homes, let's go everywhere, let me buy another car. I mean, F150, who cares? I'll use my ATM, it's the house, right? So you saw all that. It really added fuel to that economy that was ripping. Others went out and did the house flipping stuff, they reinvested in the booming real estate market. Others went out and loaded the boat on stocks.

Mike Alkin: And then, one day people woke up, the market woke up, they said, "Huh, those houses and those stocks may not be worth what we think they're worth," markets crashed, banks almost went belly up, and then we had this deep recession. Remember that? Seems like a faint memory. The world was coming to an end if it wasn't for this global experiment by the central banks. Globally, who knows where we would be? Because no true price discovery has been allowed to happen at all since the early 1920s. There's always somebody stepping in to help, so we don't really know what the right price levels are.

Mike Alkin: But Pearlstein goes on to talk about that here we are, 12 years later, and guess what? Wash, rinse, and repeat. It's happening again. Except this time, it's not households using really cheap debt to take cash out of their overvalued homes. This time it's huge corporations using really cheap debt, using the one-time tax windfall to take cash from their balance sheets and give it back to shareholders with increased dividends and in particular stock buy backs. Right? Just like before, where the cash out [refies 00:10:29] drove debt, you're seeing the same thing now with corporate debt, which is at record levels.

Mike Alkin: And as Pearlstein says, "As before, they are adding a short term sugar high to an already booming economy," now once again, they're diverting capital from productive long term investment to further inflate a financial bubble, this one in corporate stocks and bonds, that when it bursts will send the economy into another recession. And he goes on to say, "Welcome to the buyback economy," and he's talking about today's economic boom, which is not driven by this huge burst of innovation or this massive growth in worker productivity. Instead, it's driven by another round of financial engineering that converts equity into debt. Wash, rinse, and repeat.

Mike Alkin: And he makes a really good point. He says, "You know, it sacrifices the future growth for present consumption," and it winds up redistributing more of the wealth to [sea sweet 00:11:37] guys, really wealthy investors, and of course, Wall Street, right? Because they're executing the buy backs. So, when you think about it, rather than taking all these record profits and all this ton of money they're borrowing to go out and invest in new plants, new equipment, develop new products, improve service, they're giving it back to shareholders. Okay, well, if you're a shareholder you're like, "Oh, who cares?"

Mike Alkin: Well, you're gonna care when the carpet gets pulled out from under you. Now, again, not hysteria, not the world is coming to an end, but you keep hearing me say over and over and over there are a lot of signs out there, a lot of red flags that people are ignoring. And now, basically corporate America, as Pearlstein points out, has transformed itself into one giant leverage buy out. He brings up a really good example, he uses Apple. He says as a result of a 100 billion dollar buy back announced last month, Apple will have returned 210 billion dollars to shareholders since 2012. How much is that? Think about this, let's use a comparison.

Mike Alkin: Robin Wigglesworth of the EFT, The Financial Times, tweeted out not too long ago, "210 billion is enough to buy up the bottom 480 companies of the SNP 500," and Apple is not the only one doing it. Last year, public companies spent 800 billion dollars buying back their own shares, because you had all the cash [inaudible 00:13:30] they borrowed, you got the tax bill. Goldman Stacks is estimating that this year buybacks are going to surge to 1.2 trillion dollars. Now think about that. Companies are borrowing money, they're gonna buy back a trillion dollars, over a trillion dollars, worth of stocks when share prices are at all-time highs.

Mike Alkin: So companies are buying at the top and that's always happened, it always happens. This is nothing new. Wash, rinse, repeat. So they're doing it when you've got this growing global economy, which is the best time to expand your product set, expand your factories, grow into new markets, use that money to reinvest in the business. There's some research, some guys out of Europe called the Follow Your Buybacks, couple of guys at NC, the big business school at Europe, it's like the Harvard of the US, Harvard Business School. They looked at the 60 percent of companies that have bought back their stock between 2010 and 2015 and they found that the more companies spent on buybacks the less good it did for the stock prices. So they looked at 535 companies that spent the least on stock repurchases, which was less than five percent of the companies' market value. So 535 companies spent less than five percent of the companies' market value. The market cap of their company grew by an average of 248 percent.

Mike Alkin: Who are some of these companies? Facebook, Amazon, Google, Netflix, industrial giant Danaher. They looked at 64 firms that spent the most repurchasing their shares, the equivalent of 100 percent of the market value. They saw an average of 22 percent decline in the market value of the stock, Viacom, Hewlett Packard, Macy's, all to prop up the stock price in the face of disappointing operating results. But the issue is, and Pearlstein brings this up, corporate buybacks aren't just affecting individual companies. At this scale, they're a factor in the performance of the overall economy. 1.2 trillion dollars that's going to be spent this year in buybacks is the equivalent of 6 percent of the annual output of the United States, the world's largest economy. It's larger than the GDP of all but 15 of the largest countries in the world and it's a sum that's likely going to exceed the amount of money raised by the corporate sectors issuing you stock, which means for another year more equity capital is flowing out of publicly traded corporations than flowing in.

Mike Alkin: Over the past decade, the net issuance of public stock, new issues takeaway buybacks, is a negative three trillion dollars. So, if you think about that, you take all these share prices, all the shares out, it goes into why earnings go up, stock prices elevate it, multiples on those stock prices elevate it.

