

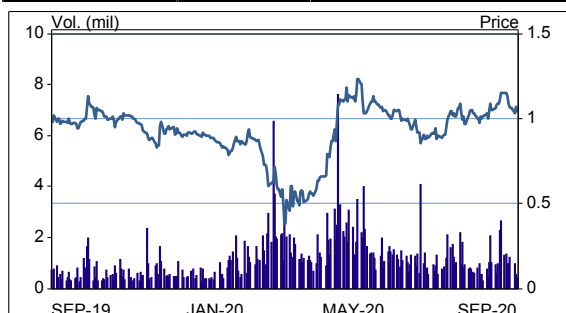
Uranium Energy Corp. (UEC)
Rating: Buy

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Reno Creek Prefeasibility Study Remains Ongoing; Hobson Creek Provides Incremental Growth Potential; Reiterate Buy

Stock Data		09/10/2020	
Price		\$1.04	
Exchange		NYSE American	
Price Target		\$3.50	
52-Week High		\$1.26	
52-Week Low		\$0.35	
Enterprise Value (M)		\$204	
Market Cap (M)		\$192	
Public Market Float (M)		136.4	
Shares Outstanding (M)		184.2	
3 Month Avg Volume		1,102,797	
Short Interest (M)		18.87	
Balance Sheet Metrics			
Cash (M)		\$7.4	
Total Debt (M)		\$19.4	
Total Cash/Share		\$0.04	
EPS Diluted			
Full Year - Jul	2019A	2020E	2021E
FY	(0.10)	(0.08)	(0.13)
Revenue (\$M)			
Full Year - Jul	2019A	2020E	2021E
FY	0.0	0.0	13.5



Ongoing prefeasibility study at Reno Creek. Uranium Energy Corp. (UEC) owns the Reno Creek project, which is located in the Powder River Basin of Wyoming, and already has production permits in place. We note that the project contains a measured and indicated resource of 23.97M tons of ore, grading 0.04% uranium, for a total of 18.71M pounds (lbs) of uranium. We expect the prefeasibility study for the site to provide additional insights into the project's economics, results of which are likely to be quite positive given recent improvements in uranium spot prices. We note that Reno Creek is currently licensed for an annual uranium production rate of 2Mlbs and has fewer geopolitical risk factors than other foreign assets.

Hobson Creek provides potential near-term production amid growth prospects. UEC's Hobson Creek processing facility in Texas maintains a fully permitted and licensed production capacity of 2Mlbs of uranium per year. Management seeks to utilize a hub and spoke strategy to integrate its nearby assets such as the Palangana in-situ recovery mine. We note that Palangana was in production from 2010 until July 2019, and that the site remains fully permitted with an expanded mine permit. Management expects low operational cash-costs of less than \$22/lb at the site following a 6-month construction period and about \$10M of initial CapEx. We note that the nearby Goliad and Burke Hollow projects maintain similar cost structures.

Uranium spot prices remain relatively strong. According to TradeTech (private), uranium spot prices have declined from almost \$34/lb at the end of May 2020 to roughly \$31/lb by the end of August 2020. These prices, however, are still close to the highest levels we have seen since February 2016. Additionally, we note that long-term pricing has remained relatively steady at \$35/lb, which equates to the highest price since October 2016. We ultimately believe that the U.S. Government's FY21 budget, which is projected to include purchases of domestically produced uranium as part of its \$1.5B Uranium Reserve, is likely to contribute to higher prices in the near-term.

We reiterate our Buy rating on UEC shares and our PT of \$3.50 per share. Our valuation remains based on a DCF of future operations for the firm utilizing an unchanged 8% discount rate. We then add an in-situ value of \$35.0M for UEC's Reno Creek assets, \$41.5M for Alto Parana's resources, and \$40.0M for Paraguay and UEC's other exploration stage assets. These figures remain inline with similar projects throughout our coverage universe to which we assign equal geopolitical risk factors. We expect higher uranium prices in the longer-term, some of which may be quite pronounced given current global developments, to merit several favorable production decisions across UEC's asset base. We also highlight the potential of additional demand for UEC's domestically sourced uranium through the proposed Uranium Reserve by the Nuclear Fuel Working Group.

Risks. (1) Uranium price risk; (2) operating and technical risk; (3) political risk; and (4) financial risk.

Uranium Energy Corp.

