

Uranium Producers & Developers

June 21, 2022

Transferring Coverage: Best Backdrop Seen in Uranium in Over a Decade

Effective immediately, we are assuming coverage of **NexGen Energy Ltd. (NXE-T, Buy, Target \$11.50)**, **Energy Fuels Inc. (EFR-T, Buy, Target \$16.50)**, **Fission Uranium Corp. (FCU-T, Buy, Target \$1.50)**, and **Uranium Energy Corp. (UEC-N, Buy, Target US\$7.00)**.

Why We're All Here - SPUT's Continued Sequestration of Uranium: Sprott Physical Uranium Trust's (SPUT; U.UN-T, Not Rated) continued accumulation of uranium, in a sector where large producers were already curtailing production to help spur prices, has drastically improved sentiment compared to years past. So far, SPUT has sequestered +56Mlbs, which is equivalent to the largest producing country, Kazakhstan's, entire output last year. Simplifying the mechanics of the trust, SPUT has an ATM program that allows it to issue units and raise funds if the trust is trading at a higher value than the previous day's NAV. Once the cash is raised, the trust immediately looks to buy uranium. SPUT has engaged with over 20 different counterparties so far when buying. The key takeaway is that, once the pounds are bought, they're locked up, i.e. not intended to come back to the open market. The other secondary demand financial player is Yellow Cake (YAC-L, Not Rated) which has an option agreement with Kazatomprom (KAP-L, Not Rated) to purchase up to US\$100M of U3O8 per year (~1.5Mlbs annually at our LT price deck). For context, we estimate the uranium market was roughly balanced last year at ~210Mlbs supply/demand.

A Serious Near-term Issue - Open Market Demand as Russian Supply Falls out of Favour: Currently, the US is the largest source of uranium demand globally, making up over a quarter of the world's nuclear power generating capacity. However, the US imports basically all of its demand, 16% of which comes from Russia. Earlier this month, it was reported that the Biden administration is pushing a US\$4.3B plan to buy enriched uranium. Even though uranium prices have pulled back, SPUT's buying has been slower over the past month, which could be a sign of tighter market conditions. If the US is serious, we think it'll be hard for them to accumulate all at once. If other countries follow suit, likely those part of the EU, and a larger chunk of the 6% (+7Mlbs) of global supply that Russia provides is deemed untouchable, this could really push the sector higher. We also think the Kazakhs are put in an awkward position given their relationship with Russia, and although it seems unlikely now, there's always a possibility that Kazakh supply is also at risk.

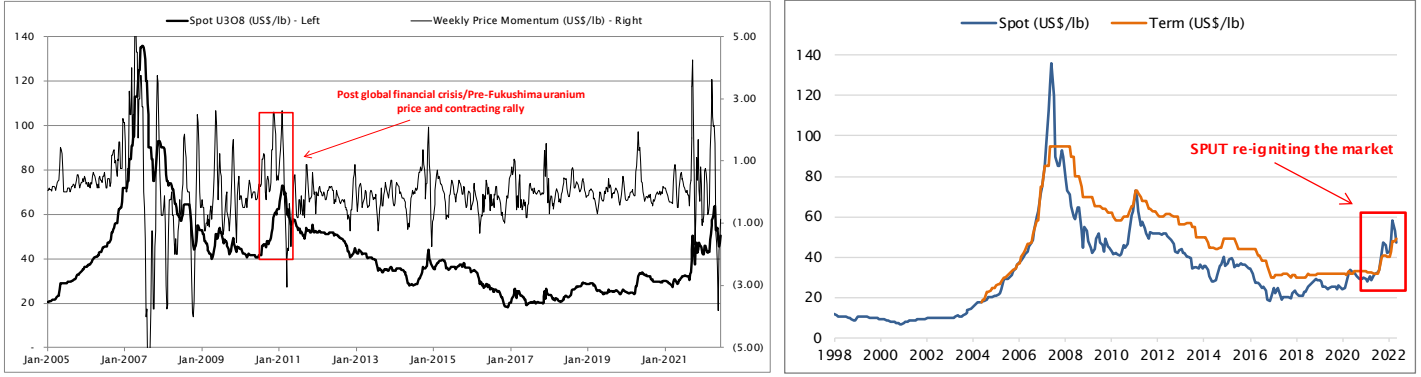
There's a Correlation - Contracting Cycle and Price Movements: [Exhibit 3](#) outlines how contracting activity really correlated with higher U3O8 prices starting in 2004 and reaching a peak as high as US\$136/lb (average ~US\$100/lb that year) in 2007. Back then, supply deficits pushed the utilities back to contracting. Today, we have a similar situation, but we have layered on the current geopolitical climate plus SPUT. Our LT price deck at US\$65/lb looks conservative as due to inflation, most miners are looking for that price or higher to bring production on-line again, which will likely take 1-3 years to turn back on. Thus, we think utility buyers will be forced back into a period of contracting.

Net Zero Needs Nuclear - China Reactor Builds Driving Long-Term Fundamentals: Nuclear energy is more reliable (high capacity factor), more efficient (uranium has higher energy density, meaning a small amount can provide a significant amount of power) and cleaner (CO2 Eq.emissions per GwH basis). In our supply/demand model we see Chinese reactor builds driving longer term demand, but for the aforementioned reasons, other countries around the world are shifting sentiment and energy policies towards nuclear power and this could be an added bellwether. One example is the push to include nuclear energy in the EU's sustainable finance taxonomy. The approval of this by member nations would signal a big paradigm shift for Europe. Even without this, our base case sees market deficits through the end of this decade. Our model does not take into account Russian supply potentially being taken off the table by geopolitics and incorporates a slower pace of secondary buying through vehicles such as SPUT than seen since inception.

You're Getting Another Chance - ~40-50% Pullback From Peak Overdone: Our top pick is NexGen as we believe given Arrow by itself will rival Cameco's (CCO-T, Buy, Target \$48.00; covered by R. Profit) entire output once in production, representing +15% of global supply, it should be a core holding in any portfolio with/wanting uranium exposure. Fission lags behind peers on an EV/lb basis and is even cheaper considering a potential synergistic scenario. The rare earths opportunity at Energy Fuels is not only a crucial element providing torque in electric vehicles but also provides torque to the upside in EFR's share price. Finally, UEC is sitting on a lucrative 5Mlbs of uranium inventory combined with cheap/quick ISR restarts in the US that are ready to go once uranium prices stabilize at a higher level.

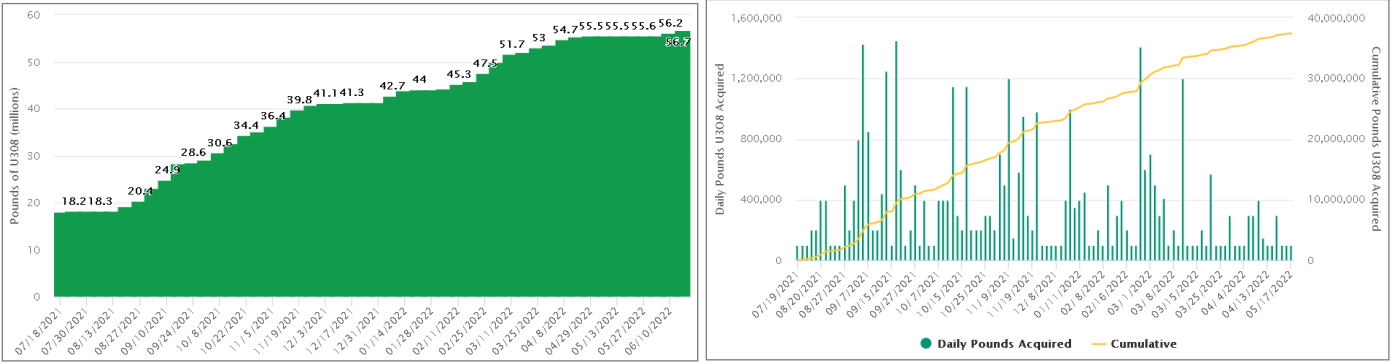
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Exhibit 1: New Cycle Just Beginning as Prices Awake from their Slumber



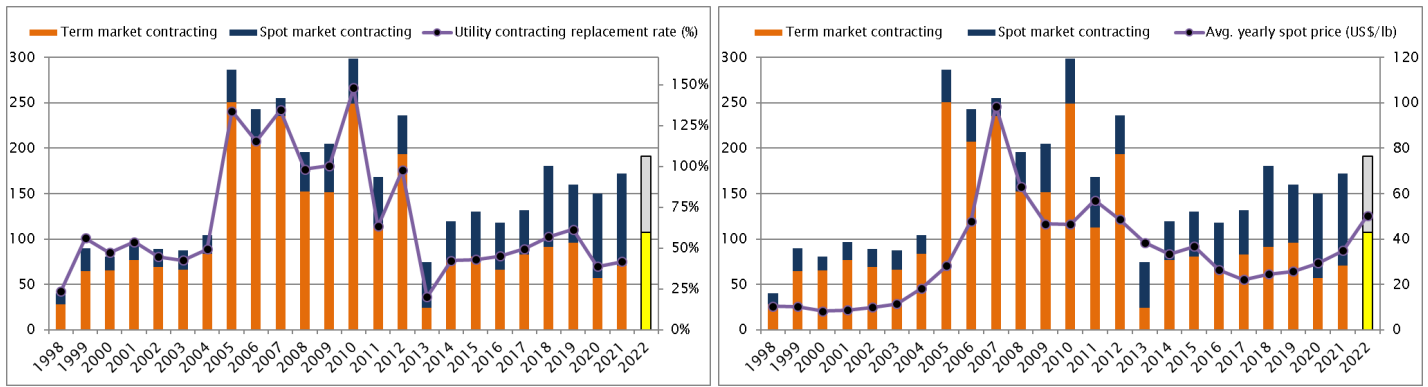
Source: UxC LLC, Eight Capital

Exhibit 2: SPUT Has Sequestered the Equivalent of One Year's Worth of Production out of Kazakhstan, the World's Largest Producer



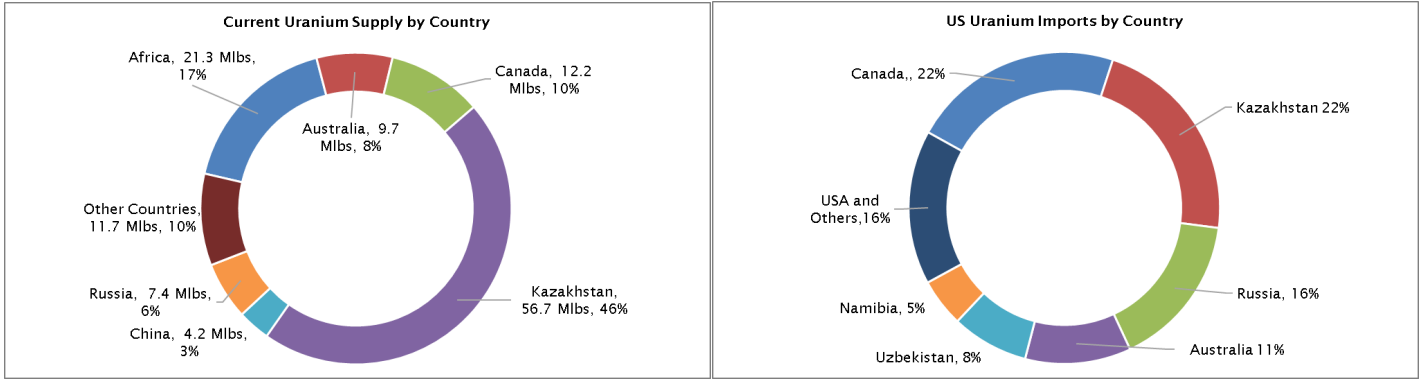
Source: Sprott, RBC Investor Services Trust

Exhibit 3: Elevated Contracting Periods Correlated with Last Cycle, and it's a Foregone Conclusion SPUT Forces Utility Buyers' Hands



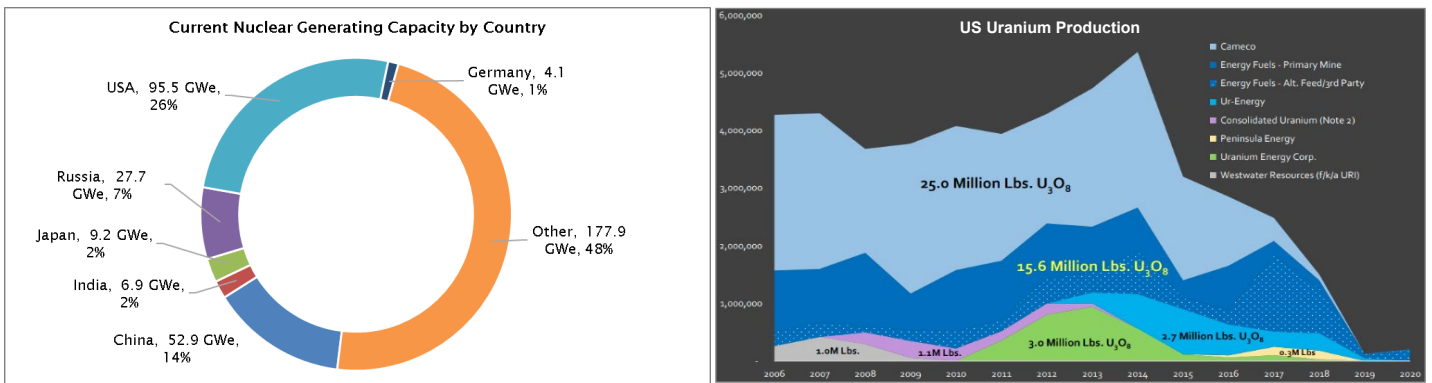
Source: UxC LLC, World Nuclear Association, Eight Capital

Exhibit 4: Tight Market Conditions Become Worse as Russia's 6% Share of Global Supply Becomes Unsavory; Biden Wants to Say No...



