



next
investors™

URANIUM'S 3RD BULL RUN?

3 STOCKS WE'VE INVESTED IN





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Published: 20th February 2024





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3rd Uranium Bull Market

The corner of the market that really has tongues wagging right now is pretty clear – URANIUM.

On Friday the 12th of January the U spot price rocketed overnight to hit \$104/lb.

The Financial Times [called it a “blistering rally”](#):



Source: FT

When we put this e-book together the U spot price was at its highest level in 16 years, and this time, we think the uranium bull run could be for real.

Obviously, commodity prices fluctuate – often wildly.

But it's always nice when you get it right ahead of time in the world of investments.

For example, we said uranium would have a good year in our [outlook for the macro theme at the start of 2023](#).

And that certainly played out – and then we highlighted that the [U price was running in June 2023](#).

We then suggested that we were about to enter [a multi year uranium bull market in September 2023](#).

Fast forward to where we are in 2024, and we think it's looking very promising for some of our Portfolio Companies.

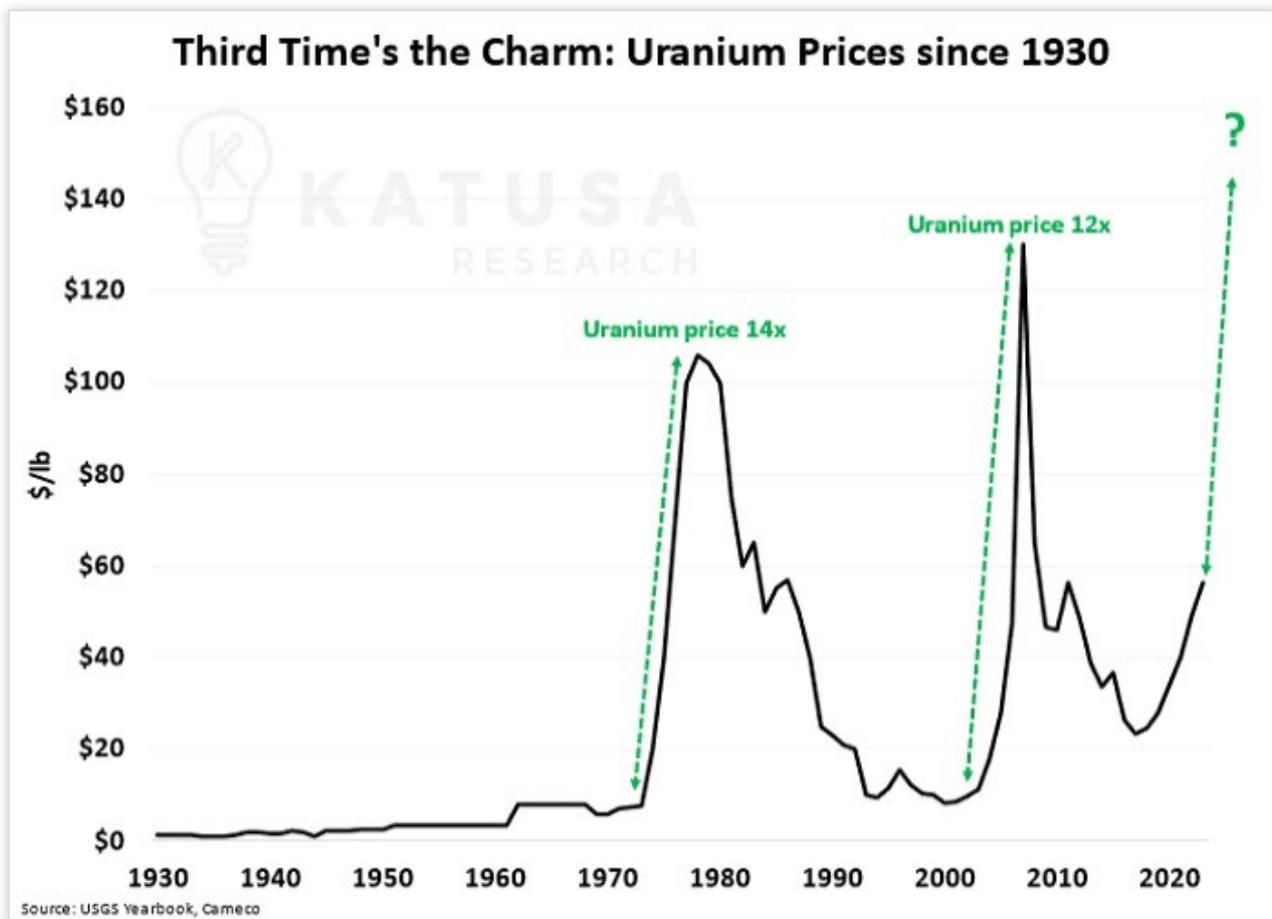
(during 2023, two of the nine new stocks we added to our Portfolio were uranium stocks)\

