

THE KNOWLEDGE PROJECT #49

Brent Gilchrist



My guest today is former professional hockey player Brent Gilchrist. Brent spent 15 years in the NHL, playing 792 games with the Montreal Canadiens, Edmonton Oilers, Dallas Stars, Detroit Red Wings, and Nashville Predators. He won a Stanley Cup with the Red Wings in 1998.

In his post-playing career, he has become a mining executive with JDS Energy & Mining. In this conversation, we explore what it's like to play in the NHL, and the habits that allowed him to have such a long playing career. We talk about the difference between good coaches and bad coaches. We also talk about how he transitioned from hockey to investing, and then venture capital and mining. Let's get started.

#ListenAndLearn

Shane Parrish: Take me to the Stanley Cup final. You're a professional hockey player at this point. This is before we get into mining and post-playing career. What is that like?

Brent Gilchrist: I was fortunate enough to play in two Stanley Cup finals, and...fortunate and probably misled a little bit. My first year in the NHL I played with the Montreal Canadiens, and we had a great team. We finished second that year in the standings, and in 1989, we ended up playing the Calgary Flames in the Stanley Cup final. And we lost in six games, obviously really devastating, but as a 21-year-old kid, to play in a Stanley Cup final your first year...

And one story I remember — after we eliminated Philadelphia in the Spectrum in the conference final, I remember sitting next to Bob Gainey on the bus ride from the Spectrum to the airport. And he said to me, “You know, when you get here, when you have a kick at the can, you have to win it, because you never know when you're gonna be back.” And as a 21-year-old with no experience, I thought well—

This is easy.

And I also thought Bob was 36 or 37. He was our captain, but I think we all knew that Bob was probably going to retire that year or the next year, and I thought to myself, “Well you're probably not gonna be back here, but I will be. This seems like we're the best team in the league, or close to it.”

Well, that was a rude awakening, that it took me 10 years as a player to get to the finals with a completely different team, and I had a few stops in between. And getting back to the finals with Detroit, it was not bittersweet for me, but I played most of the playoffs seriously injured, and so the finals was not in my cards. I was not going to be able to play in the finals. I played the last game against Dallas, the team that I had just left, and we beat them in six, which was a great series. They were a great team.

So for me on a personal standpoint outside the team, there was a lot of risk in moving from Dallas to Detroit—which, Dallas, we had a real strong team. And then of course, as the chips would fall, here I am playing against them in the conference final. So we eliminated them, but I was unable to continue, so I didn't play the last four games.

I think I read something, maybe it was a Steve Yzerman interview, where he said that he's never seen somebody go through as much pain as you were in playing.

Well I think Steve being the person he is and the friend he is, it obviously meant a lot for him to say that, but he actually has done the same himself in a couple different playoff seasons. I watched him do it. But it was great of him to say that. He's a great person, obviously a great player, and a great captain. But yeah, that was great to hear him say that. He said it publicly many times, and some of the other players on our team said that, because it was very hush-hush during the playoffs obviously, and it was an experience that I look back on and boy, I'm not tough enough anymore to take that sort of pain. But as a player, and—

In the moment ...

In the moment, I did not think one minute about that. It's just what you did, and today I'm just a big wimp. I don't want to go anywhere near the pain that we used to go through.

You said he was a great captain. What's the role of an NHL captain of a team?

Yeah, so it's a very different part of leadership than I face today, as a leader in business, and working with other leaders and decision makers. The captain of a hockey team, typically they're your best player, not always. I think we have a hard time. Society always wants leadership, in business and sports, we want to talk about leaders. And we talk about the characteristics they have, and for sure there's a truth to that. But in hockey, the captain's not making decisions. So he's not the leader of the team. He may be the emotional leader or the best player leader on the ice and in the locker room, but he's beyond the leadership of decisionmaking, which I think as I learned in business, everything about leadership is decisionmaking.

And I think two things that I would say about...one thing I would say about an NHL captain or a leader in business, we just can't seem to put our finger exactly on what a leader should do or look like, or his characteristics or her—but what I will say is a great leader, people follow.

Why they do that? Charisma, the way they lead by example. I think one thing for me, a leader is believable. Do you believe them? When people believe a leader, they follow. And that's the best way I can describe it. In hockey, the captain has to be believable. He has to lead by example. He has to do the things that...the sacrifice that every player's expected, or even to a higher degree. But also, they have to be great teammates. And I think we missed that—that being on an NHL hockey team, you're the leader, but the reason you're the leader is you might be the best teammate. You might be such a great team player and care about not just the wins and losses, the goals and assists, but the other players on the team.

