dynaCERT's Jim Payne on Ranking #1, Eric Sprott's Investment and Carbon Credits

In an InvestorIntel interview during PDAC last week, Tracy Weslosky secures an interview update with President, CEO & Director Jim Payne on dynaCERT Inc. (TSXV: DYA | OTCQB: DYFSF), a manufacturer and distributor of Carbon Emission Reduction Technology for use with internal combustion engines.

Jim started by saying that dynaCERT is the number 1 ranked company across all sectors on 2020 TSX Venture 50. He added that dynaCERT has a global solution to reduce pollution that people can adopt right now. The company is at the forefront of the carbon credits market and has recently attracted investors like Eric Sprott and Dr. Joerg Mosolf of Mosolf SE & CO. AG who have invested in the company. Jim continued, "Sustainability is a big thing today – with our technology, we have a solution now. We are reducing emissions very significantly for any internal combustion engine."

The company is well capitalized and has a continued revenue stream. Jim also revealed that he has been asked to speak at the World Climate Summit in November in the UK on the future of the world's carbon credits.

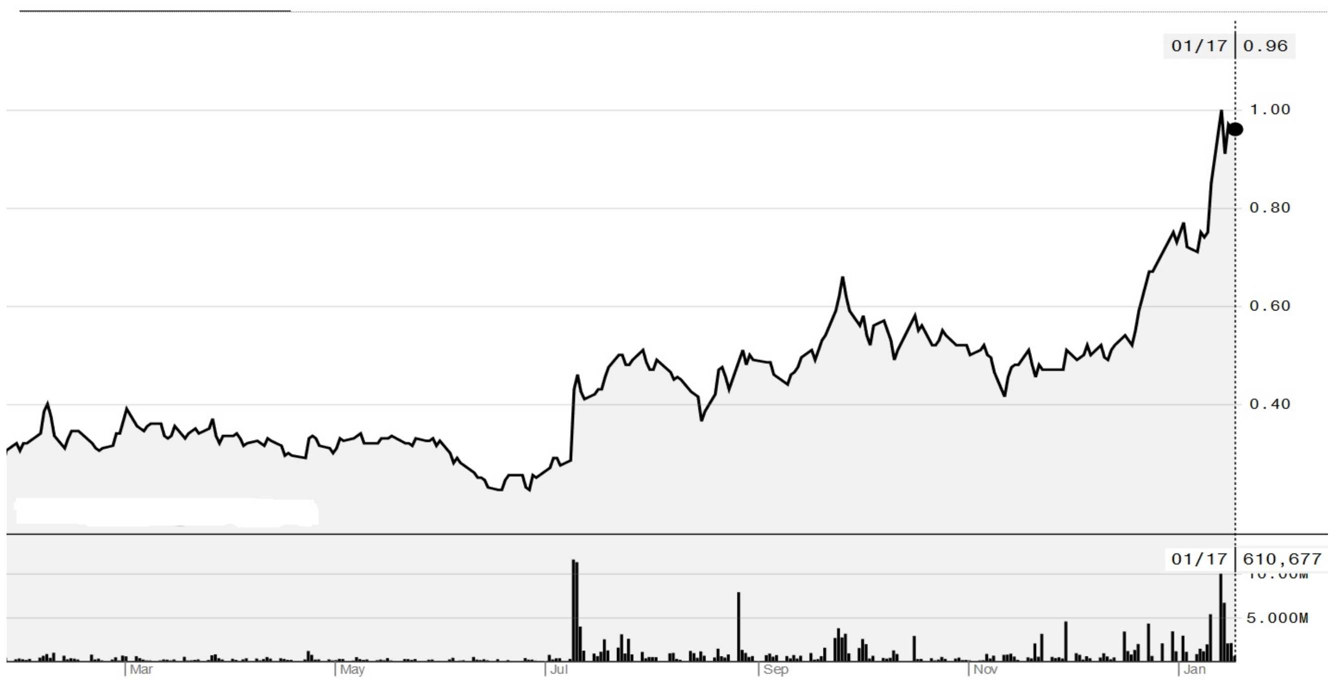
To access the complete interview, click here

dynaCERT price surges 100% over the past ~2 months as Eric Sprott jumps onboard

dynaCERT Inc.'s (TSXV: DYA | OTCQB: DYFSF) stock price is surging. Since I last wrote on them back on November 15, 2019, the stock price has surged higher by 100% (from C$0.48 to C$0.96). You can read that article here. In this article, I take a look at some of the reasons for the price surge and can it keep going.

dynaCERT's flagship product 'HydraGEN™' reduces fuel use by up to 20% and carbon emissions by over 50%. Transportation that uses diesel urgently needs 'HydraGEN™' to reduce emissions as China and Europe tightened emission standards from January 1, 2020.

dynaCERT (TSXV: DYA) stock price surging higher



Why has dynaCERT stock surged by 100% over the past 2 months

There are several reasons for the stock price surge.