Things may change – the small caps that we invest in, like the three uranium stocks we will profile today, are high risk investments. Our strategy might not be suitable to your needs. Always consult professional investment advice before investing.

We made these three Investments because we think they had been sitting out of the limelight for a long time.



And we know from history that when the uranium price runs it runs very hard:



The past performance is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. This product, like all other financial products, is subject to market forces and unpredictable events that may adversely affect future performance.



And now check out the U spot price from mid 2022 onwards through to January 2024 (those images are our articles by the way):



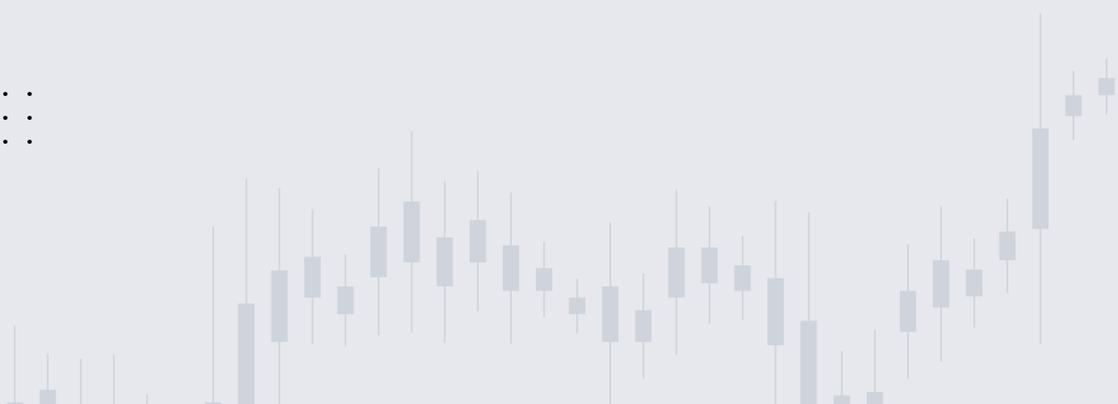
[\(Source\)](#)

The past performance is not and should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. This product, like all other financial products, is subject to market forces and unpredictable events that may adversely affect future performance.

History repeating?

We will see, but we've positioned our Portfolio to potentially benefit from a 3rd Uranium Bull Run.

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Our 3 Uranium Investments

We've currently got three uranium stocks in our Portfolio.

We are Invested in these companies and hold shares in them - [check out our Trust Centre to learn more.](#)

Here are the three companies they are... **(click the links below to see our Investment Memo):**

Haranga Resources (ASX: HAR)

[CLICK HERE](#)



Global Uranium and Enrichment (ASX: GUE)

[CLICK HERE](#)



GTi Energy (ASX: GTR)

[CLICK HERE](#)



[Learn: What is an Investment Memo?](#)

We've got profiles of what these three companies do and what assets they hold towards the end of this document.

