

Lifton with Energy Fuels' Moore on Trump and who has the largest uranium capacity in the US

"We have three production facilities. We have the White Mesa Mill in southeast Utah that is operating today...It has a capacity of producing 8 million pounds a year. We have an in-situ recovery (ISR) facility in Wyoming called the Nichols Ranch facility. It has a licensed capacity of 2 million pounds a year. Then we have Alta Mesa in-situ facility in South Texas which has produced about a million pounds per year. Nobody has as much capacity as we have...Uranium has not necessarily been on the government's watchlist until recently. When President Trump came into office, he issued a critical minerals list and there was finally a recognition that uranium is critical not just for the US national security but also for US energy security. There were 35 minerals on that list including vanadium. We are one of the major producers of vanadium in the United States. So, two of the minerals on that list are produced by Energy Fuels." States Curtis Moore, VP of Marketing and Corporate Development at Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR), in an interview with InvestorIntel's Jack Lifton.

Curtis went on to say that the US consumes about 47 million pounds of uranium per year but the country produced just 172,000 pounds of uranium last year which is not sufficient to supply even one nuclear reactor. Energy Fuels is the largest producer of uranium in the United States and has the only producing conventional uranium mill in the U.S. Curtis also said that the US imports close to 40% of its uranium from Kazakhstan, Russia, and Uzbekistan which are geopolitical rivals of the country. Uranium price is about \$25 per pound

which below the cost of production of almost all of the US uranium producers. The heavily subsidized state-owned enterprises of Russia and China are flooding the market which is having an impact on the national security of the countries like the United States.

To access the complete interview, [click here](#)

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Clausi on the Cobalt Bull Market

“60% of the world’s cobalt comes from the Congo, which has been suffering through a horrific war since the late 1990s. It’s called Africa’s War and over 6 million people have died there with the resulting geopolitical corruption and disruption of supply chain. As a result we have seen cobalt production fall out of the Congo...we must source this critical metal for the benefit of our modern world as cobalt is used in electric vehicles, nuclear reactors and even the smartphones we use every day.” – Peter Clausi, CBLT Inc.

Peter Clausi, President, CEO and Director of CBLT Inc. (TSXV: CBLT), in an interview with InvestorIntel’s CEO Tracy Weslosky discuss cobalt in the world. Cobalt has found its way into the hi-tech sectors of cell phone and electric vehicle batteries. Unfortunately, it isn’t easy to find. Cobalt is a trace by-product of copper and nickel production and is rarely, if ever, found on its own. The blue metal is currently sitting at \$25 per pound as one of the top moving metals on the London Metal Exchange (LME). Peter will be discussing the world of

cobalt in more detail at InvestorIntel's 6th annual CleanTech and Technology Metals Summit on Monday, May 15th and Tuesday, May 16th (CTMS2017.com)...to access the complete interview, [click here](#)

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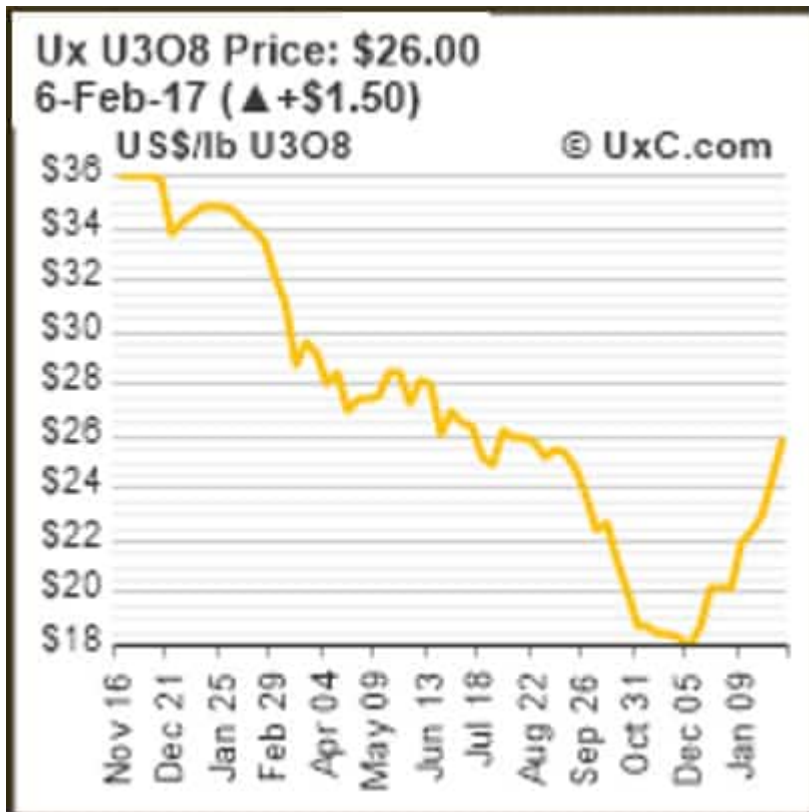
Hallelujah – Uranium is Risen

