

COPYING A PROVEN STRATEGY

One of the best performing uranium stocks in the last uranium cycle was Mega Uranium. They pursued a consolidation strategy and returned 35,000% from trough to peak. This time around, International Consolidated Uranium is attempting to replicate what Mega did over a decade ago.





Table of Contents

Introduction	2
Strategy overview	3
Assets	6
Copying success	10
Disclaimer	12



Introduction

Welcome Reader,

Mega Uranium was one of the best performing stocks in the last uranium cycle, returning 35,000% from 2000 to 2007.

Mega Uranium pursued a consolidation strategy. They bought uranium projects/mines early in the bull market and let them appreciate in various ways.

Many of NexGen, Toro Energy and U3O8 Corp's mining projects were spun off from Mega Uranium late uranium cycle.

Can a company copy what Mega did last cycle?

International Consolidated Uranium is attempting to do just that.

Chris James

Founder, fundamentalsfirstinvesting.com (Investing and Speculating)



Strategy overview

International Consolidated Uranium	
ISIN	CA45935R1055
TSXV ticker symbol	CUR
OTC ticker symbol	LBHRF
Share price	CAD 1.90
Shares outstanding	37,498,507
Market cap	CAD 62.3 million
Annual dividend	No dividend
Major shareholders	Mega Uranium (4%); Management (4%); Institutions including Sachem Cove and Segra Capital (40%)
CUR website	consolidateduranium.com

Acquire

International Consolidated Uranium's (CUR) plan is to acquire uranium projects, develop them and then spin them off when spot uranium prices peak.

Buy pounds in the ground cheap and sell them high.

At the peak of the last cycle, there were around 500 uranium companies. The ones that survived are the few names we are all familiar with: Denison, Paladin, Energy Fuels, etc. Most others didn't make it. Many uranium projects were simply left for dead as companies couldn't sustain them. With the uranium market still emerging from a decade-long bear market CUR is able to scoop these forgotten projects for a bargain.



CEO Philip Williams claims CUR currently has an abundance of potential targets.

CUR aims to acquire projects across different geographies, stages of development and deposit type. The target project must also have significant previous expenditures and the ability to be developed efficiently.

Cash used to acquire projects are mainly raised through private placements.

Currently, CUR is focused on project acquisition since that is where capital is most potent to delivering long-term returns.

“Our position is still that we can gain more value for shareholders by making accretive acquisitions than drilling addition resources. So if I add another 2 million pounds of resources to any one of these projects, I don’t think that’s going to move the needle and it’s going to cost me a lot of money time and energy. If I spend 2 million dollars to get 2 million pounds in one project, I [instead] can spend two million as a down payment towards a 20 million dollar acquisition which we can get 100 million dollars of value in the market over time.”

From CEO Philip Williams on April 2021 update webinar.

Put simply, pounds in the ground now are cheap relative to their future value. While spot prices are still low, more value is gotten through acquisition than development.

Wait and develop

The pounds will automatically become more valuable as spot uranium prices rise. So one way CUR will generate value for shareholders is by simply waiting.

The other is to develop and advance their projects. As spot prices rise, it becomes more lucrative for CUR to develop projects as that will make the projects more appealing in a spinoff – much like a completed cake will sell for more than the individual ingredients.

