

# Premier American Uranium Inc. (TSXV:PUR) Closing of AMPS Acquisition Adds 23.5M lbs U<sub>3</sub>O<sub>8</sub> to PUR's Kitty

Exploration Update  
July 2, 2024

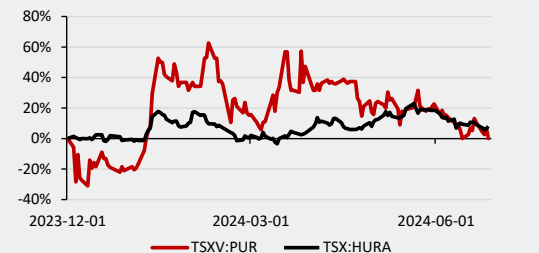
(Currency is CAD\$ unless noted otherwise)

Closing Price	\$1.90
Rating	BUY (S)
Target (\$C/sh)	NA
Return to Target	NA
52 Week Low / High	\$1.24 / \$3.29
<b>CAPITALIZATION</b>	Basic Diluted
Shares Outstanding (M)	46 57.9
Market Capitalization (\$MM)	\$87.0
Enterprise Value (\$MM)	\$74.3
Last Reported Quarter Cash (\$MM)	\$12.7
Total Debt (\$MM)	\$0.0

## STOCK CHART



## RELATIVE PERFORMANCE



## RELATIVE VALUATION

	EV /lb U <sub>3</sub> O <sub>8</sub> (US\$)
Premier American Uranium Inc.	NA
Peer Group Average*	\$4.0

\*Capital IQ Consensus

## MAJOR SHAREHOLDERS

Sachem Cove (41%), Consolidated Uranium Inc. (14%), Mega Uranium Ltd. (5%), US Family Office (5%)

## DISCLOSURE CODE:

3,5

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

## Company Description

Premier American Uranium Inc. is a US-based uranium exploration company, with ISR and conventional projects in Wyoming and Colorado, respectively. Its project portfolio includes its flagship Cyclone ISR uranium project in Wyoming and the Monogram Mesa, Atkinson Mesa, Outlaw Mesa, and Slick Rock conventional uranium projects in Colorado. The company is a result of the combination of Sachem Cove's wholly owned acquisition vehicle called Premier Uranium Inc. and spin out of Consolidated Uranium's eight CO DOE leases and patented claims.

## Impact: Very Positive

Premier American Uranium (PUR) has completed the acquisition of American Future Fuels, adding the promising Cebolleta project in New Mexico to its portfolio. An MRE update last week also estimated I&I resources of 23.5M lbs U<sub>3</sub>O<sub>8</sub>, growing the historical 18.98M lbs U<sub>3</sub>O<sub>8</sub> Inferred resources by 24% (Table 1). **We view this acquisition very positively as it provides PUR with an established shallow uranium resource with significant exploration upside and potential to anchor this company's valuation. It adds to the Cyclone project in the Great Divide Basin of Wyoming, for which an exploration target of 7.9M-12M lbs U<sub>3</sub>O<sub>8</sub> has been established and an ambitious ~20,000m drill program has been planned to commence in Jul/24. Geotechnical and further confirmation drilling is planned at Cebolleta for 2024 and permitting for an expansion drill program in 2025 is underway. While work is planned on its current projects, we believe that PUR has a considerable human capital that should help it benefit during the acquisition of other uranium projects.**