And I think that's really it. We just missed it. A great leader in hockey is a great teammate.

Who picks the leader? Is the GM, the coach, the players? I don't even know how that's selected. Is it written in contracts?

Yeah, so it's absolutely—I don't think there's any rules. Playing 15 years in the NHL, I voted for my captain once. One time that happened. When Bob Gainey retired from the Montreal Canadiens, the next season here we were. We were a great team.

We had just lost in the finals. And here we were—not rudderless, but this was a big hole, because Bob Gainey was this iconic captain of a team that was a dynasty. Won one cup in the '80s, we lost a cup in '89, and you're going to replace somebody that was, for us as young players, just working on a different level, and someone we watched as real young kids.

So we voted for the captain. Serge Savard was our general manager, who was one of the best hockey men and people that I ever worked with, just so well-respected, just a great person. And he came in the locker room and said, "We're going to vote for the captain." And so we voted, and the first round came out, and I think there was only three candidates. There might have been four, but I remember Chris Chelios and Guy Carbonneau, and I think Brian Skrudland got a few votes. And there might have been one more, but I'm not too sure.

But the fact was that Guy Carbonneau and Chris Chelios tied, and so okay, that was a tie, that's fine. Now we throw everybody out and we said, "Okay, sirs—"

Just between those two.

Between these two guys who had the most votes. We voted again, and they tied. And so I was like, "Wow, what's Serge gonna do?" And he made a very quick decision. He said, "Okay, we're gonna have two captains," and that was it. So one wore the C one game, and I think they just switched on and off, I can't remember how we did it. And he made a fast decision, which was interesting, I think. Serge was a great leader of that organization, and I think his decision was good because it wouldn't create any controversy.

And there was no question amongst the players. There was no rivalry between French and English players, but certainly in the Montreal media there was always a rivalry. And if a French player—I think the way we felt as English players anyway, if a French player was as good as you, he was probably going to get the spot. From a media standpoint, not a Serge Savard or Pat Burns standpoint. But they were always looking for a bias to French-Canadian players, which is fine. It never affected us as players.

A follow-up on that is at the time, you had Patrick Roy on the team as well, who's probably the best goalie in the NHL. Why are goalies never team captains?

Well, we had one instance of it in Vancouver. Roberto Luongo was the captain for a couple years. I think in the past there has been some—and I'm going to mess up my history—but I want to say like George Vesner or something was the captain.

It's pretty rare though.

Very rare, and it hasn't happened other than Roberto for probably 50, 60, 70 years. I'm not too sure, I'd have to look that up. But I think from the standpoint that I look at it, I'm not sure that the rest of the hockey world would think that, but the goalie has this position that's unique. Everybody says they're weird, and sometimes they are and sometimes they're not. But there's a solitude to their position that's somewhat different than the rest of the players, not that they're not part of the team, but their position has some solitude to it. And we sort of all as players and coaches, and I think management—I think you try to leave your goalie alone a little more than you do other players, from their preparation and their work.

They have many coaches now. It wasn't so much like that when I played, there was a goalie coach but he wasn't maybe so as involved. So I think they have a position that they have enough to deal with, and you sort of just let them. It's a big mental game, and they have a solitude, like I said before. So I think we leave them alone, and I think to put the captaincy on somebody in that position adds another layer that may.... You don't want anything to affect your goalie's preparation and mental ability, and you want them thinking about one thing, stopping the puck. And if you overlay the leadership of the team, I think it could be a problem.

I would say that Patrick was one that could handle that. Great leader, great guy, great player, and so competitive. Just even shooting on Patrick in practice, it was a competition. You didn't come down and just shoot, you really tried to score, because you knew he would not want you to score a goal in practice.

And was that different from other teams you played on?

You know, I think everybody's competitive, and the goalies are super-competitive, but I just saw other goalies preparing. If they were practicing, they were practicing some things, and they weren't going to kill themselves to stop a puck in practice. I don't say that it's right or wrong. A practice is a practice. I just remember that when Patrick was in the net during warmup or practice, he really was focused on stopping the puck, and he was real competitive. It was a lot of fun. But he wasn't overdone or nasty about it, he just was really competitive.

