

Uranium Stocks Under Pressure Late Friday as US Federal Budget Proposal Raises Questions about Strategic Uranium Reserve – Time to Average In

ONGOING FUNDING OF A U.S. STRATEGIC URANIUM RESERVE WAS NOT CLEARLY DECLARED IN FRIDAY'S PROPOSED BUDGET, RATTLING SOME INVESTORS. SECTOR OBSERVERS KNOW THAT >US\$400M (BY OUR CALCS) HAS BEEN RAISED BY PUBLIC COMPANIES IN 2021 TO PURCHASE PHYSICAL URANIUM STRATEGICALLY, MORE THAN OFFSETTING. NUCLEAR WILL PLAY AN INTEGRAL ROLE IN THE PATH TO DECARBONIZATION – WE SEE ANY EQUITY WEAKNESS AS AN OPPORTUNITY.

OUR TAKE: When the U.S. Nuclear Fuel Working Group initially recommended the establishment of a Strategic Uranium Reserve, which later gained an allocation in a Trump-era budget proposal, we were encouraged, but noted from the very beginning that the initial US\$150/year, 10-year plan would “...[not be sufficient to revive the U.S. uranium mining industry.](#)” Since then, US Congress approved (Dec. 2020) a US\$75M budget for uranium purchases in its initial year. While waiting patiently to see what a change in Federal Leadership might mean to this initiative going forward, something interesting happened, the private sector showed up to front-run potential Fed demand by buying up uranium in the spot market. **In our opinion this action will prove to be more impactful and more effective in tightening up the spot market and improving price discovery, than any U.S. Federal buying program. We are unconcerned by the lack of reference to the strategic reserve in the 2022 budget proposal. Our fundamental thesis and bullish view on the sector never relied on it.**

- ◆ **Private sector preemptively answers, “We got this...”** – The move by uranium sector companies, both physical inventory funds and producers/developers, to **aggressively raise capital of ~US\$408M this year** (Figure 4), **specifically earmarked for the purchase of physical uranium to be held strategically**, will prove more relevant to cleaning up the spot market. Most of this material is being held for sale at some future date at some higher price (in the case of developers/producers), or to be held as part of a mandate in the case of physical funds/trusts. Some of the funds raised are yet to be deployed. The point is, since a strategic uranium reserve was first contemplated, **we’ve seen the private sector initiate stockpiling at a much faster rate than we ever contemplated from the Fed.** The majority of these purchased pounds are sequestered pending a higher uranium price.
- ◆ **Volume trumps price in the tightening game** – Granular details of the Fed buying strategy under the strategic reserve were never disclosed (price/volume), but conjecture was that it might pay a premium for U.S.-sourced uranium to bolster miners. We think **volume is more important than price when maneuvering to tighten up the spot market through buying and sequestering**, and we suspect this private sector buying, driven by a fiduciary duty to acquire at the lowest possible price, represents a more efficient way to tighten the spot market, by reducing actively traded inventory pounds by more than the proposed Fed buying program would. The more spot inventory held by non-traders, the better, as it should serve to increase the ratio of utility buying in the spot market to trader “churn”, which will lead to much better ‘real’ price discovery. Most estimates of spot market “churn” suggest it makes up more than 50% of spot volume (churn is pounds moving from trader to trader counted as volume, but never consumed).
- ◆ **Nuclear not forgotten in Biden Budget** - The Budget proposal recognizes the importance of nuclear’s crucial role in ‘clean energy’ in two ways. The ‘Made in America Tax Plan’ subsection “Prioritize clean energy” requests a “credit for electricity generation from existing nuclear power facilities” that amounts to US\$4.75B in the first 5-years, beginning in 2022, and totals US\$9.75B out to 2031. Positively shifting the economics for power plant operators could incentivize pursuit on reactor operating life extensions, and potentially lead to further incentives for reactor fleet additions down the road. Reactor life extensions would improve the fundamental demand outlook slightly. The second piece in the budget relating to nuclear falls under the subsection “Jumpstart clean energy manufacturing through Federal procurement”, allocating \$5.0B over 10 years to “Procure advanced nuclear power”. As vague as that is, we can assume this relates to nuclear-related domestic manufacturing capabilities as it is a subsection of the “Retool and revitalize American manufacturers and small businesses” heading. See Figure 3 for excerpts.

URANIUM SECTOR TOP-PICKS (top-pick details on p. 2; sector comps, Figure 1; sector performance, Figure 2):

- ◆ **Strategy:** We think the weakness reflected in U sector stocks in late trading Friday creates an opportunity for investors that subscribe to our long-term bullish fundamental thesis on uranium. The fundamental picture for uranium has improved significantly over the last 2-years and will continue to improve, whether or not the U.S. Strategic Uranium Reserve eventuates. We recommend a dynamic approach to increasing exposure to the sector if apparent budget-related speculation causes weakness, getting more aggressive if large discounts emerge in early trading.
 - **NexGen Energy, (NXE-T, Haywood Target: \$7.50, Rating: 'buy' / top-pick)**
 - We continue to highlight the strategic importance of the Rook 1 property. We see NexGen as highly attractive to a major, but acquisition potential aside, NXE is a 'must-own' as one of the best undeveloped assets in any commodity globally.
 - **Denison Mines, (DML-T, Haywood Target: \$2.20, Rating: 'buy' / top-pick)**
 - We believe the market is significantly underestimating the importance of the de-risking event of the recent 'freeze-wall' technical update on the Phoenix deposit and will gain the recognition it deserves over time.
 - **Uranium Energy Corp. (UEC-US, Haywood Target: US\$3.50, Rating: 'buy' / top-pick)**
 - UEC is in the enviable position of controlling multiple permitted, near production-ready uranium ISR assets in the U.S., where fundamental catalysts are expected to push uranium prices higher. Completely unhedged, UEC provides maximum leverage.

