

A low-profile, under the radar investment opportunity...

How to Cash In On the Nuclear Option

If you've been reading the Sovereign Investor for any length of time... you know we're always on the hunt for **unique investment opportunities**. Alternative fuels fall under the "unique" label because they're often **off the radar** of the average investor.

Back in July, 2012 you learned of an emerging opportunity in a crop most Americans pay no attention to - palm oil. We steered your attention to Brazilian commodities giant Vale.

This giant mining company managed to stay *under the radar* of most investors while ravenous demand from China for their products pushed it from *insignificance a decade ago* to a market capitalization of *\$147 billion*.

We told you about Vale because they announced plans to build a \$500 million biodiesel plant to turn *palm oil into an alternative fuel source*. We have been writing for a while now about how palm oil is like a barometer reflecting the rise of the New Consumer, as developing countries rising middle class emerges.

This Sovereign Investor reader put it best...

Ira Weston, from Naples, FL writes: "I'm making better than 20% on what I'm investing in... [and] it gives me peace of mind to know I have assets that people don't know about."

From Coconuts to Nuclear Bombs

Falling under the alternative fuels umbrella, and about as far on the opposite side of the spectrum from coconuts as you can get... is uranium.

*If uranium is no longer in your energy portfolio, in a few minutes **you may want to reconsider***. The price of uranium oxide *dropped* from a *high* of \$137 per pound in 2007 to the *current* \$36 per pound (as of December 2, 2013).

Then there was but a whisper of change in the uranium supply on December 3, 2013. And the Sovereign Investor was among the few to **sit up and pay attention**.

Swords into Ploughshares

The Russian-American **Megatons to Megawatts** program came to a quiet end, as did 24 million pounds of uranium it supplied annually, powering nearly *50% of America's nuclear energy needs*.

The *Megatons to Megawatts Program* is the name coined for the **United States-Russia Highly Enriched Uranium Purchase Agreement** of February 18, 1993. Under this agreement Russia was to supply the United States with low-enriched uranium for the next 20 years, and with the intent to destroy 500-metric tonnes of highly enriched uranium.

The uranium was taken from Soviet era warheads, converted to low enriched uranium, and shipped to the United States for use in nuclear-power reactors used to produce electricity.

The Biggest Loser

The **United States Enrichment Corporation (USEC)** was created for, and acted as the U.S. agent for the program and now faces an *uncertain future* as a result of the program end.

The political and economic climate is vastly different than it was in 1993, and Russia has no incentive to restart the program. Economic growth and prosperity in Russia and most of East Asia indicate Russia will hang on to the nukes it has left, and its uranium for domestic use.

East Asia is experiencing rapid economic growth. Russia will hang on to the nuclear weapons it has left, and maintain the power balance in the region with China.

The end of the *Megatons to Megawatts Program* seems to have had no significant effect on *uranium prices*. **Why?** The uranium oxide price slide has put a damper on world supply as many of the largest producers of uranium scaled back production.

And in our opinion in the short term the price of uranium oxide will remain anemic for reasons you read about in the news.

Japan continues to struggle with nuclear issues after the **Fukushima** disaster. Headlines scream of the risk associated with nuclear reactors. And the green movement continues to push back against using nuclear for power.

But Let's Take a Closer Look, Shall We?

Because we believe the future for uranium looks bright, and deserves any Sovereign Investor's consideration.

Let's take a look at the reasons why...

Japan must eventually *restart* those 48 idle nuclear reactors. It's costing the country \$100 million a day importing natural gas and crude oil, causing a *severe drag* in the country's economy. Five Japanese utilities have applied to restart 14 reactors, and to be sure the rest won't be far behind.

20% of the World Remains in the Dark

Over 20% of the world population does not have electricity, and demand is growing. Consider this electricity consumption chart:

1980 5,710 TWh
1990 10,085 TWh
2010 18,443 TWh
2035 31,859 TWh

Part of this demand is supplied by **430 operating nuclear reactors**, with **69 new reactors under construction** around the world. Of the **90 new reactors coming online by 2022**, 30 are in China, 12 in India, and 7 in Eastern Europe.

Today China is operating 17 reactors supplying some of the economically booming country with electricity. In addition to the 30 now under construction, *there's a good bet dozens more will be planned by 2022.*

Nuclear Power Remains a Viable Option

Even the UK recently approved permits to begin construction on a nuclear powered reactor for the first time in 20 years. The UK reactor go ahead comes after the Fukushima destruction, and clearly shows nuclear power still has a place at the World energy table.

This certainly begs the question...

if all these new reactors are coming online over the next decade, who is going to supply the uranium to fuel the reactors?

We've done the work for you.

BHP Billiton and **Rio Tinto** are obvious picks because they're big mining companies. Or are they? *Rio Tinto* produced 1.8 million pounds of uranium valued at \$63.6 million in Q3 2013. They're total revenue for 2012 was \$50.1 billion, and that makes their uranium production a brief mention on their quarterly report.

Not a high priority...

BHP Billiton produced 930 tonnes of uranium concentrate in the last quarter, *worth a current \$71.8 million*. Compare the revenue from uranium mining to total company revenues so far this year of *\$66 billion*. Their expansion of its Olympic Dam uranium mine was shelved, and they sold the mine off.

Are you beginning to see a pattern here?

Let's look at the companies who do nothing else but look for, and mine uranium.

Denison Mines is a dedicated uranium mining company, and has some promising projects on paper but **need a big injection of cash** just to keep on exploring. Analysts expect Denison to post *losses* in 2013 and 2014 of \$0.05 per share. *You'd be wise to be careful of investing in Denison Mines.*

I Thought You Promised Me a Way to Cash In on Nuclear!?

The **Sovereign Investor** has *identified one company* in a unique position to **dominate the world-wide uranium supply** for at least the next 10 years. This company has an established *track record* of bringing in high quality uranium ore at reasonable cost, and is **profitable** for the last two years even with suppressed uranium prices.

This dedicated uranium mining company owns **extensive uranium deposit reserves** in several countries world-wide, have a **proven long reserve life, refine their own uranium ore, own** a significant share in an established and **operating nuclear-powered reactor** producing electricity, and continue with **global exploration**.

Ore grades in at least two of their mines are **100 times the world average**, and **own the rights** to the **2nd largest high-grade uranium deposit on earth**. They showed a 40% increase in revenue this year over 2012, a 48% increase in gross profit over 2012, and a 20% increase in net earnings. They're working to bring down refinement costs with innovations like **laser enrichment**. And they recently acquired a **distribution company** which acts as a market intermediary between uranium producers (and other parties in the nuclear fuel chain), and nuclear-electric utilities in North and South America, Europe and the Far East.

If you want in to this **once in a generation** alternative fuel *investment opportunity*... into a **long-term winner** in uranium as a solid alternative fuel investment... join us by clicking the link below.