

# Uranium

November 4, 2021

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## Raising Price Forecasts and Our Five Most Important Slides

- **Uranium Contracting:** Uranium spot + term contracting volumes are headed for their best year since 2018, but replacement rates still remain <100%, which signals to us utilities will get increasingly eager to get in the queue for a new contracting cycle.
- **Unfilled Uranium Requirements:** In our view, unfilled uranium required and U.S. and non-U.S. reactors have not signaled a great sense of urgency towards contracting, but we also believe perceived security of uranium supply can be a fragile distraction to purchasing behavior.
- **Uranium Inventories:** Although global uranium inventories remain at elevated levels, we see drawdowns intensifying and a large portion of inventories will remain relatively immobile compared to previous cycles.
- **China Nuclear Buildout:** The China NPC goal of 70GWe by 2025 appears achievable; requiring a +25% increase in construction growth rate compared to the last 10 years. China's growth is no doubt tremendous, but the pace of uranium contracting is still unclear.
- **Our Supply-Demand Model:** SPUT has undoubtedly been a positive fundamental shift in uranium price discovery, resulting in a transition to physical market deficits. Term contracting remains the key catalyst to a higher and more sustainable uranium price.

We increase our uranium price deck to \$60/lb long-term. We see potential for an upside scenario exhibiting similarities to the post-GFC/pre-Fukushima period (July-2010/March- 2011) when the spot prices rose to \$70/lb.

	2016A	2017A	2018A	2019A	2020A	2021E	2022E	2023E	2024E	2024E	2025/LT
Uranium (spot) (US\$/lb)	27	22	25	26	30	36	50	55	60	60	60
previous (US\$/lb)						34	40	45	48	50	50
change (%)						6%	25%	22%	26%	20%	20%
Uranium (LT) (US\$/lb)	43	33	31	32	33	35	45	55	60	60	60
previous (US\$/lb)						33	40	45	50	50	50
change (%)						5%	13%	22%	20%	20%	20%

Source: UxC LLC, Eight Capital estimates

Company name	Ticker	Price	Rating	Primary Analyst	Target Price	
					New	Previous
Cameco Corp.	CCO-T	C\$33.69	NEUTRAL	R. Profiti	C\$35.00	C\$28.00
Energy Fuels Inc.	EFR-T	C\$12.12	BUY	A. Akinwale	C\$13.50	C\$10.50
NexGen Energy Ltd.	NXE-T	C\$7.40	Buy	A. Akinwale	C\$10.60	C\$6.00
Fission Uranium Corp.	FCU-T	C\$1.13	BUY	A. Akinwale	C\$2.00	C\$1.50
Uranium Energy Corp.	UEC-N	US\$4.38	BUY	A. Akinwale	US\$6.40	US\$3.90
Azarga Uranium Corp.	AZZ-T	US\$0.72	NEUTRAL	A. Akinwale	C\$0.75	C\$0.50

Source: Factset, Eight Capital estimates

# Uranium: Raising Price Forecasts and Our Five Most Important Slides



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- Uranium Contracting
- Unfilled Uranium Requirements
- Uranium Inventories
- Our Supply-Demand Model
- China Nuclear Buildout

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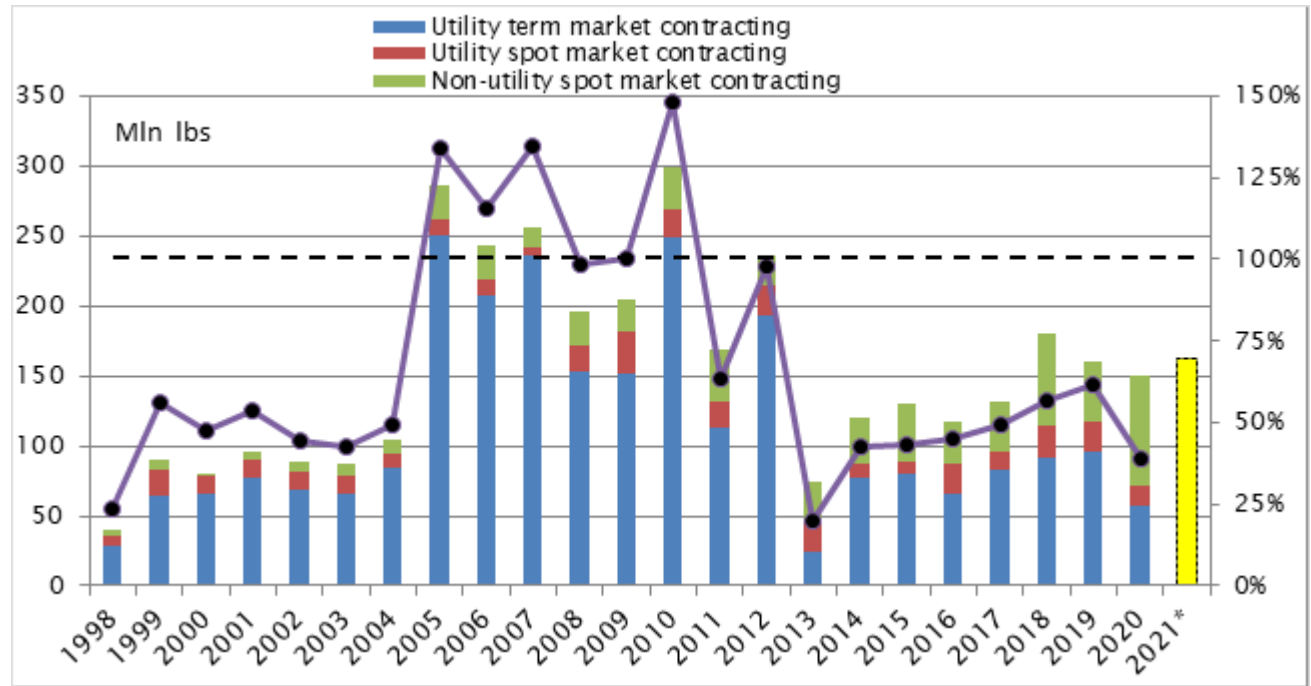
**1. Uranium spot + term contracting volumes are headed for their best year since 2018... but replacement rates remain <100%, which signals to us utilities will get increasingly eager to get in the queue for a new contracting cycle...**

Market oversupply, and trade and policy uncertainty has been an important backdrop to uranium contracting behavior over the last several years... utilities are now shifting focus to security of supply

Some utilities are well covered in the near-term and less incentivized to enter into term contracting; however...