BOTTOM LINE: Sector fundamentals in terms of demand/supply are the best we have seen since pre-Fukushima. Major producers which account for more than 50% of global supply are moderating production to elevate uranium prices. This coupled with nuclear power gaining recognition for its low GHG footprint and its essential role in clean energy, create the perfect setup for investing in uranium explorers, developers, and producers.

Uranium Sector Top Picks & Covered Names

NexGen (NXE-T, Last: \$5.61, Rating: BUY, Target: \$7.50)

Our Take: NXE remains a top pick in the uranium space due to the disruptive potential of the Arrow deposit, with its massive scale and strong economics. [Link to Most Recent Report](#)

- ◆ **Top Asset:** We view the Arrow deposit as ‘the best undeveloped uranium asset globally and highly strategic’. The February 2021 Feasibility Study outlined a >21 Mlb U₃O₈ per year, 10-year mine operation with an after-tax NPV_{8%} of \$3.47B at US\$50/lb uranium.
- ◆ **Take-out Candidate:** We believe that it is critical for existing major producers to control this deposit because of its disruptive potential and that this is their only option to preserve the value of their existing deposits and maintain their ability to affect price with production curtailments.
- ◆ **Ultra Low-Cost:** The Feb. 2021 Arrow Feasibility Study suggests cash operating costs of US\$5.69/lb vs. a current UxC term price of US\$32.50/lb, implying an industry leading margin for a tier 1 scale operation.
- ◆ **Catalyst:** H2/2021 submission of Environmental Impact Statement and Licensing application.
- ◆ **Cash of \$213 million**

Denison Mines (DML-T, Last: \$1.51, Rating: BUY, Target: \$2.20)

Our Take: Denison is a uranium sector top pick. The core strength of Denison remains its ability to leverage its technical team and knowledge gained in studying ISR and its applicability to unconformity-hosted uranium deposits in the Basin. Denison’s unique (to the Athabasca) plan to in-situ leach the Phoenix deposit is perceived as technically challenging, but with a very high potential reward, with a PFS-supported cost profile among the lowest in the world, due to the extremely high grades at Phoenix. [Link to Most Recent Report](#)

- ◆ **De-risking Phenix with recent freeze-wall trade-off study.** Late last year, Denison announced the results of a trade-off study examining the use of ‘freeze walls’ and sequential ISR mining phases to replace the ‘freeze dome’ outlined for the Phoenix deposit in the Wheeler River project Preliminary Feasibility Study (PFS), which was designed to encapsulate the entire mining area from the sides and above at the outset. The new proposed freeze wall approach is **simpler and offers more control in each mining cell/phase and improves the risk profile on the mine plan.**
- ◆ **New approach should mean lower CAPEX hurdle.** Mining of Phoenix via ISR was already a very attractive economic proposition, with initial CAPEX in the PFS at <\$325M and OPEX of US\$3.33/lb U₃O₈. The trade-off study is preliminary but **lower initial CAPEX is supportable as the phased freeze wall approach is much simpler and less costly to initial production due to the smaller footprint and cheaper installation techniques.**
- ◆ **Catalysts: H1/2021 - Further technical work** to de-risk the ISR mining approach to Phoenix at Wheeler River is support of a future full Feasibility Study for Wheeler River integrating the extensive technical advancements made since the 2018 PFS. **2021 - Exploration results** - seeking satellite deposits at Wheeler River; and Studies for other potentially ISR amenable projects similar to THT/Waterbury.
- ◆ **Cash & Investments of C\$95M, plus 2.5Mlb U₃O₈ as long-term strategic investment**

Uranium Energy Corp. (UEC-US, Last: US\$3.13, Rating: BUY, Target: US\$3.50)

Our Take: We tagged UEC as a top-pick last September and maintain our view that the Company is perfectly positioned to leverage both macro and domestic catalysts. Specifically, UEC has production ready assets within reach of its South Texas Hobson central processing plant and its Reno Creek project is fully permitted/construction ready, creating a pathway to 4 Mlb U₃O₈/year of near-term production once the uranium price incentivizes. Its low-cost ISR portfolio and all-in resource of 104 Mlbs U₃O₈, is completely unhedged, allowing for maximum upside exposure to rising uranium prices. [Link to Most Recent Report](#)

- ◆ **Production-ready asset base.** UEC’s Texas hub & spoke uranium ISR strategy is centered around its fully-permitted Hobson central processing plant (CCP, 2 Mlb U₃O₈/y installed capacity). UEC has multiple deposits with relatively low CAPEX hurdles, near-ready to feed the plant, should uranium prices justify restart.
- ◆ **Strategic Uranium Purchases.** Commencing in March of 2021, under its ‘physical uranium initiative’, UEC began purchasing uranium, and has now grown its inventory to 2.3Mlb U₃O₈ of US-warehoused physical uranium.
- ◆ **Catalysts:** 2021 initiatives – Further exploration, permitting and field advancement at ISR projects in Texas and Wyoming, including initiation a PFS on the Reno Creek project.

