



Marin Katusa: Copper, Uranium & the EV Revolution

April 26, 2018

Erik: Joining me next on the program is [Marin Katusa](#), founder of [Katusa Research](#).

Marin, I was thinking about you quite a bit recently as I've been watching the news flow with this escalating tension between Donald Trump and Vladimir Putin. And I couldn't help but think to myself, Donald Trump clearly has not read your book *Colder Wars*, because if he did he would understand the degree to which American is dependent on Russia and trade with Russia.

But, for our listeners who may have missed your first interview on MacroVoices, please explain what I'm talking about. What could go wrong, for US energy policy particularly, if there was a complete breakdown of trade between the US and Russia?

Marin: Unfortunately for the Americans, a lot can go wrong. Let's go back 30 years as the collapse of the Soviet Union – the infrastructure was in place with the Russians where they could downblend their nuclear warheads into cheap nuclear fuel.

The Americans took advantage of that, and now one in every ten homes in America is powered from a Russian-sourced enriched fuel. That's on top of one in every five homes in America is powered by nuclear energy.

Setting that framework, when you understand that Americans consume a little over 50 to 55 million pounds of uranium a year for their nuclear reactors, and this past year (in 2017) produced just under 3 million pounds, they import over 95% of what they consume.

So it's by far the biggest energy source that they're importing. And, more importantly, Russia is in a situation where exactly 45% of the world's enrichment capacity is owned and operated by Russians.

All of the enrichment facilities in America are actually not operating today. And these are radioactive facilities. So it's not like you can just show up, turn on the switch, open the doors, and get going again. These are radioactive. There's a lot of items that you have to do.

When you look at the timeframe – if Russia does play hardball with Trump – right now the nuclear reactors in America have just under 12 months of stockpiles that they can consume of enriched material.

Now, [Urenco](#), which is a very complicated European-structured ownership, they could make up some of that. And a lot of people in the investment community go, well Canada and Australia can just make up the difference. Well, actually they can't. The Canadians have a long offtake

agreement with India. And the Australians have signed major long off-term agreements with the Chinese.

So what will eventually happen is there will have to be a major increase in the spot price for the American facilities to be able to come on because these are not owned by the government. They are owned by private enterprise, and they've lost money and they've shut down.

So, will anything change overnight? No. Because these nuclear reactors – it's not like coal or natural gas where they need daily feed. These are set up. The rods are there. But these nuclear reactors – if you think that the price of uranium is about \$20 a pound, and if it went to \$40 – let's just say 100% increase – it would not change the spot price of the electricity generated by more than 5%.

So, for a nuclear utility, they don't really care too much if the spot price is \$20 or \$25 or \$40. But they care about a secure long-term stable supply. So this is the first time ever in the nuclear sector that the government of America has found itself in a serious predicament.

Erik: Marin, as I understand it – and it's not being reported at all in the press, save perhaps for your own newsletter – Russian parliament is considering legislative action that would ban all exports of uranium to the United States in retaliation for the sanctions that have been threatened by Donald Trump.

Is that still on the table? Is that still under discussion? And do I understand that correctly?

Marin: Correct. It's going to parliament decision for mid-May in the Russian parliament. And the one thing that people have to understand in the West is our media portrays Putin as a thug or as almost like a warlord or a Slavic brute warrior, but the reality is he's got complete control in Russia.

And if they put this into law, you better believe that they will execute. They're not going to debate it for many, many months like Obamacare, or years. This will go into action immediately.

Erik: So let's consider the worst case. Russia bans export of Russian and Russian-controlled uranium, uranium that is processed and refined and enriched by Russian-controlled assets. And that is taken off the market so it's not available to the United States.

Now, you said that the American nuclear energy industry has at most 12 months of stockpiled fuel. So if they start to run out and Russia is no longer a source, are there other sources? And, at some point, you'd have to tool up and start to produce uranium and enrich uranium in the United States.

How long would it take to get tooled up and be able to do that in comparison to the one year that you said we had in terms of stockpiled fuel?

Marin: The world's largest primary producer of uranium is Kazakhstan, and they produce about 40% of the world's uranium. What people have to understand is if you go to Astana, Russian Cyrillic is the language. It's Russians that operate these things, the key mines. And the fuel is enriched in Russia.

