Frank Curzio's WALL STREET UNPLUGGED

Announcer: Wall Street Unplugged looks beyond the regular headlines heard on mainstream financial media to bring you unscripted interviews and breaking commentary direct from Wall Street right to you on Main Street.

Frank Curzio: How's it going out there? It's May 10th and I'm Frank Curzio, host of the Wall Street Unplugged podcast, where I break down the headlines and tell you what's really moving these markets. Got this huge carnival/fair that takes place every year in my small town in northern Florida. It's pretty cool, and it's a real big deal. People travel from other states to attend it. It's called the Shrimp Festival. It takes place the first week of May every year. Of course, there's shrimp everywhere. Any type of shrimp, including every one that guy from Forrest Gump mentioned, can be bought at this festival. Everything. It's kinda crazy. It's also very big in arts and crafts. Some of the paintings can fetch over $5000, which, by the way, if you ever spend more than $2000 on any painting, there's really just one thing you need to know. And this is if you buy the painting as investment. If you love it and you're like, "This is great," it's fine. But if you're buying it as an investment, there's only one thing that you need to know before you buy something like that. It's when that artist is going to die. I'm not being mean here. It's just a fact. You can go back in history. Van Gogh, Monet didn't sell a painting when they were alive, yet their paintings are, what? Almost priceless today. Pollock's paintings skyrocket after his death. I can go on and on here.

Frank Curzio: If you're into collectibles, I know a lot of successful people in this industry. They always tell you, you have to buy rare items as investments. Items that can't be reproduced. In other words, don't buy a signed ... LeBron James, we'll use him as example, right? Cause he's killing the playoffs, he had a great year. Most famous player in basketball right now, one of the best ever. You don't want

to buy a signed LeBron James jersey as an investment, because he could literally sign hundreds of thousands of jerseys after that, as long as he's alive. And if, God forbid, because I'm a huge LeBron James fan and he's, again, an incredible ... Playoffs throughout his career and everything, having a fantastic year. If he was to pass away, then he obviously can't sign any more jerseys, right? So the value of those jerseys are going to go up tremendously.

Frank Curzio: So if you go to these art festivals ... and listen, I'm talking from an investment purpose and if you're an artist out there, you're going to email me and say, "Hey Frank, that's messed up." I'm just telling you, from an investment purpose. But if you're going to these festivals, you see a painting for over two grand, you know what? Talk to the person. Ask them how old they are, are they smoking cigarettes? You get the feeling the person may not be that healthy ... you can tell these days, right? If someone's not, really. Because buying a painting before someone dies, or just before someone dies ... again, I know this sounds terrible, but it's almost like investing in Apple the day they launched their first iPhone 10 years ago. It's gold, especially if those paintings are good and they got a lot of recognition. But that's how it is in that type of industry. So if you're an artist, please don't get offended. I'm just saying, if you're great, getting amazing feedback on your pieces from top sources out there, maybe you want to fake your death, change your name. Probably make a ton of money. Just saying! Just saying as an investment. I'm your friend. I like you. Don't get all over me.

Frank Curzio: Anyway, the Shrimp Festival is getting bigger and bigger these days for a small town, tons of people, and there's more tents than ever. And, like I said, some of the artwork is really impressive. It's nice. But this year, it kinda took a major step down for some reason. There were people selling their garbage, like rusty nails for 50 cents. It's like they dumped all their garbage from the garage from the past 10 years and just threw it on old tables with price tags on it.

Frank Curzio: And I saw ... I'm not kidding here, 'cause I took a picture of it, almost posted it on Twitter, just thought it wasn't a good idea. But it was a fire pit. Basically, a metal bowl that was rusted next to about 10 other big fire pits these people were trying to sell that were all rusted. And the one I saw wasn't even that big, had a price

tag of $350. $350. I had to take a picture. I said, "No way." And the guy's like, "Oh, you're taking picture, you like it?" I'm like, "No." I mean, I had to be honest with him. It's a rusted bowl. Really, if the person said, "Frank, you know what? You've done so many things for the community. You're a nice guy. You can have it for free," I would've said, "I don't want it." It would've got rust all over my car if I took it home. $350. It was crazy. The junk in some of these tents. It was like old spoons and forks and dirty kitchen plates. I'm not kidding. But they're next to booths with beautiful paintings that were selling anywhere from a few hundred dollars to $10,000.