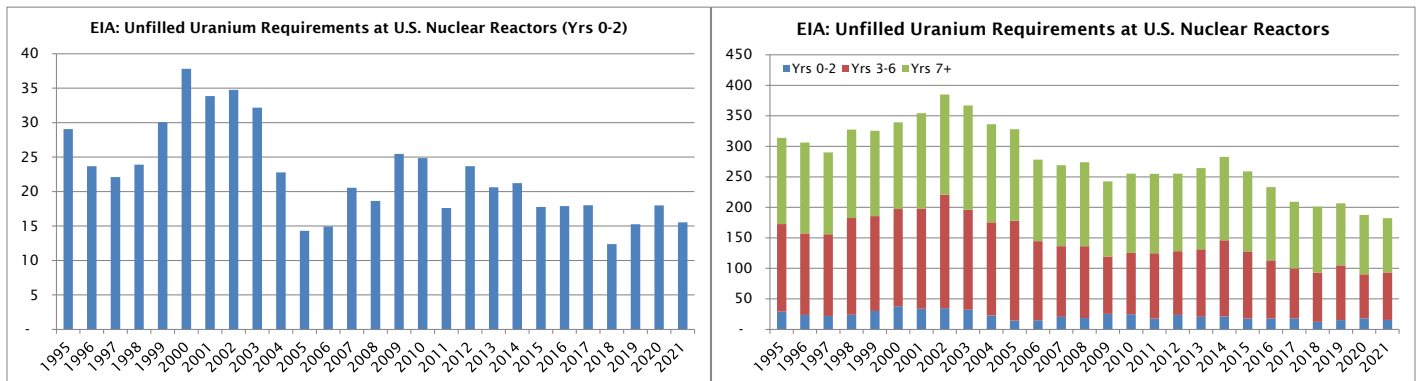
Source: UxC LLC, World Nuclear Association, US Energy Information Administration, Eight Capital

Exhibit 5: ...But You Can't Just Turn on a Tap Domestically, and Globally Miners Want at Least US\$65/lb or Higher to Get Going Again



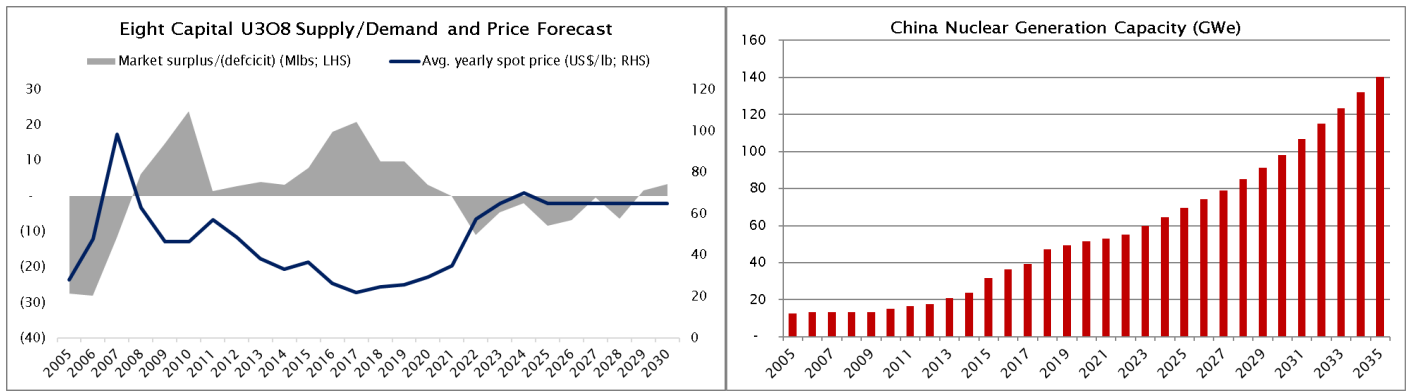
Source: UxC LLC, World Nuclear Association, Energy Fuels, Eight Capital

Exhibit 6: Thus Even Though Unfilled US Requirements are Trending Lower, the Geopolitics at Hand Will Force Utilities to Reevaluate



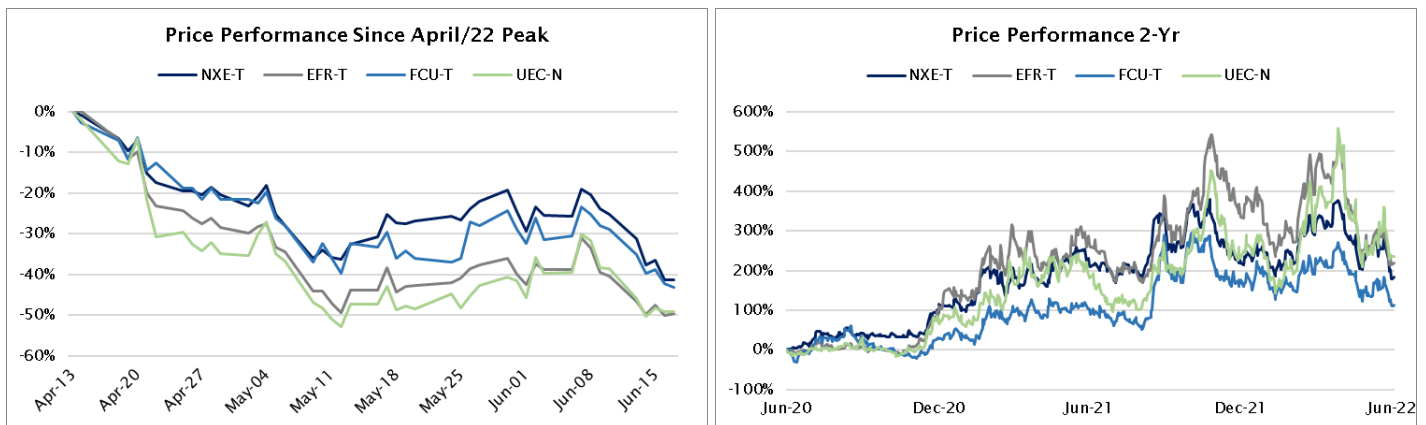
Source: UxC LLC, World Nuclear Association, US Energy Information Administration, Eight Capital

Exhibit 7: SPUT, Geopolitics, and a New Contracting Wave are Driving Near-term Fundamentals and New Interest in the Sector, but Let's Not Forget China's New Reactor Buildup Pace will Fuel Long-term Fundamentals Amidst Other Countries Waking Up and Realizing Their Net Zero Goals Will Need the More Efficient Nuclear Option



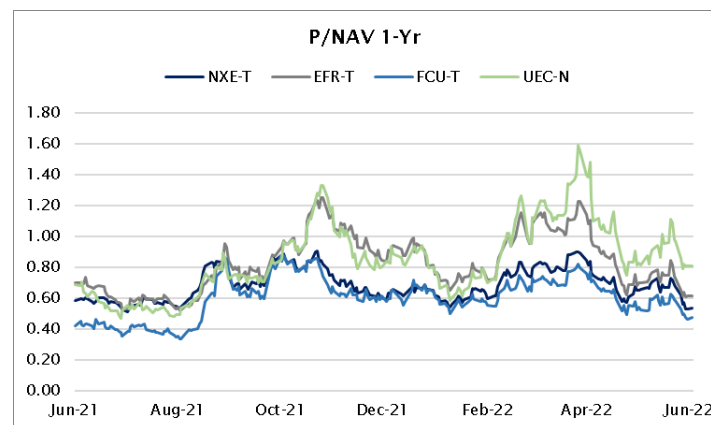
Source: UxC LLC, World Nuclear Association, Eight Capital

Exhibit 8: Compelling Entry Point as All of Our Names are Down by ~40-50% as the Broad Market Meltdown has Spread to Uranium Equities and is Blatantly and Mistakenly Ignoring Uranium Fundamentals



Source: FactSet, Eight Capital

Exhibit 9: We Recommend Taking Advantage before SPUT and Geopolitics Quickly Bring a Renewed Bid to the Sector



Note: P/NAV based on closing prices; Source: FactSet, Eight Capital

Exhibit 10: Funds Flow Has a Limited Amount of Choices, Any Discounts Will Quickly Turn into Premiums on Quality Names