So even though Kazakhstan is its own country, it is heavily influenced by Moscow. And there's that old saying: "All roads lead to Moscow." So don't expect that America will make up the difference from Kazakhstan.

Canada, unfortunately, in McArthur River and the Athabasca Basin, which have the highest grades of uranium in the world, recently just shut down. Now, again, just like any radioactive mine now, you can't just shut it down. There's a lot of rehab you have to do to these facilities.

And, again, [Cameco](#), which is the world's largest producer, publically traded massive producer (other than [KazAtomProm](#), which is state-owned), Cameco would need a long-term offtake.

But, again, enrichment is the issue. So will [Areva](#), the former the French government, will they step up and help out? Well Urenco, even if all of them help out, it still makes up a shortfall for the Americans.

Now, what about the Americans downblending their old nuclear warheads (which they have tens of thousands of, of course)? Again, the facilities are not in place right now to do so. They would have to send those nuclear warheads to Russia. And I can't think of any single American who thinks that's a good idea. So that's not an option.

Even with all of the enrichment capacity coming online in America, it's still a shortfall. So, unfortunately, Russia has to be dealt with. And the Russians know that.

So it's a serious problem. There's no easy answer.

Erik: This, as you said earlier, is not something where, if the price of uranium goes up a little bit, then it causes demand destruction and all of a sudden, the market is different. This is: We've got to have it.

So if this Russian legislation goes through, it potentially creates a really profound squeeze and a big spike up in American uranium prices. Obviously there is a temptation to make an investment play on that, but we don't know if this is going to be resolved or not.

What does the case look like for uranium? Let's pretend that this situation with Russia is off the table, that they have decided not to impose these sanctions on exporting Russian uranium.

Is there still an investment play for uranium and uranium mining facilities? Or does it really lose its merit if this geopolitical situation is deescalated?

Marin: It's a very contrarian play. Me personally, and what I advocate, is stay away from any high-cost production or early-stage non-North American assets, for example.

There's a lot of uranium in the world. If you go to Africa, if you go to the former Soviets – the “stans” as they call them, Uzbekistan, Kazakhstan – there's a lot of uranium in those areas. But I just think that the lack of infrastructure, in the Niger – you've got a lot of other geopolitical things that are working against companies from the West.

And the Chinese state companies, state-owned enterprises, and the Russian companies have an advantage over Western companies in those parts of the world. Whether it's politically correct or not to say it, avoid what I call the AK-47 nations because the rule of law isn't necessarily the rule of law.

For myself, you want to stick with low-cost permitted producers in the US – essentially ISR, which is in situ recovery, and then the Athabasca Basin where the grade is king. But, right now, there's very few uranium plays that you really need to be paying attention to. It is inflation-adjusted at a 40-year low.

And if you look at it now – just let's say a decade ago there were over 700 companies that were exploring, developing, and producing uranium assets. Today there's about 12. So it's a perfect contrarian setup. But, again, you really need to know what you're doing. So it's not something I would tell people to run in blindly on.

Erik: Marin, I want to come back to the subject of uranium later in the interview. But first, let's assume we can get through this situation somehow with Russia, and we have electricity available. Electric vehicles, obviously, are a major topic that is of interest to a lot of people. We've been hearing so much about it lately. You're one of the few guys in the natural resource sector who's really done a lot of research and a lot of work here.

So please make the case for our listeners. Why do you think electric vehicles are going to be a dominant trend for many years to come? What's the whole investment case for why this is important?

Marin: I spend a lot of my time on the road, and rarely do people believe governments from, let's say, China, the data from China. But, ironically, if you look at the actual production numbers of the EVs in China, they've been ahead of what the government has mandated.

So last year a little over 1% of all vehicle sales were EVs. And it's growing and it's accelerating. And, ironically, when you look at where we're going in the future – and I'm not saying that all these EVs are going to be Teslas or they're going to be Mercedes – remember, from a manufacturing standpoint you are using 80% less moving parts. When it comes to the removing of the unions and the reduction of labor – there's all these benefits into it.

But, essentially, when you look at how these new cities and the grids that are developing in the emerging markets, I really believe – and it's not going to be overnight – you're not going to wake up in two years and it's going to make up 50% of the market – but over the next 20, 30, 40 years, there is going to be a steady increase in EVs.

