

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

Tuesday, 26 July 2022
ACF Equity Research
Choose Author

Renas Sidahmed (Sales & Strategy / Staff Analyst): Welcome to part three of our Morgan Lekstrom Silver Hammer Executive Interview. Today we are discussing what makes HAMR stand out to investors and makes for a great investment case.

Welcome back Morgan.

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

Christopher Nicholson (Head of Research / MD): Morgan, what's the plan for the company to showcase all these great things to investors?

Morgan Lekstrom (CEO of Silver Hammer): As a mine builder, my plan is to build a mining company.

To expand these resources that we have on all three of our projects and come up with a meaningful mining method and eventually start mining. That's the long game of it all. I'd like to do that in a very short term.

That's a pretty good timeline. This is what I think showcases us to investors is we're able to progress our projects in a lot shorter time period than a lot of other companies, because we're not waiting two years for permits. Because we're trying to work with regulators and actually kind of mould it together and not just go against the grain.

The regulators, they're understaffed. They're seeing again a labour shortage. So, you got to be understanding of it. But if you can make it and design, a technology to fit within the rules, it gives them many reasons to not turn it down.

Christopher Nicholson (Head of Research / MD): That's a key strategy for Silver Hammer then, to work with those regulating bodies and give them the technologies they're looking for.

Morgan Lekstrom (CEO of Silver Hammer): That's one of our three pillars of how we're doing things. The technology, environmental side, working with the regulator side and strong governance on our corporate side. Adding the right people in at the right positions.

We didn't go out and just expand our board massively right away. We brought in very meaningful technical people on the board and into our teams. Our approach isn't a shotgun approach. It's a fast-moving target and we're advancing really quickly for a company that really has not even been running a year yet. And I plan on that trajectory to continue.

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

Morgan Lekstrom (CEO of Silver Hammer): Everyone saw these exponential growth stocks like Bitcoin. So 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. But there are great paying jobs in the mining sector. There is flexibility. There are very 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 plus 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 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 is it doesn't start at university it starts at 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): Morgan, you've given us some good insights on how the industry can overcome some of these challenges that you've mentioned. In regards to Silver Hammer itself, what would you say is the problem that you are solving?

Morgan Lekstrom (CEO of Silver Hammer): Being that we're a silver company we're forward looking we're looking ahead to, what are the requirements for solar? What are the requirements with tech? What are the requirements for potential copper? I mean, one of our sites has been showing significant potential for copper as well as silver.

As a company we think we're at the right stage with the right projects to put them into production in the future and meet that growing need for silver, but also having great by-products like lead, zinc and potentially copper positions us to be a part of the green revolution, which we're going through this tumultuous time in the markets, but there is still this trajectory, right. We still need to meet the climate issue. We still need to meet the green revolution that we've started.

Christopher Nicholson (Head of Research / MD): What would investors be excited about in the Silver Hammer opportunity in your view?

Morgan Lekstrom (CEO of Silver Hammer): Given that we're only a year old we've come a long way. I mean, we picked up three super strong assets, one in Idaho and two Nevada and we're exploring those. When you look at a general exploration company, they talk about we're going to drill this and we're going to do that and kind of staging your results.

And as someone that really isn't familiar with mining, I would say what you look for in an opportunity is a strong management team, people that have done it before I've built mines before, our management team has many large projects that have turned into mines. We have a great capital markets team.

But also when you look at the results, we're trying to get them to a point where people understand them, right. We're trying to show there is a potential and Silver Hammer not only has one shot on goal we have three high potential, low risk projects and when you're looking at a company, you look at jurisdictional risk.

You look areas, political, geopolitical risk. And being in Nevada, it's one of the top-rated mining jurisdictions in the world. Same with Idaho. It gives you that leg up in my opinion.

You're seeing that with the energy industry, you're going to see that with commodities in very short order. That reverse globalization that's happening. I think it's going to position Silver Hammer very well to be a leading mining company and that's what I'm looking to build.

Renas Sidahmed (Sales & Strategy / Staff Analyst): So what would you say makes you different from your peers?

Morgan Lekstrom (CEO of Silver Hammer): I think what's significantly different for us our approach with the low impact is drilling, our approach with a diversified team in the sense of we're not just geologists or we're not just miners, others are not only these capital markets IR guys. We have Phil Mulholland in the background who is an exceptional well-positioned geologist in the area. Ron Burke who has found many large projects has been the VP for some significantly sized silver companies. It's a very tight-knit group. We make decisions and we accelerate them. We don't just sit around.

And that's one thing I'm very proud of. We make a decision. We move forward. We action it. We tell the market about it and it's very bing, bing, bing versus long drawn-out course of action.

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.