

OTC Markets

Joining us today, we have Drew Clark, CEO and President of Summit Royalties, which trades on the OTCQB under the ticker SUMMF. Welcome, Drew.

Drew Clark

Thanks for having me.

OTC Markets

Absolutely. So Drew, just to get started, I always like to start our podcast, our episode with telling our listeners a little bit about yourself, your connection with Summit Royalties, and you know while you're at it, maybe an overview of the of the company and its course strategy.

Drew Clark

Okay. Well, I can start with me and my involvement in the company. I'm the founder of the business, which is relatively new, but a bit about my background, my career has had sort of two phases to it. In the 20 years, I've done it about 10 years on the sell side as an analyst, as an investment banker. And then about 10 years of my career has been on the issuer side, predominantly running or being part of a royalty business. I have a CFA, I have a BCom from McGill, but you know that that kind of ties in with who I am. What was the second question you're asking about the company itself?

OTC Markets

Yeah, the company itself, you know an overview of the company and its strategy.

Drew Clark

Okay, so very simply, we started the company a little over a year ago, and the strategy of the company is to employ the best method possible to get exposure to precious metals, which is the royalty model. We've achieved that and, you know, a very short amount of time through a series of about three transactions. We've gone from, you know, zero assets this time last year to 47. We went from a private company to a cash flowing business today that's publicly traded on the OTC, as I'm sure you're well aware.

OTC Markets

All right. Thank you. And so, I guess diving a little bit deeper into your portfolio. Can you tell us about your portfolio, where the assets are located, how the royalty

model works, and where you see the most near-term value creation?

Drew Clark

Okay, so the royalty model, we'll start there because that's probably the easiest thing just to preface the assets themselves. Royalties are passive contracts on mines. And when they go into production, when they get expanded, when they get bigger, there's no ongoing cost for you as a royalty holder. So, they're beautiful financial instruments. And they typically traded a in the market as a result of that. It provides investors with leverage to the gold or silver price, the underlying commodity price, and you know there's royalties on all kinds of different commodities. And when you aggregate these together in a company, they typically trade at a premium. Most of our peers do. So that's kind of the preface of how we built the business. In terms of the assets under consideration, there's 47 assets in the portfolio. So, I probably won't have time today to go through all of those.

OTC Markets

Thank you.

Drew Clark

But let's talk about sort of the five that I think drive the most value today and are probably the most talked about when I talk to institutions and investors. We have a royalty on Madson. We have a 1% royalty on an asset called Madsen that's run by Western Lake Gold Mines. It is a high-grade underground gold mine in Canada. They're expecting to do about 50,000 ounces of production this year. Once again, going back royalty model, we get 500 gold ounces out of that asset. We also have a silver stream on an asset called Bombore that's being run by Orzone. Orzone is a \$2 billion dollars company. They've been very successfully expanding that mine. We have a passive silver stream on their gold mine that pays us a minimum of 37,500 ounces of silver annually at no ongoing cost to shareholders. We also have a royalty on Pitengi, which is a satellite deposit for an asset run by Jaguar in Brazil. That's going into development this year. It's going to start producing next year. We get 80 bucks an ounce for the first quarter million ounces, and then it's a one and a half percent thereafter. And then lastly, we have an operating of another operating royalty on Zancudo. It's doing a small direct shipping ore operation right now, but we got a half percent of whatever they make once they ramp up, which is going to be later this year when they install 1000 ton per day mill. So those sort of four assets make up sort of the nucleus of what we have today. And then we have a long-dated option or not long-dated option, a long-dated royalty. on an asset called Ormac, which is nearly 8 million ounces in

the Yukon. They're putting out a new mineral resource estimate and a preliminary economic assessment later this year. We think that is going to drive a lot of value in our shares because when they articulate to the market what the economics are of that asset, we see that as a meaningful catalyst in the company.