And it's not just going to be in cars. You're going to see different types of electric vehicles. You go to Mumbai, you go to New Delhi, you go to Beijing, the air apocalypse is real. And, even with the emission improvements and the efficiency increase in the internal combustion engine, the reality has come that the batteries are really decreasing in cost and they're increasing in exposure. And the tipping point may be in 15 or 20 years where the internal combustion just can't compete with it.

Right now, it's a niche, cool thing to have. But eventually it will become the thing that everyone will go to. And I don't believe that investing in the battery is the way to go, because it's still undecided what the victor is. And who says there's only one victor in it? Because of the composition of the different components, it's still very early days in the life cycle of the electric vehicle.

But, when you think about 25, 30 years out, today alone, you look at what is the main beneficiary of electric vehicles? In my opinion, it's copper. And I can get into a lot of points, if you want, why I believe that.

But even if we go to 4% of the vehicles sold in China and America, we are in a shortfall for copper. I'm not talking about 30% vehicles sold that become EVs. I'm saying less than 5%. We become into a shortfall.

Erik: Well, I think this is so important, Marin, because so many people are focused on the batteries. And it just blows my mind. As you said, the battery chemistry can change. Right now, everybody is focused on lithium being what you need to build the batteries. We don't know if that's going to be it.

And the other thing people do is they focus on Tesla, which may be a thought leader in some ways, but they basically build ridiculously expensive cars that most people can't afford. And they really, if you look at the market cap of that company, it's as big as GM or Ford. There's no way that they're ever going to achieve a profitability that justifies the capitalization they already have. So I don't think that is the play.

But, as you say, you cannot build these things without copper. So tell us more about why copper – obviously it's the key component. Is there a way to build an electric vehicle that doesn't have copper? Is there an alternative to it? And what are the other reasons that you see copper as the way to play this trend?

Marin: Let's just start from the framework on copper. Let's go to the historical. I've got quite a bit of experience in copper. I've been one of the founders and been on the board of the third

largest producer of copper in Canada.

It is not easy to put a copper mine into production. Let's go back 15 years ago, the actual reserves. Reserves of a mine are, by definition, what are economically mined at today's price of copper.

Fifteen years ago, the average reserve grade of producing copper mines globally was just about .95% copper. Today it's .37%. It's dropped by almost 60%. So we're talking about a serious decrease in the actual reserve grades. That's a big one.

Now, if you look at the actual costs over that same timeframe, it's over-doubled, to produce a pound of copper.

So what are the reasons? Well, the easy copper – you look at the big, big mines like [Escondida](#), [Grasberg](#) – easy low-hanging fruit has been taken. You've got to go deeper. But, also, the governments want their take.

Look at what Freeport is doing with all the issues with Grasberg, which is a major copper mine. So you're looking at the grades have dropped by well over 50% globally. The costs have over-doubled. But the time it takes to permit and actually create the financing for a mine – if you've very successful, you've done it in ten years.

But most of these mines now, because of the NIMBY effect (Not In My Back Yard), or where these mines are located – there are some great copper mines in Afghanistan and Iran, but who really wants to go with Western technology and Western financing into those parts of the world? It ain't gonna happen.

Other areas, infrastructure is so poorly developed that you can't do it economically at \$3.50 copper. Last year, the world consumed about 50 billion pounds of copper as its baseload. That's just every day with construction.

And what's interesting, a lot of people argue, well, housing is going to – we use cell phones, they don't have a land line. That is true, but, with the smart phones, I use much more copper than – my wife and I just finished our dream home and we used much more copper than a house ten years ago for the same type of – you know, home security and the home stereo system – you've got an automated home.

That's true with even EVs. So, as the internal combustion engine – what a lot of people don't realize is that, as they become more efficient, you use less gasoline, you use less oil because oil is where gasoline comes from – but if you want to make your electric vehicle more efficient you actually end up using more copper.

So these are the interesting things that people haven't started clueing into re the copper market.

