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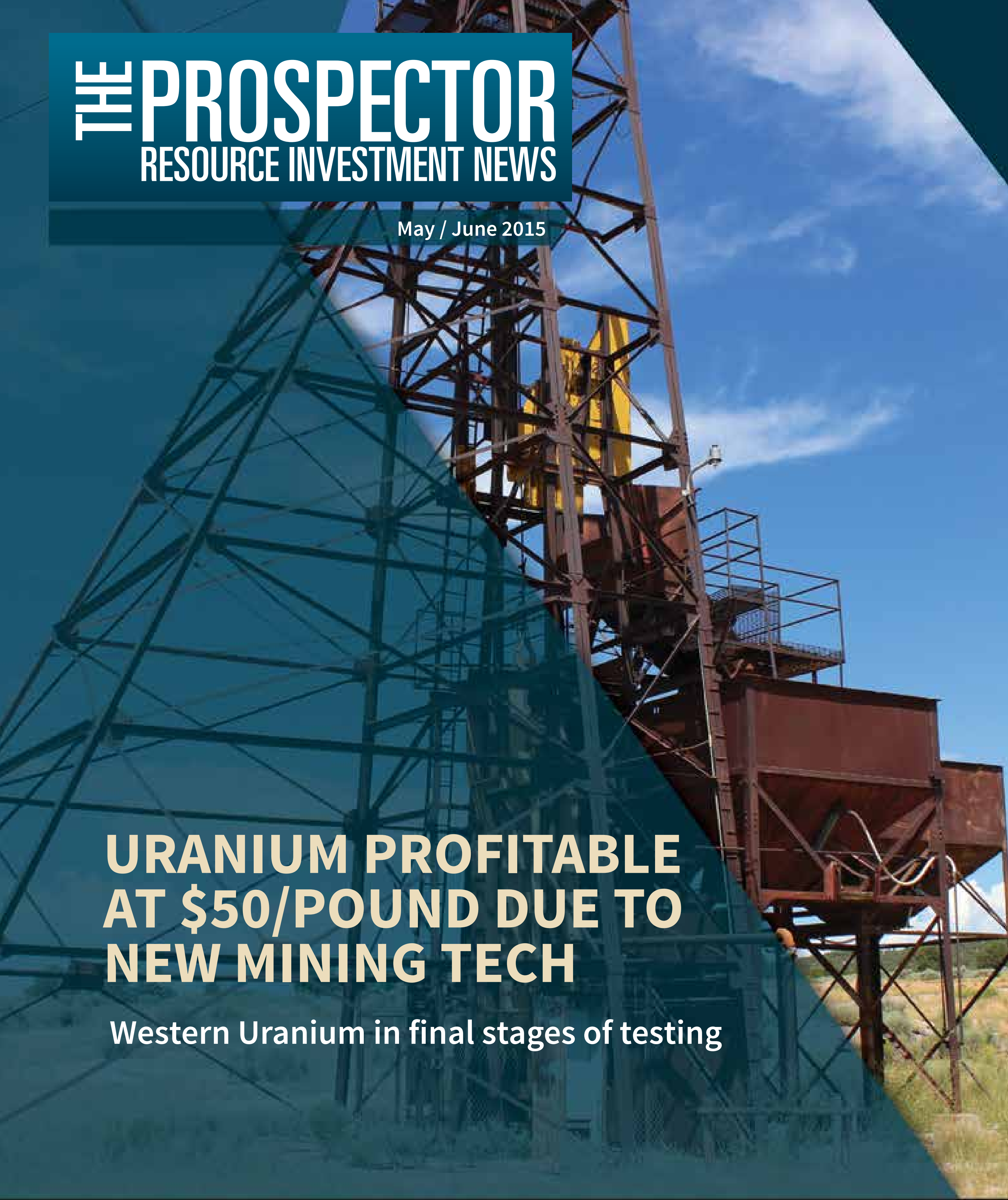

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Western Uranium in final stages of testing

