

# HONEY BADGER SILVER: NOT YOUR AVERAGE SILVER MINING INVESTMENT

By Ted J. Butler

**W**hilst it may sound counter-intuitive at first, **Honey Badger Silver (TSX-V:TUF)** is not a mining company. Instead, it is best viewed as an “actively managed silver ETF”, which aims to leverage silver ounces in the ground, along with cash flows from streams and royalties, to provide investors with diversified exposure to silver price upside.

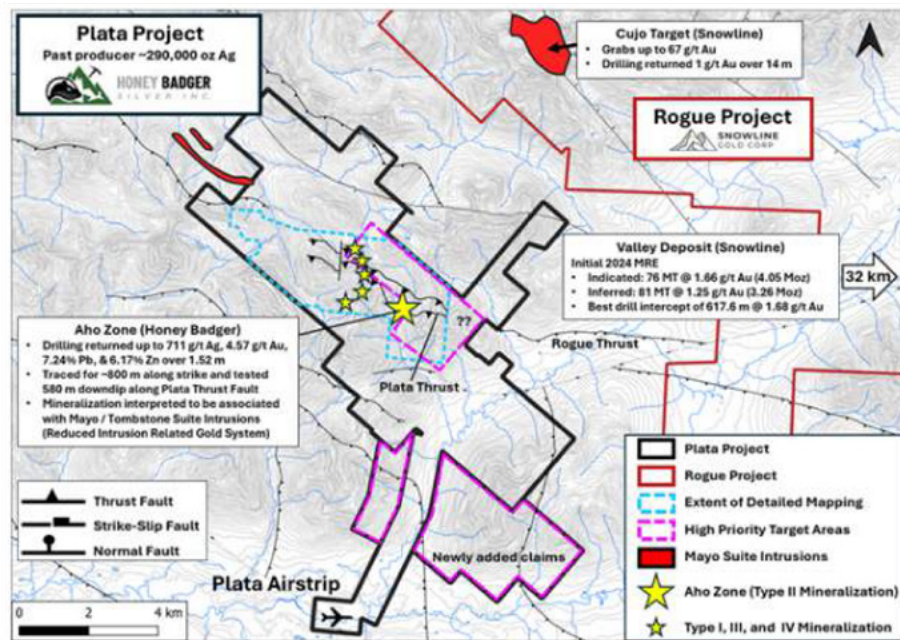
Naturally, Honey Badger sees the potential for district-scale, high-grade silver deposits analogous to Hecla’s Keno Hill. At the same time, the company notes *“strong indications of a potential large gold system”* akin to its neighbour, Snowline Gold, and has therefore identified 32 “highly prospective” drill-ready targets at Plata. Staying in the Yukon, Honey Badger’s “Clear Lake” property, located 225km north of Whitehorse, possesses a

holds an estimated 4.5 Moz of silver, and is located near Glencore’s Hackett River Project – a globally significant undeveloped silver resource.

Last but not least, the company’s “Nanisivik” property – also located in Nunavut – is a historic silver production site, which previously yielded over 20 Moz of silver. As such, exploration continues for unmined resources with high silver potential within the 100+ million tons of massive sulphide that remains unmanned on the property.

In total, these projects are estimated by Honey Badger to contain as much as 150 million ounces of silver equivalent. Excluding its highly prospective Plata property, this means that Honey Badger currently trades at \$0.23 EV per ounce of silver - a significant discount to the peer average of \$1.68 EV/ounce Ag.

With time, Honey Badger intends to use this undervaluation to its shareholders advantage, delivering cash flow via exposure to silver royalties and streams. For now, however, the company is strategically leveraging AI and its experienced geologists, as it analyses which project will provide the highest value in terms of dollar spent.



