



MARKET COMMENTARY

eResearch Corporation is pleased to provide an investment newsletter, courtesy of **Rick Mills** of **AHEADOFTHEHERD.COM**. (Referred to as AOTH)

Rick Mills publishes pertinent investment articles on his website on a regular basis. He also publishes a regular investment newsletter.

Richard Mills is owner and host of **AHEADOFTHEHERD.COM**. His articles have been published on over 400 websites.

Ahead of the Herd Newsletter - 2019 Issue Four Saturday January 19th



AHEADOFTHEHERD.COM
Telling you things everyone else doesn't already know.

BW: Rick's latest Newsletter, while highly informative, is very extensive. For this reason, we are separating the newsletter into six reports for publication over the ensuing days on the eResearch website. If you want to read it in its entirety all at once, just <Ctrl-Click> on the link provided below. The general theme is Commodities and why Rick believes that NOW is the right time to take or add to positions in commodities: Our six AOTH reports are as follows: (1) Why and Which Commodities?; (2) Copper; (3) Lithium; (4) Rare Earths; (5) Gold; and (6) Uranium.

COMMENT: *We continue with our publishing of six excerpts from the Newsletter. Today is the fourth excerpt, focused on URANIUM.*

Link to the entire January AOTH Newsletter is [HERE](#).

NOTE: If you want to sign up to Rick's website/blog, and subscription is FREE, you can do so here: www.Aheadoftheherd.com.



Commodities are the right story for 2019



As a general rule, the most successful man in life is the man who has the best information

PART 6: URANIUM

We are also bullish on uranium, since it will take a great deal more electricity to power all those EVs, which are estimated to be 35% of new vehicle sales in the USA and around 75% of UK new vehicle sales by 2030. Natural gas and coal power plants spew greenhouse gas emissions and contribute to climate change. Renewables are great, but they are currently a niche form of power and still require fossil fuel-powered “peaker plants” (coal or gas-powered) to supply an adequate amount of power to electricity grids.

If we want to save the Earth - and the signs are everywhere that the planet is in trouble from warming surface and ocean temperatures - there is only one form of clean, stable, emissions-free power that we can do it with, and that is nuclear. And that is where uranium comes in.

Demand for uranium is directly tied to the need for nuclear power, which is growing exponentially, especially in Asia due to the problems with air pollution from coal-fired power plants. The global demand for electricity is expected to increase by 76% by 2030 and, while everyone knows about the electric vehicle revolution, what is not often talked about is how will all that extra power be generated. Much of it will have to come from nuclear.