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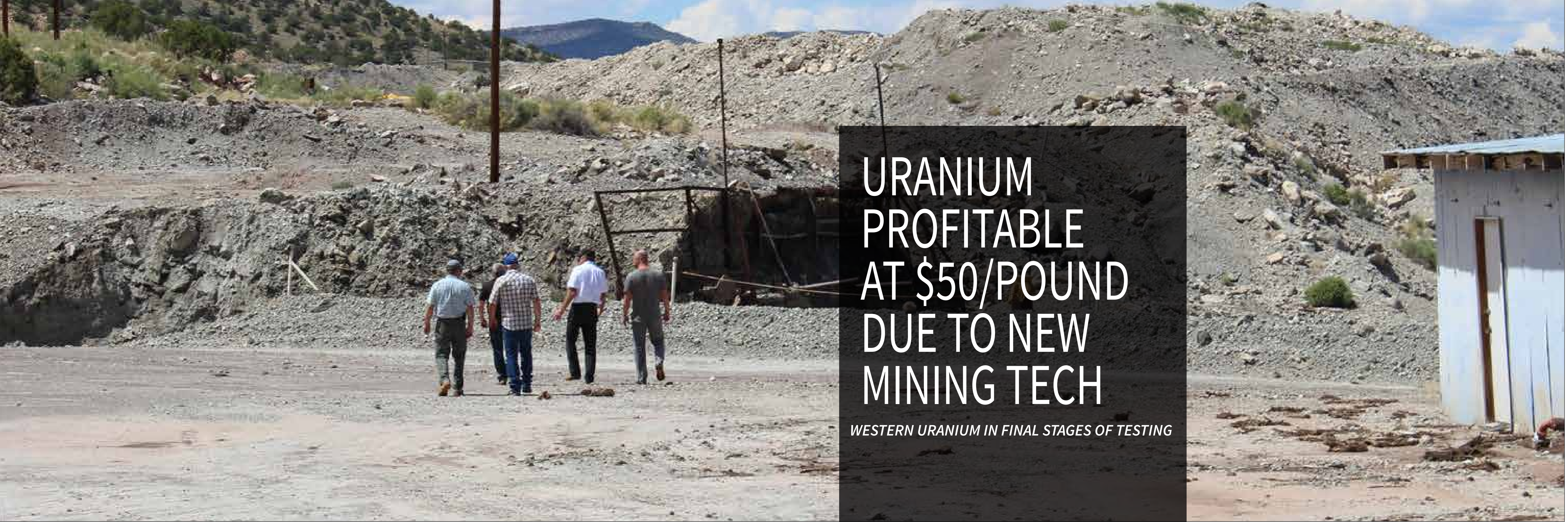


URANIUM PROFITABLE AT $50/POUND DUE TO NEW MINING TECH

WESTERN URANIUM IN FINAL STAGES OF TESTING

By Christian Vakenti

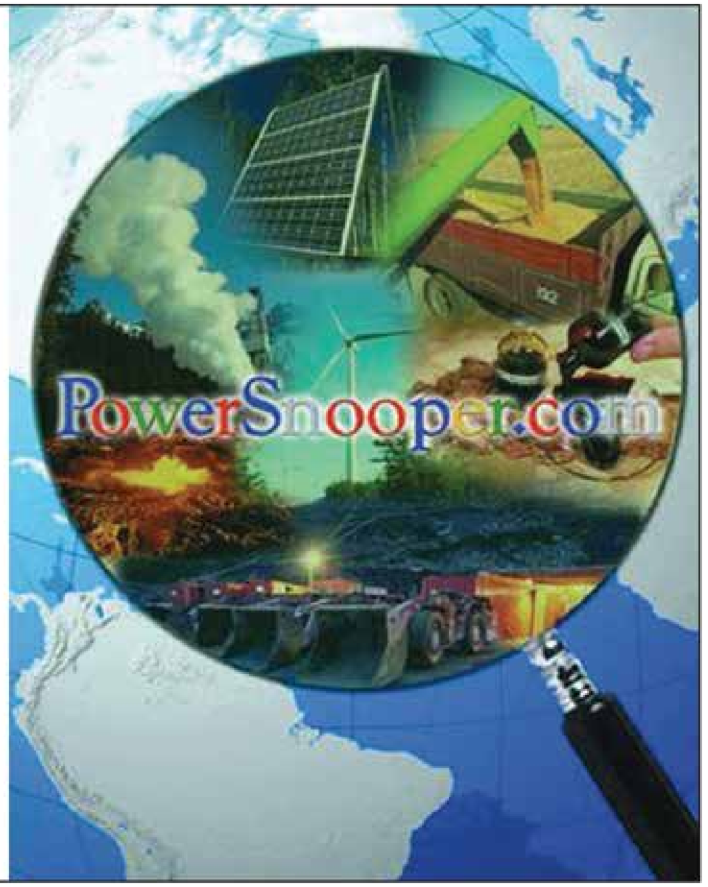
The uranium market sits around $50/pound at the time of this writing. George says he's currently profitable at that level, and would only become more so, if the market price rises, which he expects it to do.