- **Acquired AMPS in a friendly all-share deal.** PUR acquired AMPS for 15.5M shares, implying a valuation of C\$40.7M based on PUR's 30-day pre-announcement VWAP or US\$1.61/lb U<sub>3</sub>O<sub>8</sub> based on Cebolleta's historical resources when the offer was made public (Tables 2 and 3).
- **Cebolleta has an expanded resource with 70% in Indicated category.** The current resource hosts 24% more U<sub>3</sub>O<sub>8</sub> than the historical resource. Notably, the updated resource is ~70% in the Indicated category, while the historical resource was entirely Inferred. The average grade fell by 25% as the updated resource had to disregard ~2.2M lbs U<sub>3</sub>O<sub>8</sub> from the high-grade underground resource. Additionally, new material was added from the St. Anthony North pit in the south of the deposit (Figure 2), which increased tonnage but also lowered the average grade.
- **Cebolleta has further room to grow.** Willie P, an area with a lot of drilling, known mineralization and historical mining has not been included in the resource. It should be included in a future MRE after additional data acquisition. While all the mineralization included in the resource is hosted in the Jackpile Sandstone Member of the Morrison Formation, there is also known mineralization in the much deeper Westwater Member (Figure 3). We expect future expansion to come from the lateral exploration before expanding at depth.
- **Working on permitting 2025 drilling at Cebolleta.** AMPS' planned phase 2 program is now thought to be unnecessary as Phase I twin drilling reconciled sufficiently with historical data to estimate a resource a year earlier than expected. With only a Type 3 (limited disturbance) permit, PUR is planning some geotech and more twin drilling while working toward a Type 4 permit for a large 2025 program. This should lead to an updated MRE and PEA within 18-24 months.

**We maintain our BUY (S) rating for Premier American.** The company has several work programs planned at its two current projects and sustained news flow from the program and any potential acquisition through 2024 and 2025 is expected to drive the stock. **Upcoming Catalysts:** 1) Drill results from Cyclone (Q3/24), 2) Drill results from Cebolleta (H2/25)

.....Continued on page 2

- 2024 exploration efforts to focus on Cyclone project in Wyoming.**  
 A ~20,000m drill program is planned to commence in July. 35 holes of ~500' length each and 37 holes of ~1,000' length each are planned at the Rim and Osborne Draw targets, respectively. The existing exploration target is based on 88 holes alone. Notably, the target average grade of 0.06% U<sub>3</sub>O<sub>8</sub> is higher than the ~0.05% U<sub>3</sub>O<sub>8</sub> average grade of the Lost Creek mine ~15km away. If the exploration target is met, the project has the potential to be a satellite deposit.
- Resources at Cebolleta and Cyclone could backstop a valuation.**  
 Using a multiple of US\$2.5/lb U<sub>3</sub>O<sub>8</sub>, Cebolleta would be valued at C\$78.3M, higher than the C\$40.7M valuation implied during the acquisition (Figure 4). Using the same multiple with the lower and upper limits of the exploration target would imply a value of C\$26.3M-C\$42.0M for the Cyclone project (Figure 4). Expansion of the resource at Cebolleta in H2/25 should increase the project value further.
- Company possesses capability to keep making acquisitions.** The new CEO, Mr. Colin Healey, has over 20 years' experience in the mining industry, mostly as a mining equity research analyst. The company has access to additional expertise through its association with Sachem Cove Partners, IsoEnergy (TSXV:ISO, BUY, C\$8.00 target, David A. Talbot), Energy Fuels Inc. (TSXV:EFR, BUY, C\$16.50 target, David A. Talbot). We believe that the company will leverage its abilities to identify undervalued uranium assets in a sustained positive market environment.

**Table 1: Cebolleta updated MRE compared with historical MRE**

Cebolleta	Current MRE				Previous (Historical MRE)			Difference		
	Tonnage		Grade	eU <sub>3</sub> O <sub>8</sub>	Tonnage	Grade	eU <sub>3</sub> O <sub>8</sub>	Tonnage	Grade	eU <sub>3</sub> O <sub>8</sub>
	Million st	Million tonnes	% eU <sub>3</sub> O <sub>8</sub>	M lbs eU <sub>3</sub> O <sub>8</sub>	Million tonnes	% eU <sub>3</sub> O <sub>8</sub>	M lbs eU <sub>3</sub> O <sub>8</sub>	%	%	%
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	6.5	5.9	0.142	18.6	-	-	-	-	-	-
M&I	6.5	5.9	0.142	18.6	0.0	0.000	0	-	-	-
Inferred	2.6	2.4	0.096	4.9	5.0	0.171	18.98	-53%	-44%	-74%
Total	9.1	8.3	0.129	23.5	5.0	0.171	18.98	64%	-25%	24%

Source: Company Reports, RCSI Estimates

**Table 2: Cyclone exploration target**

Cyclone Exploration Target					
Category	Cutoff U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> %	Tons (M st)	Tonnes (Mt)	U <sub>3</sub> O <sub>8</sub> (M lbs)
Lower bound	0.02%	0.06%	6.5	5.9	7.9
Upper bound	0.02%	0.06%	10.5	9.5	12.6