Other Covered Names

- ◆ **Azarga Uranium Corp. (AZZ-T) – Buy, \$0.50 Target** ([last report](#))
- ◆ **Energy Fuels Inc. (EFR-T, UUUU-US) – Buy; US\$4.00 Target** ([last report](#))
- ◆ **IsoEnergy (ISO-V) – Buy; \$3.00 Target** ([last report](#))
- ◆ **Uranium Participation Corporation (U-T) – Buy, \$5.90 Target** ([last report](#))



Figure 1. Uranium Sector Comps with Pre-Fukushima Enterprise Value Performance (where applicable) and Current Discount (red) in Equities to Pre-Fukushima Peak EV – Many names* still have a long way to go to hit Pre-Fukushima peaks

* Readers are cautioned that some, or all, of the securities listed may not have the same, or similar, attributable asset bases that supported the performance in the historic window shown. Numbers are for information purposes only. Please contact us for discussion before acting based on the general information below.

Company (Ticker)	Share Price	Consensus Targets		In-Situ Comps - EV/IB U3O8			NAV Comps		Pre-Fukushima U Rally (May-2010 to Feb-2011) ~Peak EV (US\$M)	Pre-Fukushima U Equity Response (May-2010 to Feb-2011) (Uranium price move \$40-\$73)	Current EV (US\$M)	EV Discount to Pre-Fukushima Peak
		IBES Consensus Target	Implied Return	Enterprise Value (USD) (millions)	Total Reserves & Resources (M lb)	USD EV/IB Resource	IBES Consensus NAV	Price / Nav				
PRODUCERS												
Haywood Covered Names bold												
Kazatomprom (KAP-LSE)	\$29.00	\$25.85	(11)%	\$8,332	1,186	\$7.03	\$25.67	1.13x			\$8,332	
Cameco Corporation (CCO-T)	\$24.11	\$23.27	(3)%	\$7,909	1,058	\$7.47	\$16.11	1.50x	\$16,500	76.6%	\$7,909	(52.1)%
Paladin Energy (PDN-AU)	\$0.52	\$0.41	(22)%	\$1,222	375.4	\$3.25	\$0.50	1.04x	\$4,686	80.6%	\$1,222	(73.9)%
Energy Fuels (UUUU-US)	\$6.49	\$6.55	1%	\$886.6	129.0	\$6.87	\$4.73	1.37x	\$134	1,341.7%	\$887	560.3%
Uranium Energy (UEC-US)	\$3.13	\$3.91	25%	\$734.5	111.5	\$6.58	\$3.60	0.87x	\$397	179.1%	\$734	85.1%
Energy Resources (ERA-AU)	\$0.23			\$498.0	302.3	\$1.65			\$1,990	3.4%	\$498	(75.0)%
Ur-Energy Inc. (URE-T)	\$1.77	\$1.89	7%	\$272.7	41.2	\$6.63	\$2.07	0.86x	\$285	483.2%	\$273	(4.2)%
Lotus Resources (LOT-AU)	\$0.21	\$0.16	(22)%	\$143.8	24.4	\$5.90			\$32	24.7%	\$144	346.6%
Peninsula Energy (PEN-AU)	\$0.17	\$0.26	53%	\$107.5	53.6	\$2.01	\$0.39	0.44x	\$262	647.5%	\$108	(58.9)%
Group Average - Producers						\$5.27		1.03x				
DEVELOPERS												
NexGen Energy (NXE-T)	\$5.61	\$6.46	15%	\$2,066	337.9	\$6.11	\$6.43	0.87x			\$2,066	
Denison Mines (DML-T)	\$1.51	\$1.61	7%	\$849.5	157.1	\$5.41	\$1.53	0.99x	\$1,468	250.5%	\$849	(42.1)%
Global Atomic (GLO-T)	\$3.19			\$415.8	292.5	\$1.42					\$416	
Fission Uranium (FCU-T)	\$0.61	\$0.97	58%	\$308.7	135.2	\$2.28	\$1.01	0.60x			\$309	
Boss Energy (BOE-AU)	\$0.18	\$0.19	9%	\$295.0	71.4	\$4.13	\$0.10	1.75x	\$26	540.8%	\$295	1,052.6%
American Lithium (LI-V)	\$1.81			\$254.8	123.4	\$2.06			\$2	86.8%	\$255	16,390.4%
Deep Yellow (DYL-AU)	\$0.86	\$1.23	43%	\$210.0	185.7	\$1.13			\$360	215.2%	\$210	(41.6)%
Bannerman Resources (BMN-AU)	\$0.20	\$0.14	(30)%	\$180.9	257.2	\$0.70			\$188	293.1%	\$181	(3.5)%
UEX Corporation (UEX-T)	\$0.41	\$0.80	95%	\$149.1	99.7	\$1.50	\$0.79	0.52x	\$473	217.6%	\$149	(68.4)%
Forsys Metals (FSY-T)	\$0.93			\$147.9	127.0	\$1.16			\$240	14.3%	\$148	(38.4)%
GovEx Uranium (GXU-V)	\$0.31	\$0.55	80%	\$134.9	201.7	\$0.67	\$0.76	0.40x			\$135	
