

**Ticker:** UEX CN  
**Market cap:** C\$197m

**Net cash:** C\$4.7m  
**Price:** C\$0.37/sh

**Project:** Multiple incl Millennium, Wheeler River  
**Country:** Saskatchewan, Canada

RECOMMEND (unc): BUY

TARGET (unc): C\$1.15/sh

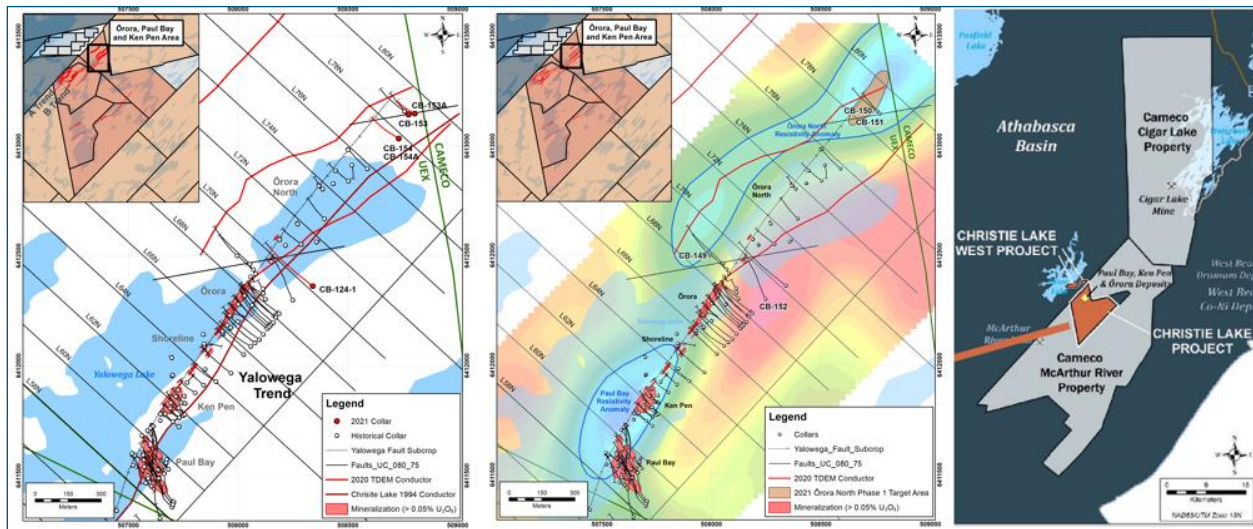
RISK RATING: VENTURE

Today's drilling from Christie Lake did not delineate a new high grade discovery, but the intersection of strong hydrothermal alteration below the unconformity shows that potential for a proximate high grade deposit hosted in basement rocks. Moreover, we believe recent share price underperformance vs peers is unwarranted. It was a difficult field season in Saskatchewan, with a late start due to travel caution, lab delays, and crew availabilities affecting nearly all explorers. The look through value of its 22.5Mlbs at Wheeler River and Millennium alone is worth UEX's current valuation while its licences are some of the most prospective in the Athabasca. At this market cap, we believe there are multiple ways for UEX to unlock value including a spin out of some of the exploration licences, an asset sale, or corporate M&A for UEX's Wheeler River and/or Millennium stakes. **We reiterate our BUY Rating and C\$1.15/sh price target based on our unchanged SOTP in-situ valuation (C\$9/lb for Millennium and Wheeler River, C\$3/lb for Shea Creek, Christie Lake and Kiggavik and C\$2/lb for other resources).**

**Christie Lake drilling intercepts anomalous hydrothermal alteration at the unconformity**

UEX announced results of the fall 2021 exploration program at Christie Lake which tested NE of the Orora deposit along the main Yallowega Trend. Three holes were completed including two new holes and one off-cut from an existing drill hole. CB-124-1, an offcut of pilot hole CB-124, intersected 181ppm from 496.6-497m and 172ppm from 508.2-508.4m, hosted in more than 60m of hydrothermal alteration in basement rocks below the unconformity. CB-153A encountered 1.9ppm within the basal 29.4m of the sandstone, while CB-154A encountered anomalous boron, which indicates potential for basement hosted mineralization. Planning for the 2022 program has commenced and may include testing of targets along the A trend, which has seen only limited drilling.

**Figure 1. (A) Drill locations from today's release; (B) Resistivity survey over Christie Lake; (C) Project location showing Cameco's surrounding Cigar Lake and McArthur River properties**



Source: UEX Corporation, modified by SCP Research

## Why we like UEX Corporation

- Lowest cost access to leading Tier-I projects including Millennium and Wheeler River
- Largest (4,151km<sup>2</sup>) landholdings in the Athabasca by an independent
- Experienced geology team with a proven history of discovering and growing resources in the basin

## Catalysts

- 2H21: Wheeler River field tests, fall exploration programme at Christie Lake (unconformity uranium) and West Bear-Michael Lake (Co-Ni)

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Ticker: UEX CN		Price / mkt cap:		C\$0.37/sh, C\$197m		Project PNAV today:		0.33x		Asset:		Multiple Athabasca Properties	
J Chan / B Gaspar / E Magdzinski		Rec / 1xNAV PT:		BUY, C\$1.15/sh		1xNAV <sub>1021</sub> FF FD:		C\$1.13/sh		Country:		Saskatchewan, Canada	
SOTP project valuation						Commodity price							
	C/lb	C\$m	O/ship	NAVx	C\$/sh		CY21E	CY22E	CY23E	CY24E	CY25E		
Millennium (attributable)	9.0	142	15.0%	1.00x	0.23	LT uranium price (US\$/lb)	65.00	65.00	65.00	65.00	65.00		
Wheeler River (attributable)	9.0	61	5.0%	1.00x	0.10	USD/CAD	0.79	0.79	0.79	0.79	0.79		
Kiggavik (attributable)	3.0	67	16.9%	1.00x	0.11	Measured, ind. & inf.	kt	% U3O8	Mlbs	UEX share	EV/lb U3O8		
Shea Creek (attributable basis)	3.0	179	49%	1.00x	0.29	Millennium (15.0%)	11,149	2.57%	104.9	15.8			
Christie Lake	3.0	64	83%	1.00x	0.10	Wheeler River (5%)	1,891	3.24%	135.1	6.8			
Horseshoe Raven	2.0	96	100%	1.00x	0.16	Kiggavik (16.9%)	11,149	0.54%	132.6	22.4			
West-Bear	2.0	5	100%	1.00x	0.01	Horseshoe-Raven (100%)	11,403	0.15%	37.8	37.8			
Cash (3Q21)		4.7	100%	1.00x	0.01	Shea Creek (UEX 49.1%)	3,340	1.30%	95.9	47.1			
Debt and transaction payable (C\$m)		-	100%	1.00x	-	Christie Lake (UEX 82.8%)	589	1.57%	20.3	16.8			
Cash from options		24.4	100%	1.00x	0.04	West Bear (100%)	79	0.91%	1.6	1.6			
C\$50m for licences		50	100%	1.00x	0.08	TOTAL URANIUM				148.2	1.28		
Asset NAV8% US\$65/lb		693			PT: 1.13	West Bear Ni-Co	1.2Mt @ 0.19% Co and 0.21% Ni for 5.1Mlbs Co and 5.66Mlbs Ni						
					Market P/NAV	0.33x	Shares (m)	532.8	613.1				

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**NOT RATED ((N/R):** The stock is not currently rated

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BUY:	48
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	49

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