There's no new mines. Like, a major Escondida needs to come every year to replace the reserve grades that have been produced. But that's not happening. And it ain't gonna happen, I can guarantee you, at \$3.50 copper. Because there's no mines that are going to be able to come in. So what people are doing is they're hydrating their existing mines to capture that \$3.50 to keep their mines going. They're going deeper. But you'll notice that a lot of mines are starting to have more wall rock collapses. They're going deeper. They've been depending on the existing deposits much longer. You've seen that at the Bingham in Utah. You've seen it recently in Chile on one of the major copper projects.

So, you look at China, which a lot of people don't realize is the world's second largest producer in copper. They've also increased their environmental standards. And, again, this is a state-mandated – Xi Jinping ain't gonna be screwing around and waiting for people to debate. Very similar to Putin. When he puts it into law it's going to go into law.

And even though the West think s that it's okay for China to be polluted, that's not the case. So they're shutting down mines there.

You look at the infrastructure in Peru, which is the third largest. There's a lot of issues there. Electricity issues. Remember, electricity is a major consumer, as is water, for any big porphyry copper mine. And Chile has its own constraints.

So you look at what's going on globally, and you really can't bring on any new copper production, big, under \$3.50 a pound of copper.

So then people say: Well, okay, we can recycle all those old cars and all the old poles. And what about the recycling of copper? Even when copper was at its high in 2011 at \$4.50, recycling made up about 18% of the global market. It's just not economical to do that at \$3 copper.

So recycling is not going to replace or fill in the gap for that void of where the EVs are going. The world is going to consume more copper, but the existing copper mines aren't in place to meet that demand. So, from a resource speculator standpoint, that's music to your ears. That's a fundamental setup for a good market.

Erik: It seems to me that there's really a double play here too. Because what we're headed towards is a new economy, a much more environmentally conscious world where electric vehicles are very much favored and sponsored by governments and encouraged by governments.

If that's true, we don't have anything close to the electric distribution grid in the United States or in most other developed countries to supply most people – today you can supply electric vehicles because they're a very, very, very small percentage of the total vehicles on the road. If 80% of the vehicles were electric, you would need a whole new electrical distribution grid, really, worldwide.

How much copper does that consume? And how big of a project would that be?

Marin: It's not possible. On top of that, to get to 80%, I have not even – I've created some very sophisticated models that major mining companies have been using and comparing to their own data. I don't even get into that scenario because I don't think you'll see copper at \$8 to \$10 minimum – if we get there.

And one thing I forget to mention is that's why baseload power is so critical, why nuclear is so important to the North American energy grid. Because it's baseload. And when do people power up their cars? When they're not driving them. At nighttime, generally speaking.

So the other aspect is: Can aluminum replace copper. In the past, they tried to do that. It was a huge failure. But, especially in the electric vehicles, where you're looking at high-density, you want faster charging times. Aluminum is not an option.

And when you look at what's going on in China and their new grids, they are definitely staying away because they want to be energy efficient. That's the key for the future. So copper by nature and it's price cost is a perfect element for that.

Erik: And is there another competing substitute for electrical distribution? I know that aluminum was, as you say, a colossal disaster due to connections getting corroded. And it caused all kinds of fires and homes burned down. So aluminum is not it.

Is there some other alternative substitute for making wire out of besides copper? Or is it really a sole-source material?

Marin: The realistic answer to that is that \$3–\$5 copper – no, I don't see a substitute. If copper gets north of \$5, \$7, \$6, \$8 a pound, I could see human ingenuity coming up with some sort of alloy or some new form – Just like when oil got to \$125, you saw green energy come in very expensive but it decreased. Look at the cost of solar panels. They've decreased by over 90%. I could see that naturally happening.

But over the next 5 to 10 years, if copper is under \$5 to \$6 a pound, I don't see that coming into the picture.

Erik: It was also something I found fascinating reading your report on this subject. I would have thought – a natural objection, if I think this through, is the whole point of these electric vehicles is they're trying to make them more and more efficient over time.

So as they work toward greater efficiency, does that mean they're going to reduce the amount of copper that goes into the vehicle? And maybe throw some of your calculations off in terms of how much copper is required?

But you explained in one of your reports that, actually, the opposite is true, in a sense. Please explain.

Marin: When you look at how to make things more efficient, number one is reduce the weight. Right? And a battery is a big weight. So, the battery costs have been improving significantly. Just over the last six years, they've decreased by 75%.