In what was a bad four years for the mining space, special punishment was reserved for the uranium sub-space where every time it tried to stagger to its feet it was dealt a new, low-blow that sent it reeling. Even as mining markets picked up in 2016, uranium was, relatively, left behind as the spot price wallowed, with that acting as an anchor holding the sub-space from moving forward. Only the Rare Earth space was doomed in 2016 to share in this "cruel and unusual" punishment.

However, the persistence of those that believe in the long term attractiveness of nuclear power has kept the space afloat and allowed even a few hardy near-producers or those holding past-producing properties, like Western Uranium, to soldier on through the tough times. Now it seems the reward is at hand, but Uranium has a long way to go before many projects will cross any sort of line between loss and profit.

Price – First Swallow of Summer

The spot price of Uranium has been on a steady rise in the last month.



The term price of uranium increased from \$30/lb to \$35/lb in the last week of January. The reason this is important is most utilities transact at the term price, not the spot price of uranium. In fact over 80% of the uranium sold is at the term price.

The driving forces behind the increase of the higher term price are:

- Traders and intermediaries are now buying in anticipation of higher prices
- Also, South Africa received very strong support from companies interested in building new nuclear power plants. In fact, 27 companies submitted information on helping roll out the South African nuclear power program. This is a positive sign to the market that Africa is open for nuclear reactor business
- Ten spot transactions have been reported for a total of 1.5m lbs of yellowcake in January 2017
- At the beginning of February, three additional transactions were reported. One was from a US utility

for 4.8m lbs to be delivered in 2023-2030 period. A non-US utility has just concluded a purchase for more than 6m lbs to be delivered in the 2018-2027 period. Then an undisclosed buyer concluded a purchase for U305 delivery for the 2020-2012 period

Supply Crunch

Hard core Uranium bulls have come to know how Moses felt when he was doomed to wander forty years in the desert and never get to see the Promised Land. The great hope had been that the Japanese reopening would help matters and yet it hasn't (at least not yet). The second hope (quite a vain one) was that the Germans would see the light on their unilateral closure actions (and they have not). The one consolation being that everyone else in Europe regards the Germans as crazy for taking the action they did while still mouthing platitudes to low carbon emissions and ramping up coal-fired power at the same time!

To the dismay of many that see nuclear as a "green" solution to rising global energy demand, some have pitched nuclear as competing against wind and solar, with Germany being a particularly egregious example of "kooky" thinking on this front. Ironically though the German decision has prompted the country to buy nuclear-sourced electricity from France, the paragon of nuclear users with around 80% generated from this source.

This table shows the countries with the strongest potential capacity additions in nuclear generation.