Mike Alkin: A third of the shares being repurchased with these buybacks is coming from borrowed money. Corporate get is at an all-time high, not only in an absolute sense but also in relation to its profits, in relation to its assets, and in relation to the overall size of the economy. It used to be, in the old days, issuing bonds was ways for companies to borrow money. In '08, there was 2.8 trillion dollars in outstanding bonds from US corporations, today it's 5.3 trillion. Recently, at least the last handful of years, half of those new bonds are job bonds rated triple B or lower. Do you remember job bonds? And you're seeing this because rates have been so low investor demand for riskier bands is driven by the growth of these ETFs, the bond ETFs, exchange traded funds. These are securities that trade like stocks but they're really just pools of different corporate bonds, so it makes it easier for individual investors to park his fate in the corporate bond market, which normally isn't that easy, I mean, you can, but it's typically not that easy for a retail investor to do so.

Mike Alkin: Ten years ago, there were 15 billion dollars' worth of bond ETFs traded. Today it's 300 billion. Even a bigger chunk of corporate borrowings is coming in the form of bank loans. And guess what they're doing? Bank lends money and then they quickly package it into securities known as collateralized loan obligations, CLOs. Remember that? Remember that from the big short? They're sliced and diced and sold off to sophisticated investors just like home loans were during the mortgage bubble. Pension funds, insurance companies, they can't get enough of these because they offer higher yields. They have obligations. Insurance companies, pension plants, they have obligations that they have to pay, they need these higher yields. There's gonna be 150 billion dollars in CLOs issued this year, double what it was last year. And guess what? Just like with the late cycle boom in mortgages in '07 and '08, there's a market decline in the quality of the loans in those packages.

Mike Alkin: Three quarters of these CLOs do not have standard covenants, which are in place designed to reduce the chance of default. Wash, rinse, repeat. That's the same thing that happened in the last financial crisis. More than a third of the largest global companies are highly levered. They have at least five dollars in debt for every one dollar in earnings. What happens then? Any downturn in profits or increase in rates puts them at risk. One in five companies have debt service obligations that already are in the zombie category. So you've got this whole new cycle of distressed corporate credit right around the corner, you've got a record number of these highly leveraged companies, which is setting the stage for this huge wave of defaults at any sign of the economy slowing down.

Mike Alkin: I mean, you've gotta really start thinking about this for your portfolio. U.S. Treasury Office and Research in its latest annual report said flashing red, quote, is how this buildup of corporate debt should be characterized. The IMF came out and said the same thing. And what scares them, it's not just the growth of the debt, it's the change in structure and how it's gonna perform. In the past, most corporate loans were made and they were held by banks, bonds were held by pension funds, insurance companies, mutual funds, and they held them to maturity. It keeps the prices stable.

Mike Alkin: But with the rise of these ETFs, you gotta start to worry. If you get a sudden spike in rates or defaults, a lot of these individual investors are gonna rush to sell at the same time, when nobody wants to buy them. And these ETF prices are gonna go into tailspin. It's a lack of liquidity, hello, run on the bank, right? Run on the ETF bank. You gotta start thinking about this. It's something that's really prevalent, it's there, but because stock prices in your portfolio are going up every day, you may not be thinking about it, right? So, if you think about these complex mortgage securities and the credit default swaps in '08, it can happen again and it very likely will happen again.

Mike Alkin: But the big reality is that this global economy is now a wash in debt, and it's not just corporate debt it's government debt, it's household debt, it's investor debt. Just at a time when interest rates are starting to rise from very, very, low levels. In the U.S., the federal budget deficit is gonna top a trillion dollars this year on top of the 20 trillion dollar outstanding debt. The CBO, the Congressional Budget Office, they're saying that interest payments on that debt will grow from 316 billion this year to 915 billion by 2028. So not only does this new debt need to be financed, but trillions of dollars in old debt is gonna need to be refinanced at higher interest rates.

Mike Alkin: Pearlstein brings up a good point, talks about household debt. You've heard me talk about this, if you're a subscriber I sent updates on this. After the last financial crisis Americans did a good job, they wanted to save more, they borrowed less, they paid off credit cards, auto loan debt, but like everything memories are short. Here we are ten years later, mortgage debt, credit card debt, student loan debt, car loan debt, all again, record levels, growing like a weed, subprime auto loans, default rates on those higher than the last financial crisis. Almost 40 percent of households with credit card debt have an average balance of 11 grand.

Mike Alkin: Consumer Financial Protection Bureau came out and said recently that among subprime borrowers, lower credit scores, credit card debt is up 26 percent in the last two years. Margin debt is the debt investors take on to buy stocks, bonds, and other stuff, all-time highs. While the FED and other central banks think about starting to raise rates, right? Now, you never know what's gonna cause one of these things to pop. Who knows what it's gonna be? Oil go through the roof, do you have a big default on a big bond somewhere? Do you have a currency crisis somewhere? It will happen, but you're gonna see a rush to the exits in a contagion.

Mike Alkin: So, again, tomorrow and the next day, I don't know, but it's out there and it's things you need to be aware of and start paying attention to and positioning your portfolio for. One of the things that's not very expensive and one of the things that's we're at a cheapest of all time is the commodity sector, and my guest today is gonna come on and talk about some really interesting opportunities in the commodities space. And I've gotten to know him over a period of time and he has a lot of experience in the investment world, in the commodity space, and he works with my friend Chris Macintosh at Capitalist Exploits. Chris is in New Zealand, he runs a fund, he's a former venture capitalist, extremely bright guy. If you don't subscribe to his stuff you should be, Capitalist Exploits. And Jamie went to work for him starting a natural resource newsletter.

Mike Alkin: So, I'm gonna bring on Jamie and we're gonna talk commodities, something that's cheap. Jamie Keech, welcome to the podcast.

Jamie Keech: Hey, Mike. Thanks for having me today.

Mike Alkin: You're up pretty early out in Vancouver. Thank you.

