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 December 5th. 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.

I had an amazing trip, New York City last week. Told you I was heading there, meet a company. Lots of things, lots of meetings set up. It was, like, four days. I've been talking to this big investor, right? He's a hedge fund manager for about two months. This is the guy I went to go see, and really great guy, just great conversations the whole time. Actually, he was introduced to me by James Altucher, who's really cool. James, you know I work with at thestreet.com, I'm friends with. I love one of the companies he's executive chairman of.

I already recommended it to my Curzio Venture Portfolio subscribers, and it's up nicely. It's up, like, 25%. This is accounting for even yesterday's big decline in the markets. I was doing my due diligence on this person, right? It was super successful. That's what I do when I meet people. I'm going to spend time with them. Again, I'm going to go over his company. After doing the research I realized how big he was.

I kind of had a price in my head on how much he was probably worth, and I don't know if that's right to say, because for me, I think a lot of us ... When you see people that successful, you always wonder, how successful are they? I mean, you always want to see people successful, at least my friends successful, but you don't want them to be too successful. You're like, "All right, I don't want him to be a billionaire, but I want him be successful," kind of thing.

I was just curious to see, wow, I wonder how much. As I was looking at his portfolio, looking at his career, I start analyzing it, saying, "Wow, man. I wonder exactly how freaking rich this person is." Again, not so right to say, but I think that I'm the guy that always says what everyone is thinking, and a lot of people think that. Anyway, now the number I came up with is probably 30 million plus. It was carefully calculated. Remember, I'm a financial analyst. Looking at all his investments, how old he was and, basically how long he's been a hedge fund manager, factor in just kind of cash flow, standard deviation.

I'm kidding, okay? There was no analysis on it. It was an educated guess. I think Altucher threw a number out close to the one that I assumed I just mentioned where ... Yeah, and this was when he called to talk to me about him and I was interested in this company and he said, "Hey, get you in touch with the executive chairman, this is a really great company," stuff like that, and he threw out kind of the same number I just mentioned, around 30 million.

Well, I spent three days with this person. Again, this is last week, was interviewing his team, filming videos, I brought my video guy to record everything, it was awesome. Wanted to sample the product, since it's unbelievable. Actually got shot by it, I'm not kidding, I got shot by this. All right? I have it all on video, and when I really dig into a company, I see a great opportunity. I want to go there, I want to see the manager team, I want to interview some of the people out there. I mean, this is the type of research you want to do. You want to make sure you have the story right, especially when I'm really excited, that's when I dig in even more because when we're all really excited about something, sometimes we get blinded, right?

Whenever I recommend a stock in my portfolio and I get negative reviews on it, I'm usually very happy. Because I'm like, "Okay, it's usually good," I get ... Whenever I get positive, everyone's like, "Oh, this is such a great story, this is awesome!" I get a little nervous, I'm like, "Oh, no." It's just the way it is. So with this, I'm really excited and I think it could be a huge huge winner for us, so for me, I want to dig down even further and look at all the negatives, see where I could be wrong and stuff like that. By doing that, I want to go visit these people and interview and that's what we did. We spent time filming them, interviewing his team, can sample the product, and things like that.

And after the second day, since we taped in one of his apartments the first day, and then his other apartment the second day, I realized my evaluation was off a little bit. And it was off probably by 100 million dollars. The first apartment that we shot in was a penthouse top floor, located close to Union Square, had windows around the entire apartment where you see the Empire State Building on one side, and the Freedom Tower on the other. I mean, at night, the views are insane, which you know, we obviously saw because it gets dark really early in New York, it's like 4:30. It's more like 5:30 in [inaudible 00:04:26] it's just getting dark at 4:30, so you just see the skyline, you see all the lights. It's just unbelievable and probably the nicest apartment I think I've ever been in my life. That's how nice it was.

There's one of his properties that he's selling, it's on the market right now and it was funny because we were up there, the super came up and said, "You know, someone might be looking at this apartment, it's Wendy Williams." I thought that was funny, I was like, "Oh yeah, sure, sure." It's just funny, like, Wendy Williams, really? It's just kind of funny when you think about it. The other apartment we shot at was even nicer ... Maybe not even nicer, but it was really nice. Huge open floor layout, a beautiful library, like two story, where you ... It's like a ladder that you climb up. Just unbelievable and then he showed me a house he purchased in the Hamptons and he said, "This is my baby, this is one of the biggest things I invested in," and I looked at the house, it could fit like the Waltons. With five rooms to spare, that's how big it was.

Yeah, as I saw the real estate portfolio alone, I started realizing, "Wow, this guy is actually very successful, it's incredible." But what an amazing person. Just conversation over the past few days, again, this is last week, he's brilliant, obviously, he was also interested in investing in Curzio research, our security token. He knew a little about the industry, like most people I'm bringing this to, including a lot of my good contacts and sources, but he was amazed when I started explaining to him. I said, "This is why I'm so excited," I mean, this is 25 years and he just gave me some really good ideas. Just different things that he was worried about at this stage and just be careful and it was really cool, just humbling.

He wasn't saying, "Oh, well do this because this is how you get successful!" It was like a heart to heart conversation he was having with me, just saying, "These are the things that you worry about," and they were things that I … you don't anticipate, which is kind of cool. So I really appreciate that, but I just took a step back and realized how much I love my job. And you travel the world, find new ideas, you know, across every sector, right? It's not sector specific. Getting to sample these products, visiting factories, [inaudible 00:06:31] labs, mining sites, hopping on rigs and all the major [inaudible 00:06:35] oil places in the United States. Think helicopters and remote islands.

You know, most of all, just meeting people. And all kinds of people, not just CEOs, billionaires, scientists, executives, whatever, but just regular everyday folks at conferences. Learning what they do for a living, which most own their own businesses or have been working the same sector for decades, and I'll recommend a stock within that sector and they'll send me, you know, Frank@curzioresearch.com, I encourage all of you, because this is a network, right?

I want to build this massive network, which we're doing here, getting more and more followers, listeners, and stuff like that, Curzio Research and the podcast.

They'll send me a whole bunch of paragraphs of things, of why, "Hey, I know a lot about this company, and here's why I don't … Here's the negatives and here's the positives, and here's some of the things that we see," but they give me … I don't want to say "insight," but it's kind of information that you can't find in a 10k. It's real life examples of them dealing with different businesses, or "Hey, I work for this company and dealt with the company that you're recommended." And maybe it wasn't that good of experience, or this is how it's different, this guy who's now running the company, I know personally and this guy's no nonsense, this is great. But that information is incredibly valuable. You want to get as much information as possible, right?

Especially for me, it's a big responsibility. Everybody looks to me to follow what I'm recommending and these different stocks. For me, I have to get that story right, and we're going to be wrong sometimes. We get the story right and the stock just declines, it's the bad market, I missed … We're all going to have mistakes, we want to limit our losses, but just having that information is incredibly valuable and I don't see that a lot out there. That's where the podcast is such a really great tool, and just … so many of you writing in and being able to go out there and talk and now that we've been doing this for 10 years, it's easy to get really great guests on here and CEOs and you know, when people ask me to do interviews or ask me to go on a podcast, what I do is I'll look at their site and then I'll see who they would interview, and it's usually people that I know, because I have interviewed people 10 years, most people that you've seen on CNBC and everything, experts and stuff like that.

And then I'll call them and they'll say, "Hey, this guy's really good, this guy's great," and I'll say, "Okay, I'll do the interview with them." And now the podcast is hitting this level where we're ranked number one on iTunes a few times, depending on who the guest is and what week it is. It gives us access to a lot of great people who ... maybe who wrote a book and want to talk about that and again, I'll give them the chance to talk about their book and plug their book, but more important is we get a chance to interview the guy. And it's not for two, three minutes like you see on TV, it's for 20, 25 minutes, and really getting in, digging deep and learning about them and different strategies and stuff. I love when their strategies are even different from mine because again, you want to learn as much as you can, take in as much information to get the story right, get your system right.

Because in the end, you want to make everybody money, you want to do good for them and I've been doing that for 25 years and again, we've had things that are wrong, just like everybody else, been wrong on things, but just to have the network and everything is just fascinating. For me, it's a dream come true. There's not many jobs out there where you learn something new every day, and that's why I love what I do. Analyzing stocks, meeting amazing people, and then reporting everything I learn to the hardworking folks like yourself. Because even as I'm explaining it, I'm learning even more, it stays in my head for years and years, the stuff that I cover, it's ... It's just really cool, I never thought I'd be in a position where I'm learning something new every single day.

