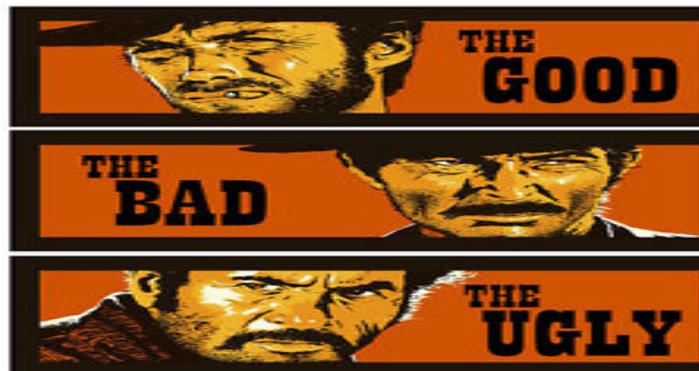


## THE FURNACE OF AFFLICTION



My ultimate goal for my newsletter, Mick's Picks is to find my readers and followers undervalued and unloved Junior Miners. I have certain criteria that has to be met for me to get interested in a company. One of the main things a company must have is a relatively tight share structure. Since this ongoing horrific bear market, it is getting very hard to find such companies. As these dismal years have forced most companies to dilute and finance at extremely cheap prices. Thereby bloating and blowing up the share structure ruining many a company's future. It takes countless hours of research to separate the Good, the Bad & the Ugly of the Junior Mining Sector. Finding hidden gems of promise is becoming quite difficult.



Imagine my surprise and awe when I found two companies in sectors that are very beaten down, run by the same gentleman. He is a highly successful Geologist who goes by the name Dr. Richard Spencer. I had a spatula moment (had to pick my jaw off my desk) when I

discovered that none other than the world-renowned Keith Barron of Aurelian fame was the other partner of both these companies.

Talk about hitting the Daily Double!!! This is a unique, possibly very lucrative find.

I will unveil the companies a little later in the article but the first prerequisite for the selecting of my investment opportunities is getting to know the background and character of whom I am entrusting my hard-earned dollars. I interviewed Richard Spencer for over 3 hours, finding out what makes him tick and what forged his character and brought him to this pinnacle in his life.

True character is never simply created, it is formed in the furnace of affliction. Where the trials and the difficulties of life... try men's souls and test one's will to the breaking point. In the furnace, beauty is marred, strength is withered & true character is chiseled and forged for future use.



Richard Spencer's family settled Zimbabwe from South Africa in the late 1950's. They raised cattle on a 37,000-acre ranch. At that time when a family would decide to raise cattle, the current practice was to eradicate and wipe out every living animal on the property and start your farm from scratch.

His dad felt that was not practical and approached the locals as to what their heritage & culture dictated. He learned it was imperative to keep all the native species but eliminate only those absolutely necessary for the cattle and land to thrive. Cape buffalo and wildebeest were deemed dispensable, as they competed for the same grass and vegetation but also carried diseases that could wipe out the herd of cattle over time.

Richard learned a valuable lesson at a young age. It was admiration for the natives' customs and more importantly respect for the dignity of the original settlers and valuing their input and giving them the respect, they so deserved. Extreme hard work was the norm and wouldn't be traded for creature comforts.

The farm thrived and despite having to run off an occasional leopard, it was an exciting adventure-filled life, and relatively safe place to raise a family. The only recollection he had of his family being scared and threatened is when a herd of elephants were spooked and the earth trembled as they stampeded towards the tents they were living in before their house was built. Mom swiftly and smartly instructed the kids to get under their Land Rover till danger finally passed, thankfully with only relatively little damage to the farm property and equipment.

Additionally, snakes were a constant concern and a sibling was sitting on a termite mound when a Black Mamba, one of the fastest, most poisonous snakes in the world, came within feet of striking her. Only Richard's dad's calm but firm instruction to stay absolutely still saved her from certain death ... much easier said than done. Farm life in Africa is not for the faint of heart.



Things were going well, the farm was prospering. Richard went off to do his mandatory Army duty and then went off to University to study his passion, Geology after being a student of the African soil and its ways.

It continued going well for the family and farm till one day life changed in Zimbabwe. To encapsulate what Robert Mugabe, the warlord, did to the farmers and peaceful settlers in Zimbabwe in a sentence would be impossible. This ruthless thug forced lifelong property owners off their property in an all-out land grab, how he did it was beyond sickening.