Jamie Keech: Yeah, it's no problem. Glad to be here. You definitely need to get up pretty early in Vancouver to catch the markets on the east coast anyway.

Mike Alkin: Exactly. So, Jamie, you and I met through Chris Macintosh, a friend of mine who lives down under in New Zealand, a former VC, a fund manager, and a newsletter writer who I was just telling my listeners that if they don't subscribe they should. He's a fabulous newsletter writer and investor, has really interesting insights and I know you and him are doing some stuff together. So, before we get into what you're working on, why don't share with listeners your background?

Jamie Keech: Yeah. I'm a mining engineer by training. I'm a Canadian, I grew up here near Toronto, where I now live in Vancouver, you know, few hours away by flight, but I started in mining engineering at the University of Toronto when I was about 17, and I was really drawn to that because it was the opportunity to see the world, to work outside, to make good money, and I always had a bit of a technical [inaudible 00:27:22] and sort of a desire for exploration, so it seemed like the right choice. I spent four years doing that and then I almost immediately took off to various sites to work. So, as a student I worked in the Yukon, I worked in Mexico, I worked in Nevada, all in early stage exploration projects, being out in the field.

Jamie Keech: When I graduated I took off to Europe and I went to Albania where I was an engineer or geologist, sort of a middle ground on that one, on a copper project there, looking at different assets and just basically being a general jobs body in the field and working my way up through that. So that was my introduction to sort of engineering and the mining world. After that, I got a bit more focused and I went and did a master's degree at the Camborne School of Mines, which is located in southern England, it's the oldest mining school in the world I believe.

Jamie Keech: I was drawn to that and I did a program that was a bit eclectic, it allowed me to look at a few things that I found interesting in this stage, which were obviously one, the financial aspects of the industry and I started to learn about that a bit more, but two, they had a lot of focus on the environmental issues and the social issues in the industry, and that was something I was really drawn to because the little bit of work I'd had to date, I saw that was an area where most projects fell apart when they messed up their permitting, when they didn't get the buy in of the communities, so that was something I wanted to learn about.

Jamie Keech: So after that, I ended up moving to Hong Kong and then Mongolia to work for a giant mining contractor, it was the biggest in the world, an Australian mining contractor. I spent some time there building first subway tunnels and then coal mines in Mongolia, and that was where I really cut my teeth as an engineer. We had three or four open pick coal mines. I was the technical services manager, I was helping to manage all of those both in term of the construction phase and then later the operation phase of the various mines.

Jamie Keech: I mean, that was a great experience and that really was my first time spending significant amount of time overseas and in a developing country and getting to see how business was done there, so working with the government and seeing the permitting process and how companies actually came to acquire these things, and then, I mean, just the challenges you face in a lot of these things. How do you get access, how do you manage a local workforce that doesn't speak the same language as you and has a totally different culture, and then dealing with technical people from all over the world, investors from all over the world. That was a great learning experience.

Mike Alkin: All of the things ... Jamie, all of the things that investors wake up to one day to a press release with a natural resource company they own and press release saying a project didn't work and all of the things that lead up to it, you got to see first-hand.

Jamie Keech: Well, I mean, that's a very good point because you see a press release and it says we have X number of tons at Y grade and we're gonna get this asset producing in a year and a half, but the reality of what actually goes into that is very different and if you haven't seen these challenges, it's very hard to anticipate them, you know? Where are you gonna get power from? Do you need to build a power line? Do you need to build a road? I mean, I've worked on projects where we planned on building a railway. I mean, there's just the permitting issues. I don't know if I've ever seen a project that, in the pre-feasibility stage for sure, but probably even the feasibility stage, that actually met their permitting timeline. It just doesn't happen and it's very easy to read that and think oh good, it's gonna be in production in six months or a year, whatever it says, but if you're not able to sort of read behind the lines there and dig into that a little bit, it's hard to get a real expectation of what's gonna happen.

Mike Alkin: It's interesting. So, talk about the evolution of your career into the investing side.

Jamie Keech: Yeah, so after Mongolia I moved back to Canada and I worked at another consultant here, I spent a few years in the Toronto area consulting on projects in the Canadian Arctic, and this time I really did focus on permitting and getting the environmental and permitting aspects of the project off the ground. That was successful. And I kind of saw ... I looked at this in a few ways. I saw that the people really making the money in the industry were the people that were starting projects, that were controlling them, that were financing them, and they also, from my perspective, had a much more interesting career path because they were looking at several projects from a high level and really moving the pieces on the chess board to put them together and make it work.

Jamie Keech: I was very grateful for my on the ground experience but I really foresaw myself moving to the business and the financial side of the industry. So what I did was I basically packed my stuff, I moved to Vancouver, which was the hub of mining, financing, junior mining finance, and I started looking around for a group that I wanted to work with that was serially successful in starting and building mining companies. It took me a few months and I talked to a lot of people, but I eventually found a team here in Vancouver, it was run by a gentleman named Greg Smith, he is now the president of a company called Equinox Globe, it's a half a billion dollar company, it's chaired by a gentleman named Ross [Beaty 00:33:41], who a lot of listeners might know about. He's a very successful serial mining entrepreneur.

Jamie Keech: But I met Greg, young guy, accountant by training, he was already starting his third company, so I basically convinced him to let me work with him and over the next three years, him and I and a small team, we took that from being about a 20 million dollar company and through a series of mergers and acquisitions turned it into Equinox, which was a half a billion dollar company. So that was a really trial by fire for me. Not only technically how do you evaluate assets that are gonna add a creed of value to your company, but also how do you manage a merger? How do you raise the money? How do you structure these things in a way that's gonna be successful for both the existing shareholders and then create room for value for future shareholders?