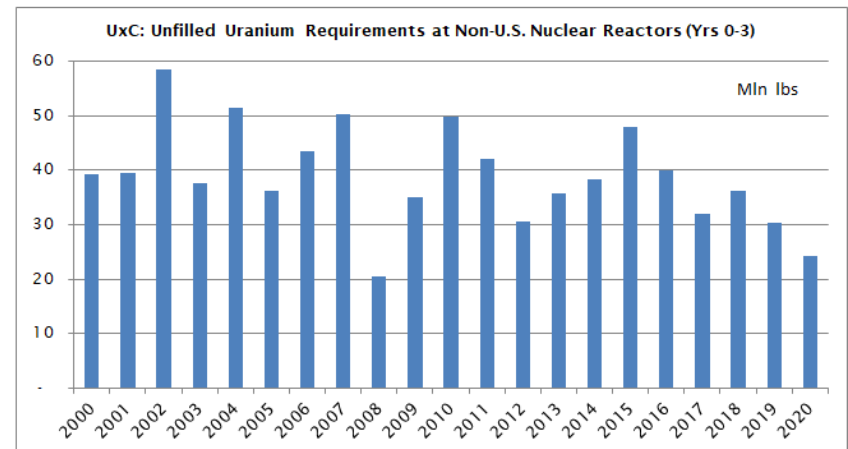
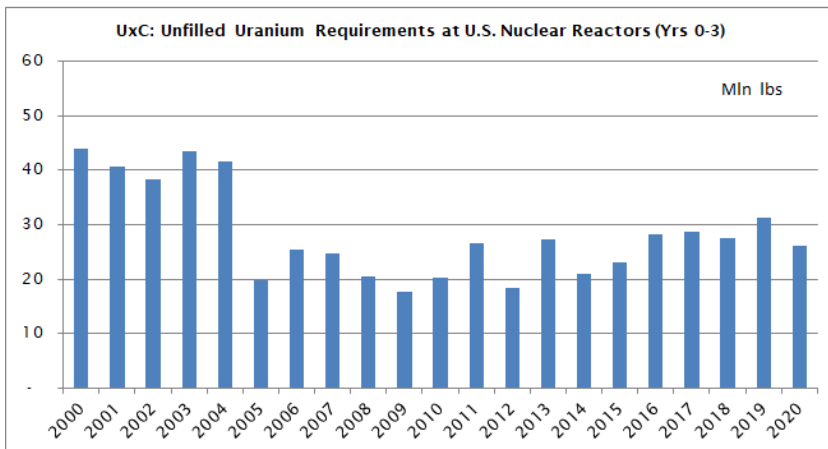
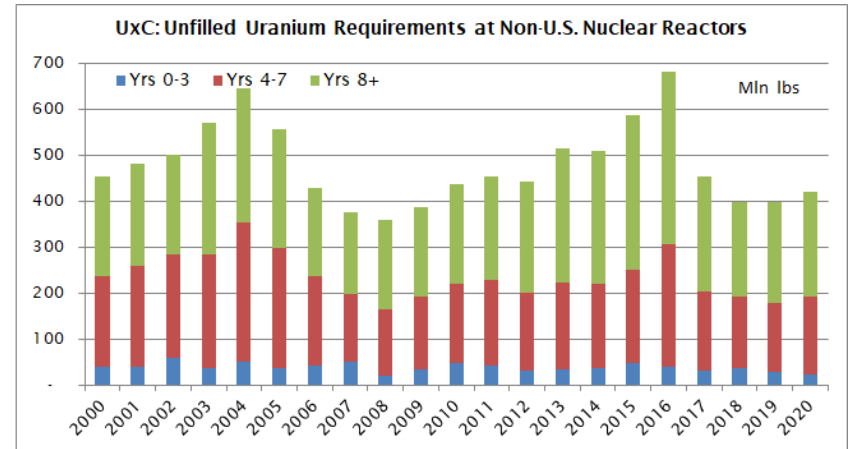
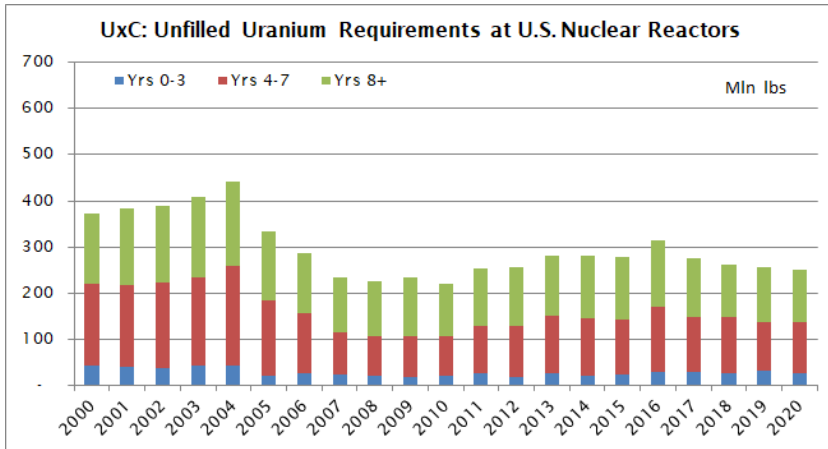
... market volatility is causing uranium buyers to re-evaluate procurement strategies; and...

utilities will desire to incentivize new production through return of idle capacity, brownfield mine expansion, and high-quality new projects



Source: UxC LLC, World Nuclear Association, Eight Capital estimates

**2. In our view, unfilled uranium required and U.S. and non-U.S. reactors have not signaled a great sense of urgency towards contracting, but we also believe perceived security of uranium supply can be a fragile distraction to purchasing behavior...**



Source: UxC LLC, World Nuclear Association, Eight Capital estimates

### 3. Although global uranium inventories remain at elevated levels, we see drawdowns intensifying and a large portion of inventories will remain relatively immobile...

YTD purchases by investment funds and junior miners have totaled 39+Mln lbs, bringing secondary holdings to approx. 76Mln lbs and growing

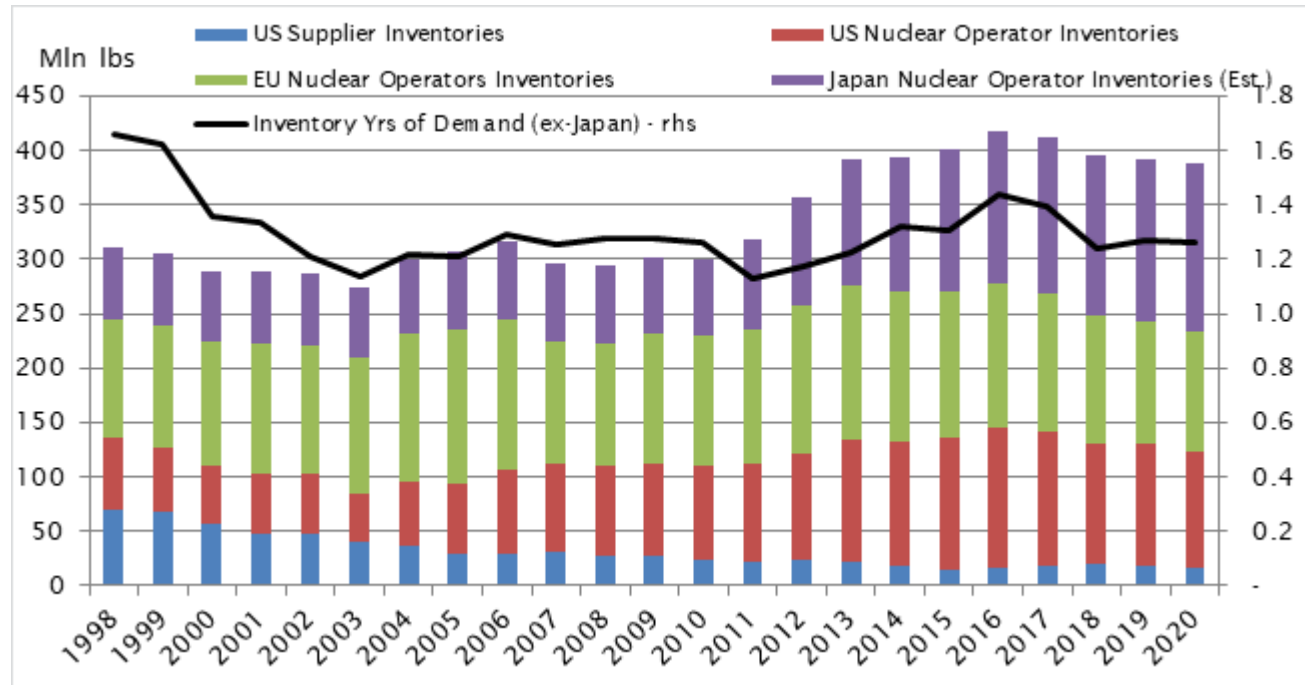
Uranium inventories currently represents approx. 1.3yrs of demand