To the outside world, it often seems like you're living the dream, right? You're a professional hockey player, you get paid to play hockey... what behind the scenes don't we see in terms of preparation? Is it a full year-round job? Is it a 9-to-5 on a daily basis? Are you just going for a morning warmup? Walk me through a little bit of what goes into how you excel and how you become a professional hockey player.

Yeah, so I don't have the secret, and I don't think any of us do. As a kid, all I wanted to do was play hockey, and I think my teammates and my colleagues were probably very similar to me. More Canadians as I came up in the league, and now as my career progressed, obviously lots of Europeans, lots of Russians, all the best players in the world, the league just kept getting better. So what fans don't see—I think you can be fairly typical on what they don't see. The travel's tough, the toll on your body, how hard it is every day.

And probably what one doesn't think about as much is just the stress and the emotional toll. And so, it's very, very competitive. The league is competitive, but also your team is very competitive. So you're fighting for your job every day. Maybe not the superstars or maybe not—In sort of the prime of your career you're not thinking about that as much. But when you're younger and older, you're trying to keep your job, and that is a daily exercise that you have to work very hard at. And you're always trying to play your best.

As players, I think that we all think of ourselves as the best game we've ever played or the best season we've ever played, that's how good we are, that's the standard. And that's how good I was.

But you don't couple it all up with the bad season, the bad games. It's always a struggle to play at your best. And I think the best players in the game, the best players in the world, and historically the Hall of Famers, I don't think their skills are that much better than everybody else. They are better in circumstances, sure—they may be faster, better shots, or better puck handlers—but I think it's their ability to achieve the highest level of their abilities consistently.

And that's the hardest thing to do, the competitiveness of playing your best as well as you can, and you just can't maintain it. I think that's a lot of times the difference between the great, great players, is they maintain their highest level at a very consistent basis, and the rest of us struggle to do that.

You know, we all grew up being the best players on our team or in our community, and the air gets thinner up there. But it's great, it's such a great life. You look back, and I don't think about the things that were really hard, the injuries, and sometimes the stress of being a player and trying to maintain your position, and the travel. I really don't think back like that. I think of how great it was to live that life and play the game.

How hard is it to go from being the best player on every team you've probably played on, to the NHL where you might have to accept a role that's what you've never done before, in order to make the team, or in order to contribute?

Yeah, I don't know that that it was tough. I think it was a progression. And I don't know if acceptance is the right word, but when I came up in Montreal, I was not a regular player my rookie season. I think I played 49 games, and you're always trying to get in the lineup. I don't think it was difficult. I think you're fighting so hard to find that position and find that role. I think that's more what it is. Pat Burns was my coach, and he coached me the year before in the American League. And all of a sudden, when I realized I might not be a centerman in the NHL, and I was always a centerman. I never played anything else as a kid. When you were really young, you played other positions, but always played center.

So all of a sudden, I found myself on the left wing. I thought, "Well, this is interesting." And then I found myself on the right wing, and

I would bounce back and forth between center, right wing, and left wing, and what I didn't realize—it was going to be such a blessing for me that we had four incredible centers in Montreal in the late '80s. It was going to be tough for me to play center regularly. But when somebody was hurt, I typically got the chance to play center.

So what the blessing was, is I became a player that could play all three positions. I'm not saying that guys can't, but maybe in those days it was a little more structured, and I almost had a utility to my game that helped me play a long career. Playing 15 years is not easy at my size, and my offensive output was not always stellar. So you're right, you find that role, and my role actually was not singular. I was able to play power play through my career, more penalty killing, lots of times in a defensive role. But other times, I got the opportunity to play on a more offensive line. And being able to play those three positions without really any difference to my game helped me a lot. So that was a blessing.

The versatility makes it harder to get rid of you in a way, right?

Yeah, absolutely. I mean, I think that you can be plugged in, and there's always the intangibles.

How does that affect your mind though? Like do you come into that going, "I'm a center iceman, and now they're asking me to do something I'm not, and I'm not gonna be at my best?"

Again, I don't think I rationalized it, or really gave many thoughts about it.

Just put your head down and go to work.

Yeah, just like, "Okay, I'm in the lineup tonight, that's number one. Okay, I'm playing left wing." On that team, there wasn't a bad position to be in. If you got in the lineup, every player around you, for me at that point, certainly was, "Wow, this player's fantastic. That player's fantastic." And we had a very deep team, so all our lines were very good. We may have lines that were scoring or more defensive, but all the players, they were great players.