Jamie Keech: So, it was a great experience. I spent three years there and that was about the time where I knew I wanted to start doing some things on my own. With the people I was working with blessing, I was looking for other projects on the side and I partnered with a few people and I started acquiring assets myself in various jurisdictions, primarily gold and copper, and putting them into companies and working on that. And it was about this time that Chris Macintosh and I got connected through a mutual friend, so this was about mid last year, so mid 2017, I think it was about September actually.

Jamie Keech: Chris was looking to move into the commodity space and now, for your listeners who haven't read Capitalist Exploits, it is essentially a research service and newsletter focused on macro investing, and we've covered everything from currencies to equities and a wide range of investments, and over the past couple years, Chris and his team had really narrowed down on commodities as were they saw the biggest potential for the next few years. Chris put it to me like this, he is a macro investor, he knows copper is gonna go up, but the only thing he knew to invest in was Freeport, a major giant copper company.

Jamie Keech: He didn't have the technical expertise or the relationships or the experience to drill down into these smaller companies, you know, particularly exploration and development stage companies, where you're going to get the most bang for your buck and the most leverage for what is essentially risk capital.

Jamie Keech: So Chris reached out to me and it was a great education for me spending the last six months working with Chris and getting a better understanding of where commodities sit in the grand scheme of things. I'm a technical expert, I lived in a small sphere and I know that sphere very well, so the last six months I've been really expanding my view on where it sits in the financial world at large. But, you know, on the other side, I've been helping identify projects that we're looking to invest in and reaching out to those teams and building those relationships there and going on site visits and evaluating them.

Jamie Keech: So long story short of this, we figured the best way to really take advantage of this opportunity was to create a new product for our listeners and that was really the birth of what we called Resource Insider. That's where we are today and I can talk a little bit about that if you'd like.

Mike Alkin: Yeah, we're gonna touch on that. While we're on the topic though of your background and here you are, we have a lot of listeners who are individual investors and a lot of natural resource investors and I get a following because they know me as the uranium guy. But in your world, in the rest of the natural resource sector, there's a lot of investors who invest in gold, copper, nickel, you name it, and it's so fascinating with what you talked about early on because we read the PDAs, the PFSs, and they put their best foot forward in those things. So for listeners who are late people, but work hard in analyzing mining companies, what are the things that you look at? What are the top things look at when you're reading a PFS, a pre-feasibility study, that shows how many tons they're gonna do, what the grade is, and all this other stuff, price needed, what are the things you look at that the average person might not know to look at? So, whether or not the project is going to be a success or not.

Jamie Keech: Yeah, okay. This is gonna very much depend on the size of the company, the commodity that it's focused on, and a variety of other factors, but I guess I would put it in ... I look at three primary things. I look at the technical credibility of the project, one, I look at the financial capacity as well as the structure of the company, two, and I look at the management team, three. So, all three of those are extremely important. I would say the absolute most important bar none is the management team. You know, if you're looking in the early stages of the industry, you're seeing a very few number of people be serially successful. They've made discoveries again and again, sometimes they are commodity specific, so they may be an expert in top ... or even more specific, corporate copper deposits, or they may have a broader scheme and they may have been able to consistently deliver across commodities and across time. But it's a very rare number of people.

Jamie Keech: I mean, the easiest thing for this is to see those who have had a track record and that doesn't just mean being part of a team that made a discovery in one place one time, because, what's the expression, failure is an orphan and success has a thousand fathers? Everyone whose discovery you see, there's about a hundred guys that are gonna take full credit for that and they're gonna say, "I'm the one that said to look here, I'm the one that acquired the property, I'm the one that hired the guy that did that," and I mean, you see that in every industry I'm sure, but it's particularly prevalent in mining where the successes are so stark and so rare and the failures are so common, so when there is the rare success everyone jumps on board. But you want to really search out those management teams and particularly those people that are the actual catalyst for success that have been involved in win after win after win.

Jamie Keech: So a gentleman that I've had the opportunity to work with is named David [Laurel 00:41:26]. Now, he's in his late 80s now. He has made, I believe, it's 17 discoveries of [inaudible 00:41:34] copper deposits. He's made an awful lot of money for himself, his investors, and he's been serially successful in doing the same thing over and over again. And then you have, of course, the

Robert [Friedmans 00:41:49], who have made discoveries all over the world across a string of commodities. You have the Lukas Lundins of the world who have continually gone in, acquired development stage assets that other companies are unable to make work and then they brought them into production and they've seen tremendous success there.

Jamie Keech: So the first thing I look for is management team because the right assets in the hands of the wrong team are probably just not gonna work out. I mean, people get lucky, especially in the early stage of things where it's a green field exploration project and they make a discovery and the stock price shoots up, but even in those scenarios, 99 percent of the time they're gonna pass that company and they're gonna pass that asset off to a more experienced team that can really create value there. So that's number one. Number two is the technical [inaudible 00:42:47] sort of project. This is going to really depend on commodity specific and even deposit type within that specific commodity. Now, what I would really urge your listeners to do is to assume that you don't know what you're doing when it comes to technical aspects. That's really the approach that I take.

Jamie Keech: I mean, looking at a porphyry copper deposit and looking at a gold epithermal deposit, you know, in different countries, in different regions of the world, it is not the same thing and to assume you can read a technical report, you know, a 43101 report, a feasibility study, and really grasp the intricacies of that, it's probably not true. The approach I take is I generally assume I know nothing about that and I do my due diligence, I read about it, I get as much information as I can, I read as many other opinions as I can, and the fortunate situation that I'm in is that I probably have a network of geologists and engineers and other technical people that spans the spectrum of different types of deposits and I probably know someone that has worked on that deposit or one similar to it. So I almost always get a second opinion on what someone who is an expert in that very specific type of asset thinks about it. And that's really how I stand as far as my opinion on that.