Sell and/or continue to advance



Assets

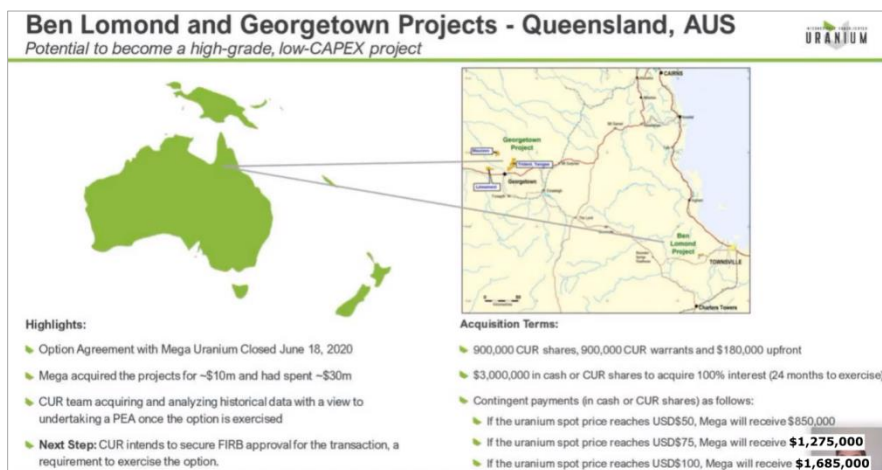
The following is a list of assets CUR has acquired.

Queensland projects: Ben Lomond and Georgetown

CUR owns options on the Ben Lomond and Georgetown projects owned by Mega Uranium.

If CUR decides to exercise their option, they can choose to pay in cash or CUR shares. At the time CUR entered the option agreement, CUR believed paying full price to own the projects upfront would hinder their ability to acquire other projects, which is key to their strategy early in the uranium cycle.

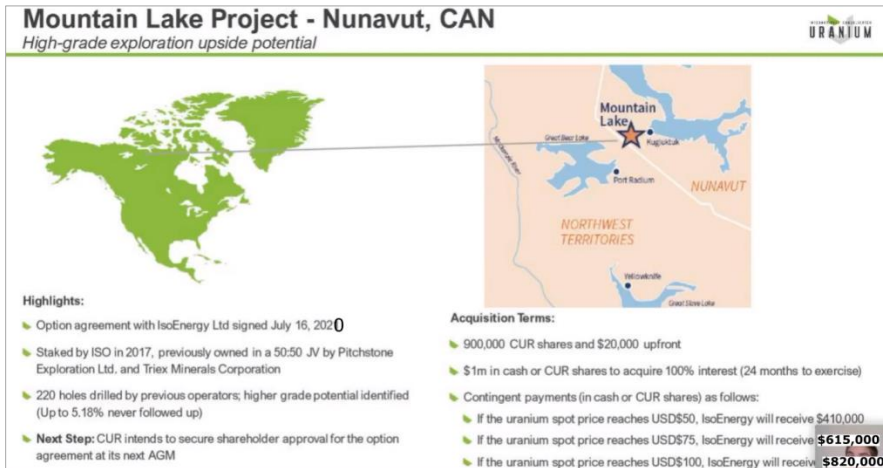
Also, CUR bet that their share price would be much higher than it was when they entered the deal. If they decide to exercise, CUR will be able to pay with far less dilution. So far that bet is paying off.



Slides from April 2021 update webinar.

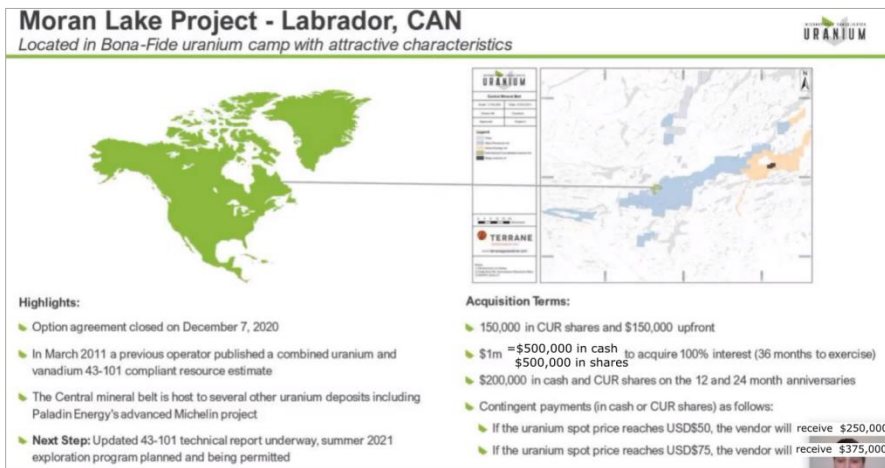
Mountain Lake

Option agreement with IsoEnergy for Mountain Lake. Same kind of structure and strategic thinking as Queensland projects.