I'm fortunate and I encourage everyone, try to do what you love most. Life is real short, man. Work is such a huge part of your life, think about work, right? If you're going to 8, 10 hour days, I mean, that's where you spend most of your life, when you're awake, right? You'd like to say, "Well, I spend that time with kids," but you know, you're getting home at six, you'll hang out with the kids. Of course you're going to spend weekends with them, but work is such a big part of the time in your life, right? And how much time you spend there. And I have to tell you, imagine doing something you have for 8 to 10 hours a day and there's no way you're going to come home and be happy every day, hanging out with your family and stuff like that.

New technology's out there, guys, and I don't want to preach on this, but the fact you can learn anything right now. Reading about stuff on the web, through Google, hooking up with people through LinkedIn, even working for free maybe for a month alongside people you admire, learning everything from them, from that person who maybe you want to be one day. I truly believe that that's available to almost everyone out there. So don't be stuck behind a desk, something you hate. Again, I didn't want to preach, but I always get questions, "Frank, thanks for working so hard for us," that's why. I love what I do. To me, it's not really considered work, I just ... I'm learning as much as I can, trying to get those stories right, trying to get you guys some really cool original ideas that you're not going to find anyplace else, which we've been doing a really good job of that.

Especially over the past few years. And making this industry, financial news industry, credible again. That's what we're looking to do, to change it, because it used to be a place that you go to and find new ideas and it was independent, we don't get paid by anybody, right? So there's no bias, it's either we show you good stock picks and make good market calls, or you don't subscribe to our stuff. Over the past couple years, a lot of that has changed, right? It's filled with lies and bullshit, the things that I'm reading, which I'm starting to see a lot of lately when it comes to track records, the bios of people, right? I actually work with some of these people, actually taught some of these analysts. I'm not sure how they became investor legends all of a sudden. Which I kind of laugh at. But this industry needs a change, I mean, it's really taken a turn in the wrong direction over the past couple years. It's an industry that people aren't trusting and we need to change that. It's got to be credible again, I promise, Curzio Research is going to lead that charge, we're really excited.

But yeah, I just wanted to express that. Usually I have an opening and then things like that, but personally, just ... It's nice, I love what I do and thank you for all the support and I just wanted to say that. So listen, I have a great guest for you today. Someone who I haven't interviewed in like, eight months, which is surprising. I couldn't believe how long it was, but ... because I talk to this person often, since one of his companies is in our Curzio Venture portfolio. His name is Amir Adnani, founder CEO of Uranium Energy, he's also the chairman of gold mining. And guys, this is going to be a fantastic interview. Really. I know I say that ... I mean, this is ... It's so good, I'm not going to have an educational segment this week because you're going to get tons of education on uranium and the gold markets.

So Amir's been traveling all over the world the past two months, places like Russia, Morocco, Germany, London, Montreal, visit Department of Interior, Department of Defense, all these places, and he's going to give us the inside scoop of what he's hearing out there from his travels. In terms of the excitement around uranium, excitement around gold, which we're seeing a transition as the market comes down, we're seeing more interest, at least that's what I'm hearing form institutions, where they're starting to see gold and looking at what the fed's doing and pretty excited. I talked briefly to Amir yesterday on these topics and said this would be great to talk about, I was just fascinated in the conversation, but it was very brief.

So I'm looking forward to this interview as well, it's going to be really great stuff, he's also going to bring up an amazing company, a pretty cool opportunity. It's not public yet, but he's going to talk about it and you're going to see why it's such an amazing opportunity. And you know what? Let's jump right in the interview with the one and only Amir Adnani. Amir, thanks so much for coming back on the podcast!

Amir Adnani: Geez, Frank, I can't remember was the last time we connected like this many years ago, it feels like.

Frank Curzio: Isn't it weird? Because ...

Amir Adnani: How you been?

Frank Curzio: It's weird, because we talked yesterday and we see each other at conferences, we update everything that ... We talk a couple times a month, and then when I said, "Hey," we put a date on the calendar because you've been away, which you're going to talk about, you've been everywhere, basically, over the past, month and a half or so. And then you're like, "Wow, last time I was on, I think like, seven, eight months ago or something like that." I couldn't believe it was that long, man.

Amir Adnani: I really can't believe how quickly time flies, it was exactly that. I think it was March and it's been an incredibly busy time since March for both of us, I think. So this could be like a multi hour conversation. I know we don't have that much time, but it feels like ... I don't even know where to start.

Frank Curzio: Actually, you're my second interview, so I'm just ... I just wanted to call you to say you're on my podcast. So I'll talk to you later, okay?

Amir Adnani: Okay, great. Thanks. Okay, great.

Frank Curzio: I'm just kidding, you know you're the only one on the podcast today. So listen, we were talking yesterday briefly and I said, "You know what? Let's just hold it because I'd like to share this with the podcast," because you've been traveling like crazy. I mean, you told me you went to London, Moscow, Montreal, Germany, Monaco, you were at the Department of Commerce, Department Interior … Now, I want to start off with uranium, right? Because people know you at UEC. A lot of this was related to that and we're seeing uranium prices bounce off their lows, and I want to get your thoughts, because everyone's hearing the same things out there, we know there's big supply cuts, we know there's demand coming online, and a lot of people are starting to figure out, "Wow, uranium prices were below 20 and now they're close to 30." What are you hearing out there from your sources, you know, internationally, these people you talked to, you talked to heads of states and everybody out there. What are you hearing about the uranium industry out there that maybe we're not hearing here or no one's really talking about?

Amir Adnani: Well, forget about the heads of states for one second, let's talk about for one second what I'm hearing from my 10 year old son. Because I think this is actually quite instructive. What happened is about two weeks ago, just as I had returned from one of my trips, and my 10 year old gets up really early, I think your daughter is … there's probably one of them that wakes you up early as well. And he's waking me up early and he's one of these … he has one of these Chrome laptops that they get for kids these days, just has access to Chrome, it's like a $500 laptop, right? And they use it at school, right? All over this laptop, Frank, he's got these "I love uranium" stickers. The ones we give away at UEC, right?

So he's got "I love uranium" stickers on there, so as a result, I've talked to him a bit about what nuclear power is and uranium is and he's get it, he's a great kid, and he's waking me up really early and I'm thinking to myself, "What is he going to say? 'Dad, can I go play outside?' Or something," and he's like, "Dad! Dad! I need you to … I want to talk about buying some uranium stocks." And I'm thinking to myself, "I must be dreaming or something, what is this?" Right? I'm like, "Why?" and he's like, "Because you know how Mom really wants to drive electric vehicles, those electric cars? Well, you were telling me nuclear power generates electricity and so that's going to be good for electricity, right? It's going to be more electricity, that's good for uranium, right? Let's talk about uranium, I want to buy uranium stocks."

And I'm thinking to myself, to some extent, it's as basic as that, right? In the sense that we get so caught up in talking about all the supply/demand issues and ... which we can talk about and get into, and I know you've had other people probably on the show talking about it and whatnot. But the reality is it's as big as that theme that a 10 year old can understand, which is there's an incredible movement towards customers and people wanting to drive a different kind of car, a different kind of transportation system, this whole e-mobility concept, right? And when you think about the longer term trends or where we're heading, both from a population growth point of view, both in terms of just how we move around and drive around, there's incredible things going on. People keep thinking that it's only because of Trump's tariffs on aluminum that all these GM auto plants are being shut down in Ontario and elsewhere in the US, but it really has to do with the fact that they also are trying to step back and figure out, "Where are we going to go with the future of building cars?" Right?

So when it comes to uranium and demand for uranium and nuclear power, I just think it's incredible this year that we've seen so many positive developments from not just the usual places like China and India, because of air quality issues there, but because of developments in Saudi Arabia in terms of the 16 reactors that they want to build. What seems so obvious to even a 10 year old, it's becoming so much easier to talk to people about today in terms of on the investment side, like you said, I mean, I've been traveling all over the world this year and I see some really ... I finally see a really interesting turnaround in both attitude and the kind of questions we get on nuclear power. Frank, this year is the first year that global nuclear power output is greater than it was pre-Fukushima.

So it really does feel like in every sense we've turned a corner. And it's the first year since Fukushima that we might have, and looks like we're going to have a supply deficit. So whether it's fundamental supply/demand, it seems like we've turned a corner, whether it's on the global nuclear power output, we've turned a corner, the uranium price is up nicely 40% or so since the beginning of the year from 20 to 29 dollars per pound. We're hopefully going to get a break above 30 dollars soon. Look, it's got a long way to go, right? I think we got to temper expectations. Most mines and projects out there need 45, 50 dollar uranium [inaudible 00:20:06] to recovery side and 65, 70 dollars and higher on the hard rock mining conventional side. But the trend is really important and that's a key part of it.