June 21, 2022														Performance					Net Asset Value		FactSet Consensus		
Ticker	Currency	Last Price \$/sh	Analyst	Rating	Target Price	Return to TP	Target Multiple	NAV Shares O/S MM	Mkt Cap (\$MM)	EV (\$MM)	Avg Grade %U3O8	Inventory MMBs U3O8	EV/lb US\$/lb	1 wk	1 mo	3 mo	6 mo	1 yr	NAVPS	P/NAV	NAVPS	P/NAV	
Inventory Holders																							
Sprott P. Uranium Trust	U.UN-T	CAD	C\$ 13.45	n/a	n/a	n/a	n/a	222	C\$ 3,029	C\$ 2,687	n/a	57	36.5	(4%)	(9%)	(27%)	(5%)	0%	n/a	n/a	n/a	n/a	
Yellow Cake	YCA-LON	GBP	GBP\$ 3.33	n/a	n/a	n/a	n/a	183	GBP\$ 617	GBP\$ 601	n/a	19	39.2	(4%)	(11%)	(23%)	(3%)	26%	n/a	n/a	n/a	n/a	
Inventory Holder Average													37.8	(4%)	(10%)	(25%)	(4%)	13%	n/a		n/a		
Producers																							
Cameco Corp	CCO-T	CAD	C\$ 27.61	R. Profiti	BUY	C\$ 48.00	74%	1.80x	398	C\$ 11,000	C\$ 10,522	6.43%	1,066	7.6	(4%)	(8%)	(24%)	(3%)	13%	C\$ 26.12	1.06x	C\$ 24.55	1.12x
Energy Fuels	EFR-T	CAD	C\$ 6.84	P. Singh	BUY	C\$ 16.50	141%	1.50x	158	C\$ 1,078	C\$ 980	0.19%	87	8.7	1%	(12%)	(45%)	(33%)	(10%)	C\$ 11.03	0.62x	C\$ 13.09	0.52x
UR Energy	URE-T	CAD	C\$ 1.44	n/a	n/a	n/a	n/a	219	C\$ 316	C\$ 273	0.06%	27	7.7	0%	(1%)	(35%)	(16%)	(17%)	n/a	n/a	n/a	n/a	
Uranium Energy	UEC-N	USD	US\$ 3.33	P. Singh	BUY	US\$ 7.00	110%	1.70x	286	US\$ 953	US\$ 906	0.05%	152	6.0	2%	(1%)	(34%)	(3%)	27%	US\$ 4.11	0.81x	US\$ 6.44	0.52x
Kazatomprom	KAP-LON	GBP	GBP\$ 25.88	n/a	n/a	n/a	n/a	259	GBP\$ 6,712	GBP\$ 6,747	0.05%	1,391	5.9	(0%)	(5%)	(12%)	(32%)	(17%)	n/a	n/a	C\$ 26.71	0.97x	
Paladin Energy	PDN-ASX	CAD	C\$ 0.57	n/a	n/a	n/a	n/a	2,978	C\$ 1,682	C\$ 1,733	0.06%	356	n/a	(17%)	(21%)	(34%)	(32%)	15%	n/a	n/a	C\$ 1.33	0.42x	
Producer Average													7.2	(3%)	(8%)	(31%)	(20%)	2%	0.83x		0.71x		
Developers																							
Fission Uranium	FCU-T	CAD	C\$ 0.64	P. Singh	BUY	C\$ 1.50	134%	1.10x	676	C\$ 433	C\$ 391	1.78%	135	2.2	(4%)	(10%)	(36%)	(27%)	8%	C\$ 1.35	0.48x	C\$ 1.42	0.45x
NexGen Energy	NXE-T	CAD	C\$ 4.72	P. Singh	BUY	C\$ 11.50	144%	1.30x	479	C\$ 2,263	C\$ 2,166	1.88%	337	4.9	(5%)	(19%)	(35%)	(17%)	(10%)	C\$ 8.79	0.54x	C\$ 7.61	0.62x
Bannerman Resources	BMN-ASX	AUD	A\$ 0.17	n/a	n/a	n/a	n/a	1,488	A\$ 245	A\$ 236	0.02%	208	0.8	(13%)	(15%)	(38%)	(43%)	0%	n/a	n/a	n/a	n/a	
Berkeley Energia	BKY-ASX	AUD	A\$ 0.31	n/a	n/a	n/a	n/a	446	A\$ 138	A\$ 60	0.05%	89	0.5	(7%)	(18%)	(33%)	35%	(45%)	n/a	n/a	n/a	n/a	
Boss Energy	BOE-ASX	AUD	A\$ 1.79	n/a	n/a	n/a	n/a	353	A\$ 631	A\$ 613	0.06%	72	6.0	(18%)	(16%)	(25%)	(21%)	36%	n/a	n/a	n/a	n/a	
Deep Yellow	DYL-ASX	AUD	A\$ 0.60	n/a	n/a	n/a	n/a	387	A\$ 230	A\$ 159	0.02%	276	0.4	(11%)	(17%)	(41%)	(34%)	(15%)	n/a	n/a	n/a	n/a	
Denison Mines	DML-T	CAD	C\$ 1.31	n/a	n/a	n/a	n/a	818	C\$ 1,071	C\$ 988	2.90%	151	5.0	(1%)	(8%)	(38%)	(29%)	(19%)	n/a	n/a	C\$ 2.46	0.53x	
enCore Energy	EU-V	CAD	C\$ 1.12	n/a	n/a	n/a	n/a	321	C\$ 360	C\$ 349	0.09%	100	2.7	(4%)	5%	(31%)	(35%)	(20%)	n/a	n/a	n/a	n/a	
Global Atomic	GLO-T	CAD	C\$ 2.87	n/a	n/a	n/a	n/a	178	C\$ 510	C\$ 486	0.18%	189	2.0	5%	0%	(37%)	(30%)	(2%)	n/a	n/a	C\$ 7.95	0.36x	
Govix	GXU-T	CAD	C\$ 0.26	n/a	n/a	n/a	n/a	593	C\$ 151	C\$ 143	0.08%	229	0.5	(4%)	(11%)	(41%)	(36%)	(7%)	n/a	n/a	C\$ 0.75	0.34x	
Peninsula Energy	PEN-ASX	AUD	A\$ 0.16	n/a	n/a	n/a	n/a	997	A\$ 160	A\$ 148	0.05%	54	1.9	(9%)	(6%)	(32%)	(20%)	0%	n/a	n/a	n/a	n/a	
Laramide Resources	LAM-T	CAD	C\$ 0.46	n/a	n/a	n/a	n/a	206	C\$ 94	C\$ 91	0.08%	113	0.6	(7%)	(1%)	(45%)	(35%)	(7%)	n/a	n/a	n/a	n/a	
Vimy Resources	VMY-ASX	AUD	A\$ 0.16	n/a	n/a	n/a	n/a	1,164	A\$ 180	A\$ 164	0.33%	116	1.0	(14%)	(18%)	(38%)	(23%)	35%	n/a	n/a	n/a	n/a	
Developers Average													2.2	(7%)	(10%)	(36%)	(24%)	(4%)	0.51x		0.46x		
Explorers																							
IsoEnergy Ltd	ISO-V	CAD	C\$ 2.93	P. Singh	BUY	C\$ 7.10	142%	1.00x	107	C\$ 312	C\$ 334	7.16%	100	2.6	(1%)	(10%)	(42%)	(29%)	5%	C\$ 7.10	0.41x	C\$ 6.60	0.44x
Azincourt Uranium	AAZ-V	CAD	C\$ 0.08	n/a	n/a	n/a	n/a	227	C\$ 17	C\$ 7	n/a	n/a	n/a	n/a	(6%)	(25%)	(65%)	(57%)	(57%)	n/a	n/a	n/a	n/a
Canalaska Uranium	CVV-V	CAD	C\$ 0.31	n/a	n/a	n/a	n/a	79	C\$ 24	C\$ 16	n/a	n/a	n/a	n/a	0%	(21%)	(53%)	(36%)	(46%)	n/a	n/a	n/a	n/a
Fission 3.0	FUU-V	CAD	C\$ 0.09	n/a	n/a	n/a	n/a	297	C\$ 25	C\$ 24	n/a	n/a	n/a	n/a	6%	(19%)	(51%)	(64%)	(26%)	n/a	n/a	n/a	n/a
Forum Uranium	FMC-V	CAD	C\$ 0.12	n/a	n/a	n/a	n/a	165	C\$ 20	C\$ 15	n/a	n/a	n/a	n/a	9%	(11%)	(53%)	(35%)	(68%)	n/a	n/a	n/a	n/a
Purepoint Uranium	PTU-V	CAD	C\$ 0.07	n/a	n/a	n/a	n/a	344	C\$ 24	C\$ 20	n/a	n/a	n/a	n/a	0%	(7%)	(39%)	(22%)	(44%)	n/a	n/a	n/a	n/a
Skyharbour Resources	SYH-V	CAD	C\$ 0.33	n/a	n/a	n/a	n/a	132	C\$ 44	C\$ 38	n/a	n/a	n/a	n/a	3%	(31%)	(57%)	(30%)	(23%)	n/a	n/a	C\$ 1.01	0.33x
Standard Uranium	STND-V	CAD	C\$ 0.08	n/a	n/a	n/a	n/a	106	C\$ 8	C\$ 6	n/a	n/a	n/a	n/a	(21%)	(35%)	(67%)	(68%)	(65%)	n/a	n/a	n/a	n/a
Toro Energy	TOE-ASX	CAD	C\$ 0.02	n/a	n/a	n/a	n/a	3,897	C\$ 58	C\$ 56	0.05%	84	0.5	(6%)	(21%)	(32%)	(32%)	(17%)	n/a	n/a	n/a	n/a	
U3O8 Corp	UWE.H-V	CAD	C\$ 0.17	n/a	n/a	n/a	n/a	36	C\$ 6	C\$ 4	n/a	n/a	n/a	n/a	0%	(12%)	(34%)	(47%)	(25%)	n/a	n/a	n/a	n/a
UEX Corp	UEX-T	CAD	C\$ 0.34	n/a	n/a	n/a	n/a	545	C\$ 185	C\$ 178	0.37%	101	1.4	1%	39%	(18%)	(9%)	(11%)	n/a	n/a	n/a	n/a	
Explorer Average													1.5	(1%)	(14%)	(46%)	(39%)	(34%)	0.41x		0.39x		

Source: Company reports, FactSet, Eight Capital estimates

NexGen Energy Ltd.

(NYSE-T: C\$4.72)

June 21, 2022

BUY

Target: C\$11.50 (from C\$ 10.60)

Puneet Singh / (647) 265-8216

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Top Pick; Should be a Core Holding in any Portfolio with/Wanting Uranium Exposure

	Old	Current
Rating	BUY	BUY
Target	\$10.60 ▲	\$11.50
Projected Return	125%	144%

Company Data

Last Price		\$4.72
52-week Range	\$4.44 -	\$8.30
Market Cap (\$M)		\$2,263
Enterprise Value (\$M)		\$2,166
Shares Outstanding - Basic (M)		479.4
Shares Outstanding - Diluted (M)		530.5
Average Volume - 100d ('000 shares/day)		1,981
Cash (\$M)		\$187.5
Debt (\$M)		\$90.4
Fiscal Year End		Dec-31

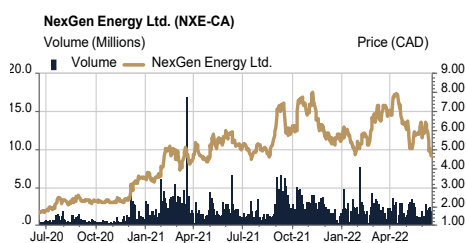
Valuation

NAVPS		\$8.79
P/NAV		0.54x
EV/lb (US\$/lb)		\$4.94

Estimates	2021A	2022E	2023E	2024E
EBITDA (\$M)	(49)	(45)	(45)	(45)
Adj. EPS (\$/sh)	(0.26)	(0.14)	(0.09)	(0.09)
Adj. CFPS (\$/sh)	(0.04)	(0.03)	(0.03)	(0.03)

All figures in C\$ unless otherwise noted

Source: FactSet, Company Reports, Eight Capital



Company Description

NexGen Energy is a Canadian-based uranium exploration and development company focused on the western portion of the Athabasca Basin, SK. Its 100% owned Rook 1 property hosts the feasibility study stage Arrow deposit that has demonstrated to have some of the highest grade and thickest intercepts in the entire Athabasca Basin. Once in production, Arrow is expected to account for +15% of global uranium supply alone.

Effective immediately, we are assuming coverage of NexGen Energy Ltd.

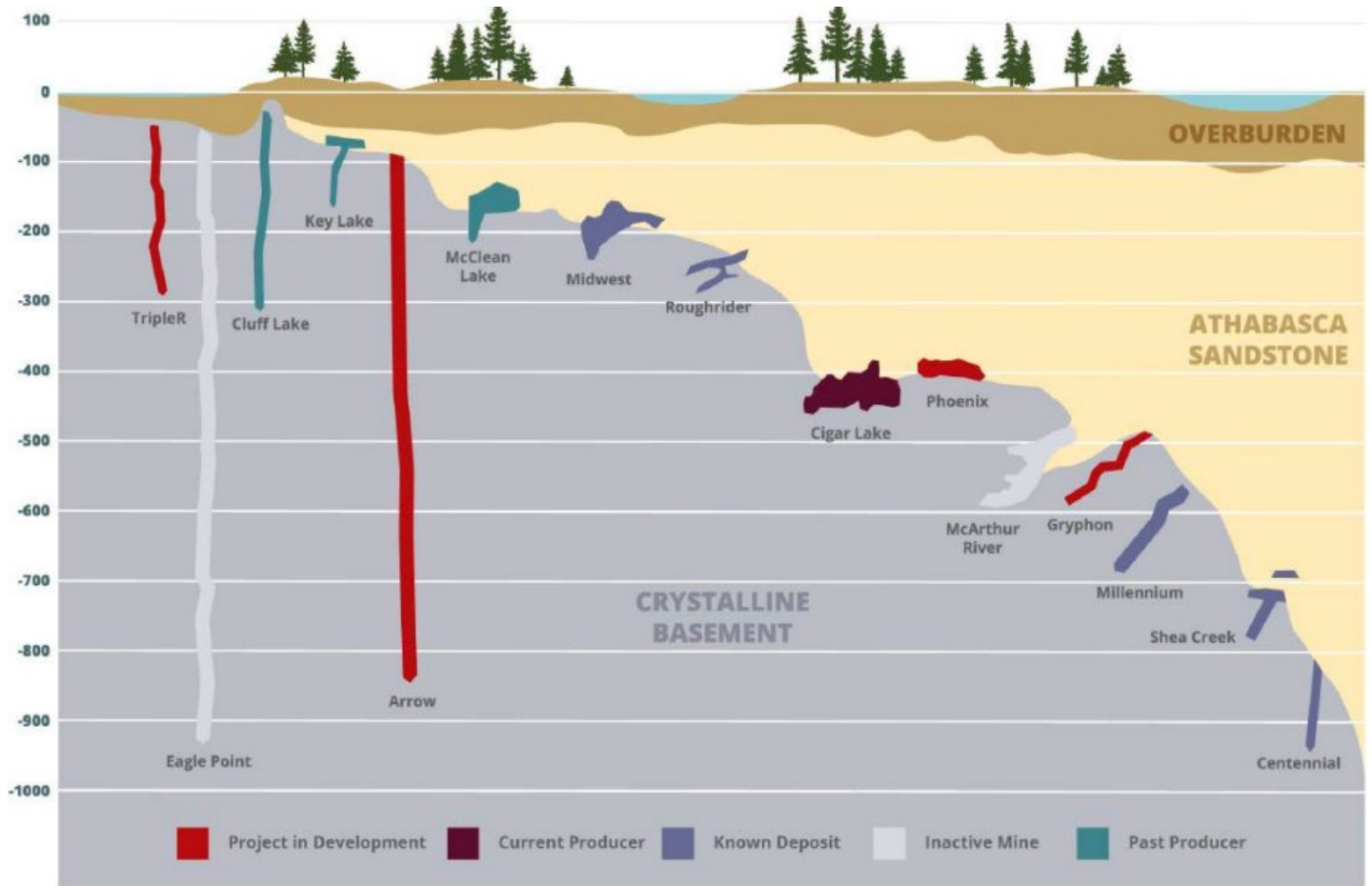
Once in Production Arrow will Represent +15% of Global Supply: We estimate global primary uranium supply at +175Mlbs in 2027. Arrow, slated to produce close to 30Mlbs in the early years of the mine plan, would represent over 15% of global supply. Big producers have responsibly pared back production due to market conditions in recent years. We estimate that based on current output, Cameco's entire portfolio represents ~18% of global supply. In 2027, Eight Capital estimates see Cameco producing ~32Mlbs. Today, with uranium equities well off their highs, CCO has an \$11B market cap. NexGen's Arrow will compete with CCO on a production profile basis, yet has a ~\$2B market cap and our target would imply just ~\$5B market cap. From this standpoint alone and at today's entry point, we see this as a compelling long-term investment opportunity. Given its supply implications, we also point out that any delays in Arrow's buildout could cause significant upward pressure on uranium prices, which would likely push all uranium equities, including NXE, higher. The telling example of this is in the last cycle when Cameco's Cigar Lake flooded prior to start-up, causing multi-year delays, a large supply deficit opened up as a result, and prices spiked. We don't foresee this happening to Arrow as it employs a conventional mine plan, but from this angle, an investor's downside risk on NXE is hedged.

Looking at the Mine Plan, High Grades Equate to Low Operating Costs: The Arrow deposit features ~240Mlbs @ ~2.4% U₃O₈ (~80% of the contained uranium comes from the A2 zone grading +3.3% U₃O₈) in reserves. Based on this reserve, NXE's 2021 feasibility study envisioned a 1,300tpd UG operation producing ~22Mlbs annually over a ~11-year LOM. NXE will use conventional long-hole stope mining, utilizing two shafts to access the UG workings. The total pre-production capex for the four year build-up was estimated to be \$1.3B with an average annual operating cost of US\$5.69/lb of U₃O₈. NXE has signed Benefit Agreements with three different communities covering all phases of the project. These are positive de-risking steps for the project.