U. S. utility inventories are down 16% from their 2016 peak

E.U. utility inventories are down 22% from their 2013 peak

U.S. supplier inventories continue their steady downward trend...

... and Cameco holds 8.5Mln lbs of uranium in inventory, down 75% from Q2/16 peak of 33.9Mln lbs



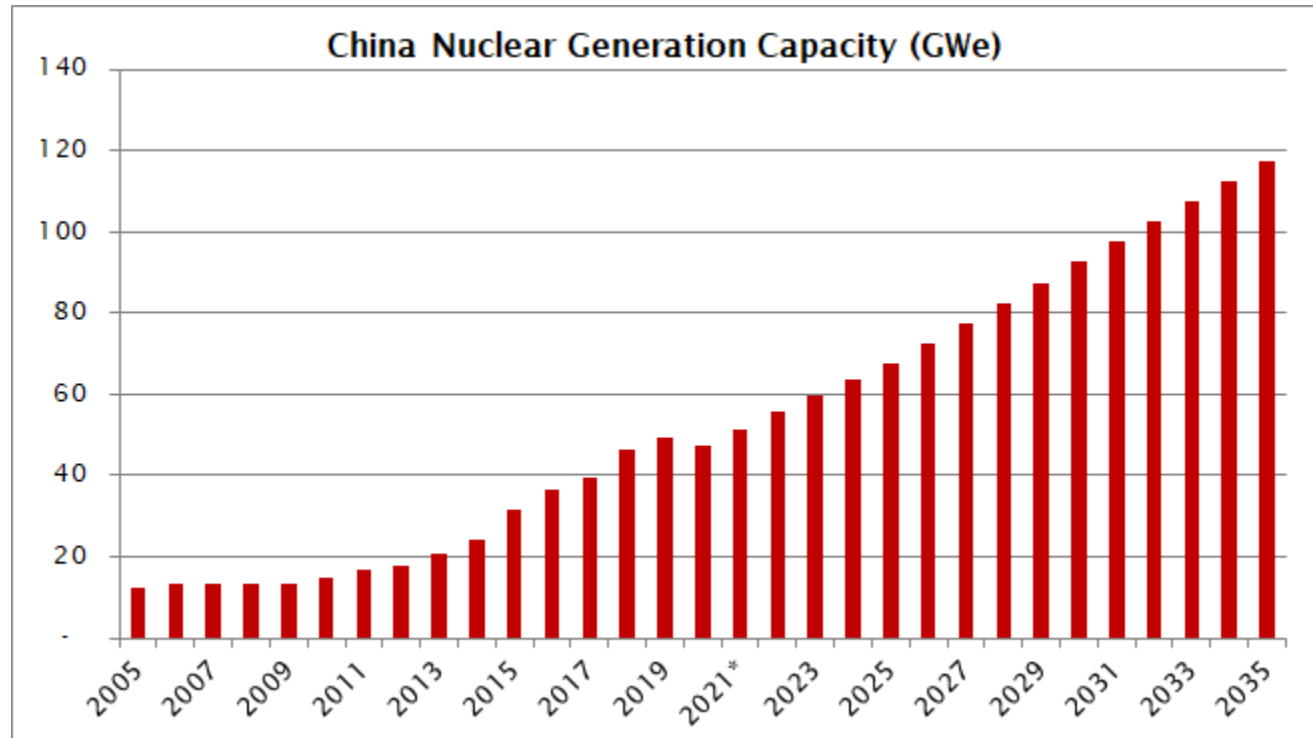
Source: UxC LLC, World Nuclear Association, Japan inventories are Eight Capital estimates

**4. The China NPC goal of 70GWe by 2025 is achievable; but requires a +25% increase in construction growth rate compared to last 10 years... China's growth is no doubt tremendous, but the pace of uranium contracting is still unclear...**

In the post-Fukushima era (since 2011), China has increased nuclear generating capacity by 3.2GWe/year, implying a +25% increase in the rate of capacity growth is required to meet NPC's goal

Currently, China has 49 reactors in operation with gross capacity of 50.6GWe, with 16 reactors under construction (17.3GWe), 39 reactors planned (43.1MWe), and 139 reactors proposed (196.9MWe)

China is expected to have 30GWe of new nuclear capacity under construction in 2025, suggesting at least 100GWe should be operational by around 2030. This estimate assumes similar reactor construction timeframes as seen recently, which reflect domestic PWRs in China taking roughly 55-60 months to complete.



Source: UxC LLC, World Nuclear Association, Eight Capital estimates

## 5. SPUT is undoubtedly been a positive fundamental shift in uranium price discovery... resulting in a transition to physical market deficits... Term contracting remains the key catalyst to a higher and more sustainable uranium price...