Berkeley Energia (BKY-AU)	\$0.59			\$124.1	89.4	\$1.39			\$254	111.9%	\$124	(51.1)%
Vimy Resources (VMY-AU)	\$0.14	\$0.22	65%	\$95.1	117.4	\$0.81	\$0.21	0.63x	\$89	120.6%	\$95	6.6%
Western Uranium (WUC-L)	\$2.66			\$79.7	99.2	\$0.80					\$80	
Laramide Resources (LAM-T)	\$0.52			\$77.5	122.7	\$0.63			\$170	280.1%	\$77	(54.5)%
Toro Energy (TOE-AU)	\$0.02			\$59.1	90.9	\$0.65			\$81	406.7%	\$59	(26.7)%
Azarga Uranium (AZZ-T)	\$0.29	\$0.54	86%	\$54.2	46.0	\$1.18	\$0.52	0.56x			\$54	
A-Cap Energy (ACB-AU)	\$0.06			\$49.3	190.6	\$0.26			\$131	305.6%	\$49	(62.3)%
Energy Metals (EME-AU)	\$0.18			\$16.6	61.1	\$0.27			\$105	103.3%	\$17	(84.1)%
Group Average - Developers						\$1.71		0.79x				
EXPLORERS												
IsoEnergy Ltd. (ISO-V)	\$2.83	\$3.38	19%	\$234.1		\$1.94	\$3.97	0.71x			\$234	
enCore Energy (EU-V)	\$1.49			\$216.6	111.6	\$1.94					\$217	
Aurania Resources (ARU-V)	\$2.77	\$3.75	35%	\$109.4							\$109	
Azmut Exploration (AZM-V)	\$1.51			\$80.5					\$24	94.6%	\$81	241.5%
Alligator Energy (AGE-AU)	\$0.04			\$61.7					\$9		\$62	610.7%
Mega Uranium (MGA-T)	\$0.26			\$57.4					\$206	469.8%	\$57	(72.1)%
International Consolidated (CUR-V)	\$2.05	\$2.65	29%	\$51.1	69.4	\$0.74	\$2.62	0.78x			\$51	
Appia Energy (API-AU)	\$0.73			\$54.0	55.8	\$0.97					\$54	
Globex Mining (GMX-T)	\$1.44			\$56.5					\$49	61.2%	\$57	15.2%
Marenica Energy (MEY-AU)	\$0.32			\$47.6	113.6	\$0.42			\$46	3.1%	\$48	3.2%
Forum Energy (FMC-V)	\$0.42			\$49.5	0.6	\$78.73			\$49	537.7%	\$49	0.8%
Skyharbour Resources (SYH-V)	\$0.51	\$0.86	69%	\$46.8	7.0	\$6.72	\$1.14	0.45x	\$2	(66.1)%	\$47	
CanAlaska Uranium (CWV-V)	\$0.60			\$36.1					\$41	101.7%	\$36	(12.3)%
Anfield Energy (AEC-V)	\$0.16	\$0.25	56%	\$32.1	29.2	\$1.10			\$0	(262.4)%	\$32	
ValOre Metals (VO-V)	\$0.32			\$33.0	43.5	\$0.76			\$70	233.0%	\$33	(52.7)%
Purepoint Uranium (PTU-V)	\$0.13	\$0.25	92%	\$27.5					\$45	791.8%	\$28	(39.3)%
Blue Sky (BSK-V)	\$0.21			\$26.2	22.7	\$1.15			\$24	2.0%	\$26	10.2%
Aincourt Energy (AAZ-V)	\$0.07			\$19.5			\$0.05	1.40x			\$19	
Baselode Energy (FIND-V)	\$0.55			\$18.9			\$1.44	0.38x			\$19	
92 Energy (92E-AU)	\$0.34			\$16.5							\$16	
Fission 3.0 (FUU-V)	\$0.12			\$15.4							\$15	
Standard Uranium (STND-V)	\$0.23			\$14.5			\$0.28	0.82x			\$14	
Cauldron Energy (CXU-AU)	\$0.04			\$11.1	30.9	\$0.36			\$35	90.2%	\$11	(67.9)%
ALX Resources (AL-V)	\$0.09			\$11.0					\$2	4,096.3%	\$11	371.1%
GTI Resources (GTR-AU)	\$0.02			\$9.0					\$1	11,920.9%	\$9	510.5%
Tarku Resources (TKU-V)	\$0.12			\$4.8							\$5	
X-Terra Resources (XTT-V)	\$0.11			\$6.0							\$6	
Zadar Ventures (ZAD-V)	\$0.30			\$5.2							\$5	
Roughrider Exploration (REL-V)	\$0.16			\$4.4							\$4	
Vanadian Energy (VEC-V)	\$0.09			\$3.3	43.2	\$0.08			\$40	275.2%	\$3	(91.5)%
Northern Uranium (UNOH-V)	\$0.02			\$2.0					\$0	6.8%	\$2	505.6%
Arupa Minerals (AVU-V)	\$0.08			\$1.9					\$4		\$2	(56.4)%
Uravan Minerals (UVN-V)	\$0.06			\$2.2					\$9	(1,061.2)%	\$2	
Eros Resources (ERC-V)	\$0.08			(\$9.7)					\$10	30.4%	(\$10)	
Group Average - Explorers						\$8.45						
INVENTORY FUNDS												
Uranium Participation (U-T)	\$5.57	\$6.10	10%	\$612.7	17.3	\$35.50	\$5.11	1.09x	\$947	88.4%	\$692	(27.0)%
Yellow Cake (YCALN)	\$2.67	\$3.04	14%	\$479.0	13.0	\$36.84					\$479	
ROYALTY COMPANIES												
Uranium Royalty (URC-V)	\$3.49	\$4.47	28%	\$125.9			\$2.56	1.36x			\$205	