"*We're very, very profitable at fifty bucks, with our process. We think that the price is going up. All the analysts agree that in the next two years we could see 70 or 80 dollars a pound. We're not waiting for it, we don't need it, we can make a lot of money right where we're at. We're not dependent on uranium prices going up, as a lot of other people out there are. There's some Australian operations that need $70 to $80 before they can even consider it. But we can go ahead today, because we've concentrated on reducing the cost of production rather than waiting for the market to give us a higher price.*"

"...we're able with this process to cut the milling cost down by up to ninety percent. All of a sudden it makes these mines incredibly attractive from a profit standpoint."
-George Glasier, President and CEO, Western Uranium

Russell Fryer, Director with the company, interjected: "*One of the things that Wesern Uranium is going to be known for in the future is taking these non-core assets from energy fuels and making them core. Also, with other people, and no disrespect to them, but their offices are located in Scotland or Vancouver or Toronto, thousands of miles away from their operations. They're managing by remote control. With Western Uranium we've got George less than 20 miles away from where we make our money. Where he can build a team around him and where he has his expertise.*"

Russell lays out their business plan, a cautious approach to mine building with ambitious reach.



"We can be in production today if we want. We can make money at today's prices," says Russell. *"But we want to do it properly. We don't want to make the mistakes that other companies have made. So we're doing this slow but at a reasonable pace. And with the intention that our technology will bring us down to one of the lowest costs of production globally."*

The company has a few items it needs to clear off it's agenda in the coming months, such as a takeover of Black Range Minerals, but based upon shareholder feedback these stepping stones are expected to transition smoothly, placing Western Uranium as one of the top producers in North America.

It's a very interesting time to be studying this company, as they appear poised for a well-planned expansion that is both deliberate and carefully managed. Currently, Western is flying under the radar, somewhat deliberately by George's accounts.

"We haven't even gone to the analysts to look at us yet," says George. *"We're in the midst of this major acquisition, once we complete that and the mining technology, we've got probably the best story in the world to bring to the analysts. In August we'll have a tour for the analysts to come see the whole process. Until now we've kept this really quiet."*

"We did some raises, headed by Russell, and those raises were within a very limited group of large investors. Even though we're a public company it's almost like we're private because very few people understand what this thing is and it's because we really haven't gone to the market. In fact this article will be the first thing I think that's published about this company, other than the listing statements made when we appeared on the Canadian Stock Exchange."

You read it here first.

"We really haven't started even to market this company," finishes George. *"We've been busy doing what we're doing. Once analysts start catching on, you're going to see a lot of coverage about companies prospering in this next quarter."*

CEO George Glasier Hosts a BBQ for the local community

Close up of Portal at Sunday Mine Complex

Top of Hill in Paradox Valley

Across from Sunday Commplex

The Sunday Complex Portal

MINING STOCK "CROCODILES"

Since April 2011 (for Silver) and November of the same year (for Gold), the resource sector, notably precious metals and uranium, have endured a cyclical bear market which has taken them substantially off their highs. Adding insult to injury, the long-running stair-step decline virtually eviscerated the TSX-V, plunging it by some estimates into record low territory.

By David H. Smith

Mining Survivors are like drought-stricken African Crocodiles

Hundreds of mining companies have gone out of business or become financial zombies lacking enough cash to file financial reports. Others pathetically try to raise private placements at a few cents/share in order to fund a drill hole (or pay management's salary). But there are dozens, if not scores of producers, streamers, and yes, some exploration stories, who are resting quietly, like crocodiles in an African stream bed that's been shrunken to a few deep pools by an extended drought.

These wily survivors are preserving energy and resources, with only their eyes above water - waiting for the fall rains and a change in investor sentiment. And like crocodiles, the mining stocks themselves can erupt without warning, leaping upwards at a stunning pace.