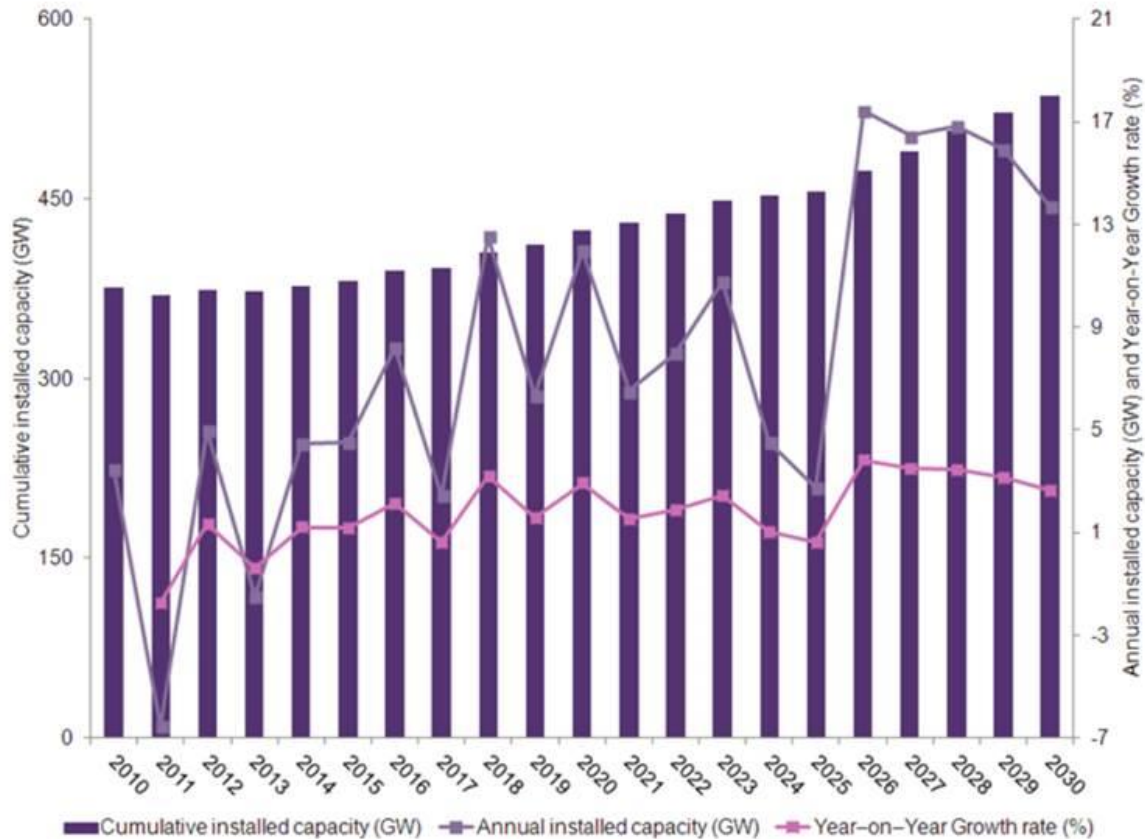
According to nuclear consultant UxC, the global capacity for nuclear power is expected to grow by 27% between 2015 and 2030. That means a whole lot more uranium.

UxC estimates annual uranium demand will spike by nearly 60%, from the current 190 million pounds of U3O8, the nuclear fuel, to 300 million pounds by 2030.

See the chart on the next page.



Figure: Nuclear Power Market, Global, Installed Capacity (GW), 2010–2030



Source: GlobalData Power Database [Accessed on August 28, 2018]

While the uranium price has been suppressed since 2011 when it took a major hit due to the nuclear accident cause by the tsunami in Japan, things are looking up. Uranium supply has been steadily dropping since 2016. That year, total mined supply was around 163 million pounds, in 2017 it was 154 million, and in 2018 it was under 135 million. With current U3O8 demand at 192 million pounds, that leaves a shortfall of at least 57 million pounds.

Where will this extra uranium come from? While production at big Canadian uranium mines McArthur River and Rabbit Lake have been suspended due to low prices (at current prices, about three-quarters of uranium mines are uneconomic) exploration is going full tilt in the Athabasca Basin of Saskatchewan, the world's richest source of uranium ore - with junior miners anticipating the return of higher prices. The long wait might finally be over: uranium was the [best-performing metal of 2018](#).

One of the most promising uranium explorers is Skyharbour Resources (TSXV:SYH). In 2016 Vancouver-based Skyharbour optioned the highly prospective Moore Project from Denison Mines.

The company also has a 50% interest in the Preston Project - one of the largest land packages (75,965 hectares) in the Basin - strategically located near Fission Uranium's Patterson Lake South Triple R uranium deposit and NexGen Energy's Arrow deposit, both of which contain high-grade uranium.



While Skyharbour is a top-tier uranium explorer, with the expertise to back that up, the company is also a prospect generator, meaning its strategy is to ink option agreements on its secondary properties thus allowing other companies to come in and incur exploration expenditures in return for earning stakes on those properties.

Skyharbour's fall drill program at Moore discovered a [new high-grade uranium zone](#), with most of the zone below the unconformity - the point where the sandstone meets the underlying basement rocks. That is important because most of the highest-grade deposits discovered in the Athabasca Basin in recent years have been found in "the basement".

A new 3,000m program will include more exploratory drilling into the basement rocks with the goal of adding high-grade uranium mineralization that can be plugged into a maiden resource expected to be published sometime this year.

BW: We will publish tomorrow the Conclusion of the January 19 Newsletter from AheadOfTheHerd.com.

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