### GLOBAL URANIUM (U<sub>3</sub>O<sub>8</sub>) SUPPLY/DEMAND MODEL

<i>all figures in Mln lbs U3O8, unless noted</i>	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Uranium Supply (Mln lbs)</b>														
Africa	20.7	22.9	22.5	22.0	20.9	20.5	21.0	22.0	21.3	20.8	22.0	24.5	25.5	21.5
Australia	15.2	16.6	17.1	16.0	11.7	13.0	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
Canada	34.1	18.2	18.0	10.0	11.6	18.0	18.0	19.6	36.5	43.0	43.0	43.0	38.5	44.5
Kazakhstan	60.6	56.3	59.0	50.6	58.7	58.7	58.7	61.4	62.2	62.2	64.9	66.6	66.6	65.6
China	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.7	5.2	5.2	5.2	5.2	5.2
Russia	7.6	7.6	7.6	7.4	7.4	7.4	8.3	8.6	9.0	9.4	9.4	9.4	9.4	9.4
United States	2.5	1.5	0.2	0.2	0.0	0.1	0.2	1.7	3.1	3.1	3.1	3.1	4.2	5.5
Other Countries	12.1	12.9	13.2	12.9	13.1	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7	13.7
<b>Primary Supply</b>	<b>156.9</b>	<b>140.1</b>	<b>141.8</b>	<b>123.2</b>	<b>127.5</b>	<b>135.5</b>	<b>137.5</b>	<b>144.7</b>	<b>163.9</b>	<b>170.9</b>	<b>174.8</b>	<b>179.0</b>	<b>176.6</b>	<b>178.8</b>
<i>growth rate</i>	<i>-4.5%</i>	<i>-10.7%</i>	<i>1.2%</i>	<i>-13.1%</i>	<i>3.4%</i>	<i>6.3%</i>	<i>1.5%</i>	<i>5.2%</i>	<i>13.3%</i>	<i>4.3%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>-1.4%</i>	<i>1.3%</i>
<b>Secondary supply</b>	<b>56.0</b>	<b>70.1</b>	<b>59.7</b>	<b>64.9</b>	<b>63.3</b>	<b>50.0</b>	<b>43.4</b>	<b>36.3</b>	<b>35.3</b>	<b>31.5</b>	<b>28.9</b>	<b>27.0</b>	<b>25.3</b>	<b>20.0</b>
<b>Total supply</b>	<b>212.9</b>	<b>210.2</b>	<b>201.4</b>	<b>188.2</b>	<b>190.8</b>	<b>185.5</b>	<b>180.9</b>	<b>181.0</b>	<b>199.2</b>	<b>202.4</b>	<b>203.7</b>	<b>206.0</b>	<b>201.8</b>	<b>198.8</b>
<i>growth rate</i>	<i>0.7%</i>	<i>-1.3%</i>	<i>-4.2%</i>	<i>-6.6%</i>	<i>1.4%</i>	<i>-2.8%</i>	<i>-2.5%</i>	<i>0.0%</i>	<i>10.0%</i>	<i>1.6%</i>	<i>0.6%</i>	<i>1.1%</i>	<i>-2.0%</i>	<i>-1.5%</i>
<b>World Nuclear Generating Capacity (GWe)</b>														
China	39.4	46.6	49.2	47.5	51.5	55.5	59.5	63.5	67.5	72.5	77.5	82.5	87.5	92.5
India	6.3	6.3	6.3	6.3	6.3	7.3	7.3	7.3	8.3	9.3	9.3	10.3	11.3	13.3
Japan	4.2	6.9	8.7	8.7	8.7	10.7	12.7	14.7	16.7	18.7	20.7	22.7	24.7	24.7
Russia	26.1	27.3	28.4	28.4	28.4	28.4	28.4	28.4	28.4	29.4	30.4	30.4	30.4	30.4
USA	100.0	99.3	98.2	98.2	98.2	99.4	99.4	99.4	100.7	100.7	100.7	100.7	100.7	101.9
Other	182.5	186.2	188.6	185.5	185.4	191.3	193.7	197.5	199.9	201.1	200.9	201.7	201.5	202.3
<b>Total</b>	<b>358.5</b>	<b>372.5</b>	<b>379.3</b>	<b>374.6</b>	<b>378.4</b>	<b>392.6</b>	<b>401.0</b>	<b>410.8</b>	<b>421.4</b>	<b>431.6</b>	<b>439.4</b>	<b>448.2</b>	<b>456.0</b>	<b>465.1</b>
<i>growth rate</i>	<i>0.6%</i>	<i>3.9%</i>	<i>1.8%</i>	<i>-1.2%</i>	<i>1.0%</i>	<i>3.7%</i>	<i>2.1%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>2.4%</i>	<i>1.8%</i>	<i>2.0%</i>	<i>1.7%</i>	<i>2.0%</i>
<b>Uranium demand analysis</b>														
Primary uranium demand	158.4	164.3	165.3	163.9	164.3	170.1	173.5	177.4	181.6	185.7	188.7	192.1	195.1	198.6
Secondary uranium demand	34.8	36.5	25.2	20.6	37.0	25.0	15.0	15.0	13.0	10.0	8.0	5.0	5.0	5.0
<b>Total demand</b>	<b>193.2</b>	<b>200.8</b>	<b>190.5</b>	<b>184.5</b>	<b>201.3</b>	<b>195.1</b>	<b>188.5</b>	<b>192.4</b>	<b>194.6</b>	<b>195.7</b>	<b>196.7</b>	<b>197.1</b>	<b>200.1</b>	<b>203.6</b>
<i>growth rate</i>	<i>-0.1%</i>	<i>3.9%</i>	<i>-5.2%</i>	<i>-3.1%</i>	<i>9.1%</i>	<i>-3.1%</i>	<i>-3.4%</i>	<i>2.1%</i>	<i>1.2%</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.2%</i>	<i>1.5%</i>	<i>1.7%</i>
<b>Market surplus (deficit)</b>	<b>19.6</b>	<b>9.4</b>	<b>11.0</b>	<b>3.7</b>	<b>(10.5)</b>	<b>(9.6)</b>	<b>(7.5)</b>	<b>(11.4)</b>	<b>4.5</b>	<b>6.7</b>	<b>7.0</b>	<b>8.9</b>	<b>1.7</b>	<b>(4.8)</b>
<i>Surplus (deficit) as % of global demand</i>	<i>10.2%</i>	<i>4.7%</i>	<i>5.8%</i>	<i>2.0%</i>	<i>-5.2%</i>	<i>-4.9%</i>	<i>-4.0%</i>	<i>-5.9%</i>	<i>2.3%</i>	<i>3.4%</i>	<i>3.6%</i>	<i>4.5%</i>	<i>0.9%</i>	<i>-2.4%</i>

Source: UxC LLC, World Nuclear Association, Eight Capital estimates

We believe a new contracting phase could absorb a disciplined supply response. Tighter markets and prices sustainably >\$50/lb does provide the incentive for an idle McArthur River (22-25Mln lbs/year) and KazAtomProm ramp-up (13Mln lbs/year) – which together remain the largest potential sources of incremental supply.

KazAtomProm is maintaining 2023 production at similar levels to 2022, extending a 20% production curtailment relative to planned volumes under Subsoil Use Agreements – essentially keeping approx. 13Mln lbs of supply out of the market until 2023

## Uranium Equities

Company name	Ticker	Price	Rating	Primary Analyst	Target Price	
					New	Previous
Cameco Corp.	CCO-T	C\$33.69	NEUTRAL	R. Profiti	C\$35.00	C\$28.00
Energy Fuels Inc.	EFR-T	C\$12.12	BUY	A. Akinwale	C\$13.50	C\$10.50
NexGen Energy Ltd.	NXE-T	C\$7.40	Buy	A. Akinwale	C\$10.60	C\$6.00
Fission Uranium Corp.	FCU-T	C\$1.13	BUY	A. Akinwale	C\$2.00	C\$1.50
Uranium Energy Corp.	UEC-N	US\$4.38	BUY	A. Akinwale	US\$6.40	US\$3.90
Azarga Uranium Corp.	AZZ-T	US\$0.72	NEUTRAL	A. Akinwale	C\$0.75	C\$0.50