Contrarians who go against the investment herd and their own emotions can acquire meaningful positions in ready-to-rebound outfits. Companies on the brink are like wildebeests and zebras who've come to the financial well to drink. Investors failing to act will have to watch others make a profit from explosive (and hopefully enduring) moves, as the changing seasons carry mining stocks up and out of reach at anything approaching a reasonable price.

A strong case can be made that with a little research, the odds of choosing companies positioned to ride the gold, silver and uranium markets as the secular bull run reasserts itself are – believe it or not- much better than they have been at any time during the last generation. Think about it. If a miner has survived the 2008 melt-down, is active today and has shown it can produce at anything close to breakeven with current prices, you are probably looking at a "contender." Further, has a producer or explorer under review grown proven/probable reserves, or even its measured/indicated resource? If it has controlled its fully deleted shares (FD) and carries low debt, your "selector button" may light up. And if a quick technical take on the daily/weekly charts shows an upturn from last fall or this spring lows, which isn't breaking on the downside, your inclination could become a profitable one.

But no matter how good the story, don't even think about "backing up the truck" with everything but your lunch money. Instead, force yourself to buy several tranches (portions). If you fear the stock could get away, use a limit price just above the market to purchase one quarter to one third of what you want. Then place an order(s) lower at "(price) or Better, Good 'til Cancelled (GTC)".

Backing and filling action into late summer/early fall is highly probable –a tendency exacerbated on the downside by a broad correction or a full-blown market collapse. This would improve the odds you'll get a second or third portion at a satisfactory price. Save the remaining earmarked money in case a "dumber than dirt" price comes your way. Something close to this has already taken place for me. For example, I've added to positions in Alexco Resource (AXR.TO/AXU) at $0.27; Prophecy Development (PCY.TO/PRPCF) and U308 Corp (UWE.TSE/UWEFF) at $0.03 each; and Osisko Gold Royalties Ltd. (OR.TO/OKSKF) on a retreat to its issue price at around US$12.

The Biggest Risk to Gold and Silver Core Position Holders

It is fully understandable how demoralized even the most ardent gold and silver bugs have become, as they've endured perhaps the most painful draw downs to be seen in mining sector stocks for the last 30 – 40 years. Even if you have sold and bought back quality companies at successively lower levels to raise capital and lower your average position price – as I have done - the natural inclination will be to get out whenever "breakeven" levels on your holdings come into view.

But before selling whole hog into a strong rise, or layering out too aggressively on the upside, stop and ask yourself, "What am I trying to accomplish next? Do I want to be out at $26 dollar silver and $1,500 (or $1,350) gold? Do I still believe new all-time nominal highs are in store?" If your opinion is the latter, then selling too much beforehand means having only a small position left to capture that big payday that took years to develop.

An old market saw says that "the bigger the base, the greater the upside case." This grinding lower-into-bottoming action in the resource sector has taken longer and moved lower than just about any of us imagined. If we want to avoid what David Morgan at The Morgan Report refers to as "being worn out or scared out" we need to approach things with a rational plan. "Prepping" before the inevitable fireworks get started may be boring. But it could help you latch onto a prize company before another investment "crocodile" beats you to it. Consider mega-basketball star and business personality Michael Jordon's comment. "Step by step. I can't think of any other way of accomplishing anything."

Disclaimer: David H. Smith is Senior Analyst for *http://www.Silver-Investor.com* and a regular contributor to moneymetals.com For the last 15 years, he's investigated precious metals mines and exploration sites in Argentina, Chile, Bolivia, Mexico, China, Canada, and the U.S. He shares his findings and investment perspective with readers, media listeners, and audiences at North American investment conferences. This writer owns shares in the companies mentioned in this report.

CHERRY PICKING SEASON

AS A GENERAL RULE, THE MOST SUCCESSFUL MAN IN LIFE IS THE MAN WHO HAS THE BEST INFORMATION

By Richard (Rick) Mills
Ahead of the Herd

"Everyone dreamed of the day when they would be the one to strike it rich, but what does it mean to people today? I'll tell you, a big house and a nice car. People don't see that it's so much more than just finding the golden score. It's not seen as a building block for freedom. It's been twisted and messed up to the point of being stuck on a scratch and win ticket. That is what is left of the prospector's dream in today's world. All the people around you don't understand, they can't see the freedom and the hope it brings you when you chase the dream. They just think you're dreaming, but we know the truth don't we? Daryl Friesen author, Seekers Of Gold.