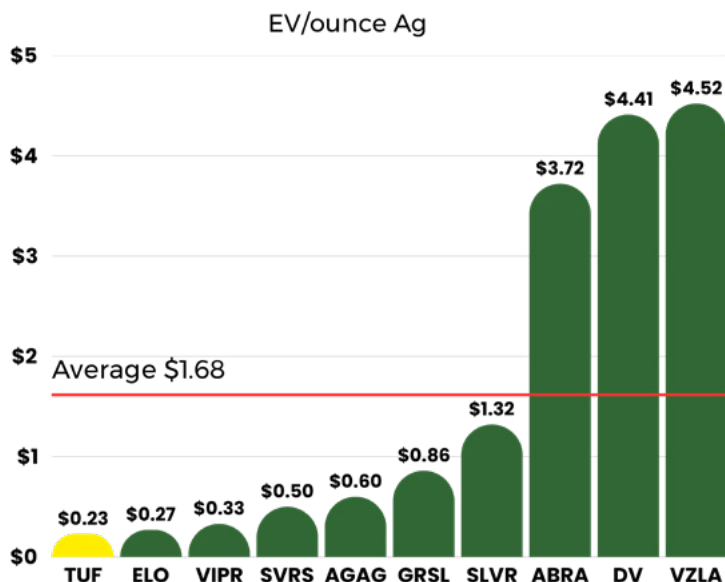
Admittedly, the company is at an early stage of its development, with a market capitalisation just under \$10 million. That said, Honey Badger’s management team is already rolling out an innovative strategy to unlock value for shareholders – one that is rooted in an all-Canadian portfolio of seven 100% owned silver projects.

Starting in the Yukon along the Tombstone Gold Belt, the company’s “Plata” project was a past producing mine to the tune of 290,000 oz Ag. In fact, with grab samples up to 19,334 gpt Ag, and an airstrip on-site, silver grades at surface were so high at Plata that ore was directly transported by airplane to Idaho for treatment.

historical inferred resource of 5.5 Moz of silver, 1.3Blbs of zinc, and 185Mlbs of lead. Meanwhile, its “Hy” and “Groundhog” projects are also located in the Yukon, with trenching returning up to 684 g/t silver for the latter.

Moving across to the Northwestern Territories, Honey Badger’s “Sunrise Lake” is a VMS deposit with a historic indicated resource of 12.6 Moz of silver. Whereas, its “Yava” project in Nunavut





**“We would rather spend a lot of money defining targets. I know the market might not like this and I know it’s not sexy. But for us as a company, I’d much rather do that especially in this market**

**context, which may not even recognise us for results at this point. Right now, we are prioritising where we are going to drill.”**

Chad Williams, Executive Chairman & Interim CEO, Honey Badger Silver

By patiently hanging fire in this manner, Honey Badger is not embarking on a drilling campaign prematurely, thereby abstaining from an unnecessary \$1 million+ expenditure. In doing so, the company is proving itself as a trustworthy shepherd of shareholder capital, as it sensibly awaits for a material rise from the silver price.

Incidentally, this “champagne taste, beer budget” ethos also translates to the company balance sheet. Headed up by \$500,000 in cash, the company’s annual obligations are expected to be a relatively meagre \$65,000 – a noticeably low burn rate, which can be owed to the exceedingly low holdings costs at Honey Badger’s projects.

*“While everybody else in the silver market has been dormant for the last 3 or 4 years, we have been highly active, aggregating a portfolio of silver assets. And it doesn’t cost as much. It’s almost like a free option on these assets. It’s not like we have to earn in – we already own them. We don’t have to spend money on these assets. They’re ours.”* Chad Williams, Executive Chairman & Interim CEO, Honey Badger Silver



**Honey Badger Silver** is a premier silver-focused growth company. Based in Toronto, Ontario, the **Company** is focused on the development, and integration of accretive transactions of silver ounces.

**Honey Badger** is led by a highly experienced leadership and technical team with a track record of value creation. The Company has a significant land position in the Yukon and Northwest Territories and is evaluating projects in other favorable jurisdictions.

**Honey Badger** is positioned to be a top tier silver company.

**TSX-V:TUF**

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## HIGH VALUE / HIGH GROWTH SILVER COMPANY





Living and breathing this cost discipline, Williams reinvests \$2 into the company for every \$1 of after-tax salary. A former CEO of Victoria Gold and Head of Mining Investment Banking at Blackmont, he also helped discover major deposits like El Peñón and Arequipa as an analyst, and was even an architect of the streaming model.

**“Even though (Bob Quartermain) had 1 Boz of silver reserves, many institutions wouldn’t invest because he didn’t have cash flow or silver revenue. So, I went to see Ian Telfer who was at Wheaton River and said: ‘I’ll sell your silver to Bob’. That became streaming and we’re going to try and do something very similar.”**