Frank Curzio: Told you, sometimes it's like the twilight zone down here, a little weird. It's like going to a prestigious car show where you're looking at old Ferrari's and all these old beautiful cars, and all of a sudden in the middle of it is an old Honda Civic that's 15 years old with a dent in the door and a broken window. You're like, "What is this car doing here?" And there was a lot of those this year. Surprising. Anyway, the festival is pretty cool since they have a lot of stuff for the kids, they have rides, crafts. Nice firework display on the first day along with a really cool parade, live music. And since my town is known as the home of the Pirates, the high school team is named the Pirates as well, it's very, very big, you have a ton of people that dress up as pirates, and they go all out.

Frank Curzio: These people really look forward to the Shrimp Fest, kind of like I look forward to the Super bowl. Like it's the greatest day in the world, especially when the Eagles win. But they really get dressed up, painted faces, patches on their eyes, the whole entire thing. And the kids really love it. It was a great weekend. Got to spend some quality time with my family, because running your own shop requires a lot of hours. Anyone out there I'm talking to, I'm preaching to the choir, owns their own business. Sometimes it eats into family time, which I try to avoid at all costs. Especially, you know, my daughters are at the age where they're cool to hang out with, fun, seven and 10.

Frank Curzio: Plus, I'm heading to New York this week on business. We have tons of meetings set up, including with one person who's really a kind of a pain in my ass. You may know him as Michael Alkin. I'm just kidding. Michael Alkin's a great friend. Best money-flow trader.

But we're discussing several things. He's got great contacts in the hedge funds industries and high net worth individuals and things, and we're just discussing different ideas on how to grow Curzio Research from not just a newsletter publisher into something maybe much bigger years from now, long-term plans and stuff. I'll share some of those ideas with you in the future, really cool. Some really important meetings set up in my home town. I always like traveling to New York. I want to make sure I got some quality time in with the family, right? Spend some time at the festival, which is awesome. Now, since I've been traveling this week, I have to keep this podcast a little shorter than normal. So I'm not going to have an educational segment. Again, boots on the ground guy. My apologies. I try to give you as much as I can but in order to get you the good stories, the good stock picks, I have to get out there, talk to my sources, and that's what I do.

Frank Curzio: So no educational segment this week. However, of course I put together a really, really awesome interview for you. I'm never gonna leave you hanging, not doing a podcast for a week. I take pride in that, been doing it for over ten years, even when I'm traveling around the world, business, everything. So my interview today is with Jeff Phillips, president of Global Market Development. The best investors you'll find in the mining industry. Jeff's a no-nonsense guy, tells it like it is. An honest source in an industry where there are not a lot of credible people in it. There's a lot of people just looking to make a quick buck. It's a crazy industry guys. Be very, very careful. I need someone to help me understand this crazy industry and the important metrics, which we're gonna cover in a minute, that you really need to look at before investing in any junior miner. He's also gonna introduce me to some big executives in the industry, just a really, really great source for me. Along with guys like [Merrick Autos 00:08:07], Rick [Rule 00:08:08]. Help me navigate this crazy, again, very shady industry. A lot of moving parts over the past 10 years. Listen to the right people.

Frank Curzio: Jeff is also going to share some private placements. My Curzio venture opportunity subscribers. Those are my credit investors who are able to invest in a few junior monitors who are also receiving long dated warrants. You have to know the right people to get into the right deals. It's important because everybody's

looking to raise money, right? So I could throw millions of deals in front of my subscribers, but I'm very select. Because in the end you want to make money for people and invest in the right deals and Jeff is one of those guys that's helped me out with that. So again, Jeff is an investor in mining companies. Been incredibly successful the past 25 years. His big stakes, just about every idea he's going to tell you about today. But enough of me building this guy up because Jeff's a good friend. Let's hear from the man himself, right now. Jeff Phillips, thanks so much for coming back on Wall Street Unplugged, buddy.

Jeff Phillips: Thanks for having me, Frank.

Frank Curzio: I think my audience is pretty familiar with you now, right, because I've had you on the podcast plenty of times and you're a person if not focused mostly on investing on mining stocks. As everyone knows, this has been a really, really tough industry to invest in over the past few years. I guess two questions and if you could answer both of them. The first one is, how do you compare this downturn to others, because it seems pretty steep? And what's given you the confidence these days that the cycle in this industry will turn, be positive, not tomorrow, but over maybe the next six, twelve months?

Jeff Phillips: Yeah, Frank, I think, you know, there's ... The resource market is a boom and bust type market. You have the risk of developing projects along with the risk of the underlying commodity price whether it be copper, uranium, gold, whatever the company you are invested in as you go looking forward developing. So this downturn we've had really started in 2011. Besides 2016 which you ... I think was probably the bottom for this downturn you saw. The stocks respond well in 2016, bounce off the bottom. They've sort of been sideways to down in 2017 and early 2018, but still off of their highs. The underlying commodities like copper, uranium, gold, and others have appeared to have put in a bottom, in my opinion. But this downturn, you know really, it's lasted for seven years. Again, it's lasted for five years and I think we've hit the bottom, but it takes time for that to be realized.