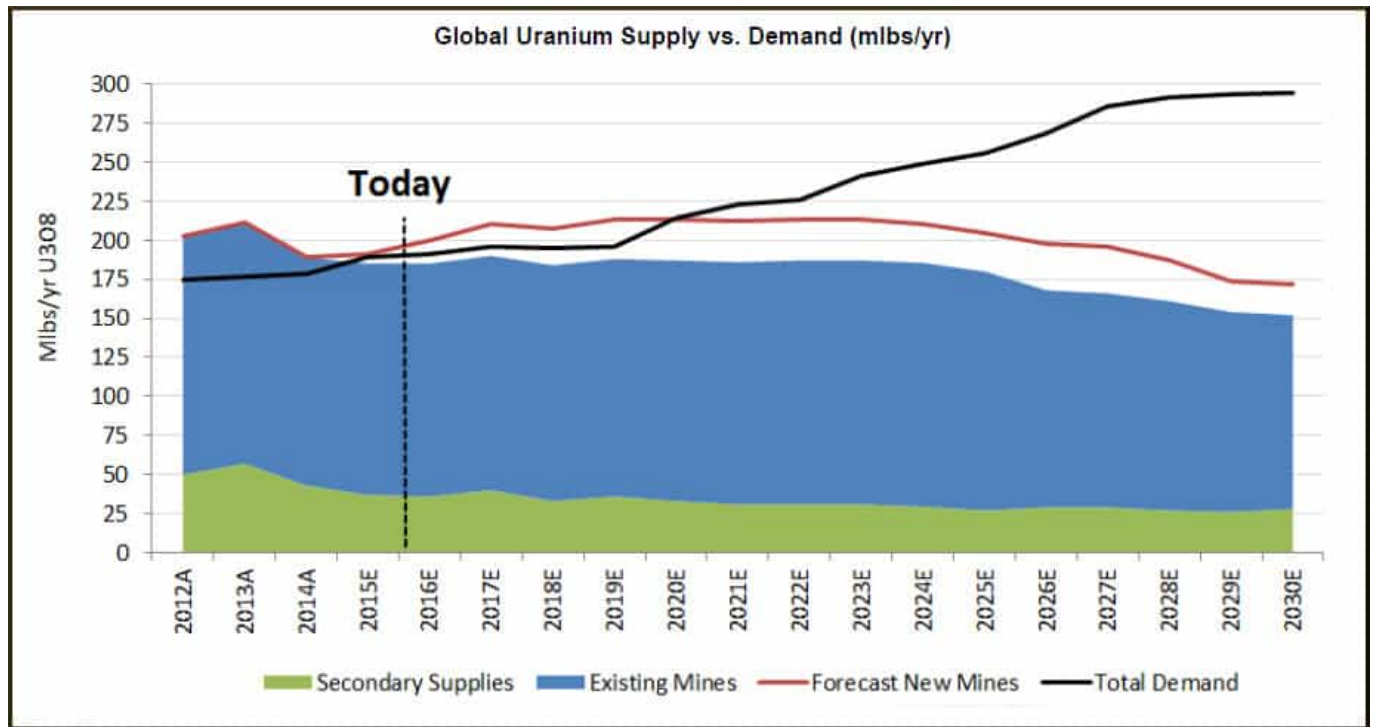
COUNTRY	NUCLEAR ELECTRICITY GENERATION 2014		REACTORS OPERABLE (1 Dec 2015)		REACTORS UNDER CONSTRUCTION (1 Dec 2015)		REACTORS PLANNED (1 Dec 2015)		REACTORS PROPOSED (1 Dec 2015)	
	Billion kWh	% e	No.	MWe net	No.	MWe gross	No.	MWe gross	No.	MWe gross
China	123.8	2.4	30	26,849	21	23,483	43	49,990	136	153,000
India	33.2	3.5	21	5,302	6	4,300	22	21,300	35	40,000
Japan	0	0	43	40,480	3	3,036	9	12,947	3	4,145
Russia	169.1	18.6	34	25,264	9	7,968	25	27,755	23	22,800
WORLD	2411	c 11.5	439	382,248	64	67,797	159	180,015	329	374,020

Source: Western Uranium

Probably all one needs to know is encompassed in the preceding table, which says more than any number of price charts. There is massive future demand baked into construction schedules that, with the amounts of money expended, will not be derailed.

The advocates of nuclear are looking past the mere showmanship of the German chancellor and the temporary shutdown of the Japanese generating capacity towards an uplands where this rising fleet of nuclear plants in emerging economies will be creating the added demand for yellowcake, rather than static or declining markets like those of Germany.

Current production (and even planned production) is not even vaguely able to meet this demand as the graph below demonstrates.



Parsing the Uranium Universe

We would divide the universe of Uranium stocks into three categories these days. There were hundreds of listed uranium plays in the heyday of the space last decade but this has now been whittled down by a brutal process of attrition driven by initially low prices, then a cycle of despair driven by seemingly secular revisionism triggered by Fukushima and then finally by the sheer lack of finance for virtually any mining space and particularly this one.

