The Red Hot Uranium Update Highlights Azincourt Energy Corp.

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Another day, another decent gain for anything even remotely related to uranium. Frenzy about the Sprott Physical Uranium Trust (TSX: U.UN) et al out there buying up spot uranium, and what the Reddit crowd are up to has this segment of the market going parabolic. It's not just the micro caps either. The established players like Cameco (TSX: CCO | NYSE: CCJ) and Denison Mines Corp. (TSX: DML | AMEX: DNN) are up 34% and 38% respectively month to date. Other smaller cap names are up anywhere from 50% to 100%. And in case you haven't noticed, it's only mid-month.

As a long time follower of uranium and uranium stocks, I was a little skeptical about this current move. As I sit here wiping the egg off my face, I have to confess I totally missed the boat on this move having sold the last of my uranium holdings (including U.UN) right around the end of August and beginning of September just as this run was getting started. As noted, I've watched uranium for a long time and thought the beginning of this rally was going to be as good as it gets. Chalk up another trading lesson learned the hard way.

It appears uranium is the hot place to be right now, and I'm obviously not the one to judge whether this is just the start or not, so let's dig down into the small cap space and see what we can find to whet our appetite. Today we look at a company called Azincourt Energy Corp. (TSXV: AAZ), a Canadian based resource exploration and development company with core projects in the clean energy space. Their two core areas are a uranium

exploration project in the prolific Athabasca Basin, Saskatchewan, Canada, and lithium/uranium projects on the Picotani Plateau, Peru. That's right, if uranium isn't hot enough for you right now they also have some lithium exposure but today we'll focus on the uranium side of the ledger.

The Athabasca Basin in Saskatchewan is one of the most prolific uranium districts in the world. There's even a city called Uranium City in the region, not that a city name equals good geology. Nevertheless, there are numerous world class discoveries in the Athabasca Basin including Cameco's Cigar Lake mine which is the world's largest uranium mine when running at full capacity. Within this basin is Azincourt's 70% interest, 25,000+ hectare East Preston property with joint venture partners Skyharbour Resources (TSXV: SYH) and Dixie Gold. The property is strategically located near NexGen Energy Ltd's (TSX: NXE | AMEX: NXE) high-grade Arrow deposit, Fission Uranium Corp.'s (TSX: FCU) Triple R deposit & AREVA/Cameco/Purepoint's joint venture Spitfire. Pretty good company if you are playing the closeology game.

Source: Azincourt Energy Corp. website

But where this story gets interesting is what's to come this winter. The Winter 2020-21 drill campaign was a planned 10-12 hole, up to 2,500 meters, diamond drill program but was cut short due to warm weather and early onset of spring break-up resulting in only 5 holes completed for 1,195 meters. Anomalous and elevated uranium levels were encountered in three of the five holes completed and the elevated base metals and uranium suggest that there is uranium-bearing fluids in the area. These results have management confident they can vector towards the sweet spot. This August the Company completed an airborne radiometric survey further highlighting focus areas for this

stage of the project. Correspondingly, the Winter 2021-22 program will consist of approximately 7,000 meters in 30-35 drill holes. This will be the largest drill campaign yet at East Preston and permits and funding are in place to complete all the planned work through the winter.

Anyone who has read any of my articles before knows that I like exploration companies that have money to generate lots of results. Azincourt fits into that category with over $4M in cash at the end of June and as they've stated, they should be fully funded for 30-35 drill holes this winter. Part of that is due to the infrastructure they put in place last winter and also if you only have to drill 100-200 meter holes you can do a lot of drilling very cost effectively. The one caveat to having a fully funded drilling program is that your capital structure can get a little unruly in order to keep the drill turning. Azincourt has 345M shares outstanding and another 200+ M warrants all with a $0.07 exercise price. With the stock closing at $0.11 yesterday this can be a great source of future funding but could make for a bit of a headwind to good news.

Regardless, as we await results from Azincourt's winter drilling program, one can rest assured that in a market as hot as it is for anything uranium right now, if the Company finds anything the stock is likely to go crazy. In the meantime they are along for the ride which has been a very good one for investors so far. What inning are we in for the run in uranium? As I made very clear above, I'm not the right person to answer that question. However, you can rest assured I will be watching closer than most.