And we got to talk about the US. I mean, I know that at the moment, you say Trump, people get all worked up and you might love him or you might hate him, but I think one of the most interesting developments, at least where I've spent a lot of time this year, since I last spoke to you on Capitol Hill, has to do with what's going on in the US uranium industry. And that could be a giant catalyst going into 2019 and Q1 with the possible trade remedies that the US government is considering. So lots going on and probably one of the most exciting years that I've had in the uranium business, frankly since Fukushima happened, which has been a very dark period for all of us in the uranium business for seven or eight years now.

Frank Curzio: You said a ton there, and I'm going to address your son because I always say kids make the best investors because there's no bias. It's like my daughters, 8 and 10, say, "I like Disney." I'm like, "Yeah, but the streaming service is going to kill them, ESPN is terrible now, and all the commercials." They're just like, "Well, I like to go to the movies and I love the parks." And sometimes it's that simple without any outside influences. So I can identify with your son talking about it, which makes sense.

When you look at this industry, right? I think it's lost on how high prices have come up, right? We joke around about it and say, "Wow, we never thought in a million years prices would break 35, 30," and then they broke 20. Then now they're really coming back. For me, I'm seeing it even on the institutional level, where people are getting in and they're not saying, "Well, buy uranium stocks because uranium's going to 50, 60 tomorrow." They're like, "We know this is going to happen. It could take two years, three years. We're positioning ourselves, we're buying stocks, we're buying ..." but whatever it is. But there's a lot of money coming in here, especially with our market, which is coming down. It's almost like a rotation. Is that some of the things that you hear as well?

Because it is being reflected in the prices, quietly, they're up sharply. Again, it's still way, way off their highs and we need 50 dollars, but ... Yeah, talk about that a little bit because from my end, I'm seeing people come in and they have the right mindset for once. It's not like, "Oh, go into uranium, it's a great trade." They're like, "No, go into uranium because the next three, four, five ... this is where we want to park money and we know based on the fundamentals that prices are going to go higher, we're going to make money on this." But it seems like they're not concerned what's going to happen tomorrow, they're more concerned ... have a three to five year outlook.

Amir Adnani: Well, I mean, first of all, I remember ... I think I sent you an email or something, or text message saying, "Hey, Frank, uranium price is up, it's at 25 dollars per pound," and I remember you writing me back saying, "Wow, your standards are so low, I never thought you'd get so excited about 25 dollars per pound, sending me a message about it." I thought that was funny, I still remember that. And yeah, maybe our standards are low. We've had this incredibly long [inaudible 00:23:05] market and we're just happy to see this thing get off its back, the price get off of this very low point where almost no mine ... 85, 90% of the operating mines in the world for uranium are struggling, can't make money, and so yeah, this has been a tough period.

But to come back to your point on the investment side, Frank, and obviously, this is still a very small and niche sector. I would say that look, I think the story resonates with the buy side and especially more and more generalist investors. I would say that one conversation I had with a very large and very smart generalist investor recently in New York City summed it up best, Frank. And I have to say, these guys were not necessarily all in, I think there's maybe a good dose of healthy skepticism right now being applied to the uranium [inaudible 00:24:00] which goes like this. All right, the supply/demand looks good, this is definitely a sector that looks like it's going to turn around.

It's cheap, it's really cheap at a time where not too many things are cheap out there in terms of asset classes and the market in general, et cetera. But you know what? We're going to maybe buy 20% of what we're interested in. We're going to dip our toes in the water. We're not going to go all in, [inaudible 00:24:24] sounds right, spots at 28 dollars, 29 dollars per pound. We'll come in for a piece of the ultimate investment we want to make. And then we'll watch it, and we'll come in more as it goes higher.

My point is, I don't think institutional money or capital is all in and I think they're very interested, I think we're definitely getting ... We're seeing it, we're definitely seeing and receiving more incoming calls and inquiries from generalist investors wanting to get educated on this sector. But what's fascinating is when I was in London recently and meeting with some of the sector focused funds, the specialized funds, not all the specialized funds, meaning mining specialized funds, are really invested in uranium, or not to a great extent. They're just still not there yet, which seems counterintuitive, right?

You figure the sector specialists should be there, but they're not, and that's because the broader mine complex has also been struggling, right? And whether funds are dealing with redemptions or whether it's struggling with weaker base metal prices, I mean, don't forget, US dollar has been on a tear, it's been so strong, and that strong US dollar hasn't been good for oil, hasn't been good for copper, hasn't been good for gold, hasn't been good for any commodities. So while uranium is kind of moving up, I think resource investors and sector specialists in the last six months and going to the end of this year are managing some difficult positions and all that means is that there's more capital to be deployed, certainly a lot more into a resurging uranium environment and going into 2019.

And the other thing is maybe again just kind of realizing, Frank, that the total market cap and ways you can invest in this sector is so limited. Today was fascinating as for the first time, there's the first time you and I are having a conversation where the uranium sector is now mainly in the public capital market domain. Because with [inaudible 00:26:27] now having completed this IPO and they're listed, you and I can add up the combined market cap of all the listed uranium companies, [inaudible 00:26:36] all the smaller guys. Most of the production in the world is right there. Frank, the market cap of all these guys combined is still just under 10 billion dollars, the entire publicly listed uranium mining industry. Less than 10 billion. I think it has stayed [inaudible 00:26:57] has a bigger market cap than all the uranium mining companies combined, [inaudible 00:27:01] being one of those cannabis companies.

I mean, that's how small the sector still is, and I think that's also an issue for some of the bigger institutional investors to invest in a sector where it's still niche, it's still difficult to invest. I mean, let's not forget, at its peak in 2007, the combined market cap of all uranium listed companies was over 120 billion dollars. But it's fascinating where it is right now and I think the buy side's very interested, but I think this is still a story that's to be continued as we head into 2019.

Frank Curzio: Yeah, I didn't know it was that big, I didn't know what ... I mean, actually, I didn't know it was that small right now, 10 billion, even with [inaudible 00:27:42] and stuff, even with [inaudible 00:27:44] I mean. But 120 billion to 10 billion, and let's talk about that a little bit. I don't want you to talk about what's good and bad about other uranium companies, because we didn't really want to do that in any industry that we are. But when I look at companies like [NexGen 00:27:58] and [inaudible 00:27:59] located [Wesson 00:28:00], Athabasca, I see massive, massive deposits of high grade uranium. But what people I think fail to realize is that minimum, if ... I don't even know what their price is to actually develop, I would think it would be close to 60, 65, 75, maybe even. But the infrastructure's not there. I mean, this is going to take more than 10 years from what I looked at.

I mean, hundreds of millions if not close to a billion dollars we're talking about bold projects, all this stuff coming online. What is the best way to benefit as prices go higher? Because I look at your company, [Zarg 00:28:33] is another one, just companies that can benefit, that can actually produce a lot quicker, and I'm looking at other companies where if uranium prices go higher, does that necessarily mean that ... you know, [inaudible 00:28:44] it's going to be great for, right? Because they sell uranium. They produce and they sell uranium. So higher prices mean more profits. I know it might seem that higher prices may lead to these things getting developed even quicker, but who knows what prices are going to be five, six, seven years from now as they develop this? It just seems like a big leap of faith for anyone to put in that much money to those. For me, and I'm not being biased here, I just think the-

Frank Curzio: For me, and I'm not being biased, I just think the best way to play it is through these American producers. Is it right to think that because it seems like you guys are gonna benefit directly from prices moving higher, where it's gonna get to a level where you can produce and actually make profits, where even as prices go higher, even those ... And they're included in that 10 billion dollar market cap, but they're not gonna be producing for longer than 10 years. Is it wrong to think that way? And again, I don't want you to talk negative about ... Just from my perspective, that's the way I see this industry.

Amir Adnani: Look, I don't think I'll speak negative about anyone. I think I'll just speak to some realities and maybe I'll speak to the one thing that I feel no one ever talks about and investors certainly don't seem to maybe focus on as much, which is permitting. The reason why I think permitting is really key and is everything is the following. First of all, let's step back and let's not forget that over the last decade, the majority of new production in the uranium industry worldwide came from Kazakhstan and outside of that mainly from some of the African sort of based projects and companies in Namibia, also in Niger. Meaning if you think about sort of these things being somewhat cyclical and in terms of where supply growth will probably come from in the next cycle, it's going to be from OECD countries, it's going to be from Canada, US, Europe perhaps, Australia. This is where the next sort of cycle for production growth is gonna come from.