In the wake of this process we see the survivors divided into the following groups:

- Producers
- Near producers and former producers
- Advanced exploration and juniors

Normally we would put advanced exploration with near producers but the problem is that many of this category are merely wanting to be sold rather than getting into production. There will be a moment for them, a "day in the sun", but it is not now. There are quite a number of those companies out there

with sizeable reserves proved up but no real plan to move forward. When the turn in the U price comes they will be hoping to be bought by one of the producers, but there are more advanced explorers than producers so inevitably some attendees at the ball will be without partners for the dance.

Junior “juniors”, the moose pasture merchants, are basically not needed or wanted for probably the rest of this decade. If there is no resource, or a puny one, then it’s a case of “don’t call us, we’ll call you”.

The ideal place to be positioned now is in either producers or the near/former producers.

Producers will obviously be first movers, but near- and ex-producers should swiftly follow with the added advantage that they do not come freighted with long term contracts at low prices. That said, companies needing funds to go the final mile to production may be tempted to commit to contracts at revived, though still low, prices with offtakers/traders to grab that all-important final funding to make it across the production line.

Names to Conjure With

Our old favorite in the Uranium space is the physical ETF, Uranium Participation Corp., which is effectively managed by Denison. This is the quick way to get direct exposure to the metal.

In the most advanced developer category we tend to focus on Western Uranium Corporation (CSE:WUC | OTCQX:WSTRF) and then after that Peninsula Energy has appeal. Berkeley Energy has excited comment by forging out a mine in Spain of all places, not the typical territory for Uranium hunters.

In the up and coming explorers, there is the Friedman satellite, GoviEx, which is run by Govind Friedland and has an extensive position in Africa. With Argentina’s (re)opening to

the world (and prominent position in nuclear technologies as well as adding more reactors) it is worth keeping an eye on U308.

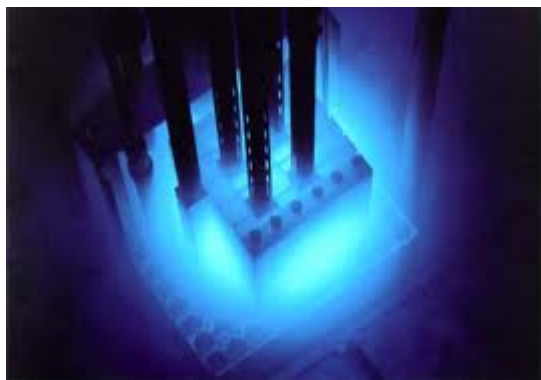
Conclusion

In our outlook for 2017 for metals we posited that the year would be the Year of the Infrastructure Metal but also that the outperformers would be the two laggards of 2016, Tungsten and Uranium. Tungsten still remains in the doldrums but Uranium is making a break for the upside, probably faster than we would have imagined.

The real action will be in the term price, not the spot price, but unfortunately the spot price is what the wider world of Uranium investors look at for guidance. Now that too has started a march upwards. For better or worse Uranium has been a favorite of the speculative classes in the past (the distant past, we might add) but many people made a lot of money from it in its heyday(s). Therefore while many may have been sitting on their hands through the successive false dawns, we now may see investors who have not touched Yellowcake in a long time dusting off their chequebooks. Like other sectors long out of favour the number of available listed plays has shrunk over the years and thus the task of choosing what to invest in is made easier by having less choice. Companies that are either in production or with short lead times (such as Western Uranium) are obvious first movers. Greenfield stories will have less to offer because they are, well, greenfield.

Primacy these days will be best obtained by showing the market that one is dedicated to the old mantra of production, production, production.

Japanese elections hail the return of Nuclear Energy, a Uranium Revival and Shift in Rare Earths Sourcing



The election of Shinzo Abe as Japan's prime minister has reshuffled the energy supply cards in favor of nuclear power. The Japanese people, who are well aware of Abe's policies and views on the matter seeing as Abe served as prime minister from 2006 to 2007,

have given the incoming prime minister a strong win. Japanese voters were well aware that Abe and his LDP Party, in spite of massive anti-nuclear demonstrations, received strong backing from the atomic lobby them, adding even more conviction to the nuclear revival.