First though, a quick introduction to uranium...



Uranium is a chemical element with the symbol U and atomic number 92.

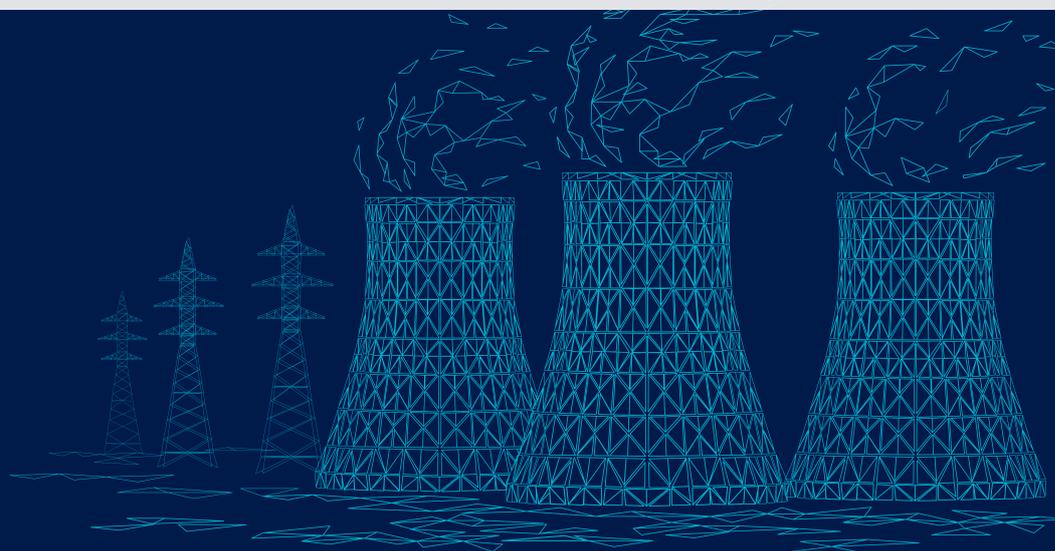
Perhaps most importantly, uranium is **used as fuel in nuclear power plants and is the most common fuel for nuclear reactors.**

Below are the five steps involved in the nuclear fuel cycle:

- 1 Mining:** Uranium is mined from rich deposits found in nearly 20 countries around the world. More than two-thirds of the world's mined uranium comes from Canada, Kazakhstan and Australia.
- 2 Milling:** Once mined, the uranium ore is taken to a mill, where it is extracted and formed into a powder. This is then sent to a conversion facility.
- 3 Conversion:** At the conversion facility, the uranium powder is converted into a gas, uranium hexafluoride (UF₆), which enables it to be enriched.
- 4 Enrichment:** The UF₆ gas is then sent to an enrichment facility, where the percentage of the uranium-235 isotope is increased, making it suitable for use in nuclear reactors. The enriched uranium is then formed into fuel rods.
- 5 Fuel rods:** These fuel rods are then sent to nuclear reactors, where they generate heat to produce electricity through nuclear fission. Once in the reactor, the fuel rods are replaced periodically and the used fuel is then stored and disposed of.

We've highlighted mining and enrichment as these are the most interesting parts of the fuel cycle to us as Investors.

As we mentioned before we have three current uranium Investments in our Portfolio which we profile at the end of this e-book.



Why is the uranium price up? Is uranium in a third bull run?

It's a maelstrom of factors at play with uranium.

And while we can't say for sure whether we are witnessing a uranium bull run right now, it's possible this could be confirmed over the coming years.

Historically, the second uranium bull run came to an end with the Fukushima disaster in March 2011.

It led to a period of low Investment and in the West at least, a reduced appetite for new nuclear power plants and thus, less demand for fuel.

Less demand led to reduced prices for the commodity which in turn hurt the share prices of uranium companies across the mining lifecycle.