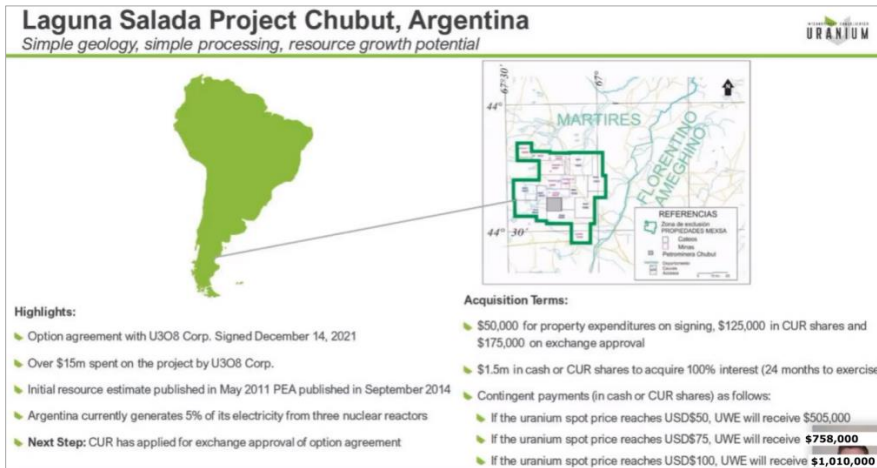
Moran Lake

Option agreement with private company for Moran Lake. Similar structure and strategic thinking as Queensland projects.



Laguna Salada

Option agreement with U3O8 Corp. for Laguna Salada. Similar structure and strategic thinking as Queensland projects.



Dieter Lake

On February 3, 2021, CUR announced it acquired the Dieter Lake project in Quebec, Canada. Dieter Lake is expected to have low holding costs (low cash burn to maintain). Details pending.

Matoush

On May 11, 2021, CUR announced it acquired the Matoush uranium project in Quebec, Canada. Details pending.

Kuulu gold project

CUR has options to own up to 70% of the Kuulu gold project owned by Meliadine Gold. It still needs land use licenses before it can explore.

Mt. Roe gold project

CUR holds 80% of the Mt. Roe gold project with Roe Gold Ltd. The project is still in early exploration stage.

As CUR is focused on uranium, I'd treat the gold projects as bonuses since they aren't core to the business. However, they could become nice bonuses – and I am bullish on gold.

Here's a table of the projects with resource estimates:



RESEARCH REPORT: INTERNATIONAL CONSOLIDATED URANIUM

16 MAY 2021

Project	Location	Country	Category	Tonnes (m)	U ₃ O ₈ grade (ppm)	contained U ₃ O ₈ (m lbs)	cut-off U ₃ O ₈ (ppm)	V ₂ O ₅ grade (ppm)	contained V ₂ O ₅ (m lbs)	cut-off V ₂ O ₅ (ppm)
	Ben Lomond	Queensland	Australia	Indicated	1.3	2700	7.9	500		
				Inferred	0.6	2100	2.8	500		
	Georgetown/Maureen	Queensland	Australia	Indicated	3.1	900	5.9	150		
				Inferred	0.2	1100	0.4	150		
	Mountain Lake	Nunavut	Canada	Inferred	1.6	2300	8.2	1000		
	Moran Lake	Labrador	Canada	Indicated	14.7	340	5.2		1517	42.8
				vanadium zone	7.8				1800	30.9
				uranium zone	6.9	340	5.2	150	780	11.9
				Inferred	28.3	334	4.4		1596	93.6
				vanadium zone	21.6				1710	81.3
				uranium zone, Upper C	5.3	240	2.8	150	890	10.4
	Laguna Salada	Chubut	Argentina	Indicated	47.3	60	6.4		550	57.0
				guanaco	44.6	55	5.5	25	530	52.0
				lago seco	2.7	145	0.9	100	840	5.0
				Inferred	20.8	85	3.8		590	26.9
				guanaco	19.4	80	3.4	25	555	23.7
				lago seco	1.3	130	0.4	100	1065	3.1
	Dieter Lake	Québec	Canada	Inferred	19.3	570	24.4	200		



