

**Uranium Energy Corp. (UEC)**  
**Rating: Buy**

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**Development and Resource Delineation Update; Financing Closed; Physical Uranium Purchases Fully Funded; Reiterate Buy**

Stock Data	04/13/2021
Price	\$2.88
Exchange	NYSE American
Price Target	\$5.00
52-Week High	\$3.67
52-Week Low	\$0.68
Enterprise Value (M)	\$593
Market Cap (M)	\$657
Public Market Float (M)	136.4
Shares Outstanding (M)	228.1
3 Month Avg Volume	6,921,562
Short Interest (M)	19.82

Shares Outstanding (M): pro forma \$30.5M and \$12.0M financing.

Balance Sheet Metrics	
Cash (M)	\$73.5
Total Debt (M)	\$9.9
Total Cash/Share	\$0.32

Cash (M): pro forma for \$30.5M and \$12.0M financing, \$28.2M received from ATM program, \$2.0M from exercised stock options and warrants, and the \$8.0M voluntary debt payment.

Total Debt (M): pro forma for \$8.0 voluntary debt payment.

EPS (\$) Diluted			
Full Year - Jul	2020A	2021E	2022E
FY	(0.08)	(0.08)	0.02

Revenue (\$M)			
Full Year - Jul	2020A	2021E	2022E
FY	0.0	0.0	23.1



**Wellfield development and resource delineation update.** On April 14, Uranium Energy Corp (UEC) provided an update on the ongoing wellfield development and resource delineation drilling at its Burke Hollow in-situ recovery (ISR) uranium project in Texas. As of April 9, the company has utilized two drill rigs to complete 40 resource delineation holes, as management looks to improve the understanding of five Goliad Formation trends within PAA-1. We highlight hole 283.0-319.5, which intersected an average uranium grade of 0.163% and a 4.483 grade thickness. UEC also installed roughly 45 additional exterior monitoring wells to account for trend extensions. These wells are expected to compliment the 76 monitor wells already installed at site.

**Physical uranium initiative fully funded after closing of financing.** On April 9, UEC announced that it closed an offering for gross proceeds of \$12.0M following the issuance of 3.6M common shares at \$3.30 per share. We note that the net proceeds from this funding are expected to be applied towards additional uranium purchases, as well as general working capital requirements. Following the financing, UEC now has more than \$110.0M in cash, equity, and inventory holdings. Further, the company now has cash on hand to fully fund its physical uranium initiative, which currently stands at 2.105M pounds (lbs) of U.S. warehoused uranium at a weighted average price of about \$30/lb, with deliveries expected between March 2021 and December 2022.

**We are reiterating our Buy rating on UEC and our PT of \$5.** Our valuation remains based on a DCF of future operations for the firm, utilizing our recently revised 7.5% discount rate. We then add an in situ value of \$75.0M for UEC's Reno Creek assets, \$41.5M for Alto Parana's resources, and an additional \$40.0M for Paraguay and UEC's other exploration stage assets. We continue to believe that these figures remain inline with similar projects throughout our coverage universe to which we assign equal geopolitical risk factors.

**Near-term catalysts.** Going forward, we maintain our longer-term expectation that current global developments should drive higher future uranium prices that could eventually support favorable production decisions at one or more of UEC's properties. This is especially important given ongoing wellfield development and definition drilling that should support a meaningful production ramp-up at Burke Hollow. We also highlight that Burke Hollow already maintains all four major required permits for uranium extraction. Finally, we expect the new physical uranium purchasing initiative to add incremental value through potentially higher future uranium prices, while also freeing up production capacity at its operations to support the U.S. Uranium Reserve in the future.

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

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Uranium Energy Corp.