Jeff Phillips: This downturn is a pretty significant downturn and the only thing

I can compare it to in my 25 years in the resource space was the '97, '98 period after [Breax 00:10:40], you know the market sort of bottomed in '02, '03 and by '04, '05, it took off where you start seeing the reason you're invested in this resource is for the three, five, tenfold returns and you sorta saw that, you know, maybe a couple years after the market bottomed back in the early part of the century. So I think we're in that space again now.

Frank Curzio: So Jeff, how do you, as somebody who's been through these boom and busts, you said for like 25 years you've been in this market, how do you look at companies or invest in them? Because I know that you're a person that looks at every number, every investor involved in the company, where every share is outstanding before you invest in a company. But in the end, does it come down to people before committing capital companies? Is it finding the right structure, making sure the asset could become a producing mine? Is it the macro environment? I'd love to hear your thoughts on that as someone who's been in this industry for a long time.

Jeff Phillips: It's sort of all the above, Frank, but I think the most important thing in any project, in any industry, is people. You're investing in the people to execute a business plan. Really mining is no different than any other business. It's a startup and has stages you go through. So I think people is the most important thing. Obviously the right project, the right commodity, but I have friends, I think you and I have talked about this before. And I don't know who your listeners are so, again, just so everybody understands, the resource market's a high risk ... you know it's like you hear about the Cryptocurrencies, which have obviously done very well, or marijuana stocks. There's always ... Or the internet back in 1999. There's things that take off and the resource market is similar to that, but there's also ways to lose a lot of your money. Since I don't know who your listeners are, the easiest way to explain the resource market, I have found, because I just don't develop natural resource companies, I've been involved in real estate development, farming. I came from my early childhood and many of my friends are big farmers.

Jeff Phillips: The easiest way I think to look at it is that it'd be the same as planting different orchards, basically. You know I have friends in

investments that ... whether you're planting pecans or walnuts, which are all different commodities, or pistachios. You know, what someone will do is they'll look for a good piece of ground where they believe the dirt is conducive for the underlying trees that they are going to plant. Early on you've got to buy the ground. You're taking a lot more risk because many of these crops don't produce for five to ten years, at their peak you know they start producing. What you're really doing in the resource market is something very similar. You're having someone say "I think this piece of dirt, I can get water to it. I can do this, I can plant the trees. The weather is gonna be good. At these prices, the return, when the trees mature and start producing, is going to be a great investment." The resource market's very similar. I'm simplifying it, but essentially, early on you participate in early stage financing and development projects. Just depends on where you're investing in one of these resource plays.

Jeff Phillips: If you look at a ... Say you're looking for a gold stock. If it's early on, it's a geologist who said "Look, this is why I think this piece of ground has the potential to hold a gold deposit. I need money to do the initial work." Just like before you plant an orchard. And I think if this work goes well, I'll prove that I can plant the orchard. Then I'm going to need more money. Then I'm going to need more money three years from now to fertilize my orchard. Then I'm going to need more money to get it ready to produce. And then I'm going to start producing at a small amount and as the trees mature, I'm gonna produce more. So, when I look at a ... We'll use gold for an example. I look for, you know, can it be a project all the way along? It could be an advance project, like some of my gold companies I'm involved with that aren't producing, but they are very close to producing. And that's investing in something that's a pretty mature tree, to put it in orchard terms. But I can see the return.

Jeff Phillips: My upside might not be as great. But again, I'm looking at a gold company in that tone to say that "You know, look, if the gold price stays where it's at, six years from now, with this production, am I going to make money?" And if the answer is yes, I can make a good return on my investment. That's what I'm looking for. If I'm looking at this, whether it's an already grown orchard or it's an early stage

piece of dirt, I don't wanna go into it saying "I think gold's going to double, and if it doubles this will be worth something." I mean, there's tons of resource projects out there, in the orchard terms, that are trees that don't produce very well and everybody's betting that when if gold doubles or triples, they'll be able to produce for a profit. Well, I don't wanna do that, I want to invest in a tree that I think can produce the current prices and give me a good return. So I don't know if that helps your listeners, but I find it easy to explain to my friends that are farmers and speculate on land that way, that that's sort of what you're doing.

Jeff Phillips: Depending on the project, you could be investing in the early stage dirt. Your return's much, much better if they get through the five, seven years and prove there's a deposit there and prove the metallurgy works. And prove that the country will let them build it and they get all their permits. There's a huge upside being early, but there's also much more risk.