But, more importantly, it goes counterintuitive to what we've experienced over the last 50 years with gasoline in improvements. But, as you're using more efficiency, you want more conductivity. You want more power. And the only way to get that is with more copper. There is no way to go around it. Yet.

But maybe in the future they'll come out with, maybe get rid of the wires and maybe make a solid-state copper where it functions as multiple parts. I don't know. We're not there yet. But, as of right now and for the next few years, that's the situation.

Erik: Marin, something I've learned from watching the oil markets is you've got to think about supply and demand. And not only in terms of the production that's available but in terms of the incremental production that could be available.

In other words, is there capacity for the shale revolution to ramp up and create more? Or do we have to go to the next technology that gets that much more expensive?

Tell us more about the situation in copper.

Is this something where, as demand increases, we just have to turn the keys and open the gate and start up the next copper mine that's all ready to go?

Or is this something where exploration and discovery is required before we can produce more copper? What does the picture look like in terms of the industry's ability to scale up as demand increases?

Marin: You just nailed something critically important that the market overall forgets. After the financial crisis, you've seen the majors, the mid-tiers, you know the first department to get cut in a crisis when cash is tight is exploration. It's not like these geologists got dumber. But it was just no money to spend to drill, to turn the rigs.

So in the last ten years there have been less global discoveries for copper combined than there were in the year 1992 alone. That's alarming. And it's not like you can just go, hey, we need more copper, let's turn on the next copper mine. It's not like the shale sector where you can drill multiple wells and you can increase the production from the same patch.

At a mine, you're fixed production. And rarely do mines achieve 100% production because things always go wrong. Mining is a tough, tough business. And when you look at, you know, in

2016, 2015, 2017, there was no major global copper discovery.

These things are for two reasons. There's less money in the sector to be spend towards exploration.

And, number two, these projects are getting harder and harder and deeper and deeper to find. Because we've been really benefiting from prior generations of exploration.

So, when we get to 2030, there's been no discoveries in 2010, 2015 to put into production. That's generally the cyclical cycle of these things. Because the resource markets have been so horrible, for especially the last five years, there's been very little money going into it to replace pounds produced. Hence, why you've seen the reserve grade go from just under 1% 15 years ago to .37% today. That gives you a good idea of how tough it's going to be in ten years.

Erik: Okay, Marin. In terms of price elasticity, if the demand goes up the price goes up. And there's really no getting around it. That's a good opportunity, I think, to segue to a different topic, which is how you approach these things in the natural resource sector.

We've clearly discussed in this interview a very strong case for copper and a very strong case for uranium. And you've described, in the case of copper, there's no pad drilling for copper, there's a lot of investment required.

In the case of uranium, it's an even bigger hurdle because now you've got radioactive mines and so forth. And commissioning these things is a really big, expensive undertaking. To me, that just speaks to a lot of complexity. And it makes me feel like, boy, if I don't know what I'm doing I could really make a mistake.

So how do you approach, when you see this demand increasing for both uranium and copper, and can clearly see that the price of these commodities has to go up, what's the best way to play that? And how do you approach deciding what the best way to play it is?

Do you look at plays directly on copper and uranium as commodities? Do you look at mining shares? Do you look at companies that do the processing and support of this?

And, if you are looking at mining shares, there must be a process. How do you decide which ones to invest in? How do you approach this whole picture of getting from copper and uranium prices going up? I've got that. How do I get from there to what's the investment play?

Marin: That's a great question. And everyone has to answer to their own risk tolerance. For myself, there's really no great way to invest in the commodity of copper because there's so many different forms.

You know, most copper in the world is actually, when it's produced, sent as a concentrate that goes to a smelter. It's more like a makeup powder that is around 25% concentrate. What I

personally – and this phase of the cycle is you want to be exposed to the equities, the shares of these companies that have world-class drilled-out deposits in jurisdictions that have infrastructures that are pro-mining – that if you find something world class you can actually do something with it. And, more importantly, that has economic accessibility to a smelter, how far from a port.

If you look at just a general cost: What are the byproducts? Most of the copper production globally is in porphyries and you get a lot of byproduct, whether it's gold and silver or if it's a copper moly porphyry.