All figures in USD\$ unless otherwise noted

			2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Uranium price per lb			\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
Palangana Production	('000s pounds)		-	300	500	340	200	50	-	-	-	-	-
Total Revenue ('000s)			\$ -	\$ 15,000	\$ 25,000	\$ 17,000	\$ 10,000	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -
Goliad Production	('000s pounds)		-	-	450	600	600	600	600	600	600	600	600
Total Revenue ('000s)			\$ -	\$ -	\$ 22,500	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Burke Hollow Production	('000s pounds)		-	-	-	450	1,200	1,550	1,550	1,550	1,550	1,550	1,550
Total Revenue ('000s)			\$ -	\$ -	\$ -	\$ 22,500	\$ 60,000	\$ 77,500	\$ 77,500	\$ 77,500	\$ 77,500	\$ 77,500	\$ 77,500
Gross Revenue			\$ -	\$ 15,000	\$ 47,500	\$ 69,500	\$ 100,000	\$ 110,000	\$ 107,500	\$ 107,500	\$ 107,500	\$ 107,500	\$ 107,500
10% Royalty Palangana ('000s)			\$ -	\$ 1,500	\$ 2,500	\$ 1,700	\$ 1,000	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
8.25% Royalty Goliad ('000s)			\$ -	\$ -	\$ 1,856	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475
Net Sales ('000s)			\$ -	\$ 13,500	\$ 43,144	\$ 65,325	\$ 96,525	\$ 107,275	\$ 105,025	\$ 105,025	\$ 105,025	\$ 105,025	\$ 105,025
Total Operating Costs ('000s)			\$ 2,050	\$ 7,700	\$ 17,200	\$ 24,240	\$ 34,600	\$ 37,200	\$ 36,400	\$ 36,400	\$ 36,400	\$ 36,400	\$ 36,400
Exploration ('000s)			\$ 4,500	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Corporate Costs ('000s)			\$ 9,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Operating Income ('000s)			\$ (15,550)	\$ (6,200)	\$ 13,944	\$ 29,085	\$ 49,925	\$ 58,075	\$ 56,625	\$ 56,625	\$ 56,625	\$ 56,625	\$ 56,625
Depreciation ('000s)			\$ 350	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
EBITDA ('000s)			\$ (15,200)	\$ (1,200)	\$ 18,944	\$ 34,085	\$ 54,925	\$ 63,075	\$ 61,625	\$ 61,625	\$ 61,625	\$ 61,625	\$ 61,625
Taxes ('000s)			\$ (4,515)	\$ (2,870)	\$ 4,180	\$ 9,130	\$ 16,074	\$ 18,576	\$ 18,069	\$ 18,069	\$ 18,069	\$ 18,069	\$ 18,069
CapEx ('000s)			\$ (1,000)	\$ (1,000)	\$ (13,500)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)
Total Free Cash Flow			\$ (16,200)	\$ (2,200)	\$ 5,444	\$ 33,085	\$ 53,925	\$ 62,075	\$ 60,625	\$ 60,625	\$ 60,625	\$ 60,625	\$ 60,625
Cash Flow Discount Rate	8%												
PV of Cash Flows ('000s)			\$ (16,200)	\$ (2,037)	\$ 4,667	\$ 26,264	\$ 39,636	\$ 42,247	\$ 38,204	\$ 35,374	\$ 32,754	\$ 30,328	\$ 28,081
NPV	\$ 259,318	\$ 1.41 per share											
Plus Non-Texas Projects	\$ 274,680	\$ 1.49 per share											
Plus Paraguay Assets	\$ 40,000	\$ 0.22 per share											
Plus Cash	\$ 7,407	\$ 0.04 per share											
Plus Reno Creek/North Reno Creek	\$ 35,000	\$ 0.19 per share											
Plus Alto Parana Resources	\$ 41,500	\$ 0.23 per share											
Minus Debt	(19,444)	(0.11) per share											
Total Current Value	\$ 638,461												
Common Shares Outstanding	184,188	as of 6/8/20											
Project NAV Per Share	\$ 3.47												
NPV/Share (Rounded to \$0.10/share)	\$ 3.50												
UEC Stock Price	\$ 1.04	as of 9/10/20											
Source: HC Wainright & Co. estimates.													

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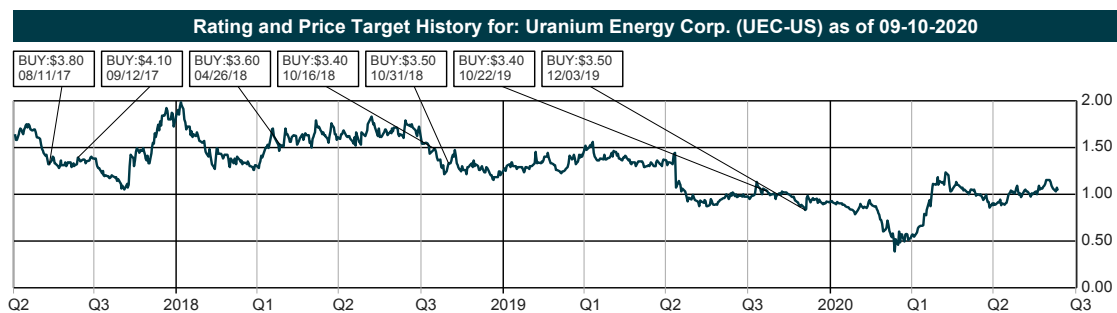
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Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	415	90.61%	154	37.11%
Neutral	40	8.73%	8	20.00%
Sell	0	0.00%	0	0.00%
Under Review	3	0.66%	3	100.00%

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