Breaking Down Our Valuation: We value the project using a similar production profile to the feasibility study, with the high grade A2 zone being accessed first and providing a production boost in the early years of the mine plan (~30Mlbs in years 1-5). Given the inflationary environment, we have inflated our opex/capex numbers to be prudent. Based on our LT US\$65/lb U₃O₈ price, a \$1.4B (financed through project debt and equity) build-out, a LOM average operating costs of ~US\$8.80/lb, and starting production in 2027, our NPV10% valuation returns a +\$3B valuation for the Arrow deposit. We assign a US\$8.50/lb multiple to the ~98Mlbs of resources not included in the mine plan in our valuation. We note that regional exploration (not included in our valuation) has not been a focus for NXE's team and there are still opportunities to make new discoveries. We incorporate NXE's +50% equity stake in IsoEnergy (ISO-V, Buy, Target \$7.10) around its recent trading levels. Netting out corporate costs and future financings, we arrive at a NAV of \$8.79/share. We highlight that in the initial years at our price deck, Arrow is expected to produce well over ~\$2B in free cash flow annually offering a quick payback.

Hard to Ignore this World Class Deposit...: Our BUY rating remains unchanged. Our new target price of \$11.50/share uses a 1.3x P/NAV multiple (currently trading at ~0.5x). NXE's recent peak multiple was +0.9x P/NAV, however we think given the fundamentals of the uranium market, the sheer size and impact on global supply that Arrow's production will bring, and that there aren't a lot of quality choices amongst uranium equities, NXE will likely trade at a much higher multiple. For comparison, Cameco's current P/NAV multiple is 1.1x and it traded as high as 1.8x (our NXE target would go to ~\$15.80/share using 1.8x P/NAV and this would still imply just a ~\$7.5B market cap for NXE, still under CCO's current market valuation) during the last bull uranium market. Considering Arrow alone will rival Cameco's entire output, we think our target is conservative. Future catalysts include an approved EIS on the way to full permitting, completion of engineering and geotechnical work to define a project execution schedule, and regional exploration drilling, which could bring about more discoveries. Key risks to our target price and valuation include commodity price risks (uranium), mining operations and technical build-up risks, cost inflation, financing, regulatory, and social risks associated with bringing a mining project into production.

Exhibit 11: Athabasca Basin Deposits

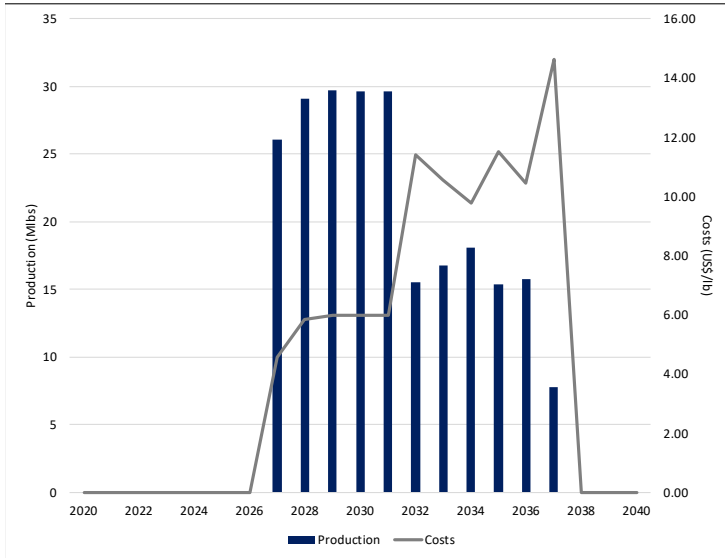


Source: Company reports

NexGen Energy Ltd. (NXE-T)

Rating	BUY	Target Price	\$11.50	Shares O/S (M)	479.4
		Last Price	\$4.72	Fully Diluted Shares (M)	530.5
Puneet Singh, Mining Research Analyst		Projected Return	144%	Basic Mkt. Capitalization (\$M)	\$2,263
psingh@viiicapital.com				Enterprise Value (\$M)	\$2,166

MODELLED URANIUM PRODUCTION PROFILE



URANIUM RESERVES & RESOURCES

	Ownership	Tonnes Mt	Grade % U3O8	Cont U3O8 (Mlbs)	
				100% Basis	NXE Share
Proven and Probable Reserves					
Arrow	100%	4.58	2.38%	239.5	239.5
Total Reserves		4.58	2.38%	239.5	239.5
Measured and Indicated Resources					
Arrow	100%	3.75	3.10%	256.7	256.7
Total M&I Resources		3.75	3.10%	256.7	256.7
Inferred Resources					
Arrow	100%	4.40	0.83%	80.6	80.6
Total Inferred Resources		4.40	0.83%	80.6	80.6
Total Arrow		8.15	1.88%	337.3	337.3
Current Per Pound Metrics					
EV/lb (US\$/lb)		\$4.94	2.19	125%	

NET ASSET VALUE (\$)

	NAV (\$M)	/Share	% NAV
Assets:			
Arrow After-Tax NPV @ 10% (100%)	3,042	5.53	63%
Unmined Resources @ US\$8.50/lb	1,039	1.89	22%
Balance Sheet & Other Items:			
Debt (excl. convert)	0	0.00	0%
Cash	187	0.34	4%
IsoEnergy Equity Investment	213	0.39	4%
Future Equity Financing	490	0.89	10%
Corporate SG&A	(140)	(0.25)	-3%
Total	4,832	8.79	100%
Current P/NAV		0.54x	
Target P/NAV Multiple		1.30x	
Rounded Share Price Target		11.50	

Sensitivities

U3O8 Price (US\$/lb)	30	40	50	60	70
NAV (\$/share)	4.21	5.52	6.83	8.13	9.44
Target Price (\$/share)	5.47	7.17	8.87	10.57	12.27
U3O8 Price (US\$/lb)	80	90	100	110	120
NAV (\$/share)	10.75	12.06	13.37	14.67	15.98
Target Price (\$/share)	13.97	15.67	17.38	19.08	20.78
P/NAV Multiple	1.1	1.2	1.3	1.4	1.5
Target Price (\$/share)	9.67	10.55	11.42	12.30	13.18
P/NAV Multiple	1.6	1.7	1.8	1.9	2.0
Target Price (\$/share)	14.06	14.94	15.82	16.70	17.58

BALANCE SHEET (\$M)

Year-end December	2019A	2020A	2021A	2022E
Assets:				
Cash	52.1	74.0	201.8	149.4
Other Current Assets	1.3	1.0	11.5	10.8
Current Assets	53.5	75.0	213.3	160.2
Mineral Properties	260.0	282.3	333.2	352.2
Other Non-Current Assets	0.1	0.1	0.1	0.1
Total Assets	313.5	357.4	546.6	512.5
Liabilities:				
Current Liabilities	4.8	7.3	8.2	16.0
Long-Term Debt	119.6	226.9	72.0	90.2
Other Non-Current Liabilities	2.8	4.0	5.0	4.4
Total Liabilities	127.2	238.1	85.2	110.6
Total Shareholder Equity	186.3	119.3	461.3	401.8

INCOME STATEMENT (\$M)

Year-end December	2019A	2020A	2021A	2022E
Total Revenue:	0.0	0.0	0.0	0.0
% Uranium	-	-	-	-
% Other	-	-	-	-
Operating Costs	0.0	0.0	0.0	0.0
G&A	12.3	11.6	17.7	15.8
Exploration	0.0	0.0	0.0	0.0
Depreciation	2.4	2.3	2.1	2.2
Other	(18.5)	(114.3)	(141.9)	(84.2)
EBITDA	(23.2)	(21.3)	(49.0)	(45.4)
EBIT	(3.8)	(100.4)	(122.1)	(66.1)
Interest Expense	(11.8)	(13.4)	(3.7)	(2.1)
EBT	(15.6)	(113.8)	(125.8)	(68.2)
Taxes	(0.9)	(0.7)	(1.1)	0.3
Other	0.0	0.0	0.0	0.0
Net Income (Reported)	(16.5)	(114.5)	(126.9)	(67.9)
Attributable	(15.5)	(109.8)	(119.1)	(59.5)
EPS (Reported) \$/sh				
	(0.04)	(0.30)	(0.26)	(0.14)
Average Shares (M)	354.6	370.5	459.3	479.4

CASH FLOW STATEMENT (\$M)

Year-end December	2019A	2020A	2021A	2022E
Net Income (Reported)	(16.5)	(114.5)	(126.9)	(67.9)
Depreciation	2.4	2.3	2.1	2.2
Other	3.1	101.4	108.1	50.1
Adjusted Operating Cash Flow	(11.1)	(10.8)	(16.7)	(15.6)
Adj. CFPS (\$/sh)	(0.03)	(0.03)	(0.04)	(0.03)
Working Capital Changes	(1.7)	0.2	(0.1)	(0.3)
Operating Cash Flow	(12.8)	(10.6)	(16.8)	(15.9)
Operating Cash Flow/sh (\$/sh)	(0.03)	(0.03)	(0.04)	(0.03)
Capital Expenditures	(57.1)	(18.1)	(45.7)	(36.8)
Acquisitions	0.0	0.0	0.0	0.0
Other	(0.6)	(0.2)	(1.0)	(0.2)
Investing Cash Flow	(57.7)	(18.2)	(46.7)	(37.0)
Common Share Dividends	0.0	0.0	0.0	0.0
Equity Financing	0.0	24.6	164.3	0.0
Debt Issue	0.0	28.8	0.0	0.0
Debt Repayment	0.0	0.0	0.0	0.0
Other	(1.4)	(2.1)	27.0	0.7
Financing Cash Flow	(1.4)	51.2	191.4	0.7
Net Change in Cash	(72.9)	21.9	127.8	(52.4)
Cash Balance	52.1	74.0	201.8	149.4
Free Cash Flow	(70.5)	(28.9)	(63.5)	(52.9)

Exhibit 12: Monthly Technical Analysis



Source: Eight Capital Quantitative Analyst Joe Farrell and Associate Tony Popowich; Chart courtesy of Stockcharts.com

- The stock is testing the bottom of the bullish secondary accumulation zone which itself sits on top of a decade long ascending triangle base breakout.
- The top of the bullish secondary accumulation zone lies ahead above \$8.00.

Energy Fuels Inc.

(EFR-T: C\$6.84)

June 21, 2022

BUY

Target: C\$16.50 (from C\$ 14.60)

Puneet Singh / (647) 265-8216

psingh@viiicapital.com

Buy it for the Torque to the Upside as the Rare Earth Opportunity Drives Funds Flow

	Old	Current
Rating	BUY	BUY
Target	C\$14.60 ▲	C\$16.50
Projected Return	113%	141%

Company Data

Last Price	C\$6.84
52-week Range	\$5.55 - C\$14.33
Market Cap (\$M)	C\$1,078
Enterprise Value (\$M)	C\$980
Shares Outstanding - Basic (M)	157.6
Shares Outstanding - Diluted (M)	158.3
Average Volume - 100d ('000 shares/day)	888.4
Cash (\$M)	\$98.0
Debt (\$M)	\$0.0
Fiscal Year End	Dec-31

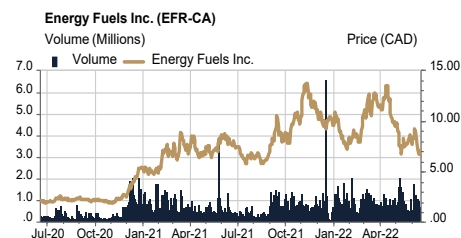
Valuation

NAVPS	\$11.03
P/NAV	0.62x

Estimates	2021A	2022E	2023E	2024E
EBITDA (\$M)	(34)	(5)	5	31
Adj. EPS (\$/sh)	0.01	(0.20)	(0.11)	0.02
Adj. CFPS (\$/sh)	(0.18)	(0.12)	(0.09)	0.04

All figures in US\$ unless otherwise noted

Source: FactSet, Company Reports, Eight Capital



Company Description

Energy Fuels is a US producer of uranium and vanadium. Additionally, the company has the capability of producing rare earths. Key assets include the White Mesa mill in Utah capable of producing uranium, vanadium, and rare earths; the Nichols Ranch ISR uranium mine in Wyoming; the Alta Mesa ISR uranium mine in Texas; and the Pinyon Plains conventional uranium project in Arizona.

Effective immediately, we are assuming coverage of Energy Fuels Inc.