He would have his troops raid farms at night and shoot the bellies of the cattle. It was a form of psychological warfare. His army would leave the cattle to suffer miserably till it became the ranch owner's duty to mercifully put them out of their misery at first light. It wasn't horrific enough to kill them but Mugabe wanted to impose his reign of terror so that the farmers would surrender or suffer the same fate.

Richard's father and mother resisted for a long time not willing to be bullied by some deranged dictator but eventually they finally succumbed for their safety. Richard's dad died a broken and destroyed man. Richard's Mom carries on till this day haunted by the memories.

What this taught Richard was a deep-rooted lesson on respect for native lands, cultures and the indigenous people. Little did he know at the time, this was preparing him for what lay ahead in his future and how he was equipped to deal with the calamities and misfortunate life throws at us.

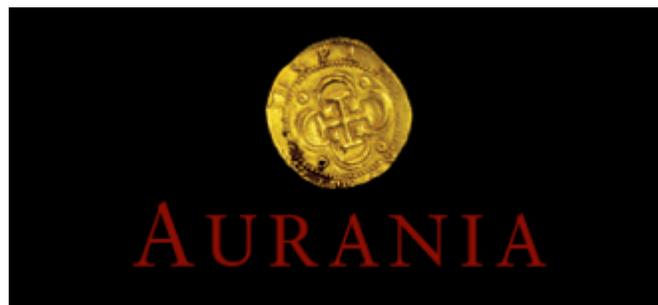


After university Richard quickly moved up the ranks and became a highly successful geologist and met his wife Camille, while working in South Africa. What was to be a few months' project in Ecuador turned into a 10-year adventure. Richard & Camille loved the locals and became entrenched in their ways. Things were going great, a successful career, a loving wife, a thriving fulfilling job. What more could a man want??? Of course, kids ... time to start a family.

Richard and Camille had the world by the tail. Tragically fate and extreme challenges were lurking around the corner. Late in her pregnancy, Camille's blood pressure flew off the charts and she was admitted for an emergency caesarian in Quito, Ecuador's capital and Norman was born six weeks premature. After a three week stay in the neonatal unit, he finally was able to go home. Norman is now a strapping twenty-one-year-old completing his final year of biochemistry studies in Canada.

Camille became pregnant a few years later and it was deja vu all over again. She developed the same extreme blood pressure and was quickly spiraling to death's door. While the hospital was adequality equipped, it was her doctor who never left her side. Dr. Jijon monitored and kept vigil sleeping right beside her for three days in ICU. Sadly, he informed Richard not to expect any miracle but it was God who showed up in a huge way and saved Camille and she delivered a bouncing baby boy.

Sean is thriving and is studying criminology hoping to benefit society. This incident for Richard forged a deeper, more fervent love for the people of Ecuador and Richard vowed inwardly to return that kindness and help the local natives any way possible. He was able to fulfill that promise and continue to pay it forward till this very day. The furnace of affliction had prepared Richard thoroughly for life's challenges.



AURANIA RESOURCES SYMBOL - ARU

SHARE PRICE \$2.02 52 WEEK \$1.51 -\$7.57

32 MILLION SHARES

MARKET CAP \$ 67

The first of the two companies, Richard Spencer and Keith Barron manage is named Aurania, yes that right, Aurania, not to be confused with Aurelian Resources. Although they would surely like the same outcome. Aurelian made one of the largest Gold discoveries in the last 60 years eventually topping out at a minimum of 13 million ounces, discovered by the same famous, Dr. Keith Barron. This absolute monster discovery was found right near the same backyard that Aurania is poking around in now. It was discovered almost ten years ago and was eventually bought out by Kinross Gold for \$1.2 Billion. Yes, billion with a "B".

Richard's experience with Gencor, which later merged with Billiton and subsequently became BHP Billiton, resulted in the discovery of very large copper deposits in similar terrain and part of the same mineralization belt. It was a natural to join Keith in his newest adventure. Finding the elusive Gold of the Lost Cities which is an absolutely amazing story in itself.

I was fortunate enough to meet Keith Barron at a trade show in San Francisco at a time you could shoot a cannon and not hit anyone. I was there to tell him how disappointed I was in my investment in Aurelian as the stock was languishing around 35 cents for it seemed an eternity. As I stood eavesdropping, Keith spoke to another investor about all the charity work Aurelian did in Ecuador. My complaints quickly vanished and luckily, I went home and bought some more stock for 35 cents deciding to tuck it away, as I really admire companies that give back and really support the local communities.