Mike Alkin: Jamie, over the years, when you've seen the technical merits not come to fruition, you've seen something fail, where does it typically fail? If you had to think of the top couple of things, the resource of where it goes wrong, what happens?

Jamie Keech: Yeah, well, you know, I can think of exactly the number one thing where it goes wrong and that is optimism. If you're trying to go and look for a mine or you're trying to build a mine, that's a hard business. It really is challenging. In the exploration stage, I mean, the odds are massively stacked against you 100 to one, even in the development stage it's quite difficult to build a mine and get it up into production in a way that it will make money and in a way that it will be positioned to make money in the future. The industry attracts a very optimistic type of person and you see that very clearly reflected in the estimates of time lines and the estimates of capital required.

Mike Alkin: Jamie, I assume it's always going to cost way more and take way longer than-

Jamie Keech: If you were to assume it would be double, that would probably be on the conservative side for the average project a lot of times.

Mike Alkin: Yeah. I think sometimes people rest on the Laurels of the PFS and just so many things can go wrong. And you said something earlier that's interesting with the social aspect of it, you know, if you're up in the Athabasca Basin and you think you have a uranium resource, well, you damn well better have really good relations with the first nations people if you want this project to have a prayer.

Jamie Keech: Absolutely.

Mike Alkin: And I think sometimes when I tell people I talk to, when you're looking on these websites and they talk about the social programs they have, that's not a gloss over, you really gotta understand that when you're talking to management teams, really understand what they're doing to develop that social aspect of things because that could really put a wrench in everything.

Jamie Keech: I mean, absolutely, I mean, I spent several years in one of the companies I worked with working on a project in Peru and that was really, I mean, anyone who knows anything about mining in Peru is that the local people, artisanal miners and communities, have tremendous amounts of power and they have crushed a very large number of projects and if you are not from day one managing that and having those people on side and really, most importantly, having the people within your company, within your organization, that can do that and that have the relationships with those communities directly and can build that close cohesive connection and sort of shared vision of working together, it's almost doomed for failure.

Mike Alkin: That's a great point. So, as you guys are ... I'm sorry. What was the third that you said? We had the management, we had the technical aspect, and then you had a third.

Jamie Keech: Okay, the third is the structure of the company. For anyone who is going to be playing, especially in the junior side of the markets, these are small cap exploration companies, you really want to look at a couple things. How is the company structured? You know, is management a significant shareholder? And it's very nice to say management owns X percent of the company, we're aligned with investors, but also, what price did management get their stock at? Did they put in 1000 dollars each and end up with 25 percent of the company and then they take it public and then they rash it up to price that everybody else is buying? Because they're lined up to win no matter what. What you really want is management who put a significant chunk of their own money or their own time into this project and have really cultivated that and plan on cultivating that for the long term.

Jamie Keech: Anyone who has spent much time investing in junior mining stocks knows that there are a lot of pump and dumps out there, you know, where management gets in very cheap, they make a show of what they're gonna do, and who would have known it, every investor who got in loses money, they still make a lot of money. The second thing is you want the company to be able to make a mistake. So if the company has exactly the amount of money, the amount of capital that they think is required to get the project to the next stage, I mean, the chances of that working out are very slim, so you want them to be able to have enough sort of fire power that if something goes wrong, if there's a delay, if there's a cost overrun, it doesn't kill the company and require them to raise capital at a really reduced share price, which is gonna kill the value for all the esteemed shareholders.

Jamie Keech: Another aspect of this to look for is debt, and now we see this really in the development stage. If companies are taking out large chunks of debt to put a project into production, it can really kill the value of the company and the reason for this is exactly what we were talking about early, that it generally costs more and it generally takes longer than anyone anticipates and by the time they've got that to the point where the mine is producing, and not just producing, producing and making money, because often it's a year or several years to get all the kinks worked out to start being cash positive.

Jamie Keech: A big chunk of debt on the balance sheet is really gonna hurt the chances of success and really suck the value out of that organization.

Mike Alkin: I could not agree with you more, especially in the junior mining space. So many of the CEOs that are out there, they're very gifted marketers and promoters-

Jamie Keech: Yes. Yeah.

Mike Alkin: And well-spoken and can really tell a story and I think people need to realize in many of these, their main job is to raise capital because they're always doing it and they're always issuing equity to keep the project alive. Before they go to the capital raise out comes some news, seriously, some good news, right? So, really, really, gotta pay attention to that because there's a lot of chicanery that goes on. So let's talk ... oh, I'm sorry. Go ahead. Yeah.

Jamie Keech: I was just gonna say that's really the name of the game. I mean, a lot of the good companies have to do that as well, right? Exploration doesn't make money. The job of an exploration company is to spend share holders' money and hope that you create enough value to make the asset worth more than what you spent. You just need to be able to find the right people that are just genuinely trying to create value with that money instead of scooping as much aside as they can for their own piggy bank.

Mike Alkin: Pretty much. I mean, when I look at the uranium space I get excited because I see companies that have resource in the ground. Some of the really interesting ones already have projects that are completed and they don't need to spend a half a billion, a billion and a half, which will wind up being twice that much, like you said, and the length of time will be twice as long, to start generating cash flow. And they're trading at ridiculously cheap, in my opinion, valuations. So you, once in a while, get to see that. I think though, like you said, when you're sitting just in the exploration side of things, boy there's so much that can go wrong and that's why it really helps to have somebody like you who understands how to look at these projects.