Frank Curzio: Nah, it's a great analogy that you explain it that way. And I want to ask you this too, because ... And you won't admit this because I know you're always a humble guy, but if you're getting behind the company, when I say get behind the company, I know you personally that means you're investing in the company and usually you take sizeable investments, because you have conviction in it. So people know you as someone who's an honest guy in the industry, someone who invests in just select companies. So I know there's a lot people that come to you to see if you would invest in their company. What are some of the red flags that you see, and I don't want you to throw anybody under the bus, but what are some of the things that you see when people pitch you, other than, "Hey, you know what, these guys don't really have high insider holdings or anything," but since you only invest in a handful of companies, you probably see, I know you see a lot more garbage than good companies, but how do you spot that and maybe you could explain that to individual investors?

Jeff Phillips: Well, again it's pretty easy to put in terms that the two things that kill projects to me are greed and reputation. And again, I wanna find people that have actually built something for shareholders before. And even when you find that, sometimes greed has taken over because people think they're better or deserve more. So

again, you have to look at this that you're going to have to, again, back to an orchard, if you're starting with dirt, you're going to have to spend a lot of money getting the dirt ready, getting the water there, buying the trees. It's different stages as you go along. You've gotta continue to have more money to do that. Mining's the same way. You start off, you drill a few holes. You find something that's interesting, you got to raise more money to drill more holes and then you gotta do metallurgy. So I really want to see the structure. And that goes a lot to reputation and if it's structured right. Because I know that if they are greedy early on and they sell the dirt to investors to start the project and they've taken a large share of shares at a very cheap price, as they move along the project, it's gonna be harder to raise money, even if it's being successful.

Jeff Phillips: So I wanna see something that's structured in the right way. I wanna see management have a significant holding. Again, but I wanna also see that the management team's significant holding is reportable. Because you'll find a lot of these companies where someone will call you up, and I'm sure you've had this, Frank, where they say, "We own ... Key investors own 20% or 25% of the company." Then I look at their financial finds, and it shows that directors and certain people, or the founder or the promoter behind it, owns 8% reporting. And I say, "What gives?" And they say, "Oh, well it's owned by friendly people." Well, a lot of times these people own it in other companies that's not reporting, I don't like to see that. I wanna see that the management team not only owns a big piece of the company, they're reporting it so I can see what they're doing.

Jeff Phillips: So their exit strategy is to, again, plant the trees. Take care of them. Harvest them when they come in and that's how they're gonna make their money. I don't wanna see that management has a bunch of shares that they're not reporting that all of a sudden, when the speculation gets great because they've planted the trees and the property's worth more ... I'm using trees, again, in an orchard. That all of a sudden, their friends which are really them, are the sellers of the stock and it makes it hard for them to raise money for the next level. They're taking off early. The hard work is going all the way through from beginning to end, and I wanna see that their benefit is that if they do that, they're going to make a lot

of money. I don't wanna see that they can exit before that happens and make money. Does that help?

Frank Curzio: No, that helps enormously. I hope people got that message there. That is incredible because you're investing in an incredibly risky sector that you're trying to take out as much risk as possible. And that's the way to do it. So I wanna get to a few more things here, because it's, yeah, I know we have a little bit of time restraints here. But let's talk about gold in general. I know this is another area of the market that you really like, but when I look at gold here, and this has been an argument for the past couple years where you're seeing few major gold discoveries, at least over the past five years. Like oil, the majors need to find more oil to sell to generate more profits. With gold, these majors need to find more gold to sell because eventually they're gonna mine all the gold from the top projects, which we're seeing. Do you see that as a big catalyst, because I've heard about this for the last two years and we're not really seeing ... Some M&A, not a lot. You think this is a good catalyst for junior miners where some of these really have high grade potential gold projects that are in pretty good position for majors to come in and say, "Hey, we need to start building it or taking shots here?"

Jeff Phillips: Absolutely, Frank. I think you touchin' on the oil sector is a good example. Two and a half years ago, approximately, give or take half a year. You couldn't find anybody who wanted to buy oil at $40, you know, it moved off, reached the lows, and companies were in trouble. No one was buying it. Now, I'm sure if you type in oil or oil price and go to MarketWatch or TheStreet.com, there'll be five articles about oil touching $70 and going to $200, and what's this going to do and everyone's looking to re-invest because the investment went down when the price of oil went down. So gold hasn't seen a lot of investment for the last ... They've seen a lot of investment. Again, if you look at some of the graphs and charts, you'll see that different times, you know, at the beginning of the century, 2000 to 2008, there was a ton of money that went into exploration for commodities and gold, also. However, the reward for that money that's going in is much less than it was a decade before that, or a decade before that. It's getting much harder to find any commodity. It's not popping out of the ground anymore.