Does the byproduct cover all offsite costs like transportation and smelting and insurance and all those factors? And who would buy it? What type of copper is it? Is it clean concentrate? Is it a little bit dirtier concentrate? So what type of smelter will take that? What type of discount would get applied to it?

And what's going on right now in the market, unless you're really knee-deep into the sector, mines like Escondida, because they're so important in Chile and it's been operating now for over 20 years, they're going a lot deeper.

And, as the metallurgy and the geology changes, it has a lot more impurities in it. So it's getting more discounts. So the smelters need up-blends. It needs a clean con to blend with this dirty con.

You've got to know what is the final product. It's not just geology. It's not just the engineering, the logistics, and the cost. You have to understand the metallurgy aspect.

After 20 years of doing this, you learn a thing or two. You know the right people when you don't know an answer how to go through.

But you get incredible insights by visiting the project. And that's why I spend so much – that's why I've been to over 120 countries. You go and visit the area. You get a firsthand perspective with ministry officials, the indigenous people, the locals, all the different factors.

And it's multiple factors. And you keep learning and you keep going. And that's how I built up my net worth is getting in there and really doing the due diligence.

But in this phase of the cycle, I think you're going to see some major consolidation from the bigger companies, because they're seeing exactly what I'm publishing and they know internally that they haven't replaced their reserves that they've produced.

And now, rather than playing catch-up – and that will take them 15 years – they can now buy something at a 50% or 60% or 70% premium at a major discount to what it would cost them to go and do that themselves.

That's where I think the sweet spot right now in the current market is.

Erik: Marin, something I learned from founding a software company and selling it to a public company is it's almost more important to understand who the buyers are, who's doing acquisitions, and what they're looking for than it is to know your own business. It was amazing, in my experience.

I have to believe the same things are true here.

So in your investment process, do you evaluate companies in terms of who is most likely to be taken out in an acquisition? And what are the factors that you look for in terms of finding companies that are going to be good targets? Because those acquisitions tend to be some of the most profitable exits for junior companies and so forth.

Marin: Without a doubt, that is absolutely critical. So, for example, if a mid-tier has what I believe is a world-class deposit, you've got to look at their balance sheet.

Every management team thinks that they're capable of doing it. You've really got to find the people who truly are. You can take an average management team and they'll screw up a great deposit. You want to stick with people – people is an absolute critical, critical factor. And if you find the right – and there's a few out there. There's not many, but there's a few.

And you have to understand, okay, what company will come in and buy it? And who can afford it? More importantly, who can plug this into their system? You're rarely going to see someone with no experience in the jurisdiction or that type of commodity will come and buy it out. That's a very rare – you see that at the top of the markets.

But, right now, it's almost easier than ever to be able to see, who is going to buy this world-class deposit off of this miner for 100% premium.

And you narrow it down and go, okay, is this bigger company – is their balance sheet – can they afford it right now? Can they digest this acquisition? Does their access to their smelter and infrastructure – do they have capacity at this time of their cycle to take these assets on?

So all these factors play into it, in understanding the balance sheet and the management teams and the infrastructure of the region. And the beauty of the resource game is – I have got a lot of friends who've done very, very well in the tech sector.

The mining game is such a small, small sector. For example, if you add up all of the mining companies – and Canada is the hub for – especially Vancouver, where my office is – is the hub for all mid-tier and junior exploration/development in the mining sector.

If you add up every Canadian mining company together, they're still less than the market cap of Exxon. That's just one major oil player. The mining world is so small.

At these conferences you, essentially, get to know all the players. And the Rolodex doesn't need to be that big to be able to get to a major president or a board member of the other company. You get to know what their opinions are, what they need. All the factors – it's kind of a really niche market. And it's been beaten down so badly that I see these consolidations kicking in. And then you're going to see the generalist funds coming when they see these start gains coming in.

Right now, it's a bad market for it. And that's exactly the kind of market that I enjoy because I'm able to get world-class assets at a major discount.

Erik: Well, Marin, obviously this is a very complex process that has lots of moving parts. But I'm sure our listeners are dying to know – as we look here and now, today, in April of 2018, what's your favorite play in the copper space? Do you have a favorite company? And if so why is it your favorite? What are the things that led you to like that company so much?