Mike Alkin: Let's shift gears. So you guys are ... I was saying earlier in the podcast, you know, how cheap commodities are and Chris has pointed that out quite a bit as well. When you look at Macintosh, who is always looking for things that are way out of favor, he's a contrarian, and where is there asymmetry in the investment. As I look at the universe, and I know you guys do, it's in the commodity complex right now. So as you guys look from a 30000 foot view in the commodity landscape, how are you thinking about Resource Insider and how are you thinking about the ... first, tell us about Resource Insider and then how are you thinking about the opportunities in there. Where are you looking?

Jamie Keech: Resource Insider was born, essentially, as a partnership between Chris and myself as a way to put our money and the money of our subscribers into the commodities market and get the most bang for our buck, to get the most leverage as we can. The way we decided to do that was through participating in equity private placements. So, I know you know what that is, Mike, but for your viewers how might not have a lot of experience with that, a private placement and particularly in this case, what I'm referring to is a non-brokered private placement, occurs when a company is looking to raise money.

Jamie Keech: So if I have an exploration company and we need to go drill some drill holes and we've only got half a million dollars in the bank but everything up to that point has been very indicative that this is a great project, that all the signs are there, that drilling these holes is gonna add value, we need to get the capital to complete that work. Now, there's really two ways of doing that. There's debt, it's not easy and it's really unusual for an early stage company to be given debt or to take debt, and then, of course, there's equity. So that is issuing new stock and selling it onto the market in order to raise capital.

Jamie Keech: This is very commonly done through a private placement. Now, this can happen two ways. This can happen with a bank, so BMO, Bank of Montreal, or TD, or any of these banks with big money focused teams might say, "We'll do a bot deal. We'll take all the equity and we'll sell it off to our funds we work with or to the investors we work with or our clients," and that has been traditionally what's been done in this space, these bot deals. But, you know, we're moving away from that now and there are several reasons for that, I mean, I think one of the main ones is a lot of these banks were selling this equity to retail investors and most people don't have a broker anymore, a lot of people are using their online account where they pay five or six dollars a trade instead of having a broker where they cut a percentage.

Jamie Keech: So that pool of capital has really kind of dried up for a lot of big banks and lot of the brokerage houses in particular. So what you're seeing companies do now is working directly with investors, be they institutional or be they retail investors, a retail investor is someone sitting at home that has a potential pool of capital that wants to put it into something, and they're doing this through non brokered private placements. This means the company is single handedly responsible for allocating that stock to investors. Now, they can sell that to hedge funds, they can sell that to private equity funds, or they can sell that to credited retail investors.

Jamie Keech: A credited retail investor is a person that, depending on the jurisdiction, either has or makes a certain amount of money. In Canada and the U.S. I believe that's either a million dollars in assets or makes over 200000 dollars a year. They're able to purchase this equity directly from the company, so it's very different than when you go online or you go to your broker and you buy stock in a company. When you're buying that stock from another investor who wants to sell it. In this case, you're buying it directly from the company. So the company may say, "We're issuing ten million new shares, we're selling them at a dollar a share to raise ten million dollars and we're gonna sell it to these funds or to these credited investors," now, the benefit of this for people who participate in these private placements is that the company can offer perks to incentivize people.

Jamie Keech: Now, that could be simply selling it at a reduced price, so each exchange will have various rules for what reduction or premium a company is able to sell their stock at in a private placement. I believe it's generally on the order of no less than 25 percent less than it's currently trading. So if company stock is trading currently at a dollar a share, they're able to complete a private placement and sell that to would be investors at 75 cents a share. So these reduced prices are a real good incentive for people who want to participate. There's also the addition, and this is very common in the mining space, the addition of a warrant.

Jamie Keech: A warrant is essentially, I would say, the option to have stock later at a different price. A warrant with have a scratch price. You might participate in a private placement where it's a dollar a unit and that unit consists of one share and one warrant, and the warrant comes into effect at a dollar 50. So when the share price reaches a dollar 50, all of a sudden that warrant has value. So anything over that value, so when it's two dollars, the warrant is worth 50 cents, when it's three dollars it's worth a dollar 50, that's like adding upside for the future based on the success of the company that you're providing catalytic capital to help get done what they're trying to get done.

Mike Alkin: And the thing with the warrants is they have timelines, so they could be one year warrant, six month warrants, two years, three years, five years-

Jamie Keech: That's right.

Mike Alkin: And normally, the more the company needs the capital the more they'll entice with lengthier warrant terms timelines. In some commodities you can see as long as three, four, five, year warrants, which is just pretty spectacular. If you think the answer to that is when it turns not if it turns, that warrant is like a gift for the length of time if you can get a lengthier warrant.

Jamie Keech: It enables companies to get the capital they require in order to do what they need to do and it rewards these earlier investors who are providing the catalytic capital with the opportunity to participate in the win should that work completed be successful. Chris and I participate for creative Resource Insider to participate in these sort of opportunities.

Jamie Keech: So we've been spending the last six months tracking down these deals, meeting with companies, and looking for opportunities that we think are good assets run by great management teams, you know, the company is structured properly and are going to be completing a private placement in the next year and want to raise capital from ourselves and from retail investors.

Jamie Keech: We put together Resource Insider for our subscribers to participate alongside us in every deal we do. So anything that I recommend, anything that I write about in Resource Insider I'll be putting my own money in, Chris will be investing in on the same terms as all of our subscribers. Our incentives will be very clearly aligned with the people we're working with.