What's the wear and tear on the body? What'd they play, 80 game seasons at that point?

It's 82 now. Through my career, it'd been 80, then 82, and then 84, and then back to 82. For a player my size, it was always a challenge to maintain your health.

What do you mean your size?

Well I'm small for a pro. I played at about 180 pounds, maybe a little less. A little heavier now unfortunately. And so that's—the strength and the size that you're up against can be grueling, and I think it's harder for smaller players when they do get hurt, to continue to play injured. And the bigger guys are just stronger, they're more able in my opinion to accept more punishment, and that's just a simple fact.

So does that mean in a way, as a fan, we should have more respect for people like Sidney Crosby and Connor McDavid who are on the smaller size?

I don't think we have to respect them more because they're smaller, they're just so good.

I mean definitely they're amazing.

Yeah.

But we probably don't appreciate the wear and tear that they—

Yeah, I think it's harder for them. Those players are so strong, physically they're just very gifted, not only in their talent, but they're very, very strong athletes. It's a bit harder, but it doesn't mean—you know, I remember I was too small in the NHL. I heard that many, many times.

Yeah, did that motivate you?

Sure, and I don't think it mattered to me. Like, I think if somebody said—because I think not just small players, but a big player, they're probably saying, well, he's too slow to play in the National League.

So it wasn't something I was worried about. When I hear somebody say he's too small to play, he's not. Nobody is. Everybody has skills, and then they have things that are going to hold them back. Now there's not just perfect players out there typically, maybe there's a few. But you're too slow, you're not tough enough, everybody's fighting against their weaknesses.

And you're small, or you're big, or you're slow, or you're not that tough, so they say you either can play and help a team win, or you can't. There's no attribute that's going to say you can't do this. If you're small and you can't play, it means you're not good enough to play. So everybody's judged on whether you help a team win or not, whether you can score, whether you can stop a team from scoring, whatever it is. Do you help the team win or not? And if you're five feet tall, but you help your team win, you'll be in the lineup.

You were traded a few times, right, from Montreal to Edmonton, Edmonton to Dallas, and then Dallas to Detroit?

Yeah, so Dallas to Detroit, I left as a free agent, but yeah the other....
Yeah, the trades are interesting.

What's that like as a player coming up to the trade deadline? Do you have a sense that you might be traded? Do people talk to you?

Yeah, no, no sense of that one. So it was in the summer, and I had just had the best season of my career.

That was the Montreal to Edmonton?

Yeah, and I was here in Montreal. I spent the summer in Montreal with my soon-to-be wife at the time, Carolyn. And that was devastating, to say the least. I'd never been traded as a junior or as a pro. And I don't have any tattoos, but if I did have one at that time, it would be the CH. Was drafted by them, and loved living in the city, loved playing for the team. We were a good team, and my teammates, we were so close. To get traded was really difficult. Never thought I'd leave Montreal, of course that's a young player that doesn't quite have a reality of the business. And once it happened, you sort through it and you pick yourself up, and—

How did you find out? Did you read the newspaper? Did they call you?

No. So they were trying to call me, apparently. It was the afternoon, it was August 27.

You remember the day, that's left a mark.

Yeah, absolutely. I was actually at the Forum in the gym working out, and I want to say that the Rolling Stones were in town, and Carolyn and I were on our way with friends to see the Rolling Stones at Olympic Stadium. I'm pretty sure it was the same night.

And so I was working out, having an afternoon workout. The Forum was always open to us, and I had spent the summer here, so I was working out. And Serge Savard apparently was trying to call me, and Jacques Demers had just taken over from Pat Burns as our coach, and I hadn't played for Jacques yet. And he walked into the gym because somebody had told him upstairs that I was in the gym.

He walked in and said, "Brent, I gotta talk to you," and he pulled me in his office. He says, "This is very difficult for me, because we don't know each other well and you haven't played for me yet, but you've been traded to the Edmonton Oilers for Vincent Damphousse," he says, "you and Shane Corson." And yeah, it was a tough one.

And one of the toughest things was my wife was working—she'd just finished her law degree and she was working downtown here articling at a law firm.