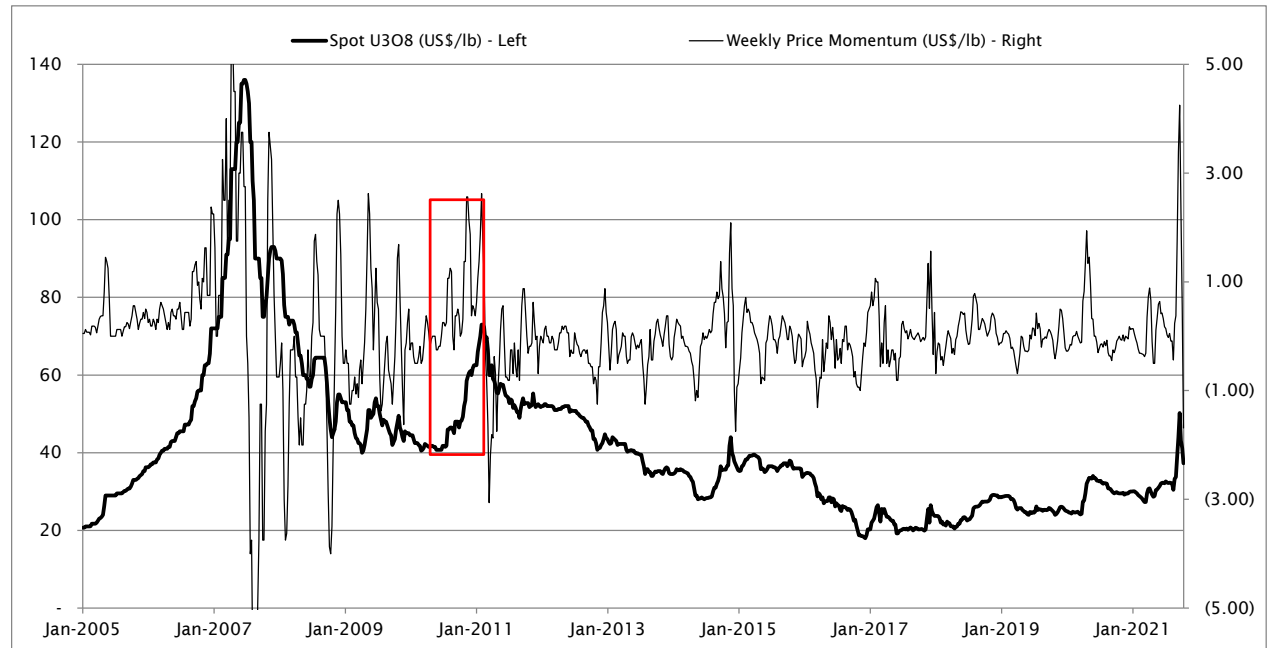


# Increasing our uranium price deck to \$60/lb long-term... We see potential for an upside scenario exhibiting similarities to the post-GFC/pre-Fukushima period (July-2010/March-2011) when the spot prices rose to \$70/lb...

Spot prices and transactions began to surge in August with the introduction of SPUT, followed by two pullbacks in September and October

We believe utilities are taking notice of spot prices >\$40/lb to consider contracting requirements as well as potential supply responses from uranium producers - both of which are key catalysts to the next phase of uranium price discovery

In our view, higher uranium vs. today will be required to incent future mine production; with new projects needing "suitable" contracts from utilities to proceed



Source: UxC LLC, Eight Capital estimates

		2016A	2017A	2018A	2019A	2020A	2021E	2022E	2023E	2024E	2024E	2025/LT
Uranium (spot)	(US\$/lb)	27	22	25	26	30	36	50	55	60	60	60
	previous (US\$/lb) change (%)						34 6%	40 25%	45 22%	48 26%	50 20%	50 20%
Uranium (LT)	(US\$/lb)	43	33	31	32	33	35	45	55	60	60	60
	previous (US\$/lb) change (%)						33 5%	40 13%	45 22%	50 20%	50 20%	50 20%

Source: UxC LLC, Eight Capital estimates

# Cameco Corp. (CCO-T)

## Rating: NEUTRAL

### Target Price: C\$35.00

A premium valuation has long been part of the Cameco investment narrative. Rising cash flow potential on expectations of tightening uranium markets in the long-term, together with a unique market position, with high industry barriers to entry and lack of investment alternatives, has kept valuation at a premium for Cameco shares

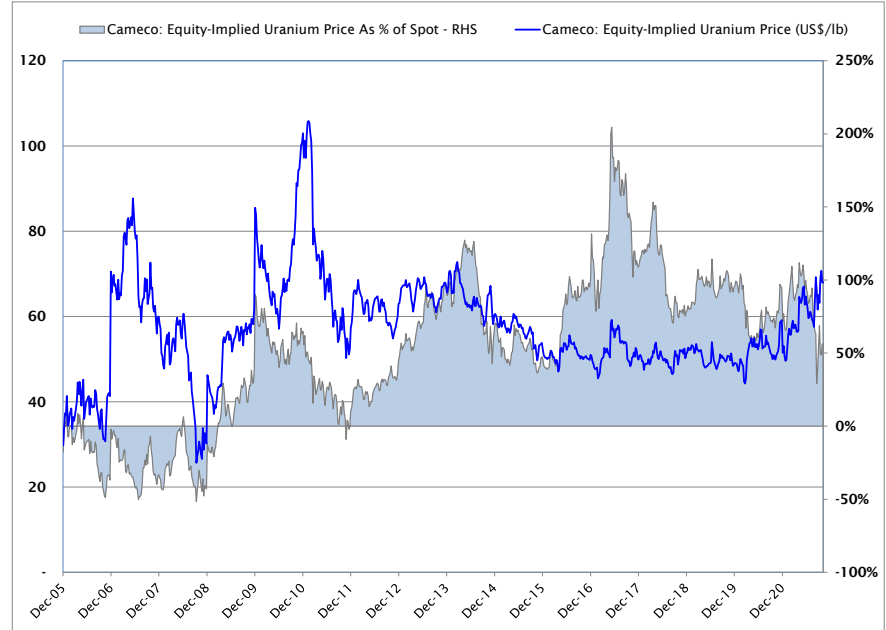
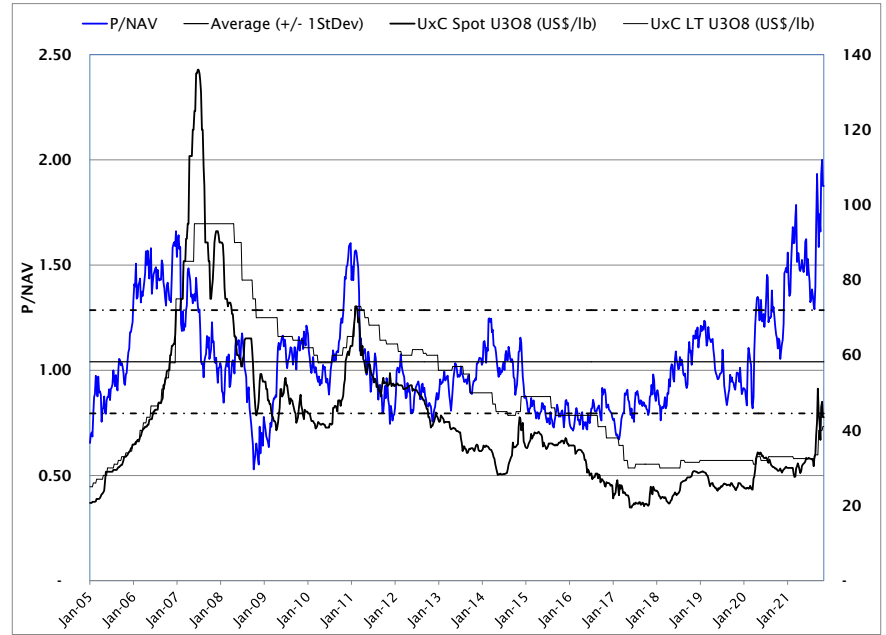
Cameco is currently trading at a P/NAV multiple of 1.55x, a slight discount to historical peak multiples during uranium “bull markets”. Alternatively, we estimate Cameco shares are currently pricing in a \$70/lb uranium price at 1x P/NAV and \$57/lb at 1.4x P/NAV – which compares to the UxC LT price of \$41/lb. A \$70/lb equity-implied uranium price represents a 62% premium to the spot price compared to historical average premium of 52%.