But here's the thing, when these companies suffer, new supply fails to come online and lack of supply can create

There's a saying amongst commodity traders that goes something like this:

Question: What's the solution to low prices?

Answer: Low prices



And vice versa. It's a commentary on the cyclical nature of commodity prices.

So after a long period of depressed prices, uranium prices are at time of writing, at 16 year highs.

While you could perhaps trace the early beginnings of a potential third uranium bull run back to asset fund manager [Sprott's formation of the Sprott Physical Uranium Trust](#), we think what really put uranium in overdrive was what came out of the world's largest climate change conference, COP28...

COP28 gets yellow cake fever as “Nuclear” is put on the clean energy agenda

The end of 2023 was marked by the end of the annual global climate change summit “COP28”.

There was no huge deal made.

Although not a “game changer”, the deal that was ultimately signed acknowledged the need to “transition away” from ‘fossil fuels’.

This may seem obvious, but this rhetoric has eluded climate talks for decades – mainly because of lobbying by oil companies and petro-states.

And although “phase-out” or “phase-down” didn’t make the final text of the agreement – a “transition away from fossil fuels” was recognised.

As countries commit to transitioning to clean energy, they will need to find other reliable sources of base load power.

Like nuclear power.

At the summit there was a push from 22 nations declaring their ambitions to triple nuclear output by 2050.

These countries included the USA, UK, Canada, Japan, Korea, France and the Netherlands.

Interestingly these countries make up almost all of the world’s existing nuclear power capacity.

If they decide to triple the size of their nuclear reactor fleets then demand for uranium could skyrocket...





And now, there are some seriously strong macroeconomic and geopolitical forces at play.

Just read the headlines...

China is looking to “aggressively tie up uranium supply” amid a world wide rush to secure nuclear fuel:

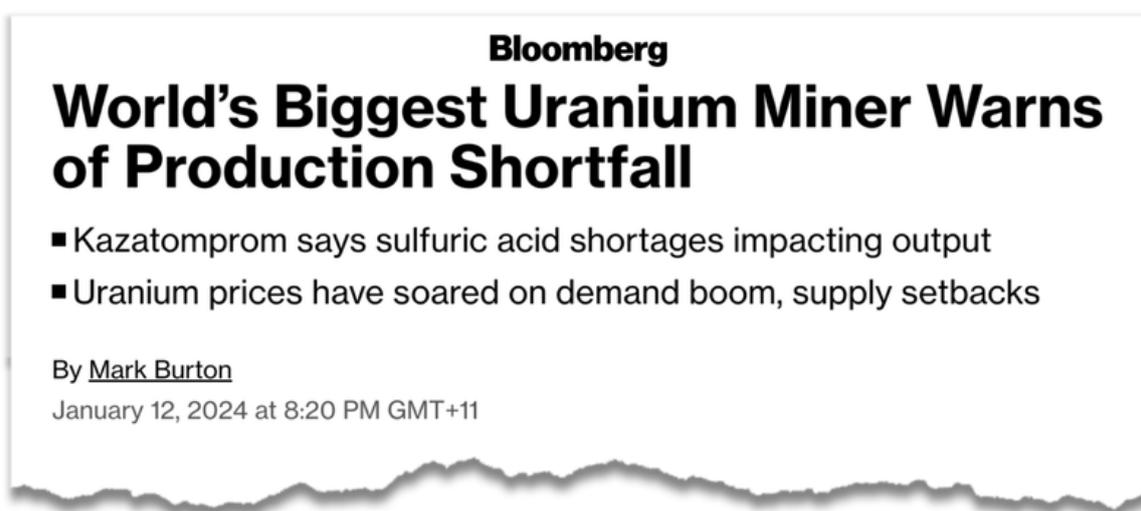


[\(Source\)](#)



Source: Financial Times

[\(Source\)](#)



[\(Source\)](#)



And a lot depends on the US here as well...