Copying success

Just so you know, CUR is by no means a “great” company. It’s not a producer like Cameco or even ready to produce like Paladin or Boss.

But if it can copy what Mega did last uranium cycle, then CUR will produce amazing returns.

Resources

Is CUR using their capital effectively to increase their resources?

That’s an important question for CUR to answer since raising money and consolidating projects is the core of CUR’s strategy. And we don’t want them diluting us for nothing.

Ideally we want to see the amount of U3O8 increase proportionally to the number of shares a company is issuing; it’s even better if the amount of U3O8 increases at a faster rate.

Increasing U3O8 per share means we own more U3O8 per share than before and the company is putting money to good use.

Date	Total lbs. U3O8	Shares Outstanding	U3O8 per Share
2020-06-30	17,000,000	14,063,229	1.2088
2021-02-10	69,400,000	35,400,000	1.9605

Author’s calculations. Resource per share metric courtesy of Marin Katusa.

CUR has executed well on its first six project acquisitions. The first row measures U3O8 per share right after CUR’s first uranium acquisition of the Queensland projects. The second row measures U3O8 per share after the Dieter Lake acquisition. Indeed, U3O8 per share has increased over time.

I excluded their most recent acquisition of Matoush because we don’t have a resource estimate yet.



I also didn't factor in the vanadium resources as the focus is on uranium. Adding in the vanadium resources will only make CUR look better.

Well managed

Continuing from the last section, it's worth noting management is not diluting us to pay themselves fat salaries.

CUR is run and overseen by some heavyweights in the uranium industry including: CEO of NexGen Leigh Curyer, CEO of Mega Uranium Richard Patricio and former VP of exploration at Laramide Resources Peter Mullens.

CUR also has institutional investors such as Sachem Cove who are heavily knowledgeable on the uranium market.

Make your investment

So long as CUR continues to do regular private placements, I suggest buying around the price of the last placement (say up to plus 15%). This way you're getting in at the same price as management and institutional investors.

The last private placement was on May 12 for CAD 1.80/share.

Of course, if we have a major pullback and the fundamentals haven't changed, that's when to back up the truck.



Disclaimer

Fundamentals First and any affiliates are not liable for any harm caused by the information presented in this report. This report is for informational purposes only and is not a recommendation to buy, sell, or underwrite any securities. The author does not make investment recommendations.

Any information and data throughout this report is obtained from sources the author believes reliable, but the author does not guarantee the timeliness or accuracy of the information and data. Opinions of the author represent opinions at the time of publication. Nothing on fundamentalsfirstinvesting.com or this report should be interpreted to state or imply that past results are an indication of future performance.

Links/hyperlinks to other sites presented in this report are for the convenience of the reader. Fundamentals First assumes no responsibility for the content of any links/hyperlinks. Inherent risks exist in any internet site and software. You acknowledge you understand these risks before using any links/hyperlinks.

Fundamentals First is not compensated by any of the securities discussed in this report. The author is invested in some of the investment ideas discussed on fundamentalsfirstinvesting.com and in this report. The author can buy or sell shares at any time for any reason and has no obligation to update readers about any purchases or sales of his investments.

Articles and reports only accessible to paid subscribers published on fundamentalsfirstinvesting.com are prohibited to be copied, distributed or reproduced in whole or in part. These articles and reports are strictly personal to its recipients and should not be passed to any third party.

COPYRIGHT © Chris James, fundamentalsfirstinvesting.com