Mike Alkin: So as you look across the commodity universe right now, what excites you in terms of the sectors, the sub sectors, within this really beaten up asset class?

Jamie Keech: Yeah, I mean, not to be flippant, but it's almost hard to choose wrong at this time. Commodities has been so beaten up over the last several years that almost everything is currently undervalued and so many commodities are not being valued at what it takes to get them out of the ground. So, I mean, this will be near and dear to you, of course, but uranium right now has been our focus for the last few months and we'll be looking harder at that going forward. I mean, you can speak to this than probably anyone I've ever met, but at the end of the day, it costs more for almost anyone to mine uranium than they can sell it for on the market.

Mike Alkin: As Rick [Roll 01:02:46] coined, you can't mine it for 50 and sell it for 20, that math don't work, right?

Jamie Keech: Exactly.

Mike Alkin: It's true in some of these things too. In any industry, when the cost to extract or the cost to produce is so far below the selling price, the response is to cut supply and when you cut supply things start to equal out. The evaluations that have been so disconnected from the economic reality start to correct themselves and sometimes you have to overthink these things, right?

Jamie Keech: I mean, another one that we've been looking at, just to that effect, is the platinum group of metals. So, right now, platinum I think is around high 800s, low 900 dollars an ounce to sell on the market. I don't think anyone in the world is mining this for less than 1000 dollars an ounce. So almost every operation in the world is losing money, so add to this the fact that in South Africa, where the vast majority of platinum is mined, prices are going up, these mines are going deeper and deeper and the government is creating an economic environment that is harder and harder to operate in. I mean, it seems like a no brainer to us. I mean, my view is that the price of platinum has hardly been suppressed because of the idea that [inaudible 01:04:16] are gonna come in and wipe out the need for platinum. I mean, as most people will know, most platinum is used in catalytic converters in diesel engines, but I mean, unless that happens in the next year or two, that simply isn't possible.

Jamie Keech: We're still gonna be building cars, we're still gonna be needing diesel engines. As China goes forward in putting emission constraints in their country, that's gonna even further increase the need for platinum. It's just not something that can go away overnight and we're currently, you know ... a huge disconnect in that market.

Mike Alkin: Yeah, people forget supply and demand, I mean, I can go back 20 years when I remember the dirt to dinner table thesis. Well, the emerging markets are growing and more people are gonna eat protein and you're gonna need more corn to grow it, therefore corn will grow to the roof, you know, it'll never slow down. But hey, more people are coming into the market, more people are eating protein, more people are achieving wealth in the emerging markets, yet cycles are depressed. You still have these cycles that occur because of supply and demand. Here's a question, I'm curious, so I look at the uranium space and it's in a seven year bare market, I think the market has turned, I think we're in an early bare stage now and I look at it and I look at how long it took the management teams of the large entities and the state owned entities and the public ones to respond to dramatically lowered prices with supply cuts.

Mike Alkin: In the case of uranium, they were working off of long term contracts, so even though the price of uranium was tanking down from its peak of 137, you know, stopping at every floor at 60 and 50 and 40, it was still producing more and more. Right? Because they had these higher priced contracts and they thought that things would equal out, Japan would come back online and so on and so forth, but a very delayed supply cut response and they did this to themselves. So, when you are sitting, you've been inside these companies, and you have to make decisions as to when to take supply offline, to put something on care maintenance or to stop drilling or to stop permitting and licensing, how difficult are those decision? Because, to the outside observer, you say, "Well, jeez, guys, if you just cut production it would all come back into balance," what goes on there and especially for public companies that face the pressure of if they're a cash producer how do the shareholders react if they go on care and maintenance? Or if they stop drilling?

Mike Alkin: If you're an explorer, what's the mindset within the hallowed halls of mining companies that you don't always see the responses you would expect as quickly as you would expect? Why does that happen?

Jamie Keech: That's a difficult question to answer, but I will try. Mining, from my experience, you know, it's a very specialized skillset and most people in the industry have spent their entire careers in that industry and have no intention of going somewhere else and, to be quite frank, their skillsets are very narrow for that industry. So it's hard, I think, for people in the business to see it in the outside context. It takes a very, as I said before, optimistic person who will possibly be believing that metal prices are gonna turn around, and not willing to take the short term economic hit to the company in order to preserve it for the long term. I mean, that's generally what you see.

Jamie Keech: I never personally worked with a company that has decided to cut production in anticipation of lower prices. I have seen lots of companies cut production once it is no longer economic to produce it at all, but there's never this idea, I think, that you're going to limit supply into the market. There's very rarely this idea that you're going to limit the supply into the market in order to control the price. You might see that at the very big boys, like the Glenn Corps or the BHPs or the Rio [Tintos 01:08:57] who are coordinating together to do this, but that's not something that I've previously been privy to. And you'd make the case that if they were gonna do that, they haven't been doing it very well because they certainly haven't been able to predict it. Honestly, my gut feeling is that no one company ... the market is so big and there's so many factors at play there that no one company really has the fire power or the control over the market in order to very well manipulate the price.

Jamie Keech: That is different, I would guess, in the uranium space, where it is controlled by a very few number of players who control vast portions of the market, and you don't really have that free stock market that dictates the price that you see in other industries, in other commodities, rather.

Mike Alkin: Very true. And to equate it to uranium, it's very similar to nuclear fuel buyer at a nuclear power plant, they don't really care what they pay because the price of uranium is such a small percentage of the operating cost of the plant, they just care that they pay what others are paying. For a fuel buyer who took the time to do the analysis of supply and demand and had a light bulb moment and said, "Oh, my goodness, I think uranium is gonna move a lot higher here because of these supply cuts that came," well, they're not really incented to walk into their bosses office and call a bottom, they don't benefit from that. They just need to make sure that they pay what their peers are paying. So it takes a lot, it's like moving a battleship, it takes a few of them to come into the market and realize they can't get that price and then one tip toes into it and then another one does and then it just kind of feeds off itself.