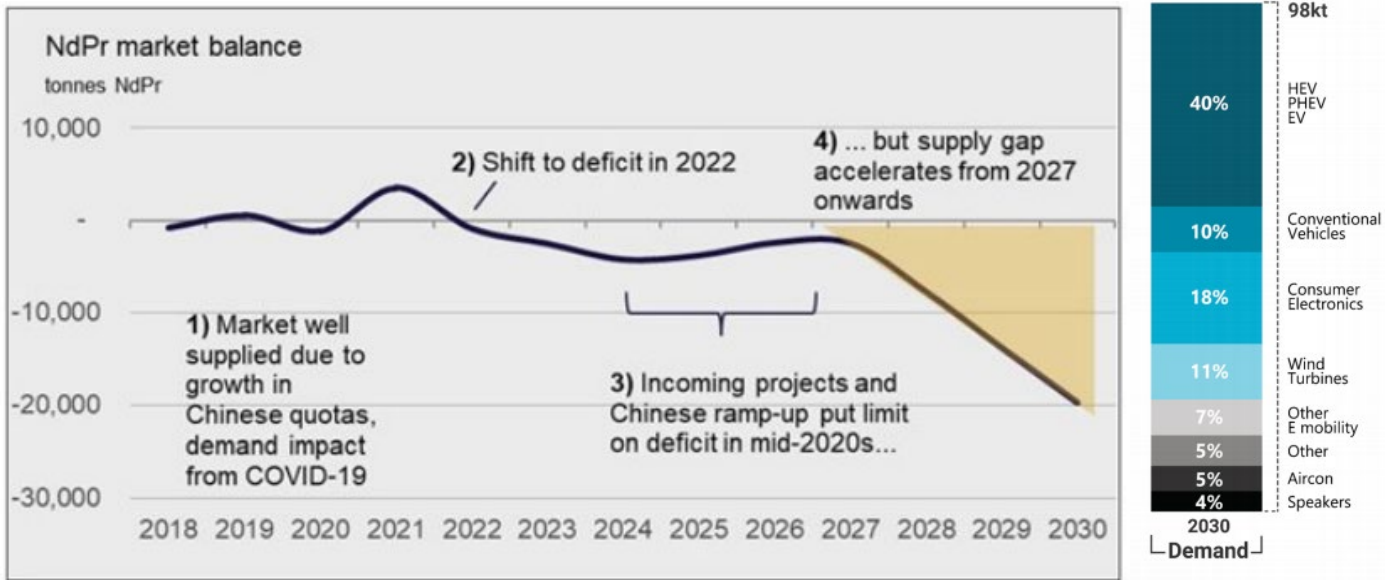
Simplifying the Story: EFR, a uranium producer since the last cycle, has put its uranium assets on standby awaiting higher prices. In the meantime, to keep its flagship White Mesa mill going, the Company has been processing alternate feed sources. These sources can vary, but one example involves low grade ore given to the Company to recycle (i.e. high margin since the source Company was trying to get rid of it). While the stock ebbs and flows as other uranium equities do, EFR's share price gets an added push by its continued development of its rare earth minerals business. EFR's current +C\$1B market cap trails behind other rare earth developers/producers such as MP Materials, Lynas and Iluka Resources (MP-N, LYC-A, ILU-A, All Not Rated) with valuations ranging from ~C\$3-8B. Once MP ramps up, it's looking to produce +6ktpa NdPr (Neodymium-Praseodymium) oxide, Lynas already produces ~5.8ktpa, and Iluka is looking to produce ~2.7ktpa.

Rare Earths Opportunity: Monazite, a by-product of heavy mineral sand mining, is fed through the White Mesa mill and processed to produce various rare earth elements. Currently, the mill processes ~1ktpa of monazite and produces ~0.7-1kt of mixed REE carbonate. The goal is to add in separation capability of heavy and light REE over the next couple of years (VIII estimate: 2026 start-up). EFR wants to be able to process 15-30ktpa of monazite over time and is currently working to secure supply. Chemours (CC-N, Not Rated) is signed on for ~2.5ktpa monazite and the Company recently bought land in Brazil in a \$27.5M transaction that it believes could supply 3-10ktpa monazite. The most lucrative separated REO (rare earth oxide) is NdPr oxide. EFR's current monazite feed is ~53% TREO (total REO) and of this ~22% is NdPr (essentially 10kt monazite nets +1kt NdPr) which is currently valued at +\$140k/t. The price for NdPr has gone parabolic (2020 low: ~\$40k/t, 2022 high: \$190/t). The demand for NdPr is being driven by the electric vehicle adoption curve, causing a supply deficit. We estimate EFR could produce +2ktpa NdPr in its first phase of development and build up to +4ktpa over time.

Breaking Down Our Valuation: Our uranium price deck sees prices going to \$70/lb by 2024 (LT: \$65/lb), and the lead-up to that is likely to push EFR to green-light one of its standby uranium assets, likely Pinyon Plains or Nichols Ranch, as an add-on to the alternate feed it currently processes. We model EFR building up to +2.5Mlbs by 2026 (0.7Mlbs in 2024). Our NPV8-10% value for EFR's uranium assets returns C\$633M. The bulk of the capital spending will be to upgrade the White Mesa mill's rare earth capabilities. We estimate the first phase could cost \$250M, with EFR achieving an annual run rate of 20kt monazite processed by 2027, netting 2.2ktpa NdPr. We also factor in another phase of development up to 4.4ktpa NdPr post 2030 as we think the US will push for more domestic production of high-demand rare earth minerals such as NdPr. Our NPV10% for EFR's rare earths business returns C\$1.1B (+64% of project NAV) at a NdPr price of \$120 k/t. Netting out our valuation balance sheet items, EFR's uranium (~0.7Mlbs) and vanadium (~1.4Mlbs) inventory, we arrive at a NAV of C\$11.03/share.

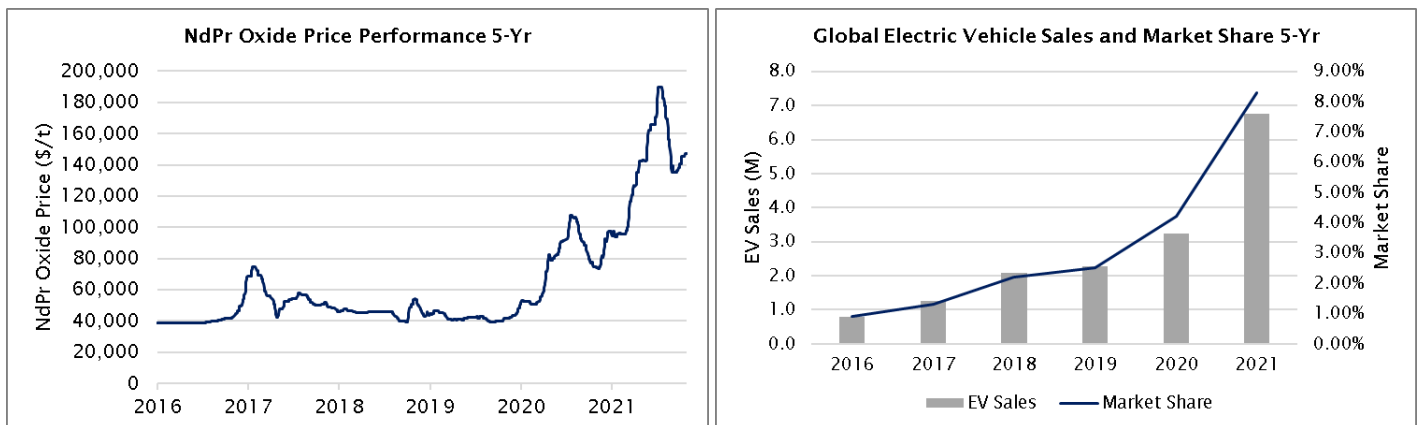
Rare Earth Minerals Provide the Torque for Electric Vehicles and EFR's Share Price: Our BUY rating remains unchanged. Our new target price of \$16.50/share uses a 1.5x P/NAV multiple (currently trading at ~0.6x). EFR's recent peak multiple was 1.3x P/NAV. NdPr is a vital component of permanent magnets used in electric vehicles. Our input pricing of \$120k/t is under current pricing of +\$140k/t (using this, NAV goes to ~C\$13.50/share) and recent highs of \$190k/mt. For context, currently EVs consume less than 10% of global supply and prices have spiked. EVs need NdPr magnets due to the high magnetic strength in a light-weight magnet able to power an EV motor. The EV adoption rate is moving faster than supply can keep up for many metals. REOs such as NdPr will likely also have a similar fate, and the added backdrop involves China (~90% of NdPr supply currently) possibly shutting off exports of its production in preference to supplying its own domestic market. For EFR, it has to prove to the market it has the supply of monazite locked down (likely has about half of its requirements for our phase one development so far). Catalysts include the securing of additional monazite feed, possible production decisions on idled uranium assets, and continued physical uranium purchases. Key risks to our target price and valuation include commodity price risks (uranium, rare earths), mining operations and technical start-up risks, cost inflation, regulatory, and social risks associated with mining.

Exhibit 13: NdPr Market Balance Estimates (LHS); Demand by Segment (RHS)



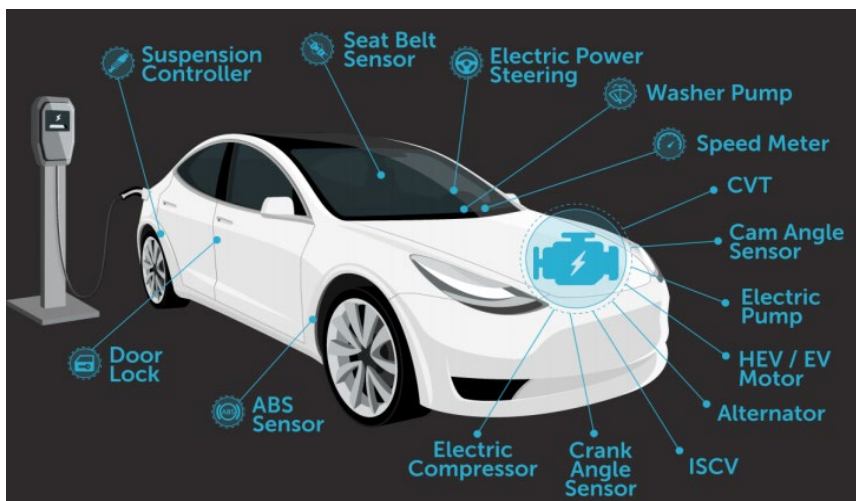
Source: Arafura Resources (ARU-A, Not Rated), CRU Group, MP Materials

Exhibit 14: NdPr Price History and EV Sales



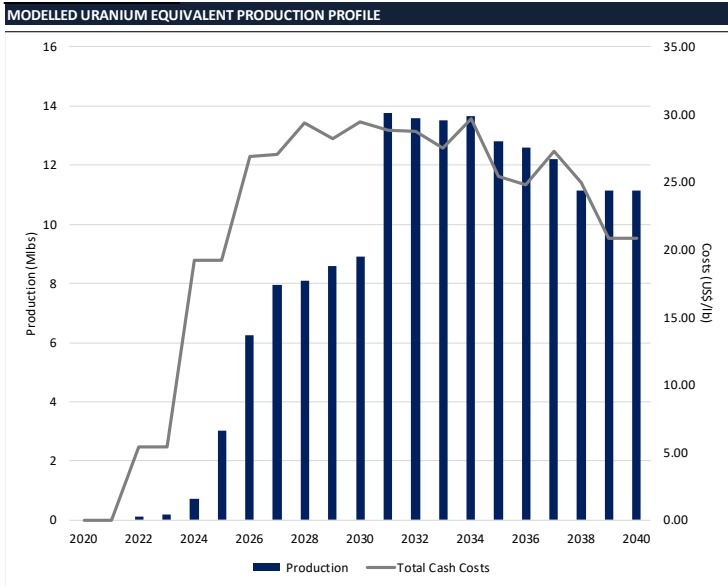
Source: Bloomberg, Eight Capital, EV-volumes.com

Exhibit 15: NdFeB Magnet Components in an Electric Vehicle



Source: Arafura Resources

Energy Fuels Inc. (EFR-T)					
Rating	BUY	Target Price	C\$16.50	Shares O/S (M)	157.6
		Last Price	C\$6.84	Fully Diluted Shares (M)	158.3
Puneet Singh, Mining Research Analyst		Projected Return	141%	Basic Mkt. Capitalization (\$M)	C\$1,082
psingh@viiicapital.com				Enterprise Value (\$M)	C\$984



URANIUM RESERVES & RESOURCES				
	Ownership	Tonnes Mt	Grade % U3O8	Cont U3O8 (Mlbs) EFR Share
Proven and Probable Reserves				
Conventional Assets	100%	7.45	0.12%	18.4
Total Reserves		7.45	0.12%	18.4
Measured and Indicated Resources				
ISR Assets	88-100%	4.51	0.11%	9.6
Conventional Assets	100%	7.75	0.25%	38.7
Total M&I Resources		12.26	0.20%	48.3
Inferred Resources				
ISR Assets	88-100%	7.61	0.12%	18.0
Conventional Assets	100%	2.76	0.37%	20.3
Total Inferred Resources		10.37	0.18%	38.2
Total		22.63	0.19%	86.5

NET ASSET VALUE (C\$)			
	NAV (C\$M)	/Share	% NAV
Assets:			
ISR Assets After-Tax NPV @ 8-10% (88-100%)	414	2.61	24%
Conventional Assets After-Tax NPV @ 8-10% (100%)	219	1.39	13%
Rare Earths After-Tax NPV @ 10% (100%)	1,119	7.07	64%
Balance Sheet & Other Items:			
Debt	0	0.00	0%
Cash	123	0.78	7%
Investments	35	0.22	2%
Inventories	77	0.49	4%
Corporate SG&A	(242)	(1.53)	-14%
Total	1,745	11.03	100%
Current P/NAV		0.62x	
Target P/NAV Multiple		1.50x	
Rounded Share Price Target		16.50	

Sensitivities					
U3O8 Price (\$/lb)	30	40	50	60	70
NAV (C\$/share)	6.21	7.66	9.03	10.36	11.66
Target Price (C\$/share)	9.32	11.48	13.55	15.54	17.50
U3O8 Price (\$/lb)	80	90	100	110	120
NAV (C\$/share)	12.97	14.27	15.57	16.88	18.18
Target Price (C\$/share)	19.45	21.41	23.36	25.32	27.27
NdPr Price (\$/t)	80	100	120	140	160
NAV (C\$/share)	6.04	8.54	11.03	13.52	16.01
Target Price (C\$/share)	9.06	12.80	16.54	20.28	24.02
P/NAV Multiple	1.1	1.2	1.3	1.4	1.5
Target Price (C\$/share)	12.13	13.23	14.34	15.44	16.54
P/NAV Multiple	1.6	1.7	1.8	1.9	2.0
Target Price (C\$/share)	17.65	18.75	19.85	20.95	22.06