Marin: Well, in the nature of where I believe we are in the markets right now, where, if you are positioned in world-class assets that are undervalued, one company that I'm very happy to share with your audience that I believe is a takeout target before the end of the year is [Nevsun](#). Ticker symbol is NSU.

Look, I bought lots of stock in the company. I always put my money where my mouth is. But they've drilled out something in Serbia that I believe is just the first of multiple world-class deposits.

Now, people think, Serbia, jeesh, isn't that a place in a war-torn area? No, it's not. It is not an AK-47 country. There is rule of law there. More importantly, there is a long history of mining there. The smelter is less than 50 clicks away. And, more importantly, you're getting DRC grades – the high-grade, really high-grade – and you're getting it in Eastern Europe where you can just drive to it.

I've been to the project. The management team that has discovered this sold out to another company, Nevsun. And I believe right now Nevsun is so cheap that it will get bought out by a bigger company, because that deposit has less than a two-and-a-half-year payback. And that's on the first discovery.

So, when you look from a mining perspective, where these things are so risky, and if you can get your capital back in less than three years at major production, that's a world-class deposit.

We just talked about what my framework is. Now I'm telling people what is the specific stock. You want to find out all the details? It's very complicated stuff. But it's all there in the report that I'm willing to share with your audience.

Erik: Marin, I can't thank you enough for sharing this report with our listeners. I appreciate

it is normally reserved for your paying subscribers. And, as I mentioned, that service is fairly expensive at about \$3,500 USD per year.

My producer, though, Patrick Ceresna, is getting really good at negotiating for discounts for MacroVoices subscribers. So he has worked with your colleagues to get a discount opportunity. It's discounted from \$3,500 down to \$1,995 USD per year for a full subscription. Again, a sample issue is available in your Research Roundup email.

That is only for one week though, is all we could get, because they don't give out deep discounts. That's more than 40% off. That's only good through May 4, 2018. There is a link in your Research Roundup email – this offer is only for MacroVoices subscribers.

Look for the link in your Research Roundup email, which will take you to a landing page where you can get that discount. The link will self-destruct after May 4. So if you're tuning in after the fact, listening to this interview after May 4 2018, sorry, the discount is no longer available.

Marin, tell us a little bit more about that publication and what they can expect to get.

Marin: Thanks for providing the opportunity. I'm one of the longest-writing newsletters. A lot of the very, very big names in the industry that are known as legendary resource guys, like Doug Casey – who is a great personal friend (I manage his money in the sector) – and there's other guys that have done very well with me like the guys who run the Agora Porter Stansberry crew.

These are all good guys. That you know. But, when it comes to the resources, when you see the biggest newsletter writers in the game come to me, it's not cheap. It's not for everyone. But, most importantly, every single one of these stocks I'll have over a million dollars personally into. And you get to know exactly what price I pay. And, more importantly, you get out before I do.

In the newsletter world, I've seen such schmucks and thieves that, you know, they're talking heads. And they tell other people what to do with their money, but they have zero skin in the game.

I'm the exact opposite. And the last time I did something where I had such a high conviction was [Alterra Power](#). I was one of the largest shareholders. And I went public, going this is a takeover target and I don't understand why the market is not getting it.

That's exactly where I'm at with Nevsun today. I'm a very large shareholder, and I believe that it will be bought out.

And I just want people to know my style. It's very different from almost all of the newsletters in the business. You'll have videos. I take a film crew with me to site. Whether it's an underground mine or if it's the world's largest uranium enrichment facility, or an oil well up north, or if it's a African mine, I bring my film crew.

And you get to travel with me. And you get to see the pupils of the geologists and the engineers and the management teams. And I'll ask the tough questions. Because I'm investing my money. And you get to see at what price. That's what we do.

We write very in-depth reports. We teach, more importantly, how people to invest in tranches. You should never buy your whole allocation on one day. That's a big fallacy and mistake of newsletter subscribers. So we teach patience. I call it the way of the alligator.

And how to survive and do well in a very difficult market. Speculation is tough, but you can do very well if you're disciplined and you know what you're doing. So that's what I try to share with people.

Erik: Well, Marin, I can't thank you enough for a fantastic interview. Patrick Ceresna and I will be back as MacroVoices continues right here at macrovoices.com.