1. On November 28 it was announced that an entity controlled by Eric Sprott became a ‘significant new shareholder’. Effectively the Sprott entity bought 28,000,000 units at $0.50 per unit ($14,000,000). Each Unit consists of one (1) common share (a “Share”) and one-half (1/2) of one common share purchase warrant (exercisable at $0.65), on or before November 26, 2021.

Mr. Eric Sprott stated:

“dynaCERT presents an unusual once-in-a-lifetime opportunity to participate at the commercial stage of what is a proven and compelling transformative technology to reduce carbon emissions in diesel engines, globally. I support the successful international mission of dynaCERT and I see this new investment as a means to participate in the important world-wide demand for Carbon Credits resulting from socially-conscious users of mining equipment, trucking, transportation and power generation.”

2. DynaCERT announced a Strategic Investment by Mosolf in Europe. Mosolf SE & CO. AG (“MOSOLF”), a significant European dealer of dynaCERT is making a strong and strategic financial commitment to the Company with the expansion of dealer operations across Germany and neighboring European countries. As well, Dr. Joerg Mosolf, President and Chief Executive Officer of MOSOLF, has made an additional personal equity investment of $1 million. Dr. Joerg Mosolf advises that MOSOLF has already hired twenty-three (23) new employees dedicated 100% full-time to the marketing, sales and installations of dynaCERT’s HydraGEN™ Technology in Germany, France, Benelux and Poland.

3. On January 1, 2020 the new European tougher emissions standards commenced. Added to this is China’s ramping up of their NEV credit scheme in 2020. From January 1, 2020, car manufacturers in both Europe and China need to significantly reduce emissions or face huge fines. One report estimates

these fines could reach 34 billion euros (~US$37.5 billion) just in Europe if car manufacturers don't rapidly reduce emissions.

Clearly all these events combined to send the stock price 100% higher the past 2 months. My closing comment back in the November article was:

"2020 will be a remarkable year for dynaCERT as Europe, China and others make significant moves to reduce vehicle emissions. The past week of new orders and deals should be just a warm up for 2020."

dynaCERT – 'Driving for a better future'

What's next for dynaCERT?

The MOSOLF dealership should boost European orders. MOSOLF is one of the largest truck servicing companies in Europe. MOSOLF has agreed to purchase one thousand HydraGEN units in 2020. Targeting Europe in 2020 is a great move, and perhaps China will be next.

dynaCERT has ~40 dealers around the world selling their products to small and large truck owners, fleets, and government organizations that use diesel engines. With a billion diesel engines in the world, and 100 million new diesel engines built worldwide every year; dynaCERT's green emission technology is in big demand.

dynaCERT's target markets

There is no doubt the 2020s will bring huge business for innovative companies such as dynaCERT given the global push towards greener energy and less harmful emissions. dynaCERT has already expanded into the large key markets such as Canada, USA, South America, Europe, South Asia, and the Middle East. 2020 should see further orders and global expansion as more and more countries seek to reduce emissions.

dynaCERT now has a market cap of C$323 million, so given the enormous market opportunity, there is still potential for plenty more upside. The latest analysts estimate target price is C$2.00, representing 108% upside.

Cleantech: The Essential Investment

Those who are in the majority today, globally, of policy making believe that the climate is changing due to human activity (anthropogenic causation) and they also at the same time believe that humanity cannot adapt to such changes (as it has, in fact, always done when no human agency was involved or contemplated in such changes) are once again now listening to and sounding an alarm that ***if investment patterns in energy production do not change immediately then the earth's average annual temperature will rise by 2 degrees centigrade in the near term no matter what else we do in the future.***

A leading authority at Oxford University, Professor Cameron Hepburn, Professor of Environmental Economics based at INET Oxford and the Smith School in the UK, has just published a paper in which he makes two statements that need our attention:

1. "Investors putting money into new carbon-emitting infrastructure need to ask hard questions about how long those assets will operate for, and assess the risk of future shut-downs and write-offs," and

2. “For policy makers who think of climate change as a long-term future issue this should be a wake-up call. Whether we succeed or fail in containing warming to 2°C is determined by what we do now, not in future decades.”

If this carbon investment reduction alarm is taken seriously by the world’s political and financial elites, then there will need to be a permanent policy shift in governmental participation in energy investments with regard both to the types of investments and the quantity and length of time of the capitalization of pollution.

China is well underway in adapting its investment patterns to support the alarmist view of climate change, but I think that this is due more to the immediacy of China’s vast industrially caused pollution than any adherence to a global climate change emergency-orthodoxy. The result is the same though: The concentration of investment in China into low carbon energy production and storage.

I am discussing today how the climate change alarm is being acted upon in China and how it MUST be acted upon in the rest of the world if the projected worst case scenario is to be avoided. **This does not mean that I believe in climate change alarmism, but it does mean that I accept it as a powerful societal force that is driving policy making globally.**

I believe that the majority of the world’s leaders now believe that they must act and that they will have to adopt the Chinese low carbon investment model to do so.

This will require outside of China a regulation of capitalism such as never before been attempted other than in the failed models of fascism and Soviet Communism, both of which resulted in vastly increased pollution. But to be fair neither model contemplated such an eventuality.