The US has already committed strongly to increasing nuclear power:

A May 2023 [US Department of Energy report](#) got us even more interested in the uranium market.

It laid out an ambitious plan to 3x the current US nuclear energy output from 100 GW to 300GW.

Importantly, this would mean the following:

- The US would need to engage in the mining/milling of an extra ~50,000Mt of uranium per year – a 22x increase from the most recent peak
- US enrichment capacity needs to increase by ~30 million SWU per year (6x higher than its current capacity of 4.9 million SWU) or 40 million SWU per year to be energy independent. SWU stands for Separative Work Unit – a measure of the effective price for enrichment services to be completed.

At time of writing, the US House of Representatives has approved legislation that would ban importations of enriched uranium from Russia.

The approval by the House of Reps means the bill now heads to the US Senate for approval and given the topic is supported by both sides of politics it looks likely to be made into law...

Bloomberg

US House Approves Russian Uranium Import Ban

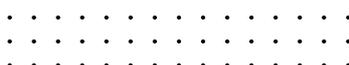
- Senate seen supporting measure, faces better prospects in 2024
- Ban could increase cost of enriched uranium by as much as 20%

By [Ari Natter](#)

December 12, 2023 at 8:59 AM GMT+11

Updated on December 13, 2023 at 7:51 AM GMT+11

[\(Source\)](#)





[\(Source\)](#)

Up until now, one of the only industries untouched by sanctions against Russia was the uranium industry – primarily because of how fragile supply chains were and how dependent on Russian supply the world is.

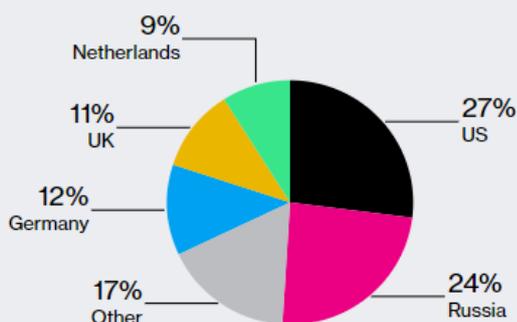
The US in particular is one of the most vulnerable to supply shocks with the world’s biggest nuclear reactor fleet and close to no domestic uranium production.

For context – nuclear reactors produce ~20% of all US electricity.

The ban is especially important because the US energy grid is reliant on imports for ~95% of its uranium needs and Russia supplies ~24% of US enriched uranium demand.

US Suppliers of Enriched Uranium

Russia is the largest foreign provider of the nuclear power fuel



Source: US Energy Information Administration

It is also important because the Russians are the only ones that produce a commercially available supply of *“special highly enriched reactor fuel known as HALEU that is needed for a new breed of advanced nuclear reactors”*.

We’ve got one Investment that is specifically targeting enrichment later in this e-book.

So without further build up, here are the three Investments we’ve made for a third uranium bull market...



ASX: GUE

Date Published 20/02/2024

Company Global Uranium and Enrichment)

Stock Code ASX: GUE

Market Cap \$28M

Share Price \$0.13

ESG Rating ****

Project Summary

Lifecycle Stage Exploration

Location USA & Canada

Our Investment Summary

Portfolio Wise-Owl

Shares Held 3,098,352

Options Held 500,000

Initial Entry Price \$0.15

Return from Initial Entry -13%

High Point 37%

IRR 34% (pre-tax)

Next Catalyst: Exploration drilling

What does GUE do?

Global Uranium and Enrichment Limited (ASX: GUE) (formerly **Okapi Resources (ASX:OKR)**) is a uranium explorer and developer with projects across four uranium districts in the USA & Canada.

GUE also has a cornerstone stake in a uranium enrichment technology company.

GUE's enrichment technology uses a chemical process that could make uranium enrichment more efficient, safer, and cheaper than other technologies.