Prospectors are today still scouring the bush, in remote, and not so remote places – chasing the rainbow and its pot of gold - looking for the next discovery.

Prospecting, whether for precious or base metals, is of course the integral first step in the process of discovery, walking the bush and hammering rocks means boots on the ground. It's people walking through the bush that have found the worlds mines.

Staking claims and making a deal with a junior resource company, a vendor's agreement, is often the second step – the prospectors claims are turned over to be worked for shares and or cash and a one or two percent net smelter royalty (NSR) from a mine if the showing goes all the way. Most prospectors don't have the wherewithal, the money raising capabilities or the expertise to develop a showing so this is where a junior would come in. Being publically traded they have access to capital and expertise the prospector most often does not.

Why are the juniors so successful at finding mines? Well the good ones are lean mean boots on the ground exploration and development companies run by people who have been out there and know what it takes. They know how to raise money from the suits and they know how to get the story out to the retail investor.

They are not tied up in bureaucratic red tape and can make the important decisions without commissioning a six month study or running it up through 12 layers of pencil pushers and then sitting on their butts waiting for an answer while somebody else scoops the prize. They can and do make up their minds very quickly and can execute immediately on plans.

JUNIORS OUTPERFORM MAJORS

Mining is a self-depleting industry meaning mines have an inherently limited lifespan. Every day a mine operates, it is that much closer to running out of ore. So the industry needs to find new deposits in order to replace these ever-depleting mines.

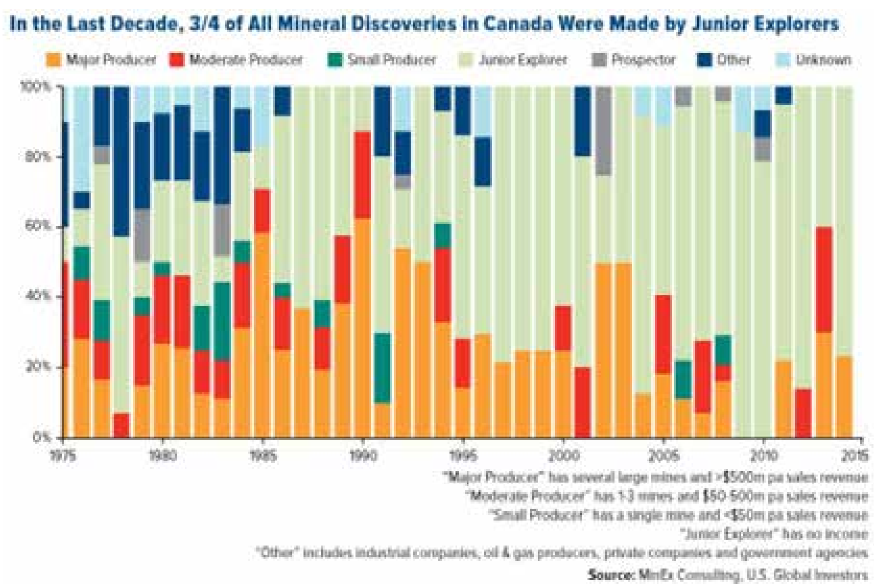
For the past decade, junior mining companies have outperformed senior miners at finding new mineral deposits and generating wealth for stakeholders.

"These are among some of the findings released in a study conducted by resource company strategist MinEx Consulting, which analyzed the performance of explorers and producers operating in Canada between 1975 and 2014. What the consultancy firm found is that, in the last decade, junior companies were responsible for more than three quarters of all new mineral discoveries and were approximately 30 percent more effective than senior companies at generating wealth…

In 2009, 2010 and 2012 senior companies failed to make a single new discovery.

Juniors handily beat the seniors when it comes to the total number of discoveries. Of all the deposits found, over three quarters were made by junior miners.

Juniors also spent more than the seniors on exploration - $14.6 billion compared to $12.5 billion - and their discoveries collectively had a much higher valuation - $12.1 billion compared to $7.9 billion." Frank Holmes, Junior Mining Companies Have Taken a Senior Role.