What is the biggest issue when it comes to mine development, not just uranium mine development, but mine development in OECD countries is permitting. The big long lead item is permitting and with permitting, comes a lot of uncertainty and risk. There are examples of that just recently with a project that was being permitted in Spain that all of a sudden had a very surprise … Sort of a bad surprise when it came to some permitting news. Frankly, that's what happens in democracies where we all of a sudden elect a new government, all of a sudden they might come in and say we know the previous government liked uranium mining, but we don't like it. That can happen, that's the big risk. We're seeing that in Canada. In Canada, look at the huge fiasco that we're having with the pipeline deal where changing government at the provincial level, federal level and permits and deals that were in place previously for getting Canadian oil production out, now can't get out anymore. The same thing can happen to uranium and we have the same issue in the US.

You can't paint the entire US with one brush and say it's all the same, it's different from every state. Even if tomorrow President Trump signs some kind of measure on quotas or tariffs and then there's a premium on US mined uranium, which is a really interesting catalyst going into 2019, the key is gonna be are you gonna be able to mine uranium out of California, are you gonna be able to mine uranium in places where there's a ban on uranium mining, are you gonna be able to mine uranium in states where there hasn't been, for example, insecure recovery uranium mining ever permitted before. You look at whether it's South Dakota or New Mexico where there's bans on uranium mining and the first nations are totally against uranium mining, these places will have difficulty getting permits.

You look at which companies have permits. Which companies are in jurisdictions that are have a likelihood to get permits. Then the issue that I see is that you have uranium investors and companies, they keep talking about feasibility study and grade and completely ignoring the fact that permitting hasn't even started yet. What good is feasibility, what good is it for me to sit here and keep talking about my grade is this and my [inaudible 00:33:06] is this and my [inaudible 00:33:07] is that and that means my internal rate of return is this really fantastic number. You can't realize those numbers unless you've got permits, unless you can break ground and go build all of that, even if I give you two billion dollars tomorrow to go build the mine, you don't have the permits, what good are those numbers, what good is even the available cash. I think that's the biggest thing.

Frank, why is it something that doesn't get a lot of attention and people don't want to talk about it because it's boring. Permitting is boring. It's quite detail oriented, it's different from state to state, from province to province. When you look at why after 14 years of doing this, why I'm so focused on projects that are fully permitted and large and could be developed with instance of recovery, why we're in Texas and Wyoming is because you can get permits in Texas and Wyoming. They're the only two places, the only two states in the entire OECD part of the world where states have the right to issue permits at the state level. We don't even have this in Canada where a province can issue the only permits for uranium mining, you need federal permits and provincial permits. In most of the US, you need state permits and federal permits and then you got the EPA on top of that. In Texas and Wyoming, you've got state only approval process that basically what is called the agreement state status.

I look at these very particulars, but I guess at the same time, if you do this long enough and you really wanna build a competitive advantage, you have to analyze and understand what are the inherent weaknesses and barriers of entry to this industry. What can give you a leg up, not at 30 dollar uranium, but at 60 dollar uranium, at 50 dollar uranium, where do you get that leg up, where do you get that competitive advantage to get into production before and ahead of the next guy and create … Basically put yourself in that position to capture market share, the rate determining step is permitting and that's the way I look at it. That's not to necessarily put anyone down, but that's just to say that's the key thing that I think anyone should be paying attention to.

When you look at the fact that with UEC we've gone and we've positioned ourselves not to have permits for production in hand for up to four million counts per year in Texas and Wyoming, that's unparalleled. To have that much institute recovery, low cost production permitted in a country and in jurisdictions which could be benefiting potentially from a premium uranium price net share and we haven't even touched on it with all the things going on in the US with the section 232 on uranium that is gonna play out between now and April, I think that's the way … That's what I'm getting really excited about.

Frank Curzio: 232 real quick because I know you're in Washington sometimes and you show me pictures of everybody, which is really cool. What's your thoughts on that? Look, you're a uranium guy and the uranium people I talk to are very positive on it. When I talk to people who are not positive on uranium, they're like it's not gonna happen. But talk about that and what it could mean to you if it does happen to UEC and your thoughts on it because this a company you operate in, this is the industry you operate in and it's something that could obviously provide a big boost to you if it is passed. I haven't really heard any updates on it, just people behind the scenes saying they're talking about it. But what are your thoughts of someone who actually goes to these departments in the Interior of the Commerce and speak to the head guys in Washington about it?

Amir Adnani: How about this, how about instead of hearing my thoughts on it, why don't I just share with you the thoughts of Spencer Abraham on it. Spencer Abraham, as you know, is the chairman of our company and he's the former

United States Energy Secretary and a US Senator. It's a real honor and privilege to have someone of his caliber on board and especially at a time when 232 is in play. I don't think anyone has … Any company has someone like Spencer involved the way we do that can really be the right person and the right sort of sounding board and guide in a complex situation like this. Frank, Spencer recently penned and op-ed that was published in USA Today and the intro says it all. For anyone that really doesn't understand section 232, they should really read Spencer's op-ed in USA Today. It starts like this, it says that when he was Energy Secretary of the US, at the time and this is sort of going back to … This was the first term of George W. Bush, so it was George W. Bush, Dick Chaney and Spence that sat around the table and they looked at a stat about how the US was importing 50 percent of its oil requirements, five zero. They all thought that was a national disaster that 50 percent of domestic oil requirements was being imported.

Number of policies including an energy plan was introduced and here we are, many years later because of many factors that all played out, look at where with the shell revolution and everything else that has happened, who would've ever thought the US would be in a position of basically challenging or being on par with Saudi Arabia for global dominance in the hydrocarbon play and the oil and gas industry. That's quite fascinating when you take a cue from that. They thought 50 percent of oil requirements being imported was a national disaster, so what do you call 98 percent of uranium requirements being imported. If 50 percent is a national disaster then 98 percent in the case of uranium must be some kind of catastrophe. That is an interesting perspective for everyone to have here coming not just from me as an entrepreneur or executive of a uranium mining company, but from a perspective of a former energy secretary who sat there with a president, especially one that understood energy.

I think this is not really a question of debate. I think this is really just understanding that in the global nuclear industry today, China and Russia have taken a leading position when it comes to building nuclear reactors, when it comes to supplying the reactors with uranium and the US has really fell behind strategically. This is a really strategic industry when you think about what it means in terms of dollars that are generated. Each reactor is five to 10 billion dollars the way these things are being built and modeled over a 50 year life. It's big business is what I'm trying to say. China and Russia have also become really good at using their energy resources, including nuclear power, to wield influence, to gain influence in terms of the various diplomatic relations and geopolitical influence out there.

The US simply can't give this us, which means uranium ... Which means US can't give up uranium. You can't be a player in any industry if you don't have the supply chain that starts with the raw material for that industry all the way up. I think this is a case where you're talking about a very serious issue, the dependency and over dependence on foreign uranium is a serious issue. The fact that a whole industry could be under so much pressure from state subsidized companies from all over the world that have mined uranium and here we are as independent players competing with them, something doesn't add up about that.

The US is the biggest market for uranium in terms of demand. 98 units generating 20 percent of US electricity, that's a big market. It's basically a third of worldwide demand is right here in the US. Frank, that's the problem I think most uranium mining nations have. Most uranium mining nations need to export all their uranium. Imagine in any industry if you are 100 percent dependent on exports. The fascinating thing about the US ... You look at even UEC, UEC we could sell our entire Texas mined uranium within the state of Texas to just Texas based power plants. Forget about the US, just within the state we could be selling our uranium in literally our own backyard, that's a rare position to be in. Not even Canada is in that position where if it really needed to, it could create a domestic market for all of its uranium that's mined.

I think there's a big opportunity here in the US, I don't know what the outcome of 232 will be because the only person that knows what that will be is President Trump. Remember, this is an executive branch process where Congress finishes their investigation by April, they put some recommendations in front of the president, the president at his sole discretion will make a decision in the best interest of national security no later than July. Outside of that, it's anyone's guess. But it's arguably an important catalyst to pay attention to. Whether you believe in it or not, it's only four months out, so it's not even worth debating it anymore because you're gonna know in four months what's gonna happen. It's gonna be binary, it's either gonna be super positive for US uranium companies and the development of the US uranium price or it'll be a non-event. If it's a non-event, we're still in the midst of a really exciting global rebalancing of the uranium market taking place, which means I think either way we're looking a brighter future here in the coming years for the uranium industry.

Frank Curzio: That makes sense too. I don't think that's factored in or the possibility of that passing, I don't think that's factored into your price, to US uranium produced prices. I don't see that as well. I think you're right, I think it's gonna be great for ... If it happens, it's gonna be a big boost, if not, it feels like it's expected not to happen based on where the stocks are trading. But I want to ... Thanks so much for that analysis, that was fantastic. I want to ask you one more question about uranium because a couple years ago you approached a company called uranium royalty and your idea I loved. This is a private company full disclosure that I'm invested in, you came to me invested early because I just trust you, we always talk about different ideas and stuff. I really hadn't asked too much about it then, but what I knew about royalty companies is when you look at [inaudible 00:43:37], these companies really have a dozen or so employees, they basically go with their finance guys that they take parts of projects and say we're gonna give you money up front, when you produce, we get a percentage of that for X amount of years and they have all kinds of clauses in their to make sure they almost don't lose money.