Our GUE "Big Bet":

"GUE re-rates to a +\$250M market cap by achieving a major technological breakthrough with its uranium enrichment technology and/or is acquired at multiples of our Entry Price by a US focussed uranium major looking to gain access to its assets and technology"

NOTE: our "Big Bet" is what we HOPE the ultimate success scenario looks like for this particular Investment over the long term (3+ years). There is a lot of work to be done, many risks involved, and it will require a significant amount of luck. There is no guarantee that it will ever come true. Some of these risks we list in our [GUE Investment Memo](#).

Why we like GUE

- ⦿ **US needs to secure domestic uranium supply** - The US is completely dependent on foreign uranium and uranium enrichment. It's making domestic uranium assets and enrichment a national priority
- ⦿ **One of two uranium enrichment companies on the ASX** - GUE holds a 19.99% stake in a uranium enrichment technology company. GUE is therefore the only other enrichment exposure on the ASX behind \$1.2BN capped Silex.
- ⦿ **Advanced project with existing JORC resources inside the US** - GUE has a 49.8Mlbs uranium JORC resource in the USA with development potential.
- ⦿ **Exploration projects in Canada** - GUE holds exploration projects in the Athabasca Basin which is home to some of the worlds highest grade uranium projects and produces ~20% of the world's uranium.
- ⦿ **Strong Management and Board, with North America focus** - Managing Director Andrew Ferrier has a private equity background and GUE's chairman has 35+ years experience including time as Executive VP of operations for US\$40BN Newmont Mining Corporation.

What could go wrong?

- ⦿ Commercialisation risk
- ⦿ Exploration Risk
- ⦿ Commodity Risk
- ⦿ Funding Risk
- ⦿ Market Risk





ASX: GTR

Date Published	20/02/2024
Company	GTI Energy
Stock Code	ASX: GTR
Market Cap	\$18M
Share Price	\$0.009
ESG Rating	****

Project Summary

Lifecycle Stage	Exploration
Location	Wyoming, USA & Utah, USA.

Our Investment Summary

Portfolio	Next Investors
Shares Held	33,800,000
Options Held	833,100
Initial Entry Price	\$0.02
Return from Initial Entry	-44%
High Point	89%

Next Catalyst: Exploration drilling

What does GUE do?

GTi Energy (ASX: GTR) is an exploration company targeting Uranium discoveries in Wyoming, USA & Utah, USA.

GTR has existing JORC uranium resources of ~7.37m lbs across three projects and is looking to grow those resources through drilling.

Our GTR “Big Bet”:

“To see GTR prove out a large resource base in the “uranium capital” of the USA, and generate offtake or acquisition interest as the USA moves to secure local uranium supply.”

NOTE: our “Big Bet” is what we HOPE the ultimate success scenario looks like for this particular Investment over the long term (3+ years). There is a lot of work to be done, many risks involved – just some of which we list in our [GTR Investment Memo](#). Success will require a significant amount of luck. There is no guarantee that our Big Bet will ever come true.

Why we like GTR

- ☉ **Uranium price at ~15 year highs** - The uranium price is as high as it has been since 2007.
- ☉ **GTR’s projects are in the uranium capital of USA** - Wyoming is the capital for uranium production in the US and was once the biggest producing region in the world
- ☉ **GTR’s projects are ISR uranium projects** - ISR (In-situ recoverable) uranium projects have the lowest environmental impact, lowest CAPEX and lowest operating costs.
- ☉ **Existing JORC resource base and low enterprise value** - GTR has an existing JORC resource base of 7.37m lbs of uranium.
- ☉ **GTR’s projects sit near existing processing infrastructure** - GTR’s Wyoming projects sit near ~9 central processing plants, with five fully permitted for production.

What could go wrong?