Cameco has executed 20Mln lbs in long-term sales contracts YTD bringing total commitments to deliver an average of 20Mln lbs/year from 2021-2025, with commitment levels higher in 2021-2022 vs. 2023-2025

Our TP of \$35 is based on 1.6x P/NAV (C\$19.73/share) and is in-line with historical peak P/NAV during uranium “bull markets”.

#### Cameco Corp: Historical Valuation Ranges

	Cameco Peak Multiples		Cameco Average Multiples	
	P/NAV	EV/EBITDA	P/NAV	EV/EBITDA
Pre-Cigar Lake flood (pre Oct-06)	1.58	24.7	1.16	15.5
Peak Uranium (Oct-06 - Apr-08)	1.66	15.8	1.21	11.6
Financial Crisis-Inventory Liquidation (Apr-08 - Jul-10)	1.21	13.6	0.96	10.1
Post-Financial Crisis/Pre-Fukushima (Jul-2010 - Mar-2011)	1.60	18.2	1.34	15.7
Post-Fukushima/Supply Response (Mar-2011 - July-2018)	1.25	17.1	0.90	10.6
Post-McArthur River Shutdown (Jul-2018 - Aug-2021)	1.79	60.5	1.18	24.6
Spott Physical Uranium Trust ATM Offering (Aug-2021 - )	2.00	58.9	1.70	47.1
Current	1.88	44.6	1.88	44.6



# NexGen Energy (NXE-T)

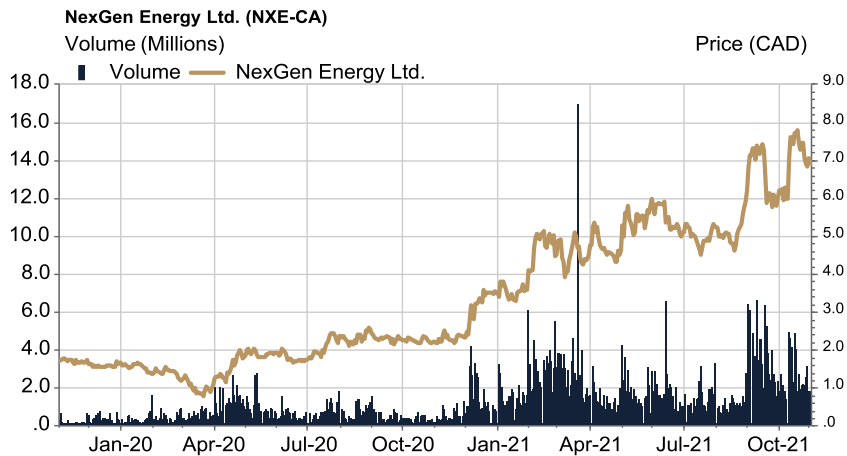
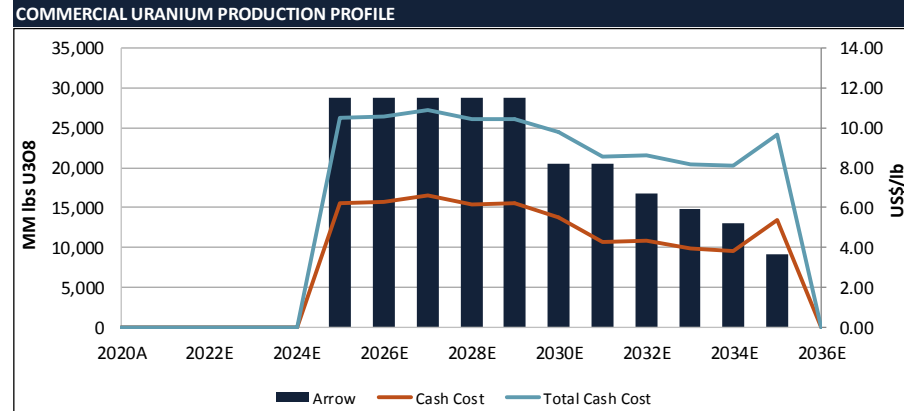
## Rating: BUY

### Target Price: C\$10.60

**Exposure to one of the highest-grade mines with industry low operating costs in a tier 1 region in Athabasca basin.** The Rook I FS outlines initial annual production of 29 MM lbs U3O8 (21% of UxC global production) coming on-line as early as 2025 and supported by current reserves of 239.6MMlbs grading 2.37%.

**Over C\$200Mln in the treasury.** NexGen is conducting regional exploration drilling to test high priority targets within a 10km radius of Arrow deposit whilst simultaneously advancing the Rook I Project through final engineering and permitting with the submission of Environmental Impact Assessment (EIA) expected before year-end 2021.

Our TP of C\$10.60/sh is based on our 10% DCF for the Rook I project and our DCF multiple of 1.1x (was 0.9x). NXE trades at a P/NAV of 0.76x vs. 1.55x for producer Cameco (CCO-T, NEUTRAL, C\$35.00 TP, covered by R. Profiti).



NET ASSET VALUE (C\$) - 10%	NAV (\$ MM)	/Share	% NAV
<b>Assets:</b>			
Arrow (100%)	3,828	7.96	82%
Unmined Resources	120	0.25	0%
<b>Balance Sheet &amp; Other Items:</b>			
Cash & Investments	480	1.00	10%
Debt	-177	-0.37	-4%
Exploration, G&A, and Other	412	0.86	9%
<b>Total</b>	<b>4,664</b>	<b>9.70</b>	<b>100%</b>
<b>Eight Capital DCF Target Multiple</b>		<b>1.10x</b>	
<b>Share Price Target</b>		<b>10.60</b>	

