

ACF Equity Research Executive Interview with Silver Hammer Mining (TSXV:HAMR, OTCQB:HAMRF) The Future of Mining (Podcast 1 of 3)

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ACF Equity Research

Renas Sidahmed (Sales & Strategy / Staff Analyst): Hello. Today we are joined by Morgan Lekstrom, CEO of Silver Hammer Mining, a Canadian junior silver explorer with assets in Nevada and Idaho.

Morgan Lekstrom (CEO of Silver Hammer): Thanks for having me on.

Renas Sidahmed (Sales & Strategy / Staff Analyst): Thank you for joining us. Morgan, what do you think is going to drive the future of mining?

Morgan Lekstrom (CEO of Silver Hammer): I think the green revolution is a really big part of that, but one of the things I think people just forget about all the time is it's a requirement. I mean, you want to advance civilization, you want to keep that economic growth, technology growth.

You require copper, silver, lead, zinc. You require the base metals. You require uranium for energy nowadays, as you see that boom happening and it's important. You know, one of the big parts of what we're doing in Nevada and Idaho, we're trying to bring awareness to people saying like, hey, we're still here and we're kind of an integral part of anything.

I mean, how you're viewed. I live in a big city right now in Vancouver and a lot of my friends aren't in the industry and I talk to them about mining and it's just shoo... They're like, what do you mean? Like crypto mining? I'm like, no, like, you know, physically with a shovel in the ground.

And they're like, that still happens. And I'm like, you are some of the smartest people I know. How do you not know this is a requirement?

Renas Sidahmed (Sales & Strategy / Staff Analyst): Given your background, are there specific tools that have carried over for you that contribute to your vision of innovation for the future of the mining industry?

Morgan Lekstrom (CEO of Silver Hammer): So my background is strongly in the electrical and technology sector mainly with automation. So I'm very highly apt to look at how we integrate automation into the process.

I've been a part of a few large mining and non mining projects. And we've integrated the high grades of technology into it, reduced requirements for work force interaction, you know, reduced that manual labor component by adding new technology.

I really like that I have this vision in my head. In the future, the tech sector is actually going to look at us and be like, oh man, we need to get in that sector and start controlling our supply chain as well as bring some of this innovation to us. And I think we're right on the cusp of that right now.

Christopher Nicholson (Head of Research / MD): I think that's really interesting. I'd just like to kind of draw you out if I can Morgan. In terms of fully implementing technology and innovation, do you think that will also support the sector as well as improve your valuation?

Morgan Lekstrom (CEO of Silver Hammer): Integrating technology doesn't just start with automation or stop with automation. It starts with electrification. You look at companies like Kirkland Lake, they electrified most of their mines. What that means is like their underground mining equipment is electrically, hydraulic driven.

When you look at that type of technology advancements, it fits perfect to the ESG side of the things. You make a technology green, put it into a mine, you're kind of making the mine green. You're going to see, I think in the next five to 10 years, a huge, what I call the technology leap you saw in the 2000s in the .com bubble.

A lot of mines now are looking underground, so less environmental footprint. There's a lot of new technology coming around tailings and how to manage tailings and how to reuse them.

Christopher Nicholson (Head of Research / MD): That's really interesting. How are we going to get the next generation into mining? I know we've discussed in the past what the challenges are for that sort of thing. What do you think the answer is to that?

Morgan Lekstrom (CEO of Silver Hammer): Everyone saw these exponential growth stocks like Bitcoin. Everyone's leaping into technology. The valuations are out of this world compared to what they actually produce and it's all like this high flying, we're going to do this, but we've only done this, but our valuations are to the moon. Right. I think getting the generation that's coming up to understand that that may be just a bubble.

There are great paying jobs in the mining sector. There is flexibility and intelligent people in this industry and you can make a lot of money in it. Great Bear Resources just got bought out for \$29 a share.

You want to look at a multiple, look at a company like that. There is potential in this industry to have those huge gains. Silver is 50% an industrial commodity and expected to be near 70% by 2030.

That should tell you that, hey, there's going to be a deficit in it and there's also going to be a shortage of miners out there because there is a generational gap right now. I'm 37 and I'm the CEO of a mining company. I do have a lot of previous boots on the ground mining experience, but I'm looking at our industry and there's not a lot of young people gapping with the 60+ year old generation.

There's a lot of really up and coming people, but there's not like it used to be back in the day where everyone and their dog was in mining and, you know, you could make six figures. You can still do that easily, but there is no one interested in it because we're not doing a great job of going to universities, talking to our youth, going to the schools.

And really, I'm a firm believer that that investment in the youth, it doesn't start at university. It starts at like elementary school, middle school, high school. It's like bringing interest, bringing awareness, given that whole, oh, that's cool effect.

Renas Sidahmed (Sales & Strategy / Staff Analyst): Thank you so much Morgan, for a very interesting podcast and providing your insights.

Morgan Lekstrom (CEO of Silver Hammer): I appreciate it, guys. Thank you so much.