- ☉ Commercialisation risk
- ☉ Exploration Risk
- ☉ Commodity Risk
- ☉ Funding Risk
- ☉ Market Risk





ASX: HAR

Date Published	20/02/2024
Company	Haranga Resources
Stock Code	ASX: HAR
Market Cap	\$15M
Share Price	\$0.17
ESG Rating	****

Project Summary

Lifecycle Stage	Junior Exploration
Location	Senegal, Africa.

Our Investment Summary

Portfolio	Catalyst Hunter
Shares Held	3,409,091
Initial Entry Price	\$0.11
Return from Initial Entry	68%
High Point	159%

Next Catalyst: Exploration drilling

What does HAR do?

Haranga Resources (ASX: HAR) is a junior explorer defining a uranium project in Senegal, Africa.

HAR owns 70% of its Saraya project, which has an existing JORC resource of 16m Lbs uranium.

Our HAR "Big Bet":

"HAR re-rates to a +\$100M market cap on significant resource growth and/or a transaction with a major player in the nuclear fuel supply chain"

NOTE: our "Big Bet" is what we HOPE the ultimate success scenario looks like for this particular Investment over the long term (3+ years). There is a lot of work to be done, many risks involved - just some of which we list in our [HAR Investment Memo](#). Success will require a significant amount of luck. There is no guarantee that our Big Bet will ever come true.

Why we like HAR

- ⦿ **Uranium price at ~15 year highs** - The uranium price is as high as it has been since 2007.
- ⦿ **HAR has a giant 1,650km2 uranium exploration land holding** - Large landholding could lead to the definition of a large scale Uranium JORC resource similar to other African uranium peers like Paladin Energy, Lotus, Bannerman, Deep Yellow, Aura Energy.
- ⦿ **Nuclear giant and reactor builder Areva used to own HAR's project... twice** - The French Nuclear giant owned HAR's project in the 70's and '80s, then again in 2009 to 2011. Areva did ~62,000m of drilling on HAR's project during its ownership periods.
- ⦿ **Existing 16m lbs JORC uranium resource with plenty of exploration upside** - The current JORC resource was defined using Areva's historical drilling. HAR still has 6+ anomalies to drill out.
- ⦿ **Peter Batten (Ex-Bannerman) is HAR's Managing Director** - Peter was one of the founding managing directors for Uranium company Bannerman Energy. In 2006, while Peter was MD, Bannerman was the best performing company on the ASX.

What could go wrong?

- ⦿ Commercialisation risk
- ⦿ Exploration Risk
- ⦿ Commodity Risk
- ⦿ Funding Risk
- ⦿ Market Risk





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We share our insights and analysis on these companies, and those across our entire Portfolio, for free with our readers Monday through Saturday every week.

We have been investing in the small cap market for 20+ years. We have made money, lost money and learned many hard lessons along the way. We use our experience to select and Invest in small cap stocks that we believe have a high chance of success, and then share our research, analysis and investment strategy with our readers.

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Next Investors

Flagship Portfolio - Carefully selected small cap stocks across a range of high-potential investment thematics

Wise-Owl

Growth Portfolio - Established companies that are reaching the growth phase of development

Catalyst Hunter

Exploration Portfolio - Small cap exploration mining stocks

Finfeed

Biotech Portfolio - Early stage biotech and life sciences stocks

How do we choose our Investments?

We review over 400 companies per year. On average we make just 10 investments per year. We consider a range of factors in deciding which companies to Invest in, including:

- Great management with integrity and a successful track record Top class projects vetted by our trusted industry experts
- Undervalued companies that have been unfairly priced by the market The right capital structure for sustainable share-price growth
- Best in class Environment, Sustainability and Governance (ESG)



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Our investment strategy is to achieve long term returns across a diverse portfolio of high-risk, high-reward small cap investments by achieving 1,000% gains on a few companies to materially exceed losses on underperforming investments.

Investing in small cap companies is risky, and while we consider our investments are set up for success, a lot of unexpected things can go wrong.

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5.589
2.201
3.000
1.030
5.260
1.046
5.457



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