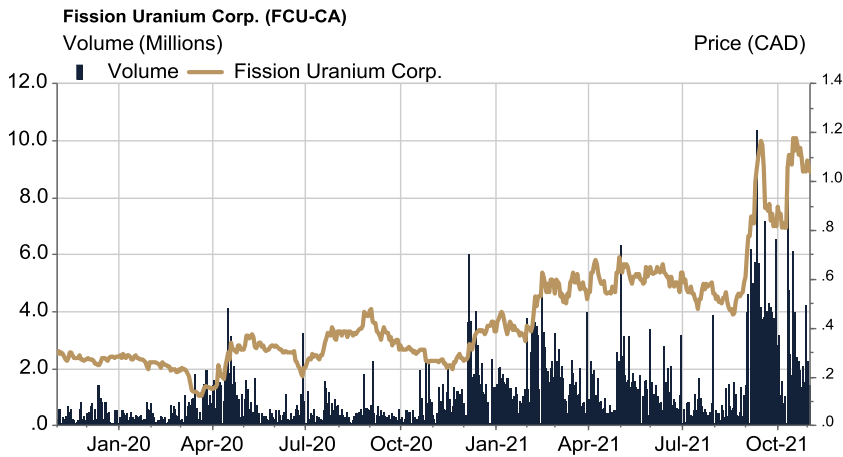
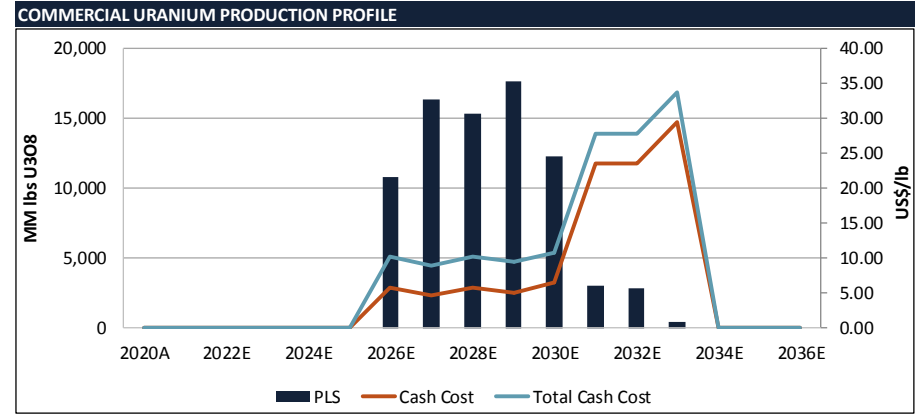
# Fission Uranium Corp. (FCU-T)

**Rating: BUY**  
**Target Price: C\$2.00**

FCU’s flagship Patterson Lake South project neighbors NXE on the west side of the Athabasca Basin (and we think represents an attractive earlier-stage alternative). On-going exploration efforts aims to upgrade the majority of the R840W zone from Inferred to Indicated category to be incorporated in the resource model used for the Feasibility Study (FS) expected by Q2 2022. The R840W zone is the second largest of the mineralized zones after the R780E zone and is not included in the pre-feasibility resource due to the predominantly Inferred resource categorization.

The underground-only option contemplated in the PFS should streamline permitting for annual production of roughly 11.2 MM lbs U3O8 (supported by current reserves of 81.4 MM lbs U3O8 grading 1.61%). We view FCU to be roughly one year behind NXE in the development process and therefore could come online as early as 2026.

Our TP of C\$2.00/sh on based on our 10% DCF for the Patterson Lake South (PLS) project with a 0.9x DCF multiple (was 0.8x). FCU currently trades cheaply at 0.52x P/NAV compared to its developer peer average of 0.71x.



NET ASSET VALUE (C\$) - 10%	NAV (\$ MM)	/Share	% NAV
<b>Assets:</b>			
PLS (100%)	963.8	1.44	66%
Unmined Resources	104.6	0.16	7%
<b>Balance Sheet &amp; Other Items:</b>			
Cash & Investments	42.0	0.06	3%
Debt	-9.0	-0.01	-1%
Exploration, G&A, and Other	362.7	0.54	25%
<b>Total</b>	<b>1,464</b>	<b>2.18</b>	<b>100%</b>
<b>Eight Capital DCF Target Multiple</b>		<b>0.90x</b>	
<b>Share Price Target</b>		<b>2.00</b>	

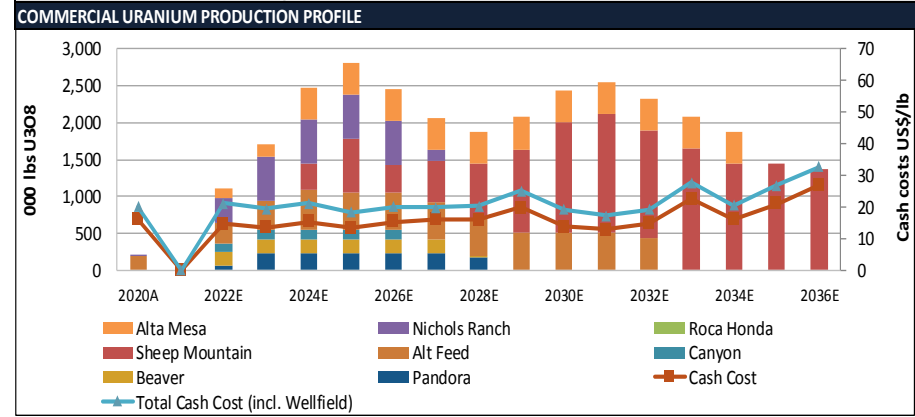
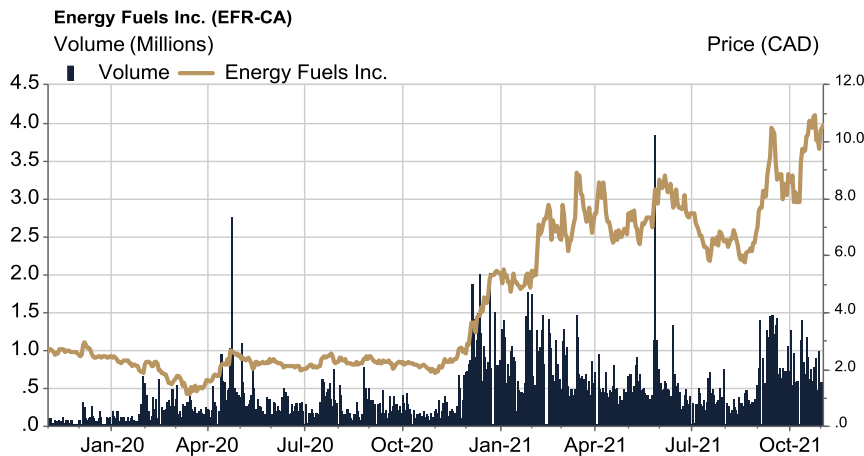
**Energy Fuels Inc. (EFR-T)**  
**Rating: BUY**  
**Target Price: C\$13.50**

For exposure to uranium and clean energy, we recommend Energy Fuels due to its large inventory of ~691 klbs of finished U3O8 and its vast uranium resources of 130MMlbs across both conventional and ISR assets which are currently idled but are largely ready to ramp up when prices turn.

In addition, EFR has broadened its clean energy exposure by adding capabilities to recover rare earth elements (REEs) from monazite sands and produce rare earth oxides (REOs) planned to be separated by Neo Performance Materials (NEO-T, Not Rated) in Europe.

The existing crack-and-leach facility at the White Mesa mill in Utah can be used for REE processing and may even make the site ideal for downstream integration into REO separation (targeted for 2023/24), the capacity for which is currently 80-90% controlled by China.

Our TP of C\$13.50/sh is based on our 10% DCF model with a 1.7x DCF multiple (was 1.5x). EFR is currently trading at a P/NAV multiple of 1.32x, a discount to its peer average of 1.54x.