We've used those commodities. We're having to go deeper, undercover. We're having to use new technologies and those haven't really advanced that much.

Jeff Phillips: So absolutely, the minable, since we're using gold an example, that minable amount is going down. The majors are going, as they repair their balance sheets from the last bull market, they're going to start looking for assets to add. So, what you are looking for are assets out there in the gold environment that look like, whatever they're stage they're at in the orchard planting process, that you look at it and at current gold prices, again, it makes sense if they keep moving it forward that it would be a profitable project. And you will see those start to get taken out and you're starting to see majors step back in, make strategic investments, not just in gold but other commodities. So I absolutely think that's what's going on now since we've, what I believe, we have done sort of a bottom in 2016. And I think over the next two years, we'll hit that, what I call the hockey stick where all of a sudden everybody, just like oil or real estate or the Internet, wants to jump in and is paying three or four times the price of the equity that you talk about now when people weren't too sure about it.

Frank Curzio: No, that definitely makes sense. And let's change tunes here, because I feel the same way on gold. You don't know if it's gonna happen a month from now, a year from now, or two years from now, but this is something that's a serious problem for the majors. And it's just something that they're gonna have to address. Now, let's turn to uranium, which may be the most depressed industry or have been depressed for the longest amount of time in any industry that I know because it's basically cyclical, right? We're not talking about cities or we're not talking about an industry that's just in a complete cyclical decline like whatever. This is something that's needed, it's used for electricity, clean source, but yet we're seeing prices kinda hover at this point for a very long time and there's a lot of major changes that came out where production cuts not only from the majors, but from the largest country in the world who is actually much, much bigger than OPEC, if you wanna compare it that way. It seems like the fundamentals are right for prices to go higher, but what do you think here? Are you bullish in uranium, you like uranium? Or you know, what's your thoughts?

Jeff Phillips: I like anything, there's always pluses and minuses in things and in the story, from the bulls you hear or the bears, is not completely true. I think it's somewhere in between. Obviously uranium's a heated commodity, it peaked, it went from $8.00 a pound back in the late 90s to over $130 a pound by 2005. You went from a dozen companies with management teams that actually knew something about uranium in the equity space to three, four, five hundred companies by 2005 and then the price dropped out at $130 and like you said, I think it's probably at the bottom at $18 a pound or wherever that was here in the last six months. There's the argument with the bears that you've got ... Much of the people are starting to figure out alternative fuels, whether it be the sun or wind and starting to make these more investments in that and it decreases your need for uranium. Uranium use isn't going away, it powers 25% of our energy in the United States, I believe something like that. And China is moving, what do they have, 20 reactors under development at this point?

Jeff Phillips: So currently it's pretty simple, uranium ... The cost to produce uranium on average, even when you factor in your OPEC of uranium which is Kazakhstan, you know the cost of producing ... Very few, if any, can produce, maybe a couple in Kazakhstan, but at these prices you see Cameco, you've seen AREVA, you've seen a number of people shut down production, Cameco at Cigar Lake. They can't make money, so again you've got to see uranium probably in the $40 to $50 a pound range for these mines to make money and continue to operate, so the cure for low prices is low prices. Eventually they have to come back up, so I think, again, it's a contrarian play to invest in uranium at this point. But I think as long as you're patient, like planting an orchard, I think it's a great time to be doing that. Again, I think uranium will come back up, it's gotta come back up to the average cost of production.

Frank Curzio: Yeah, no, I know they say that a lot, the cure for low prices is lower prices, but it seems like that hasn't been a cure for a while. For uranium-

Jeff Phillips: No, but as you know, if uranium moves from $22 to $40 a pound, that's a 100% move. But investing in the uranium space, in the equities, you're not gonna see 100% move, you're gonna see some

of these depressed companies that actually have pounds in the ground, move up five, tenfold in an environment like that. So that's what you're ... You're taking on that risk. And then the resource base, another analogy, since I used the orchard, I might as well use baseball. You know, again, you're not going to hit, you're not gonna play a game and get a base hit every time you step up to the plate. Something's gonna go wrong at some point, you're gonna hit the ball in the wrong spot, so investing in resource stocks is trying to invest to bat 300 like in baseball. One in three investments that you have you'd like to see go up tenfold. If you put equal amounts of money in three investments and one goes up tenfold and the other two don't work out, you're doing pretty well.

Frank Curzio: You do well even if you had ten investments and one of them go ... You'd limit your losses on the others, but, yeah.

Jeff Phillips: Yeah, and sometimes you get a bull market and even the things that aren't working out go up and doing it's incredibly profitable. And again, I've told people that in 25 year career, there's really been a couple years, three times in that 20 year career that's helped me make my net worth. So.