And that was going to be a tough one, French-Canadian girl born and raised here in Montreal. So I went to her office, and she knew something was wrong because I'd never been to her office before.

So yeah, that was a tough one, to tell her that I had been traded, and in effect, we had been traded.

How did that change your relationship to the team after you were traded? I mean, you just said you would have a tattoo of the Montreal Canadiens logo on your heart, sort of. How does that change going to Edmonton at that point, where you're still a player, you still want to play, you love the game, but does your relationship to the team change?

I think so. So playing for Montreal in those days, and I don't know the modern day, it was the New York Yankees. It was all those things, and you believed in everything that was happening here. And you just didn't think there was another place to play, like this was the place. And I'm sure there was other players feeling that about their own team.

And then as you get more experience, what I think great teams become is—and in today's modern game where you have a team in Las Vegas that has no history, but lots of success, all these different teams—I do believe this: that the front of the jersey, the logo, does mean less. And I think what means the same is your teammates. I think the great teams play for each other. They play for their team. Sure, they play for their fans, they want to make their fans proud. But if it's not about the 20 guys in the locker room that you'll go to bat for, you'll go to war for, you'll fight for, all those things, that's what maintains the team.

And the logo has to mean less today with 31 teams and probably 32 shortly, versus six, and then 12. When I came in the league it was probably 21, but there were still those franchises that were the original six, and I was fortunate to play for two original six teams, and have lots of success—obviously Montreal, and in Detroit, and I think the logo, the jersey, meant something more because there was so much history to it. But at the end of the day it's your teammates.

You played for some great coaches. Pat Burns, Scotty Bowman, I'm probably leaving out a few here. What was different about great coaches to average coaches?

That's probably harder to describe, so I'll just go through those two. But Pat was a great coach, but I think Pat and I had a good relationship because he coached me when I was playing in the American League. And he definitely...I had more rapport with him. I could speak to him more than a lot of the other coaches I didn't know as well. And he was a really fiery guy, real passionate, lose his temper a lot, but you knew his bark was way worse than his bite. So the players trusted him, and I think that was Pat. And he wore everything on his sleeve, so you knew where you stood with him, and you knew when he was probably going overboard because he was just such an emotional guy. But really, really great person.

Scotty—so I'll skip right to Scotty because he fascinates everybody. One thing I think I recognize with Scotty is, he would make any decision that he thought was right, and you might think that was crazy. Like, he would do things that other coaches I don't think would do, and I think part of that was his success, where he was in his career—because I played for him when he was in his 60s, or even his mid-60s—and he could make a decision and never worry once about his job if it was the wrong decision.

That's a hard thing for any leader, coaches, business managers. When you make a decision it's, "I've got this decision nailed, but it's gonna be viewed in the public like a bit off the wall. And if it goes wrong...." And we see that every day, whether it's the prime minister of the country, or the leader of the Royal Bank. They make decisions, and sometimes we know they're decisions that are affected by what the public is going to see. And I don't think Scotty was at a point in his career that it mattered, that he could make any decision.

I remember him sitting out Sergei Fedorov, one of the best players in the world, and Sergei probably had a couple bad games, which is not uncommon for anybody in the league, and I think Scotty decided to sit him out. And that was like, that's a scary decision for most coaches, and of course it worked, because everybody stood up and went wow—

If he can get benched...?

Exactly. So of course, the team reacted very well, and Sergei came back in the lineup the next game or whatever. But those are things most coaches—and certainly a young coach, I doubt would sit out a superstar.

You kind of grew up in the NHL as it was becoming this huge business right? I mean, I don't know what the average salary was when you started, but when you ended your career, it was much different.

Absolutely. That's one thing I look at all the time, because people ask me, the players make so much money now. And I said, "We were very well paid." There's no grudge here, because we were paid a lot more than the generation before us, and that's just what it is.

And the players today, they deserve the money they're making, and they're probably not going to make it as long as we did, because I see that the careers—

Are shorter.

Yeah, a guy loses a step, boy, he's not long for the NHL. It happens faster now. They train harder, they're in better shape, they're bigger and faster. And when you stumble a little bit, I think your career ends faster.

But anyway...I think every era is a great era, and I certainly wouldn't change the era I played, and things did change a lot from 1988 to 2003. Maybe one of the biggest changes from start to finish, in terms of money and business, the game has seen.

Walk me through the first...when does training camp start in the NHL? August, September?

September.