Long story short, a year or so later drill results proclaimed an amazing bonanza discovery in Fruta del Norte. The stock astoundingly sky rocketed to over \$40 a share. Making one very lucky investor very wealthy in the process and sheepishly humbling him. I have learned a valuable lesson. Always stay with the horse and jockey that took you to the winner's circle before.



Richard was working with Gencor & IAMGOLD for over 10 years also in the Ecuador region and knows the land and its potential intimately. He considers Aurania an extension of the same geological trend just waiting to be revealed. Keith and Richard partnered up and are seeking to have lightning strike twice. Deja vu all over again.

The team is arduously and methodically stream sampling in very tough conditions in an area that some visitors call the Inferno Verde (Green Hell). Snakes and mosquitos are constant unpleasant realities. Humidity and rain rule the day but the invaluable sampling and collection of data will eventually lead to the source of the ever-elusive Gold and hopefully lead to another Aurelian type discovery.





For the locals it provides steady work and a chance for them to provide a nice living for their families albeit in these very tough conditions. Richard is right beside them when he is in Ecuador, as desk duty is not for him. Sweating and grinding it out elbow to elbow, trudging up stream is his life's calling. Never expecting a co-worker to do something he would not preform himself.

The furnace of affliction molded and shaped him appropriately for his challenging career path. It also made him into a man of compassion and a dear friend of the indigenous people and the story and adventure continue to this day.



# U3O8 CORP

U3O8 CORP SYMBOL UWE

PRICE .26 52 WEEK .21- .60

19 MILLION SHARES

MARKET CAP 5.4 M

The second company Richard and Keith have under their command is U3O8 Corp, an aptly named Uranium company. It has a large near surface deposit in Argentina. This company also has an extremely tight share structure and is poised to take off when the price of uranium recovers. Uranium price has gone up 25% in the last few years after bottoming out at sub \$20 pricing. Finally, Cameco and the Kazakhs, the largest uranium producers, put their collective foot down and cut back production which has allowed the price to slowly creep up. At one time it was priced upwards \$120 so reaching and settling in the \$40-\$50 range can be reasonably expected short term and much higher in years to come.



Argentina is a growing uranium user. They currently have 3 reactors with plans to build at least 2 more. Currently they are paying upwards of \$58 a pound for their imported uranium, so it is easy to understand the need for a local supplier. Argentina is building a mini nuclear reactor, the core of which could fit in 40 ft container. Similar “small modular reactors” are

going through the design and permitting process in the USA, Canada, Europe and elsewhere in the world. Most designs are such that the reactors can be built in assembly-line fashion at central facilities and then transported to the site where they are to be installed and could revolutionize how reactors are viewed and thought of. Heading up the project is a U3O8 board member, Dave Marsh who is one of the most experienced uranium processing experts in the world.

The Laguna Salada uranium deposit is near-surface, less than 3 meters down which would make it inexpensive to mine. The average cash-cost over a ten-year mine life would be around \$21 per pound. The cash-cost in the first year of mining would be a very low \$12 per pound, rising gradually over the life of the mine. The deposit is also rich in Vanadium which is mainly used in rebar, and as China's building standards are improved, demand for vanadium is increasing. Vanadium is also a metal used in industrial-scale vanadium redox batteries.



Many analysts feel that the corner has been turned and that investing in uranium miners can be one of the greatest opportunities in decades. The wind has shifted and the sails are starting to billow ... time to jump on board. The key is finding the companies poised to fly. In my opinion U3O8 Corp. is at the top of the class.

This article is meant to introduce you to a very special human being, Dr. Richard Spencer. Also, it is meant to whet the appetite and to cause you to look into two highly prospective and undervalued companies jointly being run by one of the finest geologists of his time, Dr. Keith Barron. Keith benevolently has funneled back some of his wealth into keeping these companies afloat during some very trying times for miners. This has allowed the share structure to remain tight and that will be the catalyst that springs them forward quickly when these sectors turn and become in favor again.

As noted, uranium has turned the corner and is well on its way. Gold is on the verge of breaking out and now is the time to get in as a contrarian... when there is blood on the streets.

Ultimately the success of mining companies run on experienced hands-on management and men that have been tested by the fires of the furnace of affliction. Richard Spencer has been refined and ready for the Master's use.

## The Furnace of Affliction



This report is for informational purposes only. It is certainly not investment advice. These are my opinions gleaned from speaking and doing my own due diligence. I was not compensated in any way. Kevin Dougan has been a successful investor in this sector for over 15 years. He runs a contract marketing company, Blue Sky Marketing.

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