BALANCE SHEET (\$M)				
Year-end December	2019A	2020A	2021A	2022E
Assets:				
Cash (excl. restricted cash)	12.8	20.2	112.5	65.3
Other Current Assets	30.4	32.3	36.8	36.4
Current Assets	43.2	52.5	149.3	101.7
Mineral Properties	83.5	83.5	83.5	83.5
Other Non-Current Assets	49.0	47.2	82.6	80.9
Total Assets	175.7	183.2	315.4	266.2
Liabilities:				
Current Liabilities	22.6	12.3	6.1	5.0
Long-Term Debt	0.0	0.0	0.0	0.0
Other Non-Current Liabilities	22.5	13.4	13.8	14.0
Total Liabilities	45.1	25.7	19.9	19.0
Total Shareholder Equity	130.6	157.5	295.5	247.2

INCOME STATEMENT (\$M)				
Year-end December	2019A	2020A	2021A	2022E
Total Revenue:	5.9	1.7	3.2	13.5
% Uranium	1%	0%	0%	45%
% Other	99%	100%	100%	55%
Operating Costs	3.9	0.0	1.8	5.3
G&A	14.3	14.3	15.3	20.8
Exploration	0.0	0.0	0.0	0.0
Depreciation	0.0	0.0	0.0	0.0
Other	(48.9)	(39.6)	(12.4)	(43.5)
EBITDA	(24.3)	(21.1)	(34.1)	(5.2)
EBIT	(36.6)	(26.9)	1.5	(30.9)
Interest Expense	(1.5)	(1.0)	(0.1)	(0.0)
EBT	(38.1)	(27.9)	1.4	(31.0)
Taxes	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Net Income (Reported)	(38.1)	(27.9)	1.4	(31.0)
Attributable	(38.0)	(27.8)	1.5	(30.8)
EPS (Reported) \$/sh	(0.40)	(0.23)	0.01	(0.20)
Average Shares (M)	95.7	121.2	146.9	157.6

CASH FLOW STATEMENT (\$M)				
Year-end December	2019A	2020A	2021A	2022E
Net Income (Reported)	(38.1)	(27.9)	1.4	(31.0)
Depreciation	1.2	2.7	3.2	3.3
Other	14.3	1.8	(31.3)	8.5
Adjusted Operating Cash Flow	(22.6)	(23.3)	(26.7)	(19.2)
Adj. CFPS (\$/sh)	(0.24)	(0.19)	(0.18)	(0.12)
Working Capital Changes	(21.8)	(8.8)	(2.6)	(2.6)
Operating Cash Flow	(44.4)	(32.2)	(29.3)	(21.7)
Operating Cash Flow/sh (\$/sh)	(0.46)	(0.27)	(0.20)	(0.14)
Capital Expenditures	0.0	(0.6)	(1.4)	(1.6)
Acquisitions	0.0	0.0	2.0	(27.5)
Other	22.6	4.2	2.6	0.0
Investing Cash Flow	22.6	3.6	3.2	(29.1)
Common Share Dividends	0.0	1.0	2.0	3.0
Equity financing	19.7	52.4	106.2	4.2
Debt Issue	0.8	0.0	0.0	0.0
Debt Repayment	(0.3)	(16.0)	0.0	0.0
Other	0.2	(0.8)	9.7	(3.6)
Financing Cash Flow	20.4	36.6	117.9	3.6
Net Change in Cash	(1.4)	8.1	91.8	(47.2)
Cash Balance	32.9	41.0	132.8	85.6
Free Cash Flow	(21.8)	(28.6)	(26.1)	(50.8)

Exhibit 16: Monthly Technical Analysis



Source: Eight Capital Quantitative Analyst Joe Farrell and Associate Tony Popowich; Chart courtesy of Stockcharts.com

- The stock is testing the bottom of the bullish secondary accumulation zone which itself sits on top of the 2015-2021 base breakout.
- The top of the bullish secondary accumulation zone lies ahead above C\$14.00.

Fission Uranium Corp.

(FCU-T: C\$0.64)

June 21, 2022

BUY

Target: C\$1.50 (from C\$ 2.00)

Puneet Singh / (647) 265-8216

psingh@viiicapital.com

Already a Bargain on a Stand-Alone Basis; Synergistic Scenario Even Better

	Old	Current
Rating	BUY	BUY
Target	\$2.00 ▼	\$1.50
Projected Return	213%	134%

Company Data

Last Price		\$0.64
52-week Range	\$0.45 -	\$1.25
Market Cap (\$M)		\$433
Enterprise Value (\$M)		\$391
Shares Outstanding - Basic (M)		676.0
Shares Outstanding - Diluted (M)		761.2
Average Volume - 100d ('000 shares/day)		2,277
Cash (\$M)		\$49.5
Debt (\$M)		\$7.6
Fiscal Year End		Dec-31

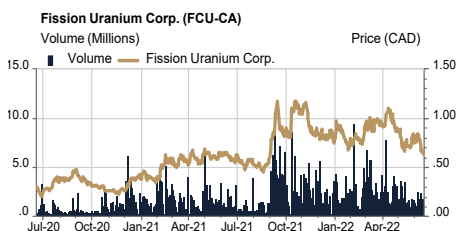
Valuation

NAVPS	\$1.35
P/NAV	0.48x
EV/lb (US\$/lb)	\$2.22

Estimates	2021A	2022E	2023E	2024E
EBITDA (\$M)	(6)	(8)	(8)	(14)
Adj. EPS (\$/sh)	(0.01)	(0.02)	(0.01)	(0.01)
Adj. CFPS (\$/sh)	(0.01)	(0.01)	(0.01)	(0.01)

All figures in C\$ unless otherwise noted

Source: FactSet, Company Reports, Eight Capital



Company Description

Fission is a Canadian-based uranium exploration and development company focused on the western portion of the Athabasca Basin, SK. It's 100% owned pre-feasibility study stage Triple R deposit features shallow, high-grade mineralization and is advancing towards the feasibility stage.

Effective immediately, we are assuming coverage of Fission Uranium Corp.

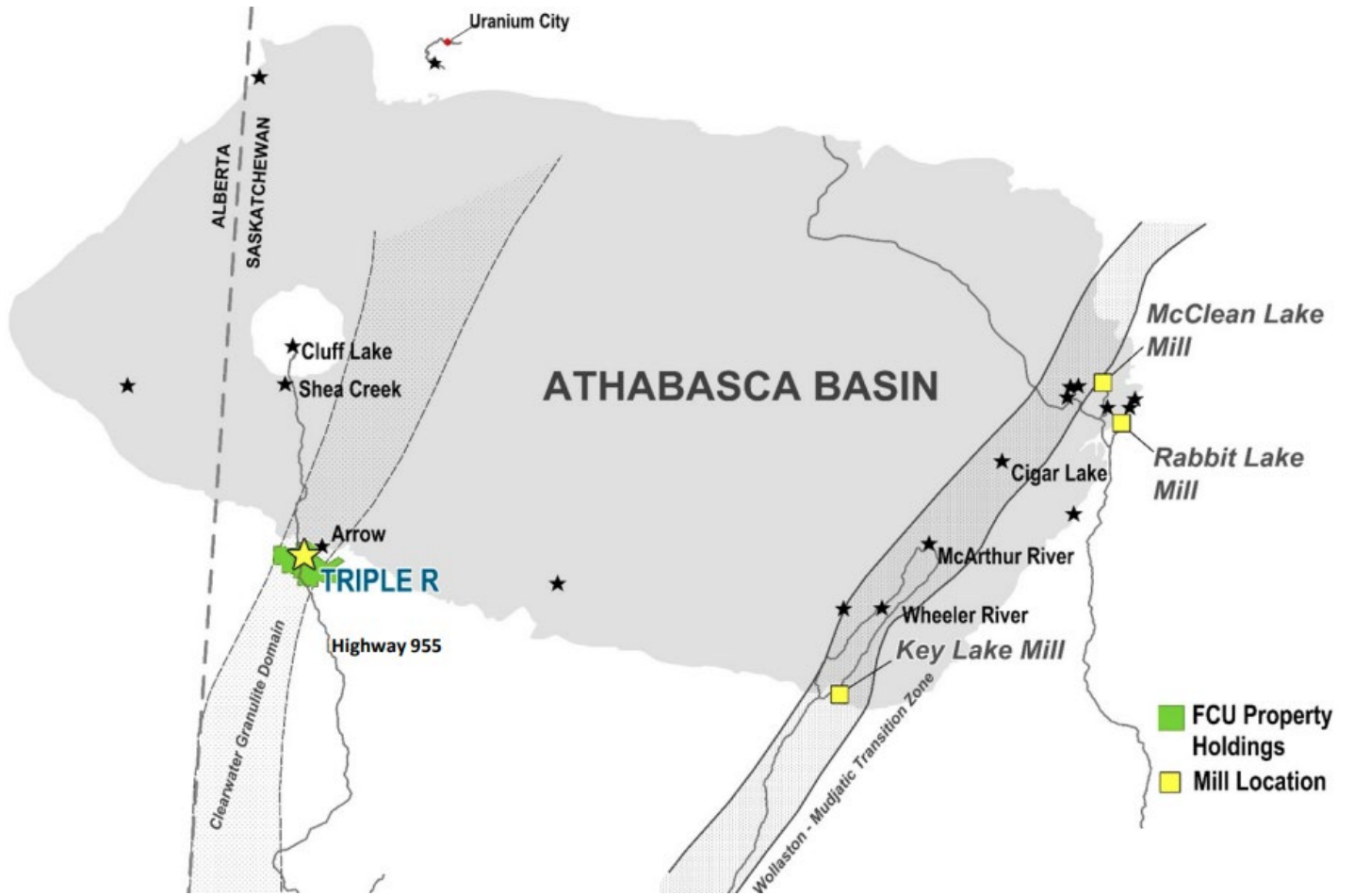
Real Synergies in Mining Come When the Assets Are Close by: The mining sector has seen a period of increased consolidation, particularly in the gold industry. The transactions that make most sense to us have been those that put together assets that are close by (e.g. the Nevada Gold Mines joint venture) as they outline a concrete path to synergies, usually through cost savings and value creation based on shared infrastructure, streamlined operations, and shared intel. Fission's Triple R project no doubt works on a stand-alone basis, and that's our base case. However, as the bull uranium market develops and demand necessitates more supply, we think consolidation will occur as companies and shareholders push for size/growth. Given that NexGen's Arrow is also advancing a project in the Western portion of the Athabasca Basin ([Exhibit 17](#)), we think these two companies working together in the future would make a lot of sense and is likely the best route for ultimate value creation for shareholders. In this scenario, we estimate Fission could save ~\$770M (versus our estimated total +\$1.3B) by not building out its own plant (NAV on this scenario: ~\$1.83/share implying a current P/NAV: ~0.4x).

Grades and Shallow Nature of Triple R Driving Low Cost Profile: The Triple R deposit features ~81Mlbs @ ~1.6% U₃O₈ (majority coming from the R780E area). Based on this reserve, FCU's 2019 pre-feasibility study (based on a US\$50/lb U₃O₈ price) envisioned a 1,000tpd UG only operation producing ~11Mlbs (+13Mlbs over the first five years) annually over a +7-year mine life. Resources will be accessed using a decline, ground freezing techniques common to the Basin, and mining will occur through long-hole stoping. The total pre-production capex for the three year build-up was estimated to be ~\$1.2B with an average annual operating cost of US\$7.18/lb of U₃O₈. We note that high-grade mineralization starts just 50m from the surface ([Exhibit 11](#)), an important feature driving bottom quartile opex.

Breaking Down Our Valuation: We value the project with the R780E area being the main focus of production, but add in additional resources that will likely be converted into reserves in the future. We model a 9-year mine life producing 11.5Mlbs p.a. Given the inflationary environment, we have inflated our opex/capex numbers to be prudent. Our NPV10% valuation assuming a +\$1.3B (financed through project debt and equity) build-out, a LOM average operating costs of ~US\$11.50/lb, and starting production in late 2028/early 2029, returns a ~\$640M valuation for the Triple R deposit based on our LT US\$65/lb U₃O₈ price. We assign a US\$5/lb multiple to those resources not included in our modelled production profile. Netting out corporate costs and future financings, we arrive at a NAV of \$1.35/share. There is potential for other areas, particularly R840W, to be included in the mine plan in the future.

The Best is Yet to Come as Fission Continues to De-risk its Project: Our BUY rating remains unchanged. Our new target price of \$1.50/share uses a 1.1x P/NAV multiple (currently trading at ~0.5x). FCU's recent peak multiple was 0.9x P/NAV. On a per pound in the ground basis, FCU has lagged behind peers (currently FCU: ~US\$2/lb; NXE: +US\$5/lb, Denison, DML-T, Not Rated: +US\$5/lb; recent 52-week peaks: FCU: ~US\$5/lb; NXE: ~US\$9/lb, DML: ~US\$11/lb; average 52-week EV/lb multiple of US\$8/lb applied to FCU resource also returns a \$1.50/share valuation). As further de-risking occurs, we'd expect the valuation gap to close. The current valuation entry point gets even more compelling considering the synergistic scenario that could potentially play out with NexGen in the future. Our target price drops mainly because of our timeline for production being pushed out (previously 2026, now late 2028/early 2029) to be more in-line with management's guidance. We highlight Fission's announcement community engagement agreement [announcement](#) as positive and a step in the right direction. Catalysts include ongoing work towards the release of a feasibility study (due at the end of 2022), community negotiations (ongoing), and ongoing work towards an Environmental Impact Assessment (2023). Key risks to our target price and valuation include commodity price risks (uranium), mining operations and technical build-up risks, cost inflation, financing, regulatory, and social risks associated with bringing a mining project into production.