So walk me through the first September after you've retired. What do you do there?

I was feeling pretty good. Obviously there was some anxiousness, but I'm not that anxious certainly on the outside. But you're second-guessing yourself. I think one of the things that helped me transition is, I had a real focus. I knew exactly what I wanted to do probably five or 10 years before I retired, and I wanted to be in the investment business. I was always fascinated with capital allocation. I was learning, self-taught—self is maybe the wrong word, but in terms of formal education, self-taught—but would hang around a lot of people that did that for a living, that allocated capital, that managed money, and learned a lot through osmosis and being around it, and doing it with my own money.

So I had a real focus that I wanted to start an investment practice right away when I retired, so immediately I went into all the licensing, from the securities exams to options, trades, everything. I was getting all the licenses behind me.

Shane Parrish: Did you come back to Canada or were you still in Detroit at that time?

Brent Gilchrist: I did, and that was a decision.... So my last season, we played in Nashville and we left Detroit, and it probably broke us away from the city of Detroit, which was a great place to live, and we enjoyed it there and we could've stayed. We had lots of friends there, lots of contacts, and we really liked the community, believe it or not. For a lot of Canadians, that's like, "Really? Detroit?" Yes, a really good place to live, real good community, good schools, where we lived anyway. Obviously the city of Detroit has its own challenges, which is getting better.

So the decision was, we were in Nashville, which was not a place that we really had any attachment to. It was a very nice city, we really enjoyed the season we played there. And I obviously wasn't going to play. I retired, but I was going to be told I was going to retire, too. I maybe could've went to Europe, but I was not going to get another contract in the NHL, and I was 36.

And you knew that? Like you felt it, or people were very direct about it, like this is your last year?

Yeah, not really, because I really didn't seek out that direction because I knew two things. I knew that there wasn't a team out there that was looking for a 36-year-old, 178-pound, slowing forward—

Stanley Cup winner.

Yeah, that scored one goal the previous season. And secondly, I knew I was done. I knew that the speed and the size of the players was starting to look like...I was feeling out of place. So there was a total reality to that. I was not kidding myself.

Was it one year too many?

No, I don't think so. I think I wouldn't say I had a good season, like I played really well, but I think I was a useful player for the Predators, in terms of some experience, and filled in when they needed. We didn't make the playoffs that year, and I think we could've.

They made the playoffs the next year. So I don't think it was one year too many, but I think that was it. I was done, I knew it, and it was time to move on.

Did you think about that during that last season?

Yes, every day.

And did that change how enjoyed that last season?

Yeah. I think I was very conscious where I was, and I was very conscious that I didn't want to hate my last season. I wasn't physically that healthy, and so it was a grind. It was grueling, even only playing 41 games. And I also didn't want to hate what I was doing. I was trying to be conscious of where I was, how great a life I'd led in the National League, and I was still playing in the NHL, so I did not want to regret one minute of it, and so I was conscious to be careful of that. So I enjoyed, I accepted the role. Not every day, maybe the role frustrated me a few times, that Barry Trotz would come and say, "Brent, you're not playing."

I really respected Barry. You know, he'd come to me every day and say, "You're not going to play today," but I felt like he had a real respect for me as a player, and he was a real good guy to play for.

So I think your question, back to what was that September like—I think the transition was pretty good, because I immediately jumped into something. It wasn't overwhelming.

And you had planned it beforehand.

Yeah, yeah. So the decision was to move back to Canada. We had a summer home in my hometown, or close to my hometown. We had a summer home in Kelowna, but really the same thing, same community that I grew up in and played junior around there. And it was a bit of a natural to just say, "Okay, the kids are pretty comfortable here." The decision would've been to go back to Detroit, which was sort of reestablished. We had sold our home. And so we said let's give this a try.

And I had friends in the investment business who said, "Hey, your office is ready when you're ready," so it was a natural.

I had a good friend running a DS office in the Okanagan—RBC—and so I started an investment practice at Dominion Securities.

How did you go about learning about this while you were playing hockey? What was that process like?

It's all about reading. Today, I'm less of an avid reader because it's easier to get information quickly, so I read less books than I want to right now, but I do get sort of the gist of books by your podcasts, by Freakonomics, by Revisionist History, whatever it is. I was so passionate, and still am, about capital allocation, the history of the stock market, what Buffet writes or says, what Munger has written in the Almanac.