All data sourced from S&P Capital IQ, SNL Financial, Bloomberg, Haywood Securities, Company Reports

Source: UxC, CapitalIQ, Bloomberg, Haywood



Figure 2. Uranium Comps Performance with Short Interest / Days to Cover

Index	Ticker	Short Interest / Days to Cover	1-Day Δ (%)	5-Day Δ (%)	10-Day Δ (%)	30-Day Δ (%)	90-Day Δ (%)	YTD Δ (%)	12-Mth Δ (%)	2-year Δ (%)	
PRODUCERS	KAZATOMPROM S	KAP-LN	4.1%	(0.9)%	(3.3)%	8.4%	31.8%	61.1%	110.1%	87.1%	
	CAMECO CORPORATION	CCO-T	1.6% / 2.3	(3.1)%	2.6%	(0.2)%	13.5%	20.7%	65.5%	77.1%	
	PALADIN ENERGY L	PDN-AU	0.7% / 0.8	4.0%	6.1%	(4.6)%	36.8%	33.0%	112.2%	344.4%	360.2%
	ENERGY FUELS INC	UUUU-US	13.9% / 5.7	(4.7)%	6.9%	10.2%	14.1%	25.0%	52.3%	298.2%	155.5%
	URANIUM ENERGY CORP	UEC-US	7.2% / 3.0	(4.9)%	2.3%	(3.4)%	3.0%	47.6%	77.8%	201.0%	140.8%
	ERA	ERA-AU	0.0% / 0.6	2.2%	4.5%	4.5%	9.5%	27.8%	(30.3)%	43.8%	54.4%
	UR ENERGY INC	URE-T	1.1% / 3.0	(1.1)%	(3.3)%	(1.1)%	23.8%	22.9%	70.2%	124.1%	63.9%
	LOTUSRES FPO	LOT-AU	0.0% / 0.2	10.8%	5.1%	7.9%	70.8%	46.4%	64.0%	253.4%	1,608.3%
	PENINSULA ENERGY	PEN-AU	0.0% / 0.0	(8.1)%	(8.1)%	(8.1)%	36.0%	36.0%	47.8%	51.8%	(17.1)%
	DEVELOPERS	NEXGEN ENERGY LTD	NXE-T	3.0% / 2.6	(1.8)%	1.3%	0.2%	21.4%	25.2%	59.8%	193.7%
DENISON MINES CORPORATION		DML-T	0.6% / 0.9	(3.8)%	6.3%	7.1%	14.4%	11.0%	79.8%	155.9%	125.4%
GLOBAL ATOMIC CORPORATION		GLO-T	0.6% / 0.8	2.9%	2.2%	6.0%	16.4%	55.6%	100.6%	480.0%	641.9%
FISSION URANIUM CORP		FCU-T	1.2% / 0.9	(6.2)%	1.7%	(1.6)%	(3.2)%	5.2%	58.4%	84.8%	24.5%
BOSS ENERGY		BOE-AU	0.0% / 0.0	6.1%	(0.0)%	(5.4)%	29.6%	16.7%	78.6%	177.8%	280.4%
AMERICAN LITHIUM CORP		LI-V	1.6% / 4.5	0.6%	(9.0)%	(17.0)%	(15.4)%	(40.8)%	48.4%	285.1%	570.4%
DEEP YELLOW		DYL-AU	0.0% / 0.0	10.3%	2.4%	(2.3)%	38.7%	38.7%	84.9%	244.0%	149.3%
BANNERMAN FPO		BMN-AU	0.1% / 0.4	11.1%	(2.4)%	(2.4)%	60.0%	53.8%	112.8%	440.5%	344.4%
UEX CORPORATION		UEX-T	1.2%	3.8%	3.8%	(3.1)%	20.6%	57.7%	164.5%	134.3%	
FORSYS METALS CORP		FSY-T	0.6% / 1.4	1.1%	5.7%	(2.1)%	2.2%	82.4%	210.0%	520.0%	389.5%
GOVIEX URANIUM INC		GXU-V	0.2% / 0.3	5.2%	5.2%	0.0%	3.4%	7.0%	32.6%	110.3%	84.8%
BERKELEY ENERGIA		BKY-AU	0.0% / 1.2	0.0%	(0.8)%	7.3%	(0.8)%	(4.1)%	(18.2)%	108.9%	69.6%
VIMY RES FPO		VMY-AU	0.0% / 0.0	8.0%	0.0%	(3.6)%	22.7%	42.1%	64.6%	200.0%	145.5%
WESTERN URANIUM & VANADIUM CORP		WUC-L		(5.0)%	0.8%	(3.3)%	20.9%	104.6%	144.0%	250.0%	150.9%
LARAMIDE RESOURCES LTD		LAM-T	1.4% / 3.4	3.0%	(1.9)%	(5.5)%	0.0%	30.0%	44.4%	100.0%	55.2%
TORO ENRG FPO		TOE-AU	0.1% / 0.4	(4.3)%	(12.0)%	(24.1)%	(4.3)%	29.4%	46.7%	175.0%	10.0%
AZARGA URANIUM CORP CLA		AZZ-T	0.1% / 0.2	0.0%	(6.5)%	(3.3)%	(3.3)%	13.7%	20.8%	61.1%	31.8%
ACAPRES FPO	ACB-AU	0.0% / 0.0	4.9%	6.7%	4.9%	20.8%	64.1%	106.5%	481.8%	73.0%	
ENERGY MET FPO	EME-AU		0.0%	(12.2)%	0.0%		0.0%				
EXPLORES	ISOENERGY LTD	ISO-V	1.0% / 1.3	(2.1)%	5.2%	(1.0)%	8.0%	2.5%	51.3%	287.7%	590.2%
