

Azincourt Energy is on the trail for the next big uranium story

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Nuclear power is increasingly recognized as a sustainable and environmentally friendly source of energy. It has the potential to improve the energy industry's sustainability and help preserve our planet for future generations. Unlike fossil fuels, nuclear power does not produce greenhouse gasses or pollution. It is also a very efficient way to generate electricity, with a single nuclear plant providing enough power for millions of homes.

In addition, nuclear power plants have a very long lifespan and can continue to produce electricity for decades. Nuclear power offers a clean and sustainable solution as we face the challenges of climate change and the need to move away from fossil fuels. There has been some pushback from nations on nuclear energy. In the aftermath of Fukushima, all of Japan's nuclear reactors were shut down, and the country's uranium industry came to a standstill.

However, now [Japan](#) is preparing to restart several idled nuclear reactors and even build new ones. Dealing with sky-high prices of fossil fuels and a global power crisis, the country has decided that securing its future energy needs requires a return to nuclear energy. This change marks a major inflection point for the uranium industry, which will be closely watching Japan's progress in the months and years to come.

Other areas of the world are also changing their tone on nuclear power. Europe is dealing with an energy crisis with the ongoing

war between Russia and Ukraine. [Germany](#) is planning to delay its phasing out of nuclear plants, and [France](#) plans to build six new nuclear power plants. Nuclear power is also being increasingly seen as a “green” technology as unlike burning hydrocarbons, it does not emit carbon into the atmosphere. Uranium mining companies are poised to benefit from this renewed interest in nuclear energy.

[Azincourt Energy Corp.](#) (TSXV: AAZ | OTCQB: AZURF) has two projects in Canada that can potentially contain large deposits of uranium and other minerals. The company is actively engaged in exploring these two projects.

The East Preston Project and the Hatchet Lake Project are both progressing for potentially discovering uranium and other mineral deposits. Azincourt controls a majority 72.8% interest in the 25,000+ hectare East Preston project as part of a joint venture agreement with Skyharbour Resources (TSX.V: SYH), and Dixie Gold. In July Azincourt [announced](#) that drilling at the East Preston Project resulted in the identification of uranium enrichment within alteration zones. The company completed the drilling program over the course of the winter 2021-22 season.

This new information points to the likely presence of uranium-bearing fluids within the alteration system. Their next step is identifying the extent of the alteration, and areas of fluid concentration and strong uranium enrichment. The company plans to conduct an [announced](#) 6,000m drilling program in fall to winter 2022-23 to better understand the project’s potential.

The Hatchet Lake project is Azincourt’s other prospective property. Azincourt entered into an option agreement with ValOre Metals Corp. in November, 2021, to earn up to a 75% interest in the Hatchet Lake property. Hatchet Lake is located outside the northeastern margin of the Athabasca Basin along the Western

Wollaston Domain (WWD) within the Wollaston-Mudjatik Transition Zone (WMTZ). This entire area is already inhabited by all of Canada's operating uranium mines.

The surrounding areas are largely unexplored, which makes this a great potential opportunity for Azincourt. Based on previous work from Hathor Exploration Ltd. and Rio Tinto, there is a possibility that Hatchet Lake has multiple shallow, unconformity-related basement uranium targets. The company plans to carry out a geophysics and 1,500 m drill [exploration program](#) in fall 2022 at Hatchet Lake in order to better understand and advance the project.

It is early days in the exploration of Hatchet Lake and East Preston for Azincourt, but as CEO and President Alex Klenman [recently stated](#): "Our treasury is extremely strong, and we're fully funded to execute all of our exploration plans over the next year, and beyond. We're going to be very active and plan to be aggressive with the drills."

Cash rich Ur-Energy is getting ready for America's day of reckoning to replace Russian uranium

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Ever expanding sanctions and Western resolve to further restrict cash flowing into Russia to finance Putin's war in Ukraine have

made it apparent that domestic supply of just about everything should be racing to the top of the priority list. We've seen numerous steps taken in the U.S. in the last several weeks to shore up the sourcing and supply of uranium for its nuclear industry. Department of Energy (DOE) Secretary Granholm said in public testimony April 28, 2022, that the DOE anticipates initial requests for proposal for the purchase of domestically produced uranium will be issued in June 2022 for the establishment of a national uranium reserve.

The [Infrastructure Investment and Jobs Act](#), signed into law in November 2021, contains a number of provisions supporting nuclear energy including a \$6 billion Civil Nuclear Credit Program designed to prevent the premature closure of nuclear power plants. Nuclear power plants utilizing domestically sourced uranium products will be given priority funding under this program. An RFI was issued on February 15, 2022, with the expectation that a request for proposal will follow as early as mid-year 2022.

In April 2022, Senator Manchin (D-W.Va.), introduced a bipartisan bill titled [The International Nuclear Energy Act of 2022](#) with the stated goal of establishing an Executive Office for Nuclear Energy Policy to promote engagement with ally and friendly partner nations to develop a civil nuclear export strategy and offset China and Russia's growing influence on international nuclear energy development. Additionally, numerous states have passed legislation supporting nuclear power.

To me this is a giant billboard saying investors need to take a closer look at domestic uranium producers. Particularly those who are currently producing uranium or could be within 6 months. Especially given that the U.S. is the largest consumer of uranium in the world, and [according to the EIA](#), in 2020 the U.S. purchased 22% of its uranium from Kazakhstan and 16% from

Russia. [20% of U.S. electricity is generated by nuclear power](#) with 2021 uranium requirements in the United States to [power nuclear reactors at 17,600 tonnes](#) (38.7 million pounds). Meanwhile, the EIA reported domestic production of uranium concentrate (U_3O_8) in the [first quarter of 2022 at a paltry 9,946 pounds](#). Maybe a giant billboard isn't enough, perhaps I need to buy a social media company to get the message out there.

All joking aside, at or near the top of the list of domestic uranium companies has to be [Ur-Energy Inc.](#) (NYSE American: URG | TSX: URE), and its uranium mining, recovery and processing operations, as well as the exploration and development of uranium mineral properties all within the friendly confines of the United States of America. The Company boasts a cash position as of April 28, 2022, of \$45.8 million plus roughly 284,000 pounds of finished, U.S. produced U_3O_8 inventory, worth \$16 million at recent spot prices. Ur-Energy operates its flagship Lost Creek in-situ recovery uranium facility in south-central Wyoming, as well as having all major permits and authorizations to begin construction at Shirley Basin, the Company's second in-situ recovery uranium facility in Wyoming.

But what moves Ur-Energy to the top of the list is the work they've been doing to prepare for uranium's day of reckoning. Guidance from the recently released [Q1 Results](#) states Lost Creek operations can increase to full production rates of an annualized run rate of up to 1.2 million pounds in as little as six months following a "go" decision, simply by continuing the development work within the fully permitted MU2 (mine unit). A production ramp up will include further development work in both of the first two mine units, followed by the ten additional mining areas as defined in the Lost Creek Report. The Lost Creek facility now has the constructed and licensed capacity to process up to 2.2 million pounds of U_3O_8 per year and sufficient

mineral resources to feed the processing plant for many years to come.

Ur-Energy is cash rich and optimally situated to take advantage of the “on-shoring” of uranium supply. The Company has adequate funds to maintain and enhance operational readiness at Lost Creek which also allows them to preserve existing U_3O_8 inventory to sell into higher prices. With a market cap of US\$311 million as of yesterday's close, investors need to decide what the value of 1.2 million to 2.2 million pounds per annum of domestically produced uranium is worth.