I'm sure Charlie Munger is not a household name amongst NHL players.

Yeah, I don't know. I mean some of the ones I hung out with, for sure, but probably not as many. I mean, I don't think you ever really understand or think you can get good at something that you don't love, and I have a great passion for it, the history of the capital markets. And that's the view I take, the actual management from a day-to-day basis, because I still do quite a bit of that. It's not day-to-day, it's more big picture thinking. I don't know how I got here, but it's where I want to be, and it's what I'm passionate about.

And then you moved from investment management to mining?

Yeah, so obviously I had a very good friend, Jeff Stubert, who has built an incredible business called JDS Energy & Mining, and we ended up in Kelowna at the same time. He'd retired from running a big oil sands project—mining engineer and really good leader. And we ended up there and we became friends through I think our kids playing hockey together. And so we did some business together from an investment standpoint. Basically the businesses that I started and he started were sort of kicked off at the same time.

His business grew really fast, and he was interested in just more, and he's always interested in more. He's a serial entrepreneur, and a guy who just wants to do a lot.

So he approached me about leaving my investment business, and starting what we call today JDS Resources, which is really just a company that doesn't hold a lot, but we look for our own opportunities. And that's how he approached me—

Only in mining?

Yeah, pretty much. I mean in natural resources. We'll look at other investments that we don't have something to do with. If it looks attractive, we look at everything. But from a standpoint of us starting something, it really has to fall within our expertise, and it really is mining at this point.

So, we didn't know how we were going to do this, or what we were going to do. At the end of 2011, I sold my investment business, and started at this company that Jeff and I said, "This is what we're going to do, JDS Resources." And again, our strategy was, it didn't exist, we just knew that we had a team at JDS that could evaluate, could design, could build.

We could do anything cradle-to-grave in the right project—and something that was probably unloved and uncared about by the public market, because we were going to stay private, and there is lots of opportunities out there. They're tough to transact on, they're tough to get a line with whoever owns them. And I didn't know, and neither did Jeff, how this was going to morph. And within six months, we were sort of flat out on trying to buy an asset, and it's been sort of hair back ever since.

What are the advantages to being private in a generally public, well-funded....

Well-funded is the key. Nothing in junior mining is well-funded, whether it's exploration—and we're not exploration guys. We look for assets that are ready to, or close to being developed as mines. And when you look at that whole sphere, that whole world, there's very few projects that are ever going to be mines. They explore for a while, find something, but it's likely never going to be large or economic enough, enough metal in a concentrated area, to become a mine.

So we look through a lot of stuff, and we work for a lot of people, so we see a lot of the projects that are out there that could be what we call stranded.

And stranded means too small for most people to pay attention to?

What does stranded mean?

Could mean all those things. A lot of people call it distressed, but we're not so enamored with the word distressed. We like stranded because sure, the company that holds it could be distressed, but that has nothing to do with the asset and the value that we see, or potentially see. But you're right, the public market tends to ignore things that they can't really promote to be something massive. When somebody puts their money into a junior exploration project, they want to see the potential to take your ten-cent stock to two dollars, and that means a massive increase in the resource.

We sort of come after, where the resource has been somewhat defined, and we think it's economic.

You know the proven probable, sort of?

Exactly. And once we dig into it...like I said, we have a great team and we're really mining-engineering focused. They'll look at the resource and say, "Can we match something economic to this? Can we actually build a minable plan here to extract enough of the metal?" Or as we say, we extract cash, not metal. We don't really care about the metal. And based on how much it's going to cost us to design and permit and build, and then start up, can it pay back its capital pretty fast, and can there be enough life there to have a reserve tail that a financier in New York or London or wherever is going to be interested in?

And we pride ourselves, we don't do anything without an economic model being built. And we take assumptions up front that say, "This is gonna be economic to a glorious return," and it has to really look good when we first jot out the economics, because it's going to change. We're taking some assumptions in that point that we don't have all those answers to, and our people have to go back in and start to do a deeper dive on the capital and on the resource.

Historically, when you look at those economic projections, what percentage of the time are they within maybe 10 or 20% of the actual sort of return that you get?