Abe, leader of Japan's Liberal Democratic Party, has secured a strategic alliance from the Buddhist 'New Komaito' party, earning him the support of two thirds of the Lower Chamber of the 'Diet' (Japan's parliament), meaning that Abe will be able to pass laws even without the Upper House's approval. The strength of Abe's victory suggests that a good majority of Japanese voters are in favor of re-starting nuclear reactors. Moreover, during the campaign blamed outgoing Prime Minister Yoshishiko Noda for putting nuclear energy aside, in the wake of the Fukushima disaster. Abe said this was a costly decision for Japan in terms of competitiveness and energy efficiency in exchange of a short term need to appease a need for safety, which could have been addressed by targeted investments toward improving technology rather than the outright repudiation of nuclear reactors that supplied some 30% of all Japanese power

generation. Not surprisingly, shares of Tepco (9501:JP), the private company that managed the Fukushima nuclear power station, rose by almost 30% at the Tokyo Stock Exchange today; shares of other nuclear energy providers such as Kansai and Chubu also rose sharply in response to Abe's electoral win, gaining 17% and 9% respectively.

In Australia, which responds promptly to market trends in Japan, uranium and nuclear energy stocks responded in kind as Paladin Energy and Energy Resources of Australia rose 8.4% and 5%. Japanese politics and international markets are pointing toward an overall uranium market revival in 2013, prompting more exploration and production. The market decline has contributed to a uranium shortage in the two years, discouraging new uranium projects from developing as miners have been holding off waiting for prices to recover. North American juniors such as Strathmore Capital (TSX: STM) with a project in New Mexico, U308Corp developing uranium at its Berlin Project in Colombia or Rockgate Capital (TSX: RGT) exploring for uranium in Mali, should start seeing some growing, and bullish, attention from investors. While Japan and China are not on the best of terms now – and this is a situation that has little chance of improving, given Abe's more nationalist politics – the resumption of interest in nuclear energy in Japan will surely boost Beijing's own plan to build 100 new reactors by 2020. As for the established uranium plays, production was deferred in the wake of Fukushima further contributing to a shortage of supplies; the prospect of higher prices should translate to an increase in production in the next year.

China, meanwhile, will have suspicions about the LDP victory in Japan; especially insofar as the Senkaku/Diaoyu Island dispute is concerned. On December 13, two days before the vote, China sent a reconnaissance aircraft to the Islands, boosting nationalist sentiment in Japan. This too may have contributed to the LDP victory. Chinese media have followed

the Japanese elections closely, warning of Japan's potential right turn and commitment of LDP to revise Japan's pacifist constitution, transforming the Self-Defense Forces in Force national defense. Despite the rhetoric of nationalism and the commemoration in style of the Nanjing massacre perpetrated by Japanese troops, China hopes the change of government in Tokyo can be an opportunity to improve relations, but is not prepared to renounce claims to the Senkaku. However, a strong Japan may be able to extract more concessions from China, which could be discouraged from pursuing its own grander ambitions in South East Asia, should Japan raise its military profile – a likely prospect in view of the LDP's positions on increasing Japan's arsenals with more offensive capability weapons.

This should result in an interesting situation for rare earths. In the recent past, Sino-Japanese tensions over the Senkaku Islands have typically prompted Beijing to retaliate by cutting off Chinese supply of rare earths. Most pundits, and certainly the Chinese public at large, will be expecting such an announcement; nevertheless, this time the situation is not as predictable as in the recent past. Indeed, the rare earth market is different now. China has been reducing rare earth exports and the number of rare earth mining permits (by a significant 40%) in order to exercise greater control over these minerals. While, it is difficult to determine just how much these new regulatory measures will affect production, the lower production targets are also reflecting a lower economic growth rate in China. Chinese trade restrictions have also intended to 'encourage' end users and downstream to move their processing and magnet manufacturing operations to China. However, this strategy may not be as effective as expected now that China has seen its rare earth production monopoly starting to be eroded in the past few months and as new sources start to come online.

Japan has already been looking elsewhere. Ever since China

blocked rare earth exports to Japan in 2010, during another bout of the periodical tensions over the Islands, Japan went from Kazakhstan to India in search of rare earths. Indeed, Japan has already reduced reliance on Chinese rare earths by 50%. The rare earth market is also changing thanks to expectations of far greater production in Malaysia from Lynas Corporation (AUX: LYC), which has been granted a temporary production license (after a long struggle) to process rare earths. Meanwhile, Molycorp (NYSE: MCP) has also started to produce rare earths; indeed, the announced Chinese revision of its mining licenses may likely have contributed to a two-day rally for Molycorp. Chinese rare earth dominance will further erode as more supplies from African and North American plays also start to flow. New resources coming on stream – Lynas is producing, Molycorp has a new CEO- and they have started to chip away at China's rare earth monopoly and the tensions over the Senkaku islands have serendipitously served to highlight this. China, may yet decide to cut off its rare earth supplies to Japan, but it would be akin to shooting itself in the foot this time.