Frank Curzio: Yeah, that's good when you put it that way, right? I mean, it is incredible when you do see the cycle turn in this market, the gains are enormous. And let's go to some of those stock picks now, because one of the reasons why I love having you on here and being good friends, you always share your ideas. Can you share a couple ideas that maybe you like in uranium sector, which is not a lot to choose from these days compared to ten years ago when prices were much higher, but also in the gold sector as well? That ... yeah, or you get it, I don't want you to give away anything that you can't, but I'm just curious to see what you're looking at these days.

Jeff Phillips: Yeah, I'm happy to share my thoughts on different companies, but again, I'll disclose if I am a large shareholder or consultant for 'em. But starting with the uranium space, obviously the large, the company that everybody ... a lot of people know is Cameco. And if you look at Cameco's chart, which I find interesting, it recently hit a new 52 week high. Obviously way off its highs of the decade

ago, but it's gone back to a 52-week high. I haven't' looked at it in the last week, so I think that was a week ago, but again, it's like anything else. If you believe uranium's going higher, what spot on the risk curve do you wanna be in? So buying Cameco is like buying an orchard. Again, we'll use the orchard term, when the trees are already producing and you're really ... You know that they have a good production just like Cameco has great low cost mines even though they can't produce at current prices. You have some great upside in a solid company that's been around for a long time and that's gonna give you some good leverage to the price of uranium.

Jeff Phillips: As you come down the curve, which is where my specialty is, and I don't own Cameco but again, if someone believes in uranium and wants to have a large company, that's the company I'd look at. As you come down, you've got pounds in the ground or you have really exploration drill results and I have earlier stage companies such as, I believe you know Jordan Trimble at Skyharbour Resources? Jordan's a great young entrepreneur, younger guy in the resource space and Skyharbour is doing a bunch of great work and has pounds in the ground, a joint venture with AREVA, so that's an interesting company to do some due diligence on. I am a shareholder, I'm not a consultant for the company. Another company that I think I sent you a press release on today before our interview is URZ Energy. That's the management team that built Uranerz and sold it for $175 million dollars four or five years ago. They'll actually put a project, an ISR project into production, that's their new company, URZ Energy. They just announced a merger with another company that was having cash problems and management problems but they have an asset that's near-term production under permitting an ISR project, so I think that's a company to watch. I think they're gonna, they've done it before, they've built a company and sold it. Built a mine. So URZ Energy's another interesting uranium company.

Frank Curzio: Switching tunes from uranium, what about the gold space, which I know that you're heavily invested in?

Jeff Phillips: Gold's always an interesting subject because you got all kinds of different people and opinions on gold. Again, I go back to the fact that if I'm looking ... I'm a believer in gold. I do believe that the

world's debt levels are unsustainable. Both private debt and public debt, and government debt and corporate debt, and student loan debt and auto debt, and I think we've had a big expansion. I think gold will do quite well when, again, we've ... over time it's always proven to be a good store of value. But when I'm investing in a gold company at whatever stage it is in the development process, I'm looking for something at current prices. If things go right, which is still high risk. You know, they would be a profitable company at current prices. I do believe gold, over time, is going higher. But again, that's what I'm looking for in a gold company.

Frank Curzio: Any gold names that you wanted to share with us today?

Jeff Phillips: Again, you could start with the big companies, your Agnico Eagles, your Goldcorp's, and I'm not recommending these, but these are the companies that are producing gold. They've had a tough time, your Kinross' and your Berricks and Newmonts, and other commodities like Freeport with copper and gold where they're mining Indonesia. But those are the types of companies that are highly liquid and very large, that's not my specialty, I specialize in companies that are either, back to the orchard thing, that are either early stage dirt and we're gonna go out and try to prove this dirt has something under it or I like to look at things that are four years down the timeline in the orchard analogy where I've got trees that aren't producing and need a few more things to happen, which in mining terms means I have 4401 compliant resource, hopefully a pre-feasibility or a bankable feasibility study, which is more advanced. But I'm looking for companies before production somewhere in that before revenue stage that I think will either be taken out by someone who needs the revenue down the road or that can actually put something into production. And again, I tend to look for things that hopefully get taken out because putting something into production is very difficult and very costly.

Jeff Phillips: So on that note I have different levels, but you and I have talked about a company called Revival Gold which is a newer company in the last year run by Hugh Agro that's a tremendous executive and great track record and has structured the company incredibly well, as you and I talked about. That's one of the most important things. They acquired the old Beartrack mine which was a producing

mine from Meridian, which was acquired by Yamana, which is a producing company. Yamana wasn't doing anything with the asset, they have assets around the world and again, like all major companies trying to fix their balance sheet after this commodity bust, so to speak. So he was able to buy that past producing Beartrack mine. I believe ... and again, I'm a large shareholder in the company and I consult for the company. So I want you to be aware of that.