Mike Alkin: So yeah, it's the comfort in crowds. It's very similar to mutual fund managers, you know, look at what they own, they all own the same stuff and they're bench marked against each other, so yeah, it's interesting.

Jamie Keech: So much more complex, I guess, in other metal markets, right? Like if you look at copper, I mean, what are the things that copper is being used in now? I mean, it's the electrification of everything, I mean, it's so dependent on the rise and the fall of the economies in different countries, now they're predicting electric vehicles are gonna be a major demand for it, they're predicting solar installations are gonna be major demand for copper, and then there's just the general things, you know, your cell phone or your house that have been used. It's all over the world, it's so hard to get a ... I mean, does anyone ever get it right in actually predicting the demand for this stuff? I mean, coming from a technical background and a site specific background or a project specific background, you know, do people predicting metal prices hardly ever get it right?

Jamie Keech: There's so many variables that it seems to me that you can tell when it's really low and then you can bet it's gonna go higher, but exactly how high or when, I mean, it's almost a coin toss when you look at the results of the experts predicting it out there.

Mike Alkin: That's kind of why I like uranium because it really does one thing, it turns the lights on in 12 percent of the world and for a very small portion it makes bombs, but you know, if you want the lights on you've got to get the price up. So platinum is one thing, what else do you guys think is interesting?

Jamie Keech: I mentioned copper, but copper is my personal favorite for the longer term. I mean, it's been my favorite for a long time, but we're seeing a lot of catalysts in that market right now. There's a huge supply gap in terms of what the demand is gonna require over the next five to ten years. We're seeing a significant deficit there. I mean, just thinking about it off the top of my head, one of the biggest drivers for copper is going to be electric vehicles, as I mentioned before, it's going to be solar farms are predicted to be a huge driver, and the problem, not the problem, rather the opportunity with this is that a huge portion of the world's copper is produced by a relatively small number of massive mines, and these are mines that have been going on for 50 to 100 years, but the problem with this is a lot of them, the cost of production is going up and the grade is going down and it's getting deeper and more difficult to mine and we're not going to be able to make up this supply deficit from the existing mines.

Jamie Keech: So we need to find new projects that are gonna be brought online and traditionally we are able to find less and get them online effectively much less likely and much less often than we anticipate for them to do. This is, I think, creating, I don't want to say a perfect storm, but a real beneficial opportunity in copper over the next several years, to see growth there and to see a real demand, a real quantifiable demand for what we're going to need. I think Bank of Montreal just put their long term copper forecast up to 3.25, sort of to match what's been going on now, so I'm very bullish on that and it's really hard to find excellent earlier stage copper assets. It's easy to put money into the Freeports or the BHPs of the world, but if you're looking for a copper specific exploration or development stage company that has a lot of room to grow and can really leverage your capital there, they're hard to find. So that's something I've been focused on a lot lately, looking for an asset here that we can get behind.

Mike Alkin: Do the multi commodity majors treat the juniors like the gold mining majors treat the juniors where they just let them go out and do the R and D and they just go ... the R and D, the drilling and exploration and they just go buy them?

Jamie Keech: That's largely the case, although copper exploration can be very expensive, so a very common model here is that a major will come in, do a joint venture with a junior, with an explorer co, that has something, they know they've got something there, but they can't afford to finance it so the Freeports of the world will come in, they'll buy whatever it is and 15 to 20 percent of the project for X millions of dollars and they'll help fund that exploration, which gives them really the finger hole that allows them to acquire the asset further down the line when it meets the size and grade and standards that they're looking for. But yes, to answer your question, they largely depend on the junior market to do the exploration stage work.

Mike Alkin: So how do people find out about Resource Insider?

Jamie Keech: Yeah, I mean, just go to CapitalistExploits.AT, that's CapitalistExploits.AT and there's a big link on the front of our website to Resource Insider. If you plug your email in there now for our pre-launch, what you're gonna do is your gonna get information from us about exactly what Resource Insider is, what you can expect, we're gonna send you very shortly a free eBook that explains how private placement works and why we feel they really offer the best opportunity to leverage your capital in this space. Alternatively, you can find me on Twitter, which is just @ Jamie_Keech, K-E-E-C-H, and reach out to me and I'm happy to point anyone in the right direction there.

Mike Alkin: Fantastic. Jamie, I really appreciate you spending time. It was great.

Jamie Keech: Yeah, I had a great time, Mike. Thanks for calling me so early and asking me questions.

Mike Alkin: You bet. I'm glad, I want our listeners to really understand as they're trying to analyze these mining companies. I think what you shared with them was very insightful, so thank you for that.

Jamie Keech: Yeah, my pleasure. Have a good day.

Mike Alkin: You too.

Mike Alkin: I hope you enjoyed the interview with Jamie Keech, Resource Insider, he and Chris Macintosh newsletter focusing on private placement. I like talking to these guys a lot. Chris, great macro view, real good thinker. He's been on Frank's podcast, he's been on mine before, and Jamie really brings a level of expertise that I think is very good and hopefully he shared with you some of the things he looks for when he's looking at mining companies because mining can be a treacherous industry to invest in. It can be fabulously rewarding, but there's a lot of potholes out there, so hopefully he gave you a few thoughts to think about on how to avoid those. So that's it for this week, hope you have a great week and we'll be back same time next week. Thanks.

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