But what was great about the royalty companies is a lot of the big guys in the gold sector ... I'm trying to explain it to get everyone on board here. A lot of the big ... The majors, will leverage out the you know what. That was going into 2010, 11, 12. A lot of these guys had to leverage. It was significant, they had so much debt, the stock prices got crushed, so they were looking for investments and it was easy for Royal Gold or Franco Nevada to say give us a piece of that, which is a great project, we'll give you whatever, 50 million, 100 million, you give us a percentage of the profits you produce. It was just a perfect environment for the Franco Nevada and Royal Gold. If you look at their stock prices in 2017, they're actually up 20, 30 percent while the rest of the market's down 10, 15 percent over the last two years, which we know is a bear market.

When I saw the uranium royalty company, it just seemed like a great time where a lot of uranium companies have come down tremendously, prices have come down to where you could put up money, you can get royalty streams for the future and lock in long-term deals and stuff. Talk as much as you can, it's a private company ... Could you talk maybe about the concept of what it is because it's something that I think the timing couldn't have been more perfect and it's something that I know you're excited about and you're a part of. Again, I don't know how much you can say about it, but I want you to discuss that because that's something original in the uranium industry that I'm sure a lot of listeners don't even know even exist.

Amir Adnani: I think you captured it really well. I don't wanna rehash what you just said very clearly about the advantages of royalty companies. Maybe I'll just sorta kinda build on what you just said. I'll build on it by saying that over the last seven or eight years, the amount of capital that has been deployed by royalty and streaming companies, again, the Franco Nevada or the Royal Gold or the Wheaton Precious Metals of the world, is over 20 billion dollars. You think about what a mining company's typical source of capital is, you got equity, you got debt, equity, debt, equity, debt. Now, over the last almost decade, the gold or silver or previous metal companies have had this third possibility they could've looked at when they were looking at raising capital to build the mine, equity, debt or stream more royalty. When they looked at that sort of third option as an alternative to equity and debt, they ended up finding over 20 billion dollars in capital that got deployed through the royalties and streams and that's significant. That's what's led to this incredible growth for the royalty and streaming companies.

It's a win, win situation. It gives the company needed capital an alternative to equity and debt to finance and build a project and it gives the royalty company, as you said, a very elegant way to get exposure to the commodity price upside, to the upside potential of that mine being built on time and on schedule and performing well, but without necessarily getting too exposed to the month to month and the details of operating risk, permitting risk and it allows the royalty company to build the portfolio, so you're very diversified. One thing you said that really resonates with me as well is you've got very low headcount to build these royalty companies. The revenue per head, the cashflow per head is very high in an industry being mining that typically employs hundreds and thousands of people in order to build the big, large scale open put or underground mine. It's a very interesting concept.

But guess what happened over the last seven or eight years while this industry was growing rapidly, this streaming and royalty industry, it totally passed the uranium industry by. Why, because the last seven or eight years, we've been dealing with our post-Fukushima issues and challenges in the uranium business. It's almost like it was this crazy divergence of the evolution of the really interesting and smart financing tool that just completely again sidestepped and missed an entire segment of the mining industry being the uranium sector. Really more as an entrepreneurial interest and also seeing it as a big, big benefit for UEC, we felt that it would be timely and important to launch a company that could be basically solely focused on providing capital through streams and royalties to uranium companies basically a dedicated … And Frank, this is the first and only pure play uranium royalty company in the world, so it's very exciting that way to have this sort of clean canvas to work with.

That is basically the genesis behind uranium royalty corp. where UEC is a major shareholder and so there's also that very direct benefit back to obviously the mothership for me with … Where we've invested a lot of time and energy. But also an opportunity to create even more leverage to the recovery in the uranium price cycle through the uranium royalty concept and also to do something that again, I think is necessary. What I think what's happened Frank is the Franco Nevada of the world have become so big and so focused on precious metals that the uranium sector is arguably maybe even too small for them and too specialized to come down and try to do uranium deals. Also, their investors are really focused on previous metals. You're not gonna go buy Franco Nevada tomorrow to get uranium exposure. Really the only way to do this is to have a pure play dedicated company that can be created and I think I'll be able to talk more about this in 2019 as we pursue to look to see ... For the company to do an IPU and be listed. As you mentioned, it's private right now, so not a whole lot to talk about. But it's something that perhaps I look forward to talking more about in 2019 if you invite me back on your podcast, I can talk about it in 2019, how's that.

Frank Curzio: We'll see. It depends when it comes out. If it comes out in the first six months, no, that's too soon to have you back on. If it's after that ... But I wanna tell everybody too, if you're not familiar with royalty companies, it's amazing because there's no production ... There is a little bit of production risk. But there's no expiration risk, you're not spending the money to explore, you're just taking a piece of a project. I analyze a lot of these deals ... I think it was [inaudible 00:50:35] where I started going into individual deals because they're just nerdy like that and I love the analysis, just showing how these deals are structured where this project as it produces or it could be producing right now, we get to buy the gold, a certain percentage of 500 dollars and we know price is right around 12 hundred. If the mines have problems, water flooding delays, there were clauses in these things saying if you're not producing X amount and it gets delayed, we have the right to purchase at 300 dollars.

It's almost like you're dictating the terms, especially in bear markets because so many of these companies need cash and have good projects. Where now you're seeing these royalty companies do great. I just think the position that you're in, uranium royalty is perfect right now. It's not just getting streams to get streams, you're gonna really get a look at a lot of great projects because there's companies out there that are gonna need money right now in this market that's ... Again, we're still in an incredibly bear market, even though prices are up 30, 40 percent from their lows, we still need them a lot higher. But just interesting concept and I'm happy for you and thank you so much for explaining the details, since I know it is a private company and you can't really say everything about it.

Now with that said, because I like interviewing and I like you talking more than me, I sort of give everybody an update on royalty companies for the people that don't know. Let's switch to gold because you are the founder of [inaudible 00:51:53] uranium energy, you're also the chairman of gold mining and we know that gold prices have come down a little bit. They've kind of been stale the past few years, but most junior miners, most mining companies have gotten destroyed. It doesn't matter who the CEO is or what the projects are, but from what I'm seeing and what I'm hearing out there is there's a lot of institutions and a lot of large, individual investors that are starting to pour money into goal.

They believe that 2019 is going to be the year. We head the same thing in 2018 and 2017, I get it, but now with the market coming down, Amir, who wants to buy gold when you could've bought Amazon and generate 15 percent returns on a monthly basis for the last two years. What are you hearing from ... And we'll go back to those places that you have visited, Montreal, Germany, Moscow, London, all these places. What are you hearing from institutions about gold, are they starting to be more optimistic about it? It's something that's been out of favor outside of a six month period in 2016 for what, since 2012 now. What are you hearing out there on your travels?

Amir Adnani: I think on the institutional side, there's definitely been some structural changes in terms of how capital is being managed and invested in gold equities and gold stocks. One of the biggest gold funds in the world, the Vanguard Precious Metal Fund, you've probably heard about this or even talked about it on your podcast, but it was completely restructured and turned into some kind of thematic fund to just also go upstream and invest in larger cap and more liquid names. Kind of not too dissimilar to some of the restructuring we saw on the ETF side with the GDX [inaudible 00:53:32] about a year and a bit ago.

There's these structural changes on the capital markets in terms of capital flows and how the bigger institutions are being just driven more and more towards size, higher end of the market in terms of market cap. That to me just creates even a bigger opportunity and a vacuum on the smaller cap sided market with junior resource companies, single asset gold companies and just this connect is quite interesting to observe just in terms of where the capital flows are, number one.

Number two, I think just on the industry side from in terms of the gold mining industry, given the reduced ... This is an interesting kind of way of looking at it because again, remember, it's a cyclical business, all commodities, including gold, we have to understand cycles and we have to appreciate the cyclicality of these commodities and including gold. I say including gold because of the fact that people almost always argue about how it's gold, it's another currency. Yes, but it's also a commodity. Given the reduced capital investment and exploration spending that we've seen over the last six years in this bear market, the average mine life of the industry has fallen to lows not seen since the early years of that last bull cycle, this is interesting. The other interesting thing is that the average cost of discovery has really skyrocketed. A decade ago, it used to be 34 dollars an ounce, by the way, these numbers are very specific, they're specific because national bank financial just put out one of these bull sector reports about a week ago and they used their own data plus data from S&P Global. They were talking about, this really grabbed my attention Frank, that the average cost of discovery has gone from 34 dollars an ounce about a decade ago and in recent years it's increased to 174 dollars an ounce as the average discovery cost.