Jeff Phillips: But they were able to acquire that asset and with the land they picked up around the past producing mine, I think it's 1.4 million historic ounces. Those aren't 4401 compliant. But Revival Gold is getting ready to one, they should be coming out with a resource in the next month or two and my best is it's gonna be more than the historic resource. It'll be compliant, for exchange purposes. They are also starting an 8500 meter drill program and the best place to look for gold is next to existing gold mines and there's still a lot of ounces there, so again, I think Revival Gold ... You know, there was an excellent report by Echelon Partners which is a brokers firm and an analyst came out with a report about a week ago and it's a great report on the company. And again, I think the gold, historic gold, is being valued at $12, $13 an ounce which is under what a lot of companies are getting valued at. As they start this drilling and the new resource comes out, but that Echelon Partners report, I think you read it, is an excellent report.

Frank Curzio: Yeah, that's great stuff. That's great stuff. So, and I appreciate you because I kinda put you on the spot there because I know you so well. "Jeff, what about some gold stocks?" So no, I really appreciate it. And listen, I know you said you wanted to do this and keep this to around 25, 30 minutes so that's what I wanted to do because I ain't going to ask you questions forever. But I just wanna say I really appreciate you coming on. This is a risky industry, I know a lot people have investments in here, but it's nice and refreshing to hear people say, "Listen, it is risky. These are how you lower your risks. This is how you lower your risk to try to maximize your returns because this is an industry that, I agree with you, it's gonna turn and we're not that far away." And these gains could be really extraordinary for people I think.

Jeff Phillips: Absolutely. I think we're, you know, again, we're in for a two year good run where even dumb mistakes can be rewarding and dumb mistakes over the last six years can cost you a lot of money, but I think you're at a spot now where ... Again, you should try to make smart decisions, but I think a bull market hides the dumb decisions, too. And I think we're heading into that.

Frank Curzio: Yeah, I definitely agree. All right. So Jeff, thanks so much for joining us and I'll talk to you soon, buddy.

Jeff Phillips: Thanks for having me, Frank. I appreciate it.

Frank Curzio: Hey, that's great stuff from Jeff. Love the fact that he shares ideas and he's very honest, he's open, he's showing you exactly what he looks at. He's a guy that tells you, which a lot of people don't in this industry, they'll just ... Especially if you walk through the PDAC, which is a large mining conferences held in Toronto. Some of these big conferences that are held that I attend, I speak at a lot of the mining events in Canada and throughout the U.S. But a lot of these companies will always tell you about their upside and how great everything is and it's refreshing to hear when you got guys like the Catusos and the Rick Rules and the Jeff Phillips', say "You know, these are really risky stocks. You shouldn't be going all in on them." Because you could see, if you follow this podcast at least for the past three years, in 2016 we had Merrick Autos come here and give you probably at least, that I know of, four, five baggers or more. But we've seen since I would say May 2016, towards the end of 2016, 'til today, this industry has really crashed again. And you see these stocks, you're like, "Wow, things are good, what happened?" It's a boom and bust industry, just like Jeff said.

Frank Curzio: You have to be very careful. So if you're in at the right time, this is an industry that will give you 10 x times returns. As you know, if there's anything that I've taught you over the years, is in order to get higher returns, you're gonna have to take on more risk. So keep that into consideration. Because I still get emails from people like, "Frank, what about NAK? And what's going on?" Yeah, it's a stock that was up 900% for us in seven months. Yeah, we took half off the table and a couple of times I said, "Hey, you know, looks good here," it came down to a dollar and change, it came down

first. So even saying it looks good and things like that, you should be up tremendously on this name if you listen to me and you play it right. So people ask me where it is now, it's tough. Because you have a crappy industry that people hate to begin with and then you have a company that you're still dealing with some of those EPA problems with NAK, so I get a lot of questions on that.

Frank Curzio: But when you look at this industry and you invest in some of these names, you'll have analysts, including myself, come on, we have conviction on these stocks because we know the projects, we visit them. We go out there, we know the management teams, know everything about them. However, it's a very tough industry. So for me and my current venture opportunities, and not giving anything away here, I have two, I have three mining stocks. One's down a little bit, the other two are down slightly, one's down more than that, actually have for a while. But I want exposure to this and I'm willing to take on those losses because there's a lot of other stocks in the portfolio that are doing very well. We've had several 100% winners, a lot of volatility in small cap markets, especially during earning season, which it's getting used to, but it's a high risk, high reward product. And that's why I'm putting a lot of these mining stocks in there.