Exhibit 17: Triple R Location

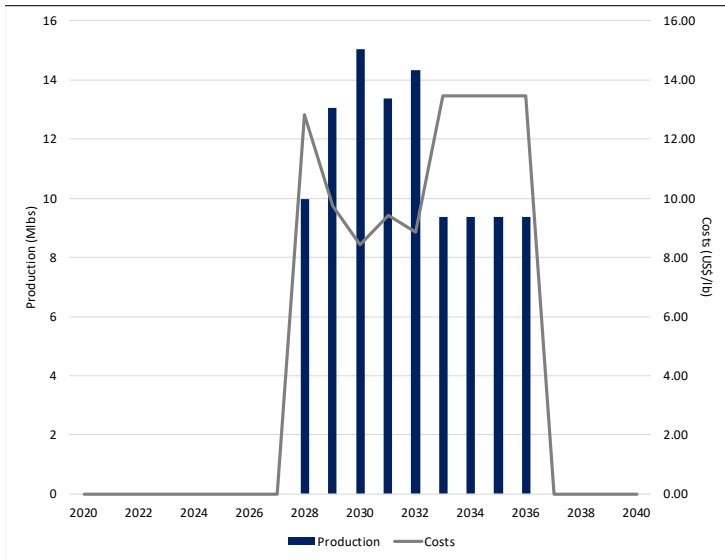


Source: Company reports

Fission Uranium Corp. (FCU-T)

Rating	BUY	Target Price	\$1.50	Shares O/S (M)	676.0
		Last Price	\$0.64	Fully Diluted Shares (M)	761.2
Puneet Singh, Mining Research Analyst		Projected Return	134%	Basic Mkt. Capitalization (\$M)	\$487
psingh@viiicapital.com				Enterprise Value (\$M)	\$445

MODELLED URANIUM PRODUCTION PROFILE



URANIUM RESERVES & RESOURCES

	Ownership	Tonnes Mt	Grade % U3O8	Cont U3O8 (Mlbs)	
				100% Basis	FCU Share
Proven and Probable Reserves					
Triple R	100%	2.30	1.61%	81.4	81.4
Total Reserves		2.30	1.61%	81.4	81.4
Measured and Indicated Resources					
Triple R	100%	2.22	2.10%	102.4	102.4
Total M&I Resources		2.22	2.10%	102.4	102.4
Inferred Resources					
Triple R	100%	1.22	1.22%	32.8	32.8
Total Inferred Resources		1.22	1.22%	32.8	32.8
Total		3.44	1.79%	135.2	135.2
Current Per Pound Metrics					
EV/lb (US\$/lb)		FCU	Dev. Peers	Prem./Disc.	
		\$2.53	2.19	16%	

NET ASSET VALUE (\$)

	NAV (\$M)	/Share	% NAV
Assets:			
Triple R After-Tax NPV @ 10% (100%)	640	0.65	48%
Unmined Resources @ US\$5.00/lb	200	0.20	15%
Balance Sheet & Other Items:			
Debt	(8)	(0.01)	-1%
Cash	49	0.05	4%
Future Equity Financing	523	0.53	39%
Corporate SG&A	(75)	(0.08)	-6%
Total	1,330	1.35	100%
Current P/NAV			0.83x
Target P/NAV Multiple			1.10x
Rounded Share Price Target			1.50

Sensitivities

	30	40	50	60	70
U3O8 Price (US\$/lb)					
NAV (\$/share)	0.30	0.61	0.91	1.22	1.52
Target Price (\$/share)	0.33	0.67	1.00	1.34	1.67
U3O8 Price (US\$/lb)	80	90	100	110	120
NAV (\$/share)	1.82	2.13	2.43	2.73	3.04
Target Price (\$/share)	2.00	2.34	2.67	3.01	3.34
P/NAV Multiple	1.1	1.2	1.3	1.4	1.5
Target Price (\$/share)	1.48	1.62	1.75	1.89	2.02
P/NAV Multiple	1.6	1.7	1.8	1.9	2.0
Target Price (\$/share)	2.16	2.29	2.42	2.56	2.69

BALANCE SHEET (\$M)

Year-end December	2019A	2020A	2021A	2022E
Assets:				
Cash	4.8	29.9	53.6	31.7
Other Current Assets	0.2	0.2	0.9	0.9
Current Assets	5.0	30.2	54.5	32.6
Mineral Properties	316.9	320.2	342.0	346.9
Other Non-Current Assets	0.8	1.2	2.7	2.0
Total Assets	322.7	351.6	399.2	381.5
Liabilities:				
Current Liabilities	0.4	0.8	1.6	2.4
Long-Term Debt	0.0	7.1	7.6	7.6
Other Non-Current Liabilities	0.3	2.8	2.8	3.5
Total Liabilities	0.7	10.7	12.1	13.5
Total Shareholder Equity	322.0	340.9	387.1	368.0

INCOME STATEMENT (\$M)

Year-end December	2019A	2020A	2021A	2022E
Total Revenue:	0.0	0.0	0.0	0.0
% Uranium	-	-	-	-
% Other	-	-	-	-
Operating Costs	0.0	0.0	0.0	0.0
G&A	4.5	4.2	3.3	4.0
Exploration	0.0	0.0	0.0	0.0
Depreciation	0.2	0.2	0.1	0.1
Other	(10.1)	(10.6)	(8.9)	(13.6)
EBITDA	(4.5)	(6.0)	(6.2)	(8.0)
EBIT	(5.4)	(6.1)	(5.4)	(9.5)
Interest Expense	0.0	(2.9)	(1.4)	(1.4)
EBT	(5.4)	(9.0)	(6.8)	(11.0)
Taxes	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Net Income (Reported)	(5.4)	(9.0)	(6.8)	(11.0)
Attributable	(5.4)	(9.0)	(6.8)	(11.0)
EPS (Reported) \$/sh	(0.01)	(0.02)	(0.01)	(0.02)
Average Shares (M)	486.2	497.6	630.2	676.0

CASH FLOW STATEMENT (\$M)

Year-end December	2019A	2020A	2021A	2022E
Net Income (Reported)	(5.4)	(9.0)	(6.8)	(11.0)
Depreciation	0.2	0.2	0.1	0.1
Other	1.2	3.6	3.3	6.9
Adjusted Operating Cash Flow	(4.0)	(5.2)	(3.4)	(4.0)
Adj. CFPS (\$/sh)	(0.01)	(0.01)	(0.01)	(0.01)
Working Capital Changes	0.1	0.0	0.1	(0.5)
Operating Cash Flow	(3.9)	(5.2)	(3.3)	(4.5)
Operating Cash Flow/sh (\$/sh)	(0.01)	(0.01)	(0.01)	(0.01)
Capital Expenditures	(12.1)	(2.8)	(20.1)	(15.0)
Acquisitions	0.0	0.0	0.0	0.0
Other	10.0	0.1	0.3	(3.0)
Investing Cash Flow	(2.1)	(2.7)	(19.8)	(18.0)
Common Share Dividends	0.0	0.0	0.0	0.0
Equity financing	0.0	24.1	34.5	0.0
Debt Issue	0.0	13.5	0.0	0.0
Debt Repayment	0.0	(3.9)	0.0	0.0
Other	(0.1)	(0.6)	12.3	0.6
Financing Cash Flow	(0.1)	33.1	46.8	0.6
Net Change in Cash	(6.2)	25.2	23.7	(21.9)
Cash Balance	4.8	29.9	53.6	31.7
Free Cash Flow	(6.1)	(7.9)	(23.1)	(22.5)

Exhibit 18: Weekly Technical Analysis



Source: Eight Capital Quantitative Analyst Joe Farrell and Associate Tony Popowich; Chart courtesy of Stockcharts.com

- The stock is testing the bottom of the bullish secondary accumulation zone which itself sits on top of the 2015-2021 base breakout.
- The top of the bullish secondary accumulation zone lies ahead at the \$1.20 zone.

Uranium Energy Corp.

(UEC-N: US\$3.33)

June 21, 2022

BUY

Target: US\$7.00 (from US\$ 6.70)

Puneet Singh / (647) 265-8216

psingh@viicapital.com

Production Primed to Go Coupled with Lucrative Physical Warehoused U₃O₈

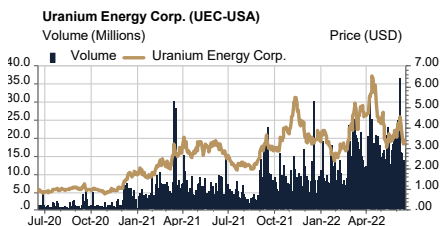
	Old	Current
Rating	BUY	BUY
Target	\$6.70 ▲	\$7.00
Projected Return	101%	110%

Company Data	
Last Price	\$3.33
52-week Range	\$1.89 - \$6.60
Market Cap (\$M)	\$953
Enterprise Value (\$M)	\$906
Shares Outstanding - Basic (M)	286.3
Shares Outstanding - Diluted (M)	298.2
Average Volume - 100d ('000 shares/day)	15,226
Cash (\$M)	\$47.0
Debt (\$M)	\$0.0
Fiscal Year End	Jul-31

Valuation	
NAVPS	\$4.11
P/NAV	0.81x
EV/lb (\$/lb)	\$5.98

Estimates	2021A	2022E	2023E	2024E
EBITDA (\$M)	(17)	(15)	(24)	20
Adj. EPS (\$/sh)	(0.07)	(0.03)	(0.09)	0.10
Adj. CFPS (\$/sh)	(0.06)	(0.05)	(0.08)	0.10

All figures in US\$ unless otherwise noted
Source: FactSet, Company Reports, Eight Capital



Company Description

Uranium Energy is a US producer of uranium. The Company has key mining assets that will feed two separate established processing facility hubs in Wyoming and Texas. Additionally, the Company owns a large physical uranium portfolio.

Effective immediately, we are assuming coverage of Uranium Energy Corp.

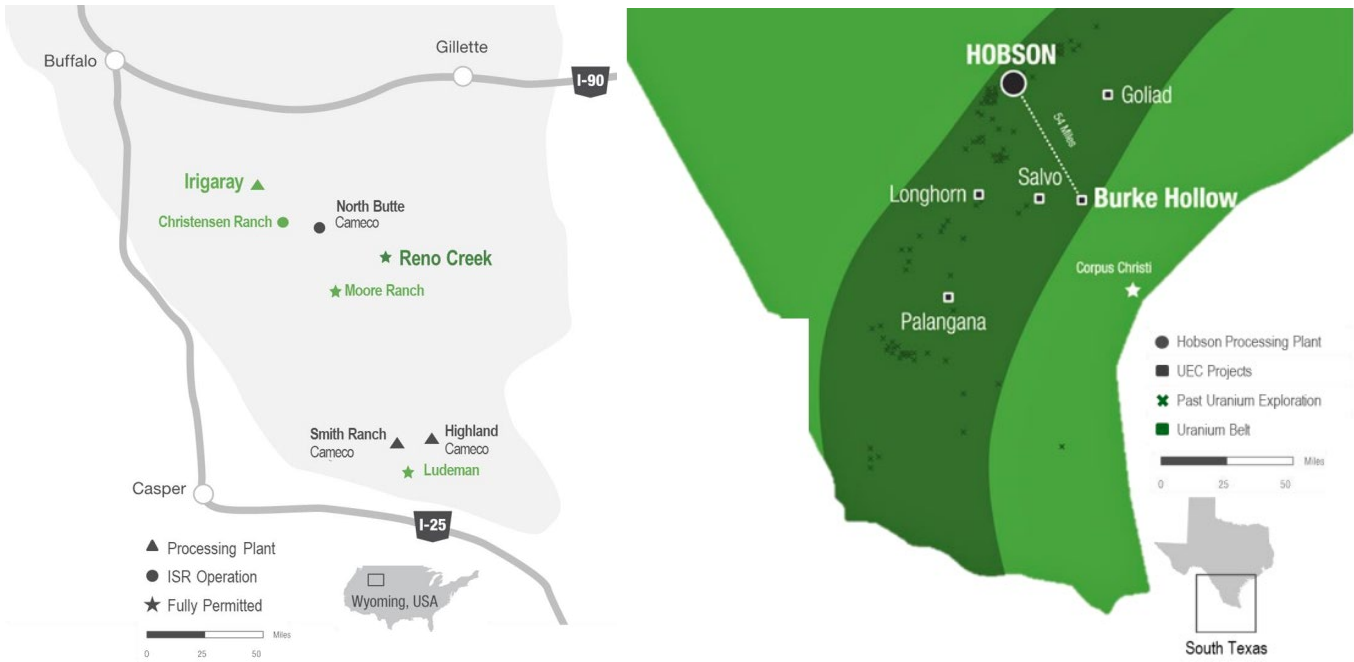
The 5Mlbs Stockpiling of Physical Uranium Looking Like a Winning Exercise: UEC has built up an inventory of ~5Mlbs of uranium over the past couple years. The average cost of these pounds is ~\$38/lb. These pounds are expected to be delivered until Dec/2025. We believe these pounds will prove lucrative for UEC as uranium prices are expected to trend higher in the years ahead on strong fundamentals. At our price deck (\$65/lb U₃O₈) these inventories are worth \$325M (\$1.11/share) and help bolster UEC's balance sheet ahead of starting idled production.