Again, for your listeners, this is fascinating. This is the idea that if me and Frank tomorrow decide to start a gold company and pack our bags and decide to head into the mountains and grab some gear and look for gold and drill for gold and all the time and energy and takes, you add it all up, by the time we find one ounce of gold resource in the ground, it would've cost us about 174 dollars on average for the industry. That's fascinating and fascinating compared to what it used to be a decade ago. Not only is the average mine life of the industry again falling to these lows not seen since the beginning of the last bull cycle, the average exploration and discovery cost has almost quadrupled, which means low hanging fruits are gone. Another thing that could be a leading indicator of potentially the beginning of a new cycle, a new bull cycle, are big mergers and the recent merger of Randgold and Barrick. Again, and possibly could be a very interesting leading indicator and it just goes to show you the market's almost very poised for that, the consolidation among the … Once the big guys decide to put their big boy pants on and go and do M&A, that trickles down to the whole industry. That kind of cascade affect starts and has the propensity to be the leading kind of event and catalyst for more action in the sector.

The last thing is we can't forget about the fed. If you and I keep looking at more rates hikes in 2019, maybe that will subdue any kind of positive run in the gold market. Maybe to some extent it's like Frank, tell me what the fed's gonna do and I'll tell you what the gold price is gonna do. But having said that, I think the recent market jitters and perhaps that we're seeing the yield curves now, maybe the fed's got one more rate hike in them this month Frank, maybe it's got more, I know you've got a lot of views on this. But I see a very strong bull market in 2019. I think part of that is the culmination of not just this bull market, this historic bull market, maybe starting to run out of a bit of steam, but also just where the structural flows in capital are, but also where the industry is, where the commodity side of gold is and where the physical depletion of gold.

and where the physical depletion of gold resources and deposits, where all of that is, you got to look at the whole picture, in my opinion. This, to me, signals that we're potentially set for a really exciting 2019 in gold.

Frank Curzio: You mentioned something interesting about gold prices there, right? You said, with gold prices, we could see gold prices go higher based on the Fed. My thoughts on the Fed is that they're going to slow down, a massive slowdown I think. Maybe one, whatever, one or two, I would say, over the next six months, possibly. I don't see more rate hikes than that, which should be good for gold. But when I'm looking at the price of gold, I mean you even look over past five years, we haven't really seen a massive fluctuation in gold prices. It's been almost the same price. But, close, not that far away, $1,300, $1,200, back and forth.

Yet, most of these stocks have declined significantly, right? So do we really need much, much higher oil prices? I mean, what's gonna make the stocks a buy, which is $64,000 question, nobody knows. But is it just interest? Is it sediment? I guess sediment's such a big place here where, again, I mentioned earlier, why invest in gold? Who cares about gold over the past three or four years, when you can invest in the US markets and just close your eyes and make money on e-stock?

Now we're seeing it's a lot different now, right? With the market's coming down, FANG stocks down 30% plus. Is it a sediment change that we need? Because I think if gold prices stay at these levels, why can't we see a massive run up? I mean, even if these things went up 200% or 300% from their lows, they'd still be down from their highs from 2012, right? That's how much they've declined. So is it a sediment factor, do you think?

Is it necessarily that we need to see higher gold prices, which of course, it will be beneficial for the industry? I mean, if they stay the same, couldn't we see gold prices go higher sentiment changes and more money flows into the sector, I guess?

Amir Adnani: Is it sediment, or is it opportunity cost and a relative value, right?

Frank Curzio: Yeah.

Amir Adnani: In a sense that on an opportunity cost point of view, I mean exactly what you said, but I'll take it a bit further. Because perhaps gold and gold stocks don't necessarily compete with people's investment dollars, let's say Visa V the tech sector. So let's leave tech out of it for a second, Apple, Amazon, the FANG stock, et cetera. Let's talk about some of the more kind of, not cottage industries, but special situations that maybe do compete more directly with someone's investment dollars that would otherwise be going into gold.

So Let's talk about maybe cannabis pot stocks over the last year or two, but especially this year, right? From an opportunity cost point of view, maybe it was more attractive to belong a basket of those things this year, than gold. You look at last year with cryptocurrencies and blockchain, and I'm not trying to beat on those industries. They all have their merits. But the first phase where the run that we had in cryptocurrencies and blockchain related stocks a year ago was it was tremendous. What a tremendous run. Right?

I mean, of course, a lot of it rolled over, but the point is it was almost like the easy money, and people want to belong that when it's that's sort of exciting early first in it. The same with pot perhaps. Then, of course, these companies have to prove and demonstrate, and get our results, and that momentum dissipates, and that momentum is a bit of an opportunity cost.

The point is, I think, again, it's the combination of these things, whether it's this sentiment, but I think the sentiment is influenced by this feeling or desire that your money can be growing elsewhere. I think as we head into 2019 and we have increased volatility, right? VIX is up, the broader market questions and issues. Let's not forget the biggest thing here. I mean, Trump's favorite word, didn't he just tweet again today that he loves tariffs. He keeps talking about tariffs.

I mean tariffs are inflationary. Okay? We have a president of the free world, we have this president of the biggest … I mean, the fact that the President of the United States keeps talking about how he loves tariffs, should be the biggest indicator to belong in gold because tariffs are inflationary, and trade wars will be inflationary. The Fed's done as much as it can. I think it was very responsible what they did, but this is probably at one or two more hikes.

I say responsible, in the sense that they needed to create some room so that they can take rates back down again in the event of slow down and recession, and so on and so forth. Now mind you, look, they've done that, but Europe hasn't done that. ECB hasn't done that. China and Japan haven't done that. Japan's still negative rates?

So when we go back to real rate environment, we're going to have negative real rates, especially with rising inflation. The environment is absolutely correct here, in terms of the next bull cycle for gold in front of us. That will then drive the opportunity cost analysis where people will say, "Yeah, I need to be long gold because this is where not only will I basically protect my capital." Because let's not forget about the insurance factor with goals. "But this is where I'll also actually grow my capital in a time where it's difficult to see where growth is gonna come from in other parts of the world."

In fact, if anything, it might just be a bit unpredictable and difficult to kind of see where this US/China deal. How does that pan out? How many more months before we get that? There's just so many factors out there now. You and I just saw it in the last 48 hours. I don't want to date stamped this podcast, but I think you're releasing it soon. But just look at the fact that we woke up on Monday and it's like, yeah, Trump and Xi had a good meeting. And by Tuesday it's like, well, we don't know the details. But you're are going to go on till what, March until we know the outcome of this thing.?

Telling me all of this isn't good for gold? I mean I felt pretty good yesterday looking at my portfolio, and seeing while everything was red, the gold and the gold holdings, and for me mainly is shares in gold mining were flat, if not up. That's basically gold doing its job.

Frank Curzio: I was letting you go, because I hear you.

Amir Adnani: Well, I mean I didn't want to keep going, but I figured I should stop at some point. Sorry about that.

Frank Curzio: No, you were going on a little rant there. I was like, I didn't know if you were finished or not, but I hear you. I hear you. So I agree with you, the environment in gold, guys, it has to be money allocated to that sector right now. Because as we saw, and again, we took a few losses and we stopped out of a couple of names in our portfolios in the gold sector. But as we saw at the end of 2015 into 2016, we nailed a couple of companies.

One of them went up, NAK Northern Dynasty up more than 900% in seven months. I mean even the average company went up over 200%. But these things don't move 20%, 30%, they double or triple, quadruple, which we've seen when this market turns and it's in a super depressed market, it just seems like the conditions are more ripe today than they've been over the past few years. So I appreciate you sharing all that stuff with, with us.

Last thing here, since we have a nice interview with tons of stuff that we covered, I want to talk maybe outside of gold and outside of uranium for a little bit. Because what we have is a portfolio, it's the All-Star portfolio where I asked my ... I take ideas from my guests, because I realized a lot of people capitalize on them. I always bring up, "Hey, remember when Amir said that, or this person said that?"

So we created a portfolio called the All-Star portfolio, where we'll throw a stock in there from my contacts, people I interview on this podcast, and have a tight stop on it. But just to get more ideas in front of people. I was wondering if your personal money ... I know you're focused on uranium. I know that your focus on gold. But is anything outside of that, that you been looking at, maybe a stock or a specific sector that you like? Or is it just like, "Hey, I'm focused on this."