So we don't have a good sample size for what we've done, because I think you need a big sample size from what I'd call a feasibility study. So typically, we start with a preliminary economic analysis—pre-feas—and then a feas. And the feas is sort of the granddaddy to say hey, this is really reliable. But from a development standpoint, things change quickly. Things change in the north, or change in Africa, or change wherever, and it always takes more time. So it's very difficult when you do a feasibility and you put a construction plan together, well that's a constrained construction plan. But for a company to get to the construction even, it could cost a lot of money, whether it's permitting, so this is not always captured in the end result of starting construction, building it, and then starting up a mine and having enough working capital to get it to cash flow...there's a whole bunch in between that. So—

Can you walk me through that? I think the average listener probably has no idea, and myself included, what goes into extracting something from a mine.

So I'll start with this comment. As I said before, capital allocation and investment is just a real passion. I just love it. I love reviewing it, looking at it, trying to understand it. And I would say this, that the mine site is one of the most incredible economic models that you can ever analyze. And I'm not a mine engineer or geologist, but I have an incredible team around me that has taught me so much about this. But I am well-versed on how the capital's going to go in, how it's going to be financed.

So the economic study of a mine is incredible, because the minute somebody moves it costs money. The minute you don't hit your extracted ton rate, it costs money. So you're always trying to say, "Okay, the tons are X, and the amount of metal that's in those tons is Y," and when you're extracting it, you have costs on everything you do. Drilling, blasting, everybody who's moving, hauling, and then processing, and then you also have this corporate office, the GNA. And every time something doesn't quite go right, those costs just rise.

So when we look at something, we know that's a reality. Until you really get a mine operating efficiently—which takes a long time, and it typically takes more capital to get really efficient—so when we look at things, we know that we're looking at extraordinarily high returns from the first view, because we know that those are going to be hampered as you get into...the devil's in the details.

And with our project that we bought in northern British Columbia, we saw a massive margin in the extraction of that ore because it was a very, very high-grade silver-lead-zinc. So we knew that there would be mistakes along the way, there would be inefficiencies along the way, that we would struggle with raising all the capital that we needed. But the margin was so great that at the end of the day, there was going to be a good profit.

What goes into making a decision, outside of the economic factors? I mean, you're always dealing with sellers, in this case, who know more about the asset than you do. How do you—

A lot of times we feel like we know more about the asset than the seller, or we know more about how the asset should be developed. That's what we think we're really good at. What other decisions? Many. So we have what we would call investment criteria, and it's become for my team, they know it, it's second nature. We know what we have to look at, the first five or six things, and then sort of thumbs up, this looks good.

Now what else is there? Jurisdiction. Is it in Africa, or is it at 10,000 feet on the side of a glacier in northern British Columbia. So all those things. You can look at the resource, and you can look at many of the technical factors that go into making money on that resource. But how do you get there? The First Nations community, are they favorable to mining? Can you involve them in this project?

And then permitting. You know, you can't build a mine on the mountain next to Kelowna, next to Okanagan Lake. The government and the community's not going to let you do that. It could be the best resource in the world, it's not going to happen. So those decisions, there's political, there's access decisions. Or it could be at 66th parallel in the Arctic, and that provides other challenges that are going to be more costly. It doesn't mean it doesn't work, but those all have

to go into the model. And then you have to take some risks on that decisionmaking, and there's no question that the business carries risks. But our analysis—we feel like we can't control the risk, but we hope to understand it. And then, there's no place in any business that you can understand all the risk, because some risk is invisible. Otherwise, it wouldn't be a risk. You'd know about it.

So you deal with it. And things get broken and things go wrong, but we think we're pretty resilient, and we'll just fix it. It's going to cost more money? Sure it is, we're going to fix it.

And you build that into your thinking going along?

We do. And that's basically, I don't think you can actually.... We always have a contingency in models, but it's about the margin. If the margin is so good that you know that there's going to be ups and downs. And then we haven't even talked about the price of the commodity, which is—out of everybody's control, and there's not one person out there that I will ever believe when they tell me what the price of a commodity is going to do. It's not knowable. And it's funny how the world is so fascinated by predicting and telling us. We pay a lot of people a lot of money to tell us where gold is going, or where interest—

We don't realize, if anybody actually had the answer to that, they would be like a quadrillionaire on a consistent basis. They would definitely not be selling that information to other people.

I always said if I knew where the stock market was going, or where gold was going, I'd be on a beach with my computer. I wouldn't need any of you people.

Listen, this has been an amazing conversation. I want to thank you so much for taking the time to talk with me today.

Awesome. Thanks, Shane.

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