"Hub and Spoke" Strategy Just Awaiting a Stabilization of Higher Uranium Prices: Last year's acquisition of US assets from Uranium One solidified the opportunity in Wyoming for UEC. In the acquisition, UEC acquired the Irigaray processing plant, in Wyoming which has a licensed production capacity of 2.5Mlbs U₃O₈. Irigaray will form the Hub for UEC in the region. The main source of feed to begin with will be the acquired Christensen Ranch (resources: 9.6Mlbs @ 0.07% U₃O₈) ISR project, which has four fully installed wellfields on standby. We see the Hub building up production to ~4.5Mlbs pa as UEC's existing asset, the permitted satellite or "spoke" Reno Creek (~70km away from Irigaray; resources: 27.5Mlbs @ 0.04% U₃O₈) comes on-line in later years. In Texas, a similar strategy will be used with the fully licensed and permitted Hobson facility, capable of 2Mlbs pa of production. The Burke Hollow (7.1Mlbs @ 0.09% U₃O₈; major permits in place) project will serve as the initial feed. UEC is currently developing a production area at Burke Hollow.

Breaking Down Our Valuation: Our uranium price deck sees prices going to \$70/lb by 2024 (LT: \$65/lb) and the lead-up to that is likely to push UEC to green-light production in Wyoming. Our NPV8% (largely de-risked) valuation for Wyoming, based on a cheap \$10M 12-month start-up, building up to 2.5Mlbs of production to begin with, and then bringing on Reno Creek post 2029 (conservative timeline) and ramping up production to 4.5Mlbs over a 12-year LOM, values the asset at \$539M. We layer in Texas, starting up 12-months after Wyoming, possibly in 2025, building up to 2Mlbs pa at a NPV10% valuation of \$197M. Netting out our valuation for UEC's non-core assets, balance sheet items, its uranium inventory, and its 18% equity investment in Uranium Royalty (URC-V, Not Rated), we arrive at a NAV of \$4.11/share. Additionally, we await transaction close to assign value to UEC's pending acquisition of UEX Corp. (UEX-T, Not Rated) and its Canadian assets. At first glance, we believe the assets provide diversification for UEC's US portfolio and long-term optionality on resources near to existing mills that could be developed in a higher future uranium price environment.

Made in the USA, that's the American Uranium Dream: Our BUY rating remains unchanged. Our new target price of \$7.00/share uses a 1.7x P/NAV multiple (currently trading at ~0.8x). UEC's recent 52-week peak multiple was 1.6x P/NAV. The US imports the majority of its uranium requirements (22% Canada, 22% Kazakhstan, 16% Russia, etc.). Those imports have come under increased scrutiny recently given the Russia-Ukraine conflict. UEC, with domestic production, will serve as a reliable source for US utility players. The quick and cheap start-ups combined with UEC's capability to self-fund modular expansions in the future through satellite feed is an attractive model that could potentially generate +\$300M in FCF per annum (2025 onwards) for the foreseeable future at our price deck. We note that UEC has a lot of traction in the market with average trading volumes higher than both Cameco and Energy Fuels (combined US and Canada), and thus we believe UEC is a name that will have a quick rebound when markets turn. Catalysts include possible production decisions in Wyoming/Texas, additional physical uranium purchases, and a PEA on its titanium project in Uruguay. Key risks to our target price and valuation include commodity price risks (uranium), mining operations and technical start-up risks, cost inflation, regulatory, and social risks associated with mining.

Exhibit 19: Wyoming (LHS) and Texas (RHS) "Spoke" Locations Relative to Processing "Hubs"

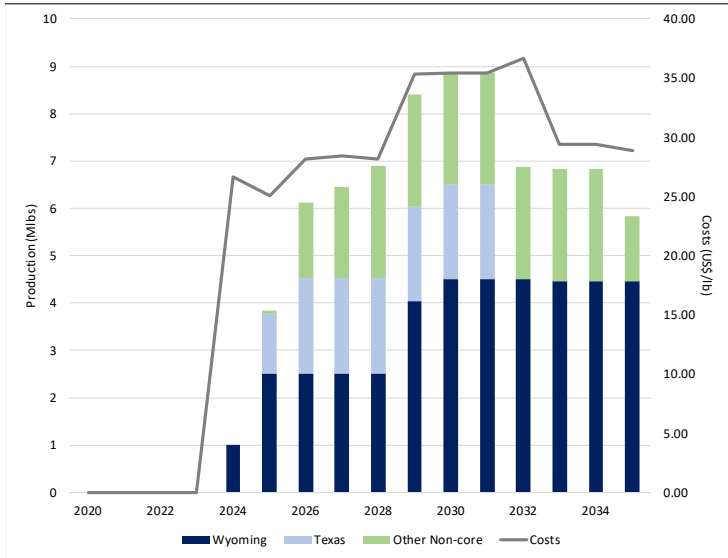


Source: Company reports

Uranium Energy Corp. (UEC-N)

Rating	BUY	Target Price	\$7.00	Shares O/S (M)	286.3
		Last Price	\$3.33	Fully Diluted Shares (M)	298.2
Puneet Singh, Mining Research Analyst		Projected Return	110%	Basic Mkt. Capitalization (\$M)	\$993
psingh@viiicapital.com				Enterprise Value (\$M)	\$946

MODELLED URANIUM PRODUCTION PROFILE



URANIUM RESERVES & RESOURCES

Ownership	Tonnes Mt	Grade % U3O8	Cont U3O8 (Mlbs)	
			100% Basis	UEC Share
Proven and Probable Reserves				
Total Reserves	0.00	N/A	0.0	0.0
Measured and Indicated Resources				
Wyoming Assets	100%	60.7	0.06%	68.8
Texas Assets	100%	4.2	0.08%	6.5
Other Non-core Assets	100%	38.2	0.03%	25.9
Total M&I Resources	103.0	0.05%	101.3	68.8
Inferred Resources				
Wyoming Assets	100%	9.0	0.04%	7.1
Texas Assets	100%	7.1	0.09%	12.6
Other Non-core Assets	100%	19.9	0.05%	19.8
Total Inferred Resources	36.0	0.05%	39.5	7.1
Total	138.96	0.05%	140.7	75.9
Current Per Pound Metrics				
	UEC	Peers	Prem./Disc.	
EV/lb (\$/lb)	\$6.24	7.19	-13%	

NET ASSET VALUE (\$)

Assets:	NAV (\$M)	/Share	% NAV
Wyoming Hub and Spoke After-Tax NPV @ 8% (100%)	515	1.71	42%
Texas Hub and Spoke After-Tax NPV @ 10% (100%)	191	0.63	15%
Other Non-core Assets After-Tax NPV @ 10% (100%)	203	0.67	16%
Balance Sheet & Other Items:			
Debt	0	0.00	0%
Cash	47	0.16	4%
Uranium Royalty Equity Investment	79	0.26	6%
Inventories	325	1.08	26%
Corporate SG&A	(123)	(0.41)	-10%
Total	1,237	4.11	100%
Current P/NAV		0.83x	
Target P/NAV Multiple		1.70x	
Rounded Share Price Target		7.00	

Sensitivities

U3O8 Price (\$/lb)	30	40	50	60	70
NAV (\$/share)	-	1.32	2.55	3.78	5.01
Target Price (\$/share)	-	2.11	4.08	6.05	8.02
U3O8 Price (\$/lb)	80	90	100	110	120
NAV (\$/share)	6.24	7.47	8.70	9.93	11.16
Target Price (\$/share)	9.98	11.95	13.92	15.89	17.86
P/NAV Multiple	1.1	1.2	1.3	1.4	1.5
Target Price (\$/share)	4.52	4.93	5.35	5.76	6.17
P/NAV Multiple	1.6	1.7	1.8	1.9	2.0
Target Price (\$/share)	6.58	6.99	7.40	7.81	8.22

BALANCE SHEET (\$M)

Year-end July	2019A	2020A	2021A	2022E
Assets:				
Cash (not incl. restricted cash)	6.1	5.1	44.3	27.3
Other Current Assets	13.7	1.4	30.7	69.0
Current Assets	19.7	6.6	75.0	96.4
Mineral Properties	63.5	63.7	63.8	175.2
Other Non-Current Assets	17.8	21.1	30.7	62.8
Total Assets	101.0	91.4	169.5	334.4
Liabilities:				
Current Liabilities	3.1	2.0	13.3	4.6
Long-Term Debt	19.6	20.2	0.1	0.0
Other Non-Current Liabilities	4.1	4.8	4.8	18.6
Total Liabilities	26.8	27.0	18.1	23.3
Total Shareholder Equity	74.2	64.4	151.5	311.1

INCOME STATEMENT (\$M)

Year-end July	2019A	2020A	2021A	2022E
Total Revenue:	0.0	0.0	0.0	23.1
% Uranium	100%	100%	100%	100%
% Other	0%	0%	0%	0%
Operating Costs	0.0	0.0	0.0	15.8
G&A	10.1	9.4	12.6	12.8
Exploration	4.5	4.6	4.5	9.6
Depreciation	0.3	0.3	0.4	1.5
Other	(17.1)	(19.9)	(21.4)	(38.7)
EBITDA	(14.6)	(14.0)	(17.1)	(15.1)
EBIT	(2.1)	(5.5)	(3.9)	(22.1)
Interest Expense	(3.2)	(3.5)	(2.9)	(1.2)
EBT	(5.4)	(9.0)	(6.8)	(23.3)
Taxes	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Net Income (Reported)	(17.2)	(14.6)	(14.8)	(7.2)
Attributable	(17.2)	(14.6)	(14.8)	(7.2)
EPS (Reported) \$/sh	(0.10)	(0.08)	(0.07)	(0.03)
Average Shares (M)	175.8	183.0	210.3	281.7

CASH FLOW STATEMENT (\$M)

Year-end July	2019A	2020A	2021A	2022E
Net Income (Reported)	(17.2)	(14.6)	(14.8)	(7.2)
Depreciation	0.3	0.3	0.4	1.5
Other	3.6	2.2	1.4	(9.5)
Adjusted Operating Cash Flow	(13.2)	(12.1)	(13.1)	(15.2)
Adj. CFPS (\$/sh)	(0.07)	(0.07)	(0.06)	(0.05)
Working Capital Changes	0.6	(0.8)	(28.4)	(27.4)
Operating Cash Flow	(12.6)	(12.9)	(41.5)	(42.6)
Operating Cash Flow/sh (\$/sh)	(0.07)	(0.07)	(0.20)	(0.15)
Capital Expenditures	(0.3)	(0.2)	(0.2)	(1.7)
Acquisitions	0.0	0.0	0.0	(113.0)
Other	(11.8)	11.8	(3.4)	0.0
Investing Cash Flow	(12.1)	11.7	(3.6)	(114.7)
Common Share Dividends	0.0	0.0	0.0	0.0
Equity financing	23.8	0.0	95.4	152.7
Debt Issue	0.0	13.5	0.0	0.0
Debt Repayment	0.0	(3.9)	0.0	0.0
Other	0.0	(9.3)	(11.0)	(0.4)
Financing Cash Flow	23.8	0.3	84.5	152.3
Net Change in Cash	(0.8)	(0.9)	39.4	(5.0)
Cash Balance	7.9	7.0	46.4	41.4
Free Cash Flow	(24.7)	(1.2)	(45.1)	(157.3)

Exhibit 20: Weekly Technical Analysis



Source: Eight Capital Quantitative Analyst Joe Farrell and Associate Tony Popowich; Chart courtesy of Stockcharts.com

- Since breaking out of the 2016 to 2020 base, the stock has developed into a bullish rising channel.
- The top of the channel is rising just above \$7.00.
- The primary uptrend in force since early 2020 on the market relative chart remains firmly intact.

Disclosures and Disclaimers

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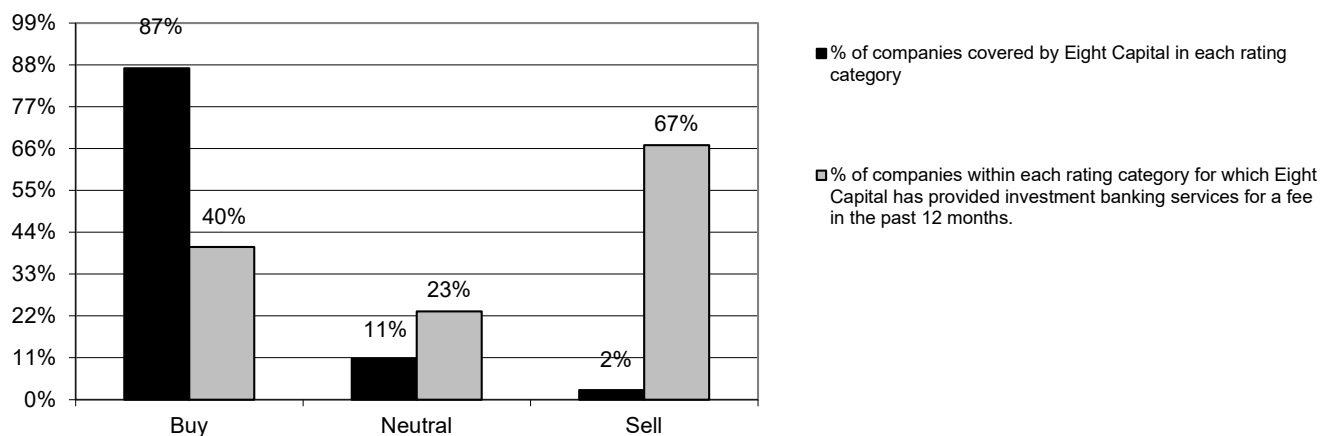
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