	ENCORE ENERGY CORP	EU-V	0.9% / 1.6	(0.3)%	(0.7)%	(6.9)%	20.2%	40.6%	58.5%	520.8%	964.3%
	AURANIA RESOURCES LTD	ARU-V	0.1% / 0.3	2.6%	(1.1)%	(7.0)%	(3.5)%	(9.5)%	(17.3)%	(4.5)%	(23.7)%
	AZIMUT EXPLORATION INC	AZM-V	0.0% / 0.1	1.3%	17.1%	60.6%	62.4%	57.3%	42.5%	(28.8)%	371.9%
	ALLIGATOR FPO	AGE-AU	0.0% / 0.0	12.9%	(5.4)%	(14.6)%	133.3%	169.2%	218.2%	483.3%	
	MEGA URANIUM LTD	MGA-T	0.7% / 0.7	0.0%	4.1%	(1.9)%	30.8%	30.8%	41.7%	142.9%	168.4%
	INTERNATIONAL CONSOLIDATED URANIUM IN	CUR-V	1.2% / 1.0	(3.3)%	(4.7)%	(1.0)%	6.8%	48.6%	49.6%	583.3%	272.7%
	AUST PHARM FPO	API-AU	1.8% / 8.1	0.0%	(2.1)%	6.5%	0.0%	4.1%	(6.1)%	(2.5)%	(14.1)%
	GLOBEX MINING ENTERPRISES INC	GMX-T	0.1% / 0.4	9.9%	0.0%	3.6%	54.8%	87.0%	108.7%	284.0%	329.9%
	MARENICA ENERGY	MEY-AU		3.2%	3.2%	3.2%	128.6%	137.0%	106.5%	350.7%	
	FORUM ENERGY METALS CORP	FMC-V	0.2% / 0.4	7.7%	2.4%	(4.5)%	18.3%	20.0%	71.4%	342.1%	740.0%
	SKYHARBOUR RESOURCES LTD	SYH-V	0.3% / 0.4	6.3%	18.6%	15.9%	18.6%	56.9%	100.0%	168.4%	45.7%
	CANALASKA URANIUM LTD	CVV-V	0.2% / 0.3	0.0%	0.0%	(7.7)%	(4.8)%	9.1%	22.4%	233.3%	192.7%
	ANFIELD ENERGY INC	AEC-V	1.7% / 0.7	(8.6)%	10.3%	18.5%	77.8%	45.5%	68.4%	60.0%	(20.0)%
	VALORE METALS CORP	VO-V	0.2% / 0.6	5.0%	(1.6)%	(4.5)%	1.6%	1.6%	5.0%	26.0%	
	PUREPOINT URANIUM GRP INC	PTU-V	0.1% / 0.1	(10.3)%	4.0%	0.0%	30.0%	36.8%	52.9%	225.0%	85.7%
	BLUE SKY URANIUM CORP	BSK-V	0.1% / 0.2	0.0%	(2.3)%	(6.7)%	(23.6)%	(6.7)%	13.5%	35.5%	50.0%
	AZINCOURT ENERGY CORP	AAZ-V	0.0% / 0.0	(0.0)%	(0.0)%	(0.0)%	(22.2)%	(36.4)%	55.6%	55.6%	27.3%
	BASELODE ENERGY CORP	FIND-V	0.3% / 0.3	5.8%	10.0%	12.2%	17.0%	(16.7)%	(50.0)%		
	92 ENERGY	92E-AU		0.0%	1.5%	9.8%	26.4%				
	FISSION 3.0 CORP	FUU-V	0.2% / 0.4	(4.2)%	(0.0)%	(8.0)%	15.0%	(4.2)%	21.1%	109.1%	27.8%
	STANDARD URANIUM LTD	STND-V	0.0% / 0.0	2.2%	2.2%	(6.1)%	7.0%	15.0%	17.9%	(23.3)%	
	CAULDRON FPO	CXU-AU		(0.0)%	(10.0)%	2.9%	(2.7)%	5.9%	(12.2)%		
	ALX RESOURCES CORP	AL-V	0.0% / 0.0	0.0%	(10.0)%	(5.3)%	0.0%	20.0%	12.5%	157.1%	63.6%
	GTI RESOURCES	GTR-AU		9.5%	4.5%	(8.0)%	0.0%	9.5%	0.0%	(47.7)%	
	TARKU RESOURCES LTD	TKU-V	0.1% / 0.3	(17.2)%	0.0%	4.3%	(7.7)%	(14.3)%	(27.3)%		
	X-TERRA RESOURCES INC	XTT-V	0.0% / 0.0	10.5%	16.7%	31.3%	16.7%	10.5%	(19.2)%	31.3%	5.0%
	ROUGH RIDER EXPLORATION LTD	REL-V	0.1% / 0.4			10.3%	0.0%	(13.5)%	(3.0)%	(8.6)%	
	VANADIAN ENERGY CORP	VEC-V	0.0% / 0.0		(10.0)%	(5.3)%	0.0%	5.9%	80.0%	50.0%	
	NORTHERN URANIUM CORP	UNO'H-V		0.0%	0.0%	(25.0)%	0.0%	(25.0)%	(25.0)%		200.0%
AVRUPA MINERALS LTD	AVU-V	0.0% / 0.0		7.1%	(11.8)%		(34.8)%	(50.0)%	(6.3)%	(37.5)%	
URAVAN MINERALS INC	UVN-V	0.2% / 0.2	33.3%	71.4%	50.0%	100.0%	9.1%	100.0%			
EROS RESOURCES CORP	ERC-V	0.0% / 0.2		(11.1)%	0.0%		(11.1)%	(11.1)%	(42.9)%		
URANIUM PARTICIPATION CORP	U-T	3.6% / 2.2	(1.1)%	(0.2)%	(2.5)%	4.5%	12.5%	13.4%	9.6%	29.5%	
YELLOW CAKE PLC	YCA-LN		2.3%	(0.4)%	(2.6)%	6.4%	20.3%	7.0%	21.1%	21.1%	