Frank Curzio: Because once this turns, as you saw when we were ... Again, I went to go visit Northern Dynasty NAK. I went to Alaska taking two planes and a helicopter to go see that site. I recommend that stock at 35 cents. And it's make even mining that we recommended under a dollar, it went to four and then it's come down. So just be aware of that industry. You're not buying IBM, you're not buying ... IBM might not be the best example, but you're not buying Apple and these big names and stuff where you'll see five, 10% moves max. These are companies that move everywhere and if you're nervous about them, if you're asking questions and going crazy and saying, "Wow, look at the moves on these," then either you have too much money in these situations or you need to be much more diversified and own like five, six, seven, like Jeff said. Jeff said one out of every three, one of every seven. You need one of those stocks, if you limit your losses, which a lot of people in the mining industry guys, I'm not throwing anyone under the bus, but I'm gonna say nobody in the mining industry ... Those guys are high-

risk, high-reward players.

Frank Curzio: I mean, a lot of those guys cash out when their stocks get taken over. They don't cash out when it goes higher. They don't even sell their holdings if they're insiders. It's almost ... it's very negative for them, for some reason. In the U.S., hey, you know what, if a stock goes higher, you're gonna see a CEO with a big position in the stock start selling a few shares and diversifying. You know, there's numerous reasons why people sell ... There, nobody really ... it's an all-in market, it's all or none. And you don't want to invest like that. You want to be able ... Which means you're going to be stopped out of a couple stocks, more often than not. But these are guys that will buy five situations, ten situations and hold onto them for five, ten years, and get destroyed because you have a market that's really been a bearish market, outside of a small period in 2016, for pretty close to six years now? Five, six years?

Frank Curzio: So you want to limit your losses and if you invest in six, seven of these stocks and limit your losses on them, you need one hit, and easily, easily outpace six losers, which, you know, you're not going to have six losers. Maybe two or three that stop out and the other ones are down a little bit. And what Jeff said, when the market turns every single one of those stocks are going to go higher. The better names, I don't want to say more high quality names, because they're not going to go up as high, usually Cameco, like he said, with uranium, that's not going to go ... If uranium prices double from here, you're going to see companies like Skyharbour, URZ go up much, much more than the bigger players, but when you have the junior miners, there's a different level between good junior miners and crappy junior miners. And the good junior miners could see five times, ten times, seven times returns just if you see the entire industry come up and turn, and that cycle turns.

Frank Curzio: So that's why it's worth being invested in this industry if you do it the right way. You have to have portfolio management. A lot of people don't talk about that. They're just like, "Buy your stocks, hold them forever". You can get crushed if an industry like uranium or gold stays out of favor for so long and that's what happens. But if you're invested, just hey, here's a portion of money, I have a few of these stocks and spread off crust with other things I'm investing in that are aggressive, whether it's technology,

biotech, Cryptocurrencies. You could probably do alone some of those other ones. Cryptocurrency had a nice leg up, so the biotech came back a little bit. It's worth it if you have the right portfolio management strategies, so I'm glad Jeff shared that with you.

Frank Curzio: But I love Jeff. That was a great interview, but this podcast's about you. Not about me. Whatever you thought, at Frank at CurzioResearch.com, that's Frank at CurzioResearch.com.

Frank Curzio: Okay, guys. Be sure to check out my Curzio Research Facebook page. Usually end every time with this because we just do lots of great things. Not just live videos that I've been doing, probably for about four or five months now, but now we improved the technology, which is amazing, where you can actually follow along with the things I'm looking at. I've been putting a lot free sites in there, so as I'm talking, you're looking at whatever. If it's Yahoo Finance, I'm going over statistics, the statistic page with the Yahoo Finance and showing you what a dividend payout ratio is or ... Yeah, you can basically follow along. And pretty much we're gonna start doing just more interviews, live interviews, which you're gonna be able to see and hopefully, very, very shortly, live podcasts. So you get to see this whole entire thing and my ugly mug instead of listening to me. Lot of cool things and you'll find all that stuff on our Curzio Research Facebook page including a lot of free content that we post there. So definitely check it out when you get a sec.

Frank Curzio: So guys that's it for me. Thanks so much for listening. For the educational segment next week, back to normal. I'll see you guys in seven days. Take care.

Announcer: The information presented on Wall Street Unplugged is the opinion of its hosts and guests. You should not base your investment decisions solely on this podcast. Remember, it's your money and your responsibility.

Announcer: Wall Street Unplugged, produced by the Choose Yourself Podcast Network. The leader in podcasts produced to help you choose yourself.