It has been announced in China that the General Secretary of the Chinese Communist Party, and therefore the Party, also, have adopted, with Chinese characteristics, the “Supply-side Economics’” policy, which was utilized 30 years ago by both Ronald Reagan and Margaret Thatcher to successfully revive the economies of the USA and the United Kingdom, and that he (President Xi) will utilize its precepts to reform Chinese State Owned Industry to eliminate both zombie companies living only on credit and those with long histories of overcapacity. This is the lead story in the English language version of the China Daily for Sunday, March 27, 2016.

Anyone who still conflates the contemporary version of Chinese Communism with the communism of Joseph Stalin or Mao Zedong is out of touch and wrong. The economic policies of the former Soviet Union, which measured success by total production of goods and services chosen by state bureaucrats rather than by sales or demand by the “market”, were a complete failure, and today the grotesque misery from the continuation of those policies persists only in Cuba and North Korea.

Today’s stubborn adherents to the American “Progressive” policy of ever increasing but, of course, always benign government intervention and regulation (i.e., control) continue to wear the blinkers of an almost religious fanaticism so that they can avoid admitting that their intellectual antecedents admired Soviet Communism. An unfortunate consequence of this arrogance is a total disregard for and avoidance of any aspects of industrial planning that have actually worked for the Chinese Communist Party and might well be emulated here in the USA to our advantage.

The taint of America’s New Deal “industrial planning” (The National Recovery Administration) and of the discredited (as fascism) corporatist states (Germany, Italy, Spain) from the 1930s, followed by the long “cold war” against the Soviet Union and its central planning,” and finally now by the installation of centrally planned (and so far successful) production and allocation of natural resources in China is seen as the enemy of free-market capitalism and has prevented the US Federal government from adopting a rational approach to domestic self-sufficiency in natural resources and a reduction in “carbon production”.

Resource production equilibrium, which I define as the production of necessary and sufficient resources to maintain and grow (at a reasonable rate) a diversified economy, is a moving target, and it requires that the essential investments to achieve and/or maintain it be speculative with regard to both the necessary volume and the time-frame in which that volume is required. These judgements as they are partially subjective are therefore to a large degree political as well as economic assessments. The accuracy of these types of assessments apparently creates enough of a risk to make such investments, although essential, uninteresting, perhaps even not feasible, to the private economy, which needs to know the time of return on investment.

No one today believes that capitalism and communism are exact opposite positions in the agenda to distribute a country’s wealth fairly. But adherence to this black and white view of political economy has severely damaged the future potential of the American economy both to guaranty and to improve the quality of life of the average American, or to safeguard us from the perceived climate change catastrophe.

Politicians mostly select labels on an opportunistic basis, but even the most hardened of American partisans steers clear of any label indicating support for industrial central planning by government.

An Orwellian choice of descriptive terms is ingrained in the vocabulary of the American political class in order to avoid comparison, analysis, and even deconstruction of terms brought into the vocabulary by a century of progressivism, socialism, and communism.

Thus the political definition of infrastructure has been purposefully and arbitrarily limited to manufactured objects and the distribution of the energy required to build and operate them. Therefore, politicians, since they have no other reference definition, simply cannot understand the details, much less the interconnectivity, of the basic resource infrastructure needed to maintain and construct the mechanical and energy infrastructures.

Just a tiny portion of the amount of money wasted and to be wasted on the politically correct action or projects such as high speed rail to nowhere in California would if properly deployed make America self-sufficient in critical natural resources permanently.

Yet no one in government speaks positively about funding, or national underwriting of, the construction of as environmentally sound as currently possible mines, mineral processing facilities, or cleaner fossil fuel sources. Anyone suggesting such a policy is denounced as a communist, fascist, or even more ludicrously as a "tool of Wall Street" or an advocate of "Big Government." The internal contradiction of such conflicting labels is simply ignored a la Orwell's Newspeak.

The Chinese Communist Party seems to have chosen to revive and continue FDR's new deal as a path to the improvement across the board of the quality of life of every Chinese. The Chinese government states that it has adapted Capitalism as a method of moving the nation first towards a Chinese socialism and then a Chinese Communism.

The USA needs to adopt the necessary aspects of industrial planning in order to reignite economic growth, and to adopt policies towards wealth creation that favor ONLY productive investment. Financialization may well be the final stage of the evolution of classical capitalism that Karl Marx described and that Thomas Piketty is telling us is causing an unhealthy inequality.

The climate change alarmists say that if we don’t act now our future “wealth” will be consumed in repairing the damage from climate change and thus growth will be inhibited or stopped by being starved of productive capital.

The climate change alarmists are now in the majority of policy making positions in most nations.

There has never been a better time to invest in Cleantech.

[Note from the Publisher: Jack Lifton will be participating as a panelist at the Cleantech & Technology Metals Summit – Invest in the Cleantech Revolution on May 10-11th in Toronto, ON. For more information, go to CTMS2016.com]