Sustainability a winning strategy with Benefits for Colombian Uranium Play

✘ U308 Corp. (TSX: UWE, OTCQX: UWEFF) is advancing the Berlin Project in Colombia's province of Caldas. The project has defined a uranium, phosphate and vanadium deposit on just 3 km of a 10.5 km long mineralized trend with potential for further mineralization. The Company stands out for its commitment to socially and environmentally responsible

exploration, or sustainability, which seeks an overall practical approach to improve the lives of the community from helping to promote better nutrition, health, education, water quality, employment and agricultural growth. A sustainable approach certainly shows that the Company cares about the community and the environment; nevertheless, what is less evident at first glance is that a sustainable approach actually shows just as much attention to the needs of investors and the business itself. Sustainability is only partially a demonstration of responsibility; it is, more importantly, evidence of an overall pro-active company management. In turn, the Colombian government has made it easier for businesses such as U308 Corp. to adopt a sustainable investment approach, having made important strides in improving the business regulatory system and private property.

U308 Corp's sustainability strategy is showing pragmatic results as the community near the Berlin project has been very supportive. The project is still in the exploration phase, but gaining community support is an important milestone. U308 Corp's sustainability practices and their impact on the community and their relevance to the actual day-to-day operations have been outlined in the 'Sustainability and Education' section of ProEdgeWire. In sum, the sustainability policies have helped to ease the implementation of efforts already planned by the Colombian government in such areas as education, nutrition, healthcare, potable water and community business development.

U308 Corp's environmental management is also evident in its metallurgical process, which efficiently extracts a range of commercially viable by-products including phosphate, rare earths and vanadium along with the uranium and should leave behind a clean waste product. Furthermore, the adoption of an additional step using vinegar helps to concentrate the payable elements into as small a mass as possible for a 50% reduction

in tailings while also producing gypsum, which has its own separate market potential. Gypsum has many commercial applications from fertilizer to plaster.

The advances in environmental stewardship are not just company trophies; associated benefits should transfer to the investors as these initiatives help to reduce risks that could arise from resistance to the project from the local communities. A preliminary economic assessment (PEA) is due out shortly. The PEA hinges on a two-step process to extract a host of recoverable minerals, as well as gypsum from the ore. The aim of the PEA is to show the extent to which the chosen extraction process contributes to favorable project economics, resulting in a low-cost uranium project thanks to multiple revenue streams. Meanwhile, the past few weeks have witnessed the first signs of a rally for the uranium spot market prices.

The uranium trend may have finally entered a new phase after suffering the effects of the Fukushima incident in 2011, which may herald a forthcoming renaissance for uranium company shares. The increasing uranium spot values are not the fruit of some market speculation occurrence. The Chinese government has lifted its ban on the construction of new nuclear reactors in November such that by 2015, over 40 new reactors are expected to be built. China expects to have 100 new reactors by 2020. Russia has announced, meanwhile, that it will double investment in nuclear energy research as the country plans to shift more and more toward nuclear energy production. While Russia has its own reserves of uranium, it is also an importer. Increasingly, nuclear scientific organizations have re-discovered their 'voice', issuing reports and statements to help reduce public fears of nuclear energy. Perhaps, the greatest effort in this direction is coming from Japan itself.

The Japanese opposition party LDP, which is showing a lead in the polls ahead of the December 16 elections, is led by pro-nuclear candidate Shinzo Abe. While, Japanese politics rarely results in clear party victories, forcing coalitions and

compromises, the costs of energy generation are simply too high (impacting the costs of doing business and competitiveness) in Japan for nuclear power to be ignored for much longer. Abe has not come out directly in support of restarting all nuclear reactors, but he has cautioned voters against kneejerk rejections of nuclear energy. That he did this during his campaign kick-off suggests that Abe will be very open to nuclear energy – along with more ‘politically correct’ renewable sources.