Vancouver, British Columbia Canada is the home of the TSX Venture Exchange (CDNX) - it is the market for juniors. Exploration and development companies focused on precious/base metals, other minerals, energy and technology all call it home. Is it a perfect indicator? No, perfection in anything is an illusion, but to this author it does show a bottom is developing. And that's why this summer, yes during the summer doldrums (June, July, August), could be the perfect time to be cherry picking individual resource juniors and accumulating shares.

CONCLUSION

Only a few prospectors among the many thousands who search ever find an economic to mine deposit. But prospecting success and drill programs that are targeting these showings should be on every investors radar screen.

For a fact most of us can't be prospectors, and it's pretty difficult to invest directly in a prospector. But for those of us who dream of discoveries made and riches hard won we can chase the rainbow through our publically traded junior resource companies.

If you want to invest in a potential discovery, or the building of something of value – be in on the discovery of a mineral deposit and be there as the company moves it down the development path towards a mine there are quality junior companies to choose from. There are enormous opportunities to back excellent management teams with your investment money.

Is cherry picking on your radar screen?
If not, maybe it should be.

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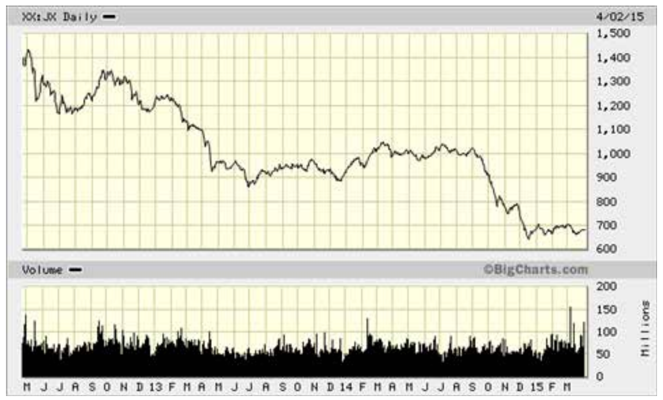
WHY GOLD STOCKS STILL SUCK

By Michael S. (Mickey) Fulp

It is a bit hard to fathom but nearly three years have lapsed since I penned a rant called "Why Gold Stocks Suck" (Mercenary Musing, April 30, 2012) after a Cambridge House conference in Calgary.

At that time, I had little inkling that the bear market for gold exploration and mining companies would continue into its fifth year and be deeper now than in the spring of 2012.

The Toronto Venture Exchange Index, which serves as a good proxy for the overall health of the junior resource sector, is down an additional 51% since my last musing addressed this particular subject:

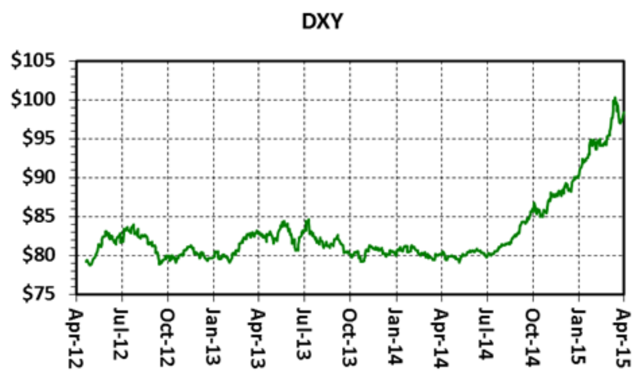


Since closing at 2440 immediately prior to the PDAC in March 2011 and given yesterday's close of 683, the TSXV Index has lost 72% of its value. That folks, is one mother of a bear market and it continues unabated.

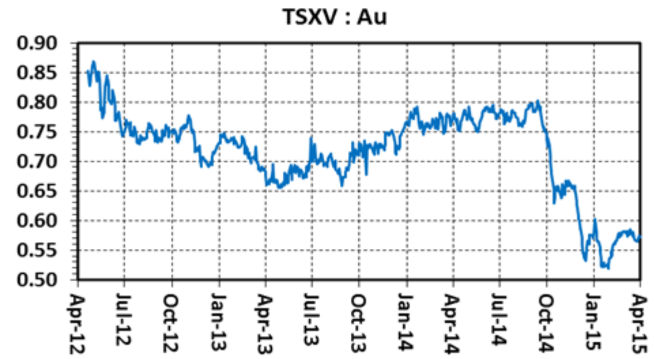
There are several new reasons why gold stocks still suck. To wit:

- Gold underwent two corrections in April and June of 2013. On April 20, 2012, the gold price was $1642; it closed yesterday at $1202 for an overall drop of 27%:

- The US dollar, as measured by DXY, has gained 24%, from 79 to 98. That said, the price of gold has actually increased in many currencies since mid-July 2014 when the US dollar started its meteoric rise from the 80 level:



- The number of companies classified as "mining" on the Toronto Venture and Toronto Stock Exchanges has dropped 13%, from 1716 to 1471 at the end of February.
- Back in the early days of the downtick in 2012, most junior explorers and developers were still viable concerns. That certainly is not the case now. Based on research by Vancouver-based CPA Tony Simon, 589 of these companies (40%) currently have negative working capital and thus are subject to regulatory delisting for not meeting the minimum requirement of $50,000 in cash reserves.
- The continuing demise of the junior exploration and mining sector is aptly illustrated by the TSXV:Au ratio. It fell from 1.71 in early March 2011 to 0.85 on April 20, 2012 and currently stands at 0.57:



My 2012 missive documented the dismal performance of the junior gold sector during the bull market run for gold and related equities from early 2009 to 2011. Retail speculators and institutional investors alike were never rewarded, left the junior gold market, and have not returned.

Compounding the problem, work by Cipher Research has shown that seven major gold miners were not profitable from 2003-2013 despite a gold price that escalated over 250% (Mercenary Musing, February 2, 2015).

To quantify its evaluations, Ciphers utilized a methodology called the Adequacy Ratio, which is a simple measure of a company's inflows of cash divided by the outflows of cash. For mining companies, the Adequacy Ratio is defined as Revenues divided by OPEX + IMP + debt repayments + dividends paid.

A ratio >1.0 is healthy (in **white** below); a ratio <1.0 (in **red** below) over an extended period means that the company has continuously raised money from outside sources in order to fund its operations:

Adequacy Ratio = Revenues / (Operating Costs + IMP + Debt Repayments + Dividends Paid)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	Avg
Avg Gold Price ($)	1,411	1,669	1,572	1,225	972	872	695	603	445	410	363	1,052
Agnico Eagle	0.81	0.80	0.94	0.50	0.49	0.29	0.59	1.10	1.04	0.97	0.76	0.75
Barrick	0.60	0.82	0.96	1.02	0.60	0.84	0.91	0.70	0.84	0.80	1.03	0.83
Eldorado	0.83	0.76	1.08	0.94	1.29	1.20	0.78	0.42	0.22	0.50	0.74	0.80
Goldcorp	0.65	0.82	1.05	0.93	0.71	0.62	0.60	0.82	1.05	0.77	0.97	0.82
Newmont0.80	0.74	0.83	1.07	0.78	0.52	0.63	0.89	0.88	1.05	0.72	0.81	
Randgold	1.06	0.94	1.06	0.82	0.82	0.93	1.03	1.02	0.85	0.49		0.90
Yamana	0.73	0.77	1.15	1.13	0.70	0.84	1.00	0.33	0.23	0.92	1.08	0.81
Average AR	0.78	0.81	1.01	0.92	0.77	0.75	0.79	0.75	0.73	0.79	0.88	0.82

This telling table illustrates that none of the seven gold miners generated sufficient revenues from operations to sustain their existing business models over the 11-year run of high gold prices. In only one year, when the gold price hit its all-time high in 2011, did the companies have a cumulative ratio of 1.0.

Because the major miners did not reward shareholders during the bull market for gold, investors also fled the large cap mining sector.

Now we are in a situation where venture capital money is no longer flowing to the junior explorers so few and fewer deposits are being discovered and advanced. Concomitantly, with investors no longer attracted to the major gold miners, their share prices suffer and capital budgets, including the usual kitties for strategic alliances, joint-ventures, and M&A activities, are significantly pared down.

Because of poor performance at both ends of the spectrum, the small to mid-cap gold miners and developers are having difficulty accessing capital for advancement of their projects. In a normal and healthy market, these are the companies that become acquisition targets for the majors.

Simply put, gold stocks still suck. In fact, they suck way more than when I first wrote about this issue three years ago.

That said, as a trained and experienced scientist, give me a problem and I will diligently work to provide a solution.