NET ASSET VALUE	10% NAV (C\$ MM)	C\$/share
Corporate DCF	980	6.31
Cash, Investments, and Inventories	222	1.43
Debt	0	0.00
Unmined Resources	188	1.21
<b>Total NAV</b>	<b>1,389</b>	<b>8.95</b>
<b>Eight Capital DCF Target Multiple</b>		<b>1.7x</b>
<b>Share Price Target</b>	<b>C\$</b>	<b>13.50</b>

# Uranium Energy Corp. (UEC-US)

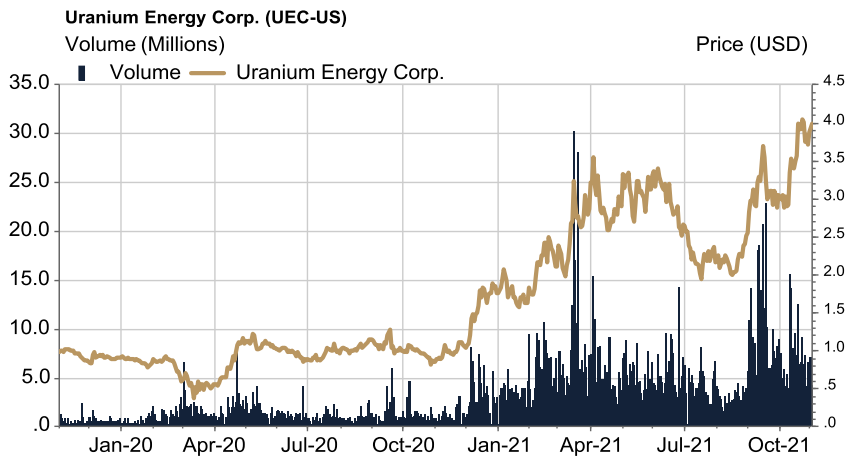
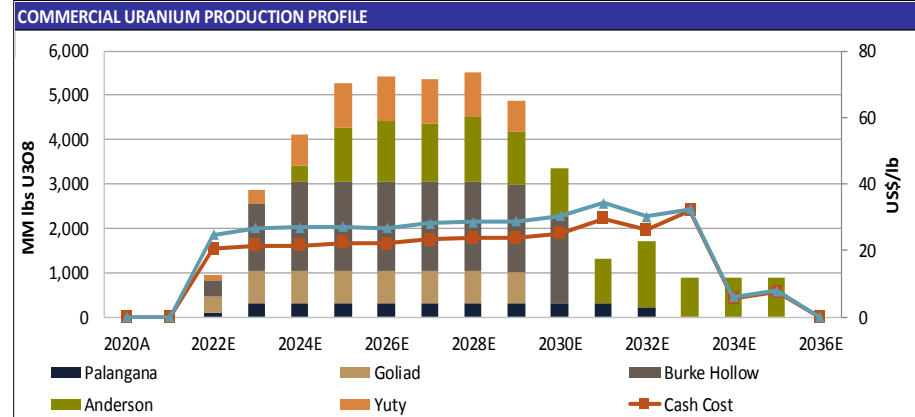
**Rating: BUY**  
**Target Price: C\$6.40**

UEC provides investors with exposure to the production potential of its ISR projects in South Texas utilizing a hub-and-spoke strategy anchored by the fully licensed Hobson Processing Plant and including three fully permitted low-cost ISR deposits (Palangana, Goliad, and Burke Hollow). These projects can ramp up to roughly 2.5 MM lbs U3O8 per year in as little as two years.

Additionally, a PFS is underway for the Reno Creek project in Wyoming, the largest permitted pre-construction ISR project in the US with five deposits containing a total of 26 MM lbs M&I.

UEC has a strong balance sheet of US\$235Mln of cash and liquid assets, including US\$57M in physical inventories. The company's physical uranium initiative includes over 4.1 MM lbs at an average cost of \$32 per pound with various delivery dates through December 2025.

Our TP of US\$6.40/sh is based on our 10% DCF with a 1.7x DCF multiple (was 1.5x). UEC is currently trading at a P/NAV multiple of 1.08x, a discount to its peer average of 1.54x.



NET ASSET VALUE (US\$) - 10%	NAV (\$ MM)	/Share	% NAV
Palangana (100%)	38.7	0.16	4%
Goliad (100%)	96.3	0.41	10%
Burke Hollow (100%)	247.3	1.04	26%
Anderson (100%)	65.8	0.28	7%
Yuty (100%)	63.8	0.27	7%
Reno Creek (100%)	234.0	0.99	24%
Resources	134.7	0.57	14%
Exploration, G&A, and Other	48.4	0.20	5%
<b>Balance Sheet Items:</b>			
Cash & Investments	46.4	0.20	5%
Debt	(10.3)	(0.04)	-1%
<b>Total</b>	<b>965</b>	<b>4.07</b>	<b>100%</b>
<b>Eight Capital DCF Target Multiple</b>		<b>1.70x</b>	
<b>Share Price Target</b>	<b>US\$</b>	<b>6.40</b>	

## Target Price Methodologies

- **Cameco Corp.:** Our TP of \$35 is based on 1.6x P/NAV (C\$19.73/share) and is in-line with historical peak P/NAV during uranium “bull markets”.
- **Energy Fuels Inc.:** Our TP of \$13.50 is based on our 10% DCF with a 1.7x DCF multiple (was 1.5x)
- **NexGen Energy Ltd.:** Our TP of C\$10.60/sh is based on our 10% DCF for the Rook I project and our DCF multiple of 1.1x (was 0.9x)
- **Fission Uranium Corp.:** Our TP of \$2.00 is based on our 10% DCF for the Patterson Lake South (PLS) project with a 0.9x DCF multiple (was 0.8x)
- **Uranium Energy Corp.:** Our TP of \$6.40 is based on our 10% DCF with a 1.7x DCF multiple (was 1.5x)
- **Azarga Uranium Corp.:** Our TP of \$0.75 is based on the share exchange ratio of 0.375 shares of enCore (EU-V, Not rated) per share of AZZ offered as part of the business combination proposed on September 07, 2021.

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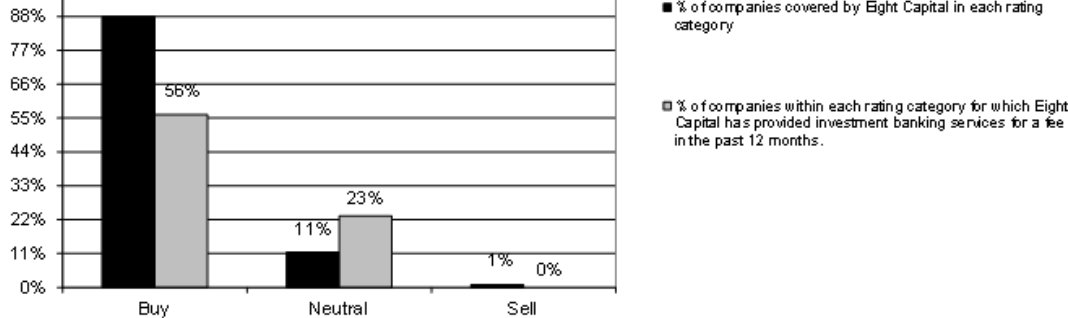
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