Source: UxC, CapitalIQ, Bloomberg, Haywood



Figure 3. Excerpts from the “Budget of the U.S. Government, Fiscal Year 2022”

Item 1- Federal Budget - p. 46/47

Retool and revitalize American manufacturers and small businesses:

Strengthen manufacturing supply chains for critical goods:

Jumpstart clean energy manufacturing through Federal procurement:

Procure advanced nuclear power	100	150	250	500	2,500	1,250	250	3,500	5,000
--------------------------------------	-----	-----	-----	-----	-------	-------	-----	-------	-------	-------	-------	-------

Item 2 - Federal Budget - p. 48/49

Made in America Tax Plan:

Prioritize clean energy:

Provide allocated credit for electricity generation

from existing nuclear power facilities ¹	750	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	4,750	9,750
---	-----	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Source: https://www.whitehouse.gov/wp-content/uploads/2021/05/budget_fy22.pdf

Figure 4. Uranium Explorers/Developers/Neo Producers Raising Cash in 2021 to Buy Uranium – US\$408M draws >13 Mlb U₃O₈ Out of the Spot Market

Company(Ticker) Haywood Covered Names bold	Cash Raised in 2021 in Support of uranium purchases (US\$M)
Yellow Cake (YCA-LN)	\$140.0
Denison Mines (DML-T)	\$86.0
Uranium Participation (U-T)	\$65.0
Uranium Energy (UEC-US)	\$53.0
Boss Energy (BOE-AU)	\$46.0
Peninsula Energy (PEN-AU)	\$12.0
enCore Energy (EU-V)	\$6.0
Total	\$408.0

Source: Company Reports, Press Releases, Haywood Securities



Important Information and Legal Disclosures

This report may be distributed in the following states: nil. Otherwise, this report may only be distributed into those states with an institutional buyer state securities registration exemption.

Analyst Certification

I, Colin Healey, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

Important Disclosures

Of the companies included in the report the following Important Disclosures apply:

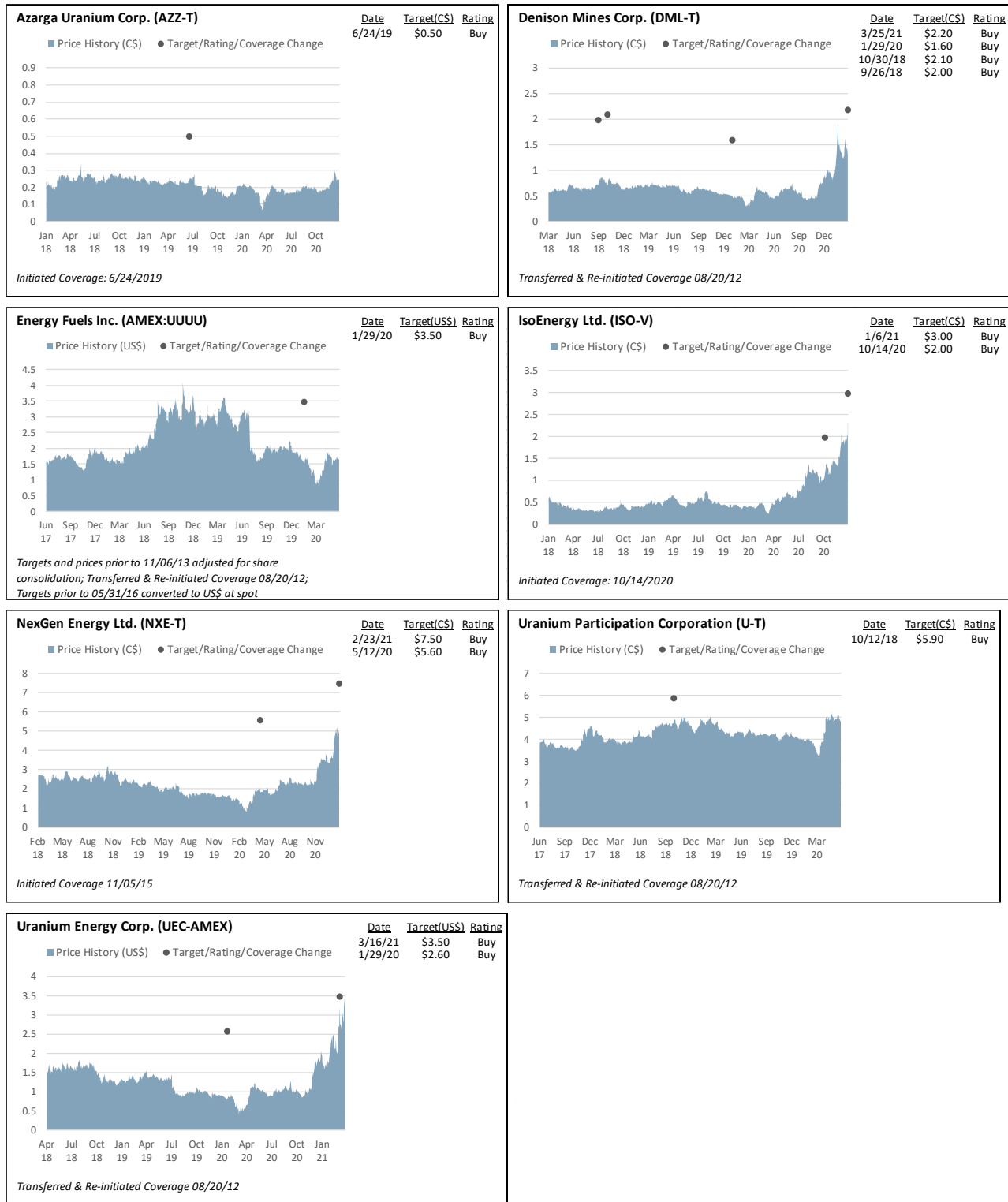
Ticker	Company	1	2	3	4	5	6	7	8	9
TSX:AZZ	Azarga Uranium Corp.		X	X	X		X			
TSX:DML	Denison Mines Corp.			X	X					
TSX:EFR	Energy Fuels Inc.			X						
TSXV:ISO	IsoEnergy Ltd.			X	X	X	X			
TSX:NXE	NexGen Energy Ltd.			X	X					
AMEX:UEC	Uranium Energy Corp.			X	X					
TSX:U	Uranium Participation Corporation				X					
1	The Analyst(s) preparing this report (or a member of the Analysts' households) have a financial interest in this company.									
2	As of the end of the month immediately preceding this publication either Haywood Securities, Inc., one of its subsidiaries, its officers or directors beneficially owned 1% or more of this company.									
3	Haywood Securities, Inc. has reviewed lead projects of this company and a portion of the expenses for this travel have been reimbursed by the issuer.									
4	Haywood Securities Inc. or one of its subsidiaries has managed or co-managed or participated as selling group in a public offering of securities for this company in the past 12 months.									
5	Haywood Securities, Inc. or one of its subsidiaries has received compensation for investment banking services from this company in the past 12 months.									
6	Haywood Securities, Inc. or one of its subsidiaries has received compensation for investment banking services from this company in the past 24 months.									
7	Haywood Securities, Inc. or one of its subsidiaries is restricted on this company at the time of publication.									
8	Haywood Securities, Inc. or one of its subsidiaries expects to receive or intends to seek compensation for investment banking services from this company in the next three months.									
9	Haywood Securities, Inc. or one of its subsidiaries currently provides market making services to this company, for which Haywood is compensated by the Issuer on a monthly basis.									

Distribution of Ratings (as of May 31, 2021)

	%	#	IB Clients (TTM)
Buy	85.9%	79	90.0%
Hold	7.6%	7	10.0%
Sell	0.0%	0	0.0%
Tender	2.2%	2	0.0%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	4.3%	4	0.0%



Price Chart, Rating and Target Price History (as of May 31, 2021)



B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review
 Source: Capital IQ and Haywood Securities

Link to Research Policy: <http://haywood.com/what-we-offer/research/research-policy>

Member of the Canadian Investor Protection Fund