OTC Markets

So, Drew, I got a I got two questions for you as more from the investor side of things as I'm listening in. My first question being, you know, you mentioned a few companies that you work with or that you have assets in Westrick West Red Lake gold mines being one of them, which I'm fairly certain trades on the OTC markets as well. My question is, why would an investor want to invest in a royalty company versus just investing in West Red Lake on their own?

Drew Clark

Oh, there's a bunch of reasons why, but I'll go through some of the more pressing matters or pressing reasons from my perspective. The first one is already a diversified company. It's already cash flow positive. We do have we have absolutely no operating or capital costs ever afforded to us in this in this royalty model that we have. So that's probably the easiest answer. It's simple. It's diversified and it's cash flow positive. And when I talk about the diversification, if West Red Lake, for example, were to have a mishap at the mine, this business still survives. It does there's no layoffs. There's nothing that's going to happen. Sure, it may be reflected in our share price, but ultimately, this is the safest way to get exposure to precious metals, absent probably buying a gold bar and burying your backyard.

OTC Markets

Okay. And I guess more longer term now, still on the investor side, what should investors be looking at in the next 12 to 24 months for Summit royalties? And that could include acquisitions, partnerships, or expanding your commodity exposure.

Drew Clark

Well, the short answer is, let's just talk about what the portfolio is going to do for us, which is very simple. Madsen's just declared commercial production. They're putting it an updated preliminary feasibility study later this year. This guy outlined probably a longer mine life at Bambori, there's an ongoing expansion happening the mine. All of these things expanding, by the way, um, expand our revenue, uh, profile, the PA and ORMAC we talked about earlier. Uh, we think that's really

going to be the biggest catalyst of, uh, all of our assets this year. And then, you know, Pitting is going to start development and I don't think there'll be much excitement out of the mine in the sense that, you know, they've almost got a million ounces in in the inventory right now, but, um, then just starting construction with production starting next year is going to be a huge, um, catalyst for us. So those are sort of the things that are going to happen on the asset side. On the corporate side, I mean, we've been trading for just over three months now. We'll have some research coverage coming out of Bay Street here in Toronto. We're going to have you know ongoing marketing initiatives, doing podcasts with groups like yourself, first for example. But we are going to keep adding accretive deals to the portfolio whenever we can. Now, I can't speak about what those are. And obviously, you can appreciate that. But once a royalty business is created like this, the ability to grow the per share value with every transaction is something that, that, you know, you can evaluate me and my management team on when, when we keep up on rolling that. So, you're going to see increased revenue through these assets ramping up. You're going to see more creative deals, I guess is the short answer.

OTC Markets

All right. And going along with that a little bit, you just touched on it briefly, but what is trading on OTCQB mean for you? And I guess what's your U.S. investor strategy looking like? Any plans to do some in-person conferences here? We have our own, which I hope that Summit participates in at some point, but we'd love to hear from you.

Drew Clark

Well, look, we'd love an invite and be coming in, but we actually had some initiatives that we were starting to out roll out, and we were actually informed. And this is a bit of a you know sales piece for you guys. We were actually informed that until you have that OTC listing, there's no point coming down. Americans prefer to buy things in US dollars and on an exchange they understand. We believe that the royalty model in general is a generalist product. It is not a mining fund-specific asset. Not to say we don't have many institutions that that write checks for mining companies. So we're going to aggressively target the U.S. retail market you know as soon as next month.

OTC Markets

Sounds great, Drew. I'm looking forward to hearing more. Drew, just to kind of end it here. If investors or anyone's interested in learning more, what's the best way to get in contact with you and or Summit Royalties?

Drew Clark

I guess the website would be the easiest way to get through it. Or you can email me at drew@summit-royalties.com.

OTC Markets

Drew. Listen, again, thank you very much. We had Drew Clark, CEO and president of Summit Royalties, which trades on the OTCQB venture market and under the ticker S-U-M-M-F. Thanks, Drew.

Drew Clark

Thanks a lot.

**This is an autogenerated transcript and may contain typos.*