Because I know you told me in the past, you say, "Every time I venture outside of my area and someone pitched me a good idea, I always almost always lose money on it," I think you said. So I was just wondering if there's anything else outside that has you excited these days?

Amir Adnani: I mean I hate to disappoint you on this, and I think you know it, but, look, I at that stage in my life and my career where I'm all in, right? You know this, I mean I've got a young family, like you do, and kids, and gotta look, obviously, be thinking responsibly about their future. But I'm all in with the companies that I'm building. I'm all in, in terms of not only my time and energy, but my personal capital being ... In a way, it does not look like a diversified portfolio, Frank. That's what I'm telling you.

I've got very big exposure to a Uranium Energy Corp and GoldMining. I'm very excited about Uranium Royalty Corp coming out. I'm sitting on a lot of cash, in the sense that, look, I don't want to sound like a Debbie Downer, but maybe I'm a bit nervous about the broader market going into 2019. I mean, I personally wouldn't touch stocks, and we're talking the broader market and S&P, et cetera. At this point, and at these valuations, I don't feel good about it. If anything, I would look to increase my exposure to gold.

Frank, again, it might sound like I'm talking my own book, but let's just be factual about it. Factually speaking, two of the most beaten up sectors in the world today, still are gold and uranium. So, to me, it's more asymmetrical, in the sense that I see less downside in gold and uranium, because they're not trading near their all-time high. They're trading near their all-time low. Or are not all time low, but 10 year low. The broader market and just about every asset class on earth is trading near its tenure high, and in some cases all-time high.

So, I'm just, from a standpoint of what I feel good about, I feel good about the sort of things that I know the world is going to need still, and there's growing interest for it. Gold and uranium fit that bill. Their valuations are still very reasonable, and they're still very beaten up sectors. I like beaten up sectors. I'm definitely a contrarian at heart, and you know that, and that's just where I'm at, man. I'm sorry if that's not an exciting answer for you, but-

Frank Curzio: No, actually the fact, Amir, that you've been in these two sectors, uranium and also, gold, and these sectors ... Actually, I was looking for a sector that you like, this way I could short it, because you ... I'm just kidding. I'm just kidding you.

Amir Adnani: All right, you got me. All right, good one.

Frank Curzio: Listen, I'm going to be dead honest with you [crosstalk 01:08:52].

Amir Adnani: Hey, it's your podcast. It's your podcast, you can say that. I can't get you back, because then you won't invite me back to the podcast.

Frank Curzio: Not true.

Amir Adnani: I'll take a couple of shots. That's all right.

Frank Curzio: I'm going to be dead honest here, and this is something straight from the heart. The fact that you said that means a lot to me. Because in the mining sector, I cannot tell you ... I'm talking about 100%, almost 100% of the CEOs that I've talked to, that are running their companies. We know what's happening in the mining sector, and it's down. Every time I talk to them, they're pitching me another idea outside the mining industry that they're in. It's biotech, it's marijuana, it's this, it's that. It's a cryptocurrency.

You're like ... I won't curse here and say, "F that." But you're like, "no, this is the two industries I'm in. This is my time. I'm 100% focused on this." It's kind of refreshing to be honest with you. Because I'm not kidding you, every conference I go to with mining conferences, which I attend probably three or four year, all the CEOs that I know, which a bunch of them now, I've been doing this for a very long time. They're always talking about different ideas outside of that sector, and I always look at that as kind of a negative.

Because I'm like, this is a time where you should be really focused on your business, because this is where you make the most money. Well, what you do when you're in a bear market dictates where you're going to be 10 years from now, and that's the greatest opportunity. The fact that you're not focused on this, and you're talking about marijuana stock, is kinda disappointing. So, I love that, and I bet you my listeners like it too. Because you're like, "Hey, I'm not talking about anything else. These are the industries I'm focused in." It's kind of refreshing, to be honest with you.

Amir Adnani: Well I appreciate that, man.

Frank Curzio: So, one last thing, because I say this a lot, I'll say one less thing 10 times. I know you're not going to do it, but since you didn't give us any ideas, I want to see if you do it. Because every time we talk, and I pick up the phone with you ... We talk a couple times a month. Give us updates on what we're doing with my business and your businesses and stuff like that, you always do my opening. I was wondering if you could do it for me with the podcast in that voice that you always do?

Amir Adnani: You really want me to do that?

Frank Curzio: No, you don't have to. But guys, every time he's like, "Hey, how's it going out?" He makes fun of me at the opening all the time, and he just makes me laugh. He always does it, even when we're in circles, or with a lot of people and stuff like that, and, and hanging out. He's like, "Hey, how's it going out there?" I won't make you do it. But it just shows you the relationship we have, and I appreciate it. I know how hard you're working out there.

I know how tough it is in two industries. But the fact that you're still growing, and you're still out there. You're still traveling like crazy, doing the right thing. It is going to pay off. I mean these are cyclical markets. It's in one of the worst downturns, in both of these things. They're both coming back, and I think you're going to be well positioned in the future. So, thanks so much for coming on and sharing your thoughts, because I know my listeners really appreciate it, bro.

Amir Adnani: It's my pleasure to do it. As you know, the reason why I love your intro is because, as you know, I listened to your podcast every week, and I actually find your podcast to be my outlet to pull my head out of the sectors that I'm so focused on, and kind of neat, breathe, and live every day. I love this podcast. I love what you do. Then the intro that you do, it's something that I hear weekly, and I appreciate what you're doing as well. Yeah, it's great content.

This week, unfortunately, I can't listen to it because I'll be listening to myself, but I'm looking forward to next week, whatever you're going to be doing with it. So, thanks for having me, man ... having me back. Merry Christmas. Happy holidays, Frank. Let's have a great 2019, for you and your listeners and subscribers, and I'm looking forward to all of that.

Frank Curzio: Sounds great. Have a great holiday, you and your family. We both have to make sure that you're on ... I'm mean it's not going to be six, seven, eight months anymore. Maybe I'll have you on next quarter, and give us an update on everything's that's going on. So, have a great holiday, man, and thanks for doing the interview. I really appreciate it.

Amir Adnani: Thanks, Frank.

Frank Curzio: Amazing stuff there. Yeah, I love having Amir on. He brought us some great point ... Uranium Sector 232, mandating that a certain percentage of production be based out of the US, right? I think it's less than five% now. They want to raise that, which kinda makes sense. I mean if you look at OPEC, how they control oil, at least for the US, for such a long time. We were producing just 5 million barrels of oil per day in the US in the 2000s. I think our consumption, or how much are we using was around 18 million at the time. I think it's closer to 20 million now.

So if you're looking at that, how much we produce, we're really reliant on OPEC. What happened? I mean, we always knew shale was amazing, and we could produce tons of natural gas, and it changed our whole outlook, and the whole landscape of the entire industry with natural gas production. But then when shale, we could drill for oil in shale, that was a game changer. We're not producing over 11 million barrels of oil per day, not so reliant on exports.

So, when I see something like Section 232, it makes sense.

I love the way Amir put it. It could be a huge catalyst for his company, for another company called Azarga, as well, which I mentioned numerous times. If that happens, and that's passed, which could happen, it just makes sense, right? I mean, you look at [inaudible 01:13:51] for China. If you are the dominant consumer of something, and you could produce a hell out of it, why wouldn't you? It is going to cost more, right? It's gonna cost more, but why wouldn't you want to do that?

Especially mandated with an administration that's definitely pro keeping stuff in the US, that making sure that we keep jobs in the US. It just makes sense that there's a strong possibility this could pass. The more I think about, I mean I was given it like a 25% chance, I'd say more it's like a 40%, or 45% chance. But it could be a huge catalyst if it happens. UEC is all very … just US based uranium companies. If it doesn't happen, look, I don't think you're gonna see any difference in the stock prices. They've already been crushed. They're down a lot. It's just super depressed levels.

So, it's a good time to say, "Okay, let me wait … let me hold till the next, for to six months or whatever, see what happens." You're definitely gonna get a big boost in these names, if anything is passed, anything. If they're like, "Yeah, we want 10% production, 15% of production, whatever it is, to come from the US, and not be so reliant on exports. I think these are two companies that could significantly benefit. If it doesn't happen, I think the risk is …

Again, these stocks could fall a lot from here. They're not producing. We can't produce at the current prices. But I just think that, that's not really factored in as a possibility for these companies. It may be a good trade for next six months, and also good long-term holds at these prices. Because, again, Amir did a great job explaining the uranium industry and how it's just a $10 billion market.

I mean, what's Facebook's market cap? I mean, I know it was ...