Chad Williams, Executive Chairman & Interim CEO, Honey Badger Silver

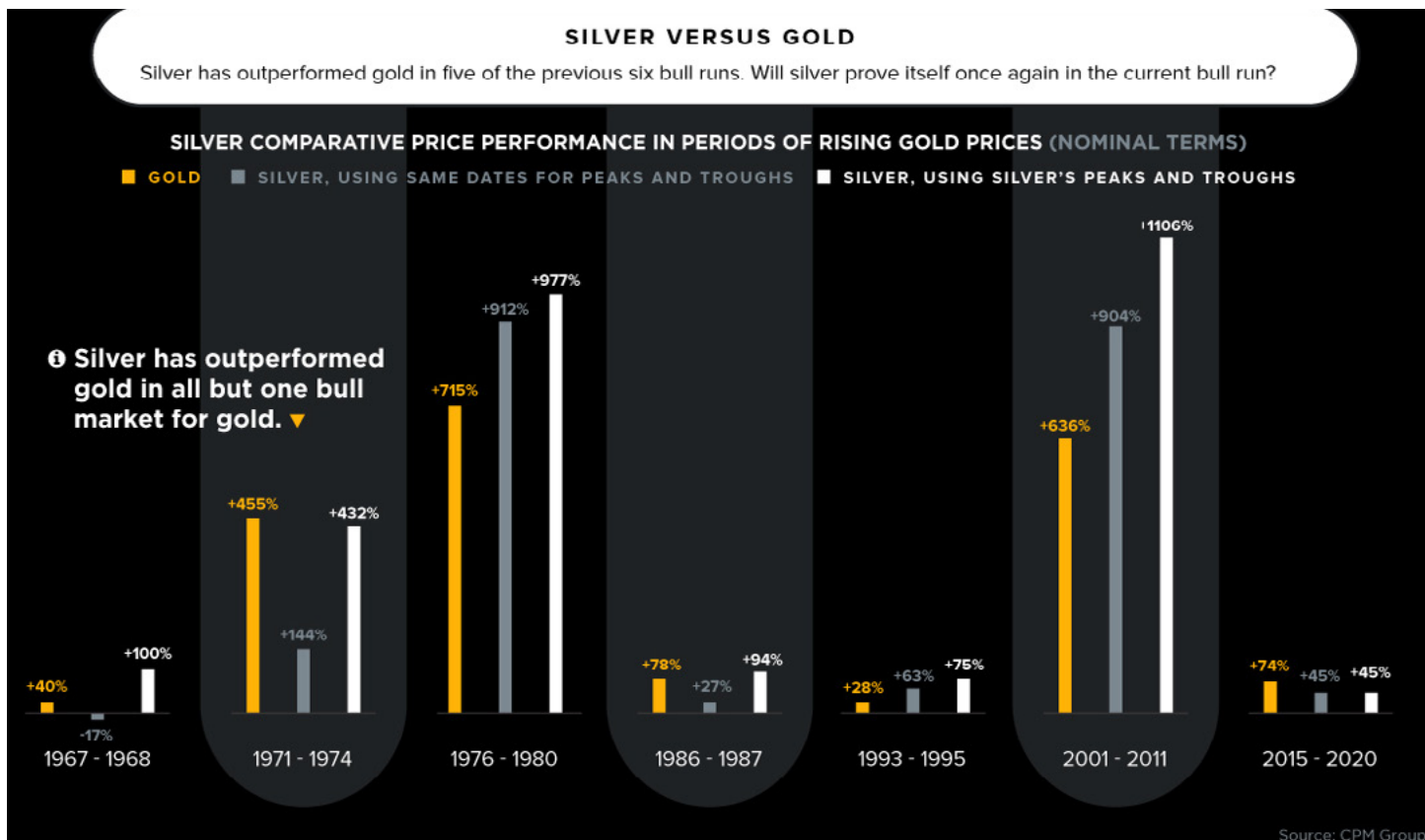


As mentioned, the streaming aspect of Honey Badger’s strategy will come further down the line. However, this doesn’t change the fact that Williams’ commitment to the company is unquestionable. Namely, he holds a 27% stake in Honey Badger, which has approximately 80 million shares outstanding, excluding options and warrants.

Not to mention, Williams is joined by Eric Sprott, who owns a 3% share in Honey Badger. A precious metals industry Billionaire, Sprott’s \$250-

500 silver price prediction exceeds Honey Badger’s more conservative \$100 target. Although, even if silver only reaches \$65, it would still mark a double from the current price of \$32.50.

Therefore, whilst there is no guarantee that the silver price will awake from its stagnating slumber, the white metal has a historical tendency to outperform gold in 6 of its last 7 bull markets up to 2011. As such, betting against silver – **and the notoriously tenacious Honey Badger** – could prove to be a missed opportunity.



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