In the case of gold stocks, I think this solution is relatively simple. In my opinion, three things must happen to kick-start the business again:

- Junior resource companies that do not pay their bills should no longer be allowed to trade shares on the public market. The Toronto Venture Exchange must follow its own regulations and delist the hundreds of zombie miners that are in violation of minimum listing requirements. Eliminating the scams, shams, and scofflaws in the mining business is a logical first step in convincing retail speculators to reenter the marketplace.
- The major gold miners must focus on producing high margin ounces versus the paradigm that ruled the previous 13 years of growth for growth's sake. Gold mining is a value industry and corporations should adopt this core philosophy of healthy per ounce margins in order to become profitable over the long haul.
- The gold price must rise in real terms versus the US dollar. For the near term, that depends in large part on economic machinations by Old Yeller and the Fed.

Finally, I leave you with this parting thought: The baddest bears always beget the bestest bulls.

Stay the course, my friends, and you will be rewarded.

GRAPHITEONE RESOURCES REGISTERS TRADEMARK "STAX" AND RELEASES PEA

By David O'Brien

There were several things about **GraphiteOne Resources Inc. (GPH: TSX-V)**'s two most recent News Releases that 're-proved' our speculation about the company's potential… the headlines of the first press release are seemingly self-explanatory, however, there is much to explain, too:

- **Graphite One Project Report Documents Unique Characteristics of Graphite Creek Mineralization**
- **Graphite One to Integrate Findings into Preliminary Economic Assessment**
- **Registering Trademark "STAX" for Graphite Creek Graphite**

Your author is teased at the prospect of a concept worthy of a Trademark as this aspect of our Branding and marketing background are key to concepts like 'unique selling propositions' or "USP", which hold out the promise of market leadership over a sustained period. Further credibility is garnered from the reputation of the developers/testing organization **TRU**, which is an engineering firm focused on niche technology intensive industries, including the graphite-graphene sector. Their engineering expertise and their laboratory are excellent sources of third-party testimonial about GPH's spheroidal, large flake graphite deposit at **Graphite Creek**.

STAX is an acronym that stands for: Spheroidal, Thin, Aggregate and eXpanded. "The work done by TRU revealed the existence of distinct properties of the Graphite Creek mineralization. As identified by TRU, these distinguishing features can be described as Spheroidal, Thin, Aggregate and eXpanded, or STAX – and the Company is applying for registration of the trademark STAX in association with Graphite Creek graphite."

As were we concluding our mini-update, News came from GPH that their NI 43-101 compliant Preliminary Economic Assessment (PEA) has been released. See News entitled "GRAPHITE ONE FILES NI 43-101 TECHNICAL REPORT WITH INDICATED RESOURCE OF 17.95 MT AT 6.3% GRAPHITE AND 154.36 MT AT 5.7% GRAPHITE" on their website *www.GraphiteOneResources.com*.

Highlights reveal a much stronger economic picture than previously reported, and for efficiency, I quote:

"Highlights of the Updated Mineral Resource Estimate:

- Indicated Mineral Resource of 17.95 Mt at 6.3% Cg and an Inferred Resource of 154.36 Mt of 5.7% Cg, both at 3% COG, makes the Graphite Creek deposit the largest published graphite resource in the United States.
- A 14% increase in grade within the area of 2014 infill drilling as shown by the new Indicated Mineral Resource from the previous Inferred Resource grade (5.54% to 6.3% Cg COG).
- The 2014 drilling program further confirmed positive continuity of near surface, higher grade graphite within a simple geological setting, moving 11% of the previous Inferred resource to the Indicated resource category.
- High-grade graphite mineralization is present at the surface and has been extended to depths of over 200 m by drilling.
- The indicated resource lies within 730 m of strike length along the 4.8 km inferred resource area, further definition drilling is proposed.
- The deposit remains open along strike in both the east and west directions, as well as down dip."

Tough to argue the merits of the above-mentioned drilling program and the resultant increases in the resource estimates, so I won't. [Ed; the above points have been emphasized for clarity and impact.]

*David O'Brien, is the owner of **Int'l Mining Research Inc.** which employs Media, Event and Online exposure, including **MineSnooper.com.** O'Brien also owns **W.I.T. Marketing**, an ad agency, and has been contributing articles to **The Prospector NEWS**, on demand. He owns no shares in the above companies.*
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