Okay, Amazon's market cap is more was almost a trillion, right? I don't know what it is these days. Maybe $800 million, around there. I have no idea when it's sold off, but [inaudible 01:15:32] under a billion. But you look at a market cap of that, and look at the entire industry of uranium, which is a necessity for a lot of places out there. It's a cheap form of electricity that's safe, outside of Fukushima, which it was just a very rare event, but it just makes sense here.

You wonder why institutions really pouring money into this, not so much as a trade, but long-term. But just some really interesting stuff Amir said. I love Amir, because he's one of the hardest working people that I know. I see them in the field. I've traveled with him before. I know he travels everywhere, and he's always on the road. I know, again, how hard the guy works. I just wish he started companies into other industries outside of uranium and gold, but that hard work's going to pay off.

I love what he said where, "No, these are the only things I'm focusing on." I meant that. I mean, the CEOs. I talk to the mining industry, I'm being pitched marijuana. I'm being pitched biotech. I'm like, come on guys, really? Your stocks down a lot. What are you doing? Are you adding properties? Are you buying stuff here? You have good cash on the balance sheet. You're telling everyone this industry is going to come back.

Why not add to your portfolio where you could buy some of these assets at ten cents, five cents on the dollar right now, because it down so much? And you're pitching me a marijuana company, it's kinda disappointing. So, I love that. His two names, we see GoldMining, I mean they're well positioned once this market, or these markets turn, which they will.

Guys, these are cyclical markets. They're going through the worst periods in 30, 40 years. Especially gold, uranium, $130 a pound. It went below $20 a pound. It's not even ... almost $30 a pound. The average cost to produce is $50, $55. A lot higher [inaudible 01:17:11], we talked about that with Amir. But these are cyclical markets, and these are two companies along with these industries that are crazy depressed where, hey, it's worth taking a shot on. I'm not saying taking a shot as like a lottery ticket. I'm saying, buy in some of these names here with a 30% stop, if you catch that cycle right, again, which is more of a guess, but we got to be pretty close, I would think.

These things aren't going to go up two, three times. They go up five x 10 x, it happens. We saw this happen in 2016, just for a brief period. Some of these names, we made so much money on. We did fantastic on them. A couple of years after that, we stopped out of a few names, but those risks were worth the reward if we're going to generate 900% returns on Northern Dynasty, 300%, 400% returns on McEwen Mining. I mean the amount of gold surge. I mean we had a lot of great names in these portfolios that surged during that time.

So, yeah, that's where I was going with that, and always trying to give you guys good ideas. But one last thing here about Amir, I'm going to tell you a quick story what type of guy he is. We were at a conference, and he had a dinner for UEC, for all his investors. I have to say about 150 people were there, and he had this dinner for everybody. Spence Abraham was there, and you it get it, a ton of his investors.

What he did, he's like, "Hey, Frank, I want you to come up in front of everybody, sit down, talk about your podcast, and just take questions from everybody outside the industry." Because we beat everybody to death about uranium and UEC, and he made me the focus out of nowhere. I said, "All right, I'll do it." I just got up there, and he's like, "Frank's that podcast I listened to. He's great. Frank, when do you think about this today?"

I was up there for about 40 minutes talking, and it was fun. I was trying to make it ... Yeah, but that's the type of guy he is. He came out of nowhere, and said, "This is what I want to do for you." He was thinking about me during his dinner, and again, these are all the investors I just spent the past few days with and stuff. With Spencer Abraham as well, who I met, is a great guy. But it just goes to show you the type of guy is. How hard working he is, and it is going to pay off.

I mean, it's taken a while for these stocks. We have one stock GoldMining in our portfolio. It's down along with the rest of the gold stocks. But he just has a great portfolio there of assets that are going to be worth tremendously, tremendously more than what they're worth now. It's just a matter of timing. But, Amir is a great guy. But look, this podcast is about you, not about me. So, let me know what you thought about that interview at Frank@curzioresearch.com. That's frank@curzioresearch.com.

Okay guys, that's it for me. All right. A nice podcast. A nice long interview. Some exciting times with Curzio Research, as we come closer to launching our security token offering. I mentioned my trip to New York earlier, but I also took time to meet with my new lawyers, who are two of the best in the crypto space. They're located in the Trump Building, which is on Wall Street, so it took me 20 minutes to get to the building, or to the elevators to take up to the office. Due to all the security protocols and crazy stuff. It was like Donald Trump was actually in the building, which he may have been. I don't know.

I haven't been really seeing his tweets lately or anything like that. I mean he's been talking a lot about tariffs, as Amir mentioned that during the interview. But I spent two hours with these lawyers. Already had several follow-up calls, and, for me, I'm doing everything by the book when it comes to this offering. Partnering with the right people, the right companies, like Securitize, operates one of the best security token platforms. I mean, it's fantastic.

This is a company that just received an investment of $30 million from Blockchain Capital, Coinbase, which is Coinbase Ventures, Japan's Global Brain, Latin America's NXTP, and Ripple. Together, they invested $13 million into this company. This is one of the companies that we're partnered with. We have some of the best lawyers. Yes, it's costing a lot of money, but we're doing everything by the book. So when you're looking at those players, they're major players in the security token market, which is now being called digital securities in the security industry.

But the money invested in Securitize is used to hire more engineers. Build out their platform into Satin America, Asia. Again, this is just one of our partners who love what we're doing, lower offering. They're working close with us. I want to address this really quick before I go, because I'm getting some questions that people are a little worried about the recent decline in cryptos. Guys, it's meaningless to the security token industry, which is thriving right now.

In my Crypto Intelligence Newsletter, I highlighted a bunch of major news that was announced in the security token industry. This is recent, like the past couple of months of just things that are going on. How many institutions are getting into this space? What we're seeing is the client utility tokens, which was expected. I had been talking about that for three months of how this industry's going to be completely wiped out. You don't have an equity stake. These kids spent a lot of that money. There's no money. These sites aren't even up.

I mean not only that, they kept a lot of the money they raised in bitcoin and Ethereum. They didn't even transfer it, or into US dollars to keep it in the bank. Think about that. If you raised $10 million in January, it's $2 million today, because he's [inaudible 01:21:57] are down tremendously. That's where you had your money in. You'd be surprised how many of these young kids that not think, "Wow, why raise $10 million. Let's put it in fiat." No, they kept it in crypto, and now they can't even develop these sites.

I mean the hundreds of companies that I looked at, probably less than 2% or 3% have a working site. I mean they're not generating revenues, and that's not gonna happen, because you know the SEC came down and said, "They're all gonna be securities." How are these guys going to register with the SEC when they can't even tell you where all the money went. I mean they spend it on Lamborghinis, and plane ride, and first class, and buying houses, and stuff.

This is an investor's money. Every dollar's gotta be accounted for. I mean it's going to get a lot worse in that industry. Outside the top 100 tokens, which most of those companies are legit businesses, and have business models, have working websites, and stuff like that, but there's over 2000, guys. The rest of that industry's in a lot of trouble. Even the top 100 down 50%, 60%, now 70%, getting crushed. So it's pretty crazy.

But when you look into security tokens, it's opening the door for a real industry, real companies. Again, institutions are getting in. Dozens of security token exchanges are going to be launched over the next six months, including tZERO, OpenFinance, a host of others. It's gonna be fully regulated by the SCC or SEC compliant. There's some great news that Coinbase recently bought three companies to have broker and banking licenses. Which is a lot easier to purchase companies for that than start from scratch, which can take a lot of time.

Basically, they bought these three companies for the broker banking licenses because they're gonna start offering security tokens on their platform. Right now they only offer the top four cryptocurrencies. So the industry's not coming, it's here. Believe me, the last six months, it is super exciting, some of this stuff, and it's just amazing. I am more positive on this industry than ever. Really glad to be a part of it.

It costs a lot of money. Still, much cheaper compared to actually doing an IPW, if we'd wanted to go that route. But I'm spending a lot to make sure we have the best partners, the best lawyers, so we're fully compliant with the SEC when regulation is announced. So basically, our offering, is it's going to be a publicly traded company. Also, compliant to where our token … we'll be able to trade on these new security token exchanges that are gonna be based in the US, and regularly by the SEC. That's how we're structuring our business.

That's why it's taking a little bit longer, not too much longer. But a launch may take place very early next year, all right, mid-January. I thought it would be sooner, but again, I talked to lawyers, restructuring a few things, making sure we cross every T and dot every I. As we prepare launch Curzio Equity Token to the masses, we want to make sure that everything is absolutely perfect.

So I'm really excited. I'm going to be updating you guys along the way, every step of the way. We appreciate all the support. But for now, after that update, I just want to say, have a great weekend. Thanks, all of you, for listening. For all the support you've given me, I really, really appreciate it. I'll see you guys in seven days. Take care.

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