All figures in USD\$ unless otherwise noted

		2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Uranium price per lb		\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
<b>Palangana Production</b>	( <i>'000s pounds</i> )	-	350	340	200	50	-	-	-	-	-
<b>Total Revenue ('000s)</b>		\$ -	\$ 17,500	\$ 17,000	\$ 10,000	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Goliad Production</b>	( <i>'000s pounds</i> )	-	150	600	600	600	600	600	600	600	600
<b>Total Revenue ('000s)</b>		\$ -	\$ 7,500	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
<b>Burke Hollow Production</b>	( <i>'000s pounds</i> )	-	-	450	1,200	1,550	1,550	1,550	1,550	1,550	1,550
<b>Total Revenue ('000s)</b>		\$ -	\$ -	\$ 22,500	\$ 60,000	\$ 77,500	\$ 77,500	\$ 77,500	\$ 77,500	\$ 77,500	\$ 77,500
<b>Gross Revenue</b>		\$ -	\$ 25,000	\$ 69,500	\$ 100,000	\$ 110,000	\$ 107,500	\$ 107,500	\$ 107,500	\$ 107,500	\$ 107,500
10% Royalty Palangana ('000s)		\$ -	\$ 1,250	\$ 1,700	\$ 1,000	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
8.25% Royalty Goliad ('000s)		\$ -	\$ 619	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475	\$ 2,475
<b>Net Sales ('000s)</b>		\$ -	\$ 23,131	\$ 65,325	\$ 96,525	\$ 107,275	\$ 105,025	\$ 105,025	\$ 105,025	\$ 105,025	\$ 105,025
Operating cost per lb		\$ -	\$ 18	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16
<b>Total Operating Costs ('000s)</b>		\$ -	\$ 9,000	\$ 22,240	\$ 32,000	\$ 35,200	\$ 34,400	\$ 34,400	\$ 34,400	\$ 34,400	\$ 34,400
<b>Operating Income ('000s)</b>		\$ -	\$ 14,131	\$ 43,085	\$ 64,525	\$ 72,075	\$ 70,625	\$ 70,625	\$ 70,625	\$ 70,625	\$ 70,625
CapEx ('000s)		\$ (500)	\$ (5,000)	\$ (3,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)
Taxes ('000s) 35%		\$ -	\$ -	\$ -	\$ -	\$ (12,438)	\$ (24,369)	\$ (24,369)	\$ (24,369)	\$ (24,369)	\$ (24,369)
<b>Total Operating Cash Flow</b>		\$ (500)	\$ 9,131	\$ 40,085	\$ 63,525	\$ 58,637	\$ 45,256	\$ 45,256	\$ 45,256	\$ 45,256	\$ 45,256
Discount Rate	7.5%										
<b>PV of Operating Cash Flows ('000s)</b>		\$ (500)	\$ 8,494	\$ 34,687	\$ 51,135	\$ 43,907	\$ 31,524	\$ 29,324	\$ 27,278	\$ 25,375	\$ 23,605
<b>NPV</b>	\$ 274,830	\$ 1.20	<i>per share</i>								
Plus Non-Texas Projects	\$ 610,400	\$ 2.68	<i>per share</i>								
Plus Paraguay Assets	\$ 40,000	\$ 0.18	<i>per share</i>								
Plus Cash	\$ 73,469	\$ 0.32	<i>per share</i>								
Plus Reno Creek/North Reno Creek	\$ 75,000	\$ 0.33	<i>per share</i>								
Plus Alto Parana Resources	\$ 41,500	\$ 0.18	<i>per share</i>								
Plus Uranium Royalty Corp. (URC.V; Buy)	\$ 41,948	\$ 0.18	<i>per share</i>								
Minus Debt	(9,906)	(0.04)	<i>per share</i>								
<b>Total Current Value</b>	\$ 1,147,240										
Common Shares Outstanding	228,079	<i>as of 3/15/21; pro forma for \$30.5M and \$12.0M financing</i>									
<b>Project NAV Per Share</b>	\$ 5.03										
NPV/Share (Rounded to \$0.10/share)	\$ 5.00										
UEC Stock Price	\$ 2.88	<i>as of 4/14/21</i>									

Note: We assume tax loss carryforwards for FY22-25

0.80 USD/CAD exchange rate as of 4/14/21

as of 1/31/21; pro forma for \$30.5M and \$12.0M financing, \$28.2M from ATM program, \$2.0M in exercised warrants and stock options, and \$8.0M voluntary debt payment

14.0M common shares at C\$3.75 per share as of 4/14/21

as of 1/31/21; pro forma for \$8.0M voluntary debt payment

Source: HC Wainwright & Co. estimates.

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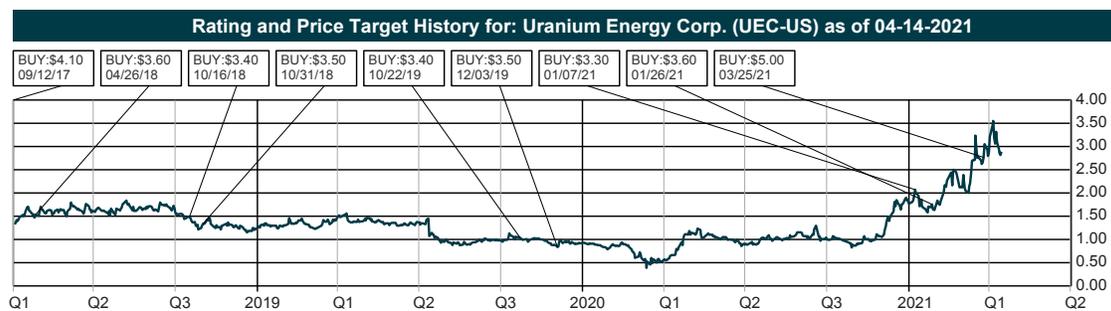
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**Market Outperform (Buy):** The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

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## Related Companies Mentioned in this Report as of Apr/14/2021

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
Uranium Royalty Corp.	URC.V	Buy	C\$3.40	C\$3.75	C\$221

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Distribution of Ratings Table as of April 14, 2021				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	453	89.00%	189	41.72%
Neutral	54	10.61%	13	24.07%
Sell	0	0.00%	0	0.00%
Under Review	2	0.39%	1	50.00%

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