Source: Company Reports

**Table 3: AMPS acquisition metrics**

Item	Unit	Value
No. of shares issued for AMPS acquisition	Millions	15.541
30-day pre-announcement VWAP	C\$M	\$2.62
Implied Acquisition Value	C\$M	\$40.69
Cebolleta resources at acquisition time	M lbs U <sub>3</sub> O <sub>8</sub>	18.980
Implied	US\$/lb U <sub>3</sub> O <sub>8</sub>	\$1.61

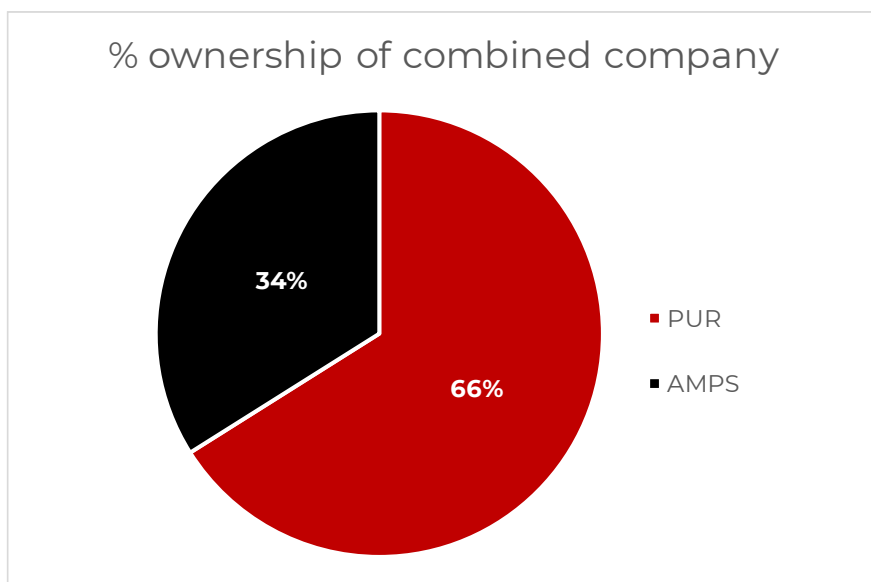
Source: RCSI Estimates

**Table 4: Cebolleta updated MRE with breakdown by category and area**

Classification	Zone	Grade Cut-off % eU <sub>3</sub> O <sub>8</sub>	Tonnage (Million st)	Grade % eU <sub>3</sub> O <sub>8</sub>	Contained Metal M lbs eU <sub>3</sub> O <sub>8</sub>
Underground					
Indicated	Area I	0.072	0.8	0.168	2.6
	Area II	0.072	2.3	0.193	8.7
	Area III	0.072	0.7	0.192	2.7
	Area IV	0.072	0	–	0
	Area V	0.072	0.4	0.208	1.6
Subtotal Indicated			4.1	0.189	15.6
Depletion JJ#1			-0.9	0.123	-2.2
<b>Total Indicated</b>			<b>3.2</b>	<b>0.208</b>	<b>13.4</b>
Inferred	Area I	0.072	0.2	0.118	0.4
	Area II	0.072	0.3	0.131	0.8
	Area III	0.072	0.2	0.156	0.6
	Area IV	0.072	0.1	0.105	0.3
	Area V	0.072	0.2	0.161	0.5
<b>Total Inferred</b>			<b>1.0</b>	<b>0.135</b>	<b>2.6</b>
Open Pit					
Indicated	St. Anthony North Pit	0.024	3.3	0.081	5.4
		0.024	0.1	0.084	0.2
Subtotal Indicated			3.4	0.081	5.5
Depletion			-0.1	0.205	-0.3
Climax M6					
<b>Total Indicated</b>			<b>3.3</b>	<b>0.078</b>	<b>5.2</b>
Inferred	St. Anthony North Pit	0.024	1.3	0.07	1.8
		0.024	0.3	0.078	0.5
<b>Total Inferred</b>			<b>1.6</b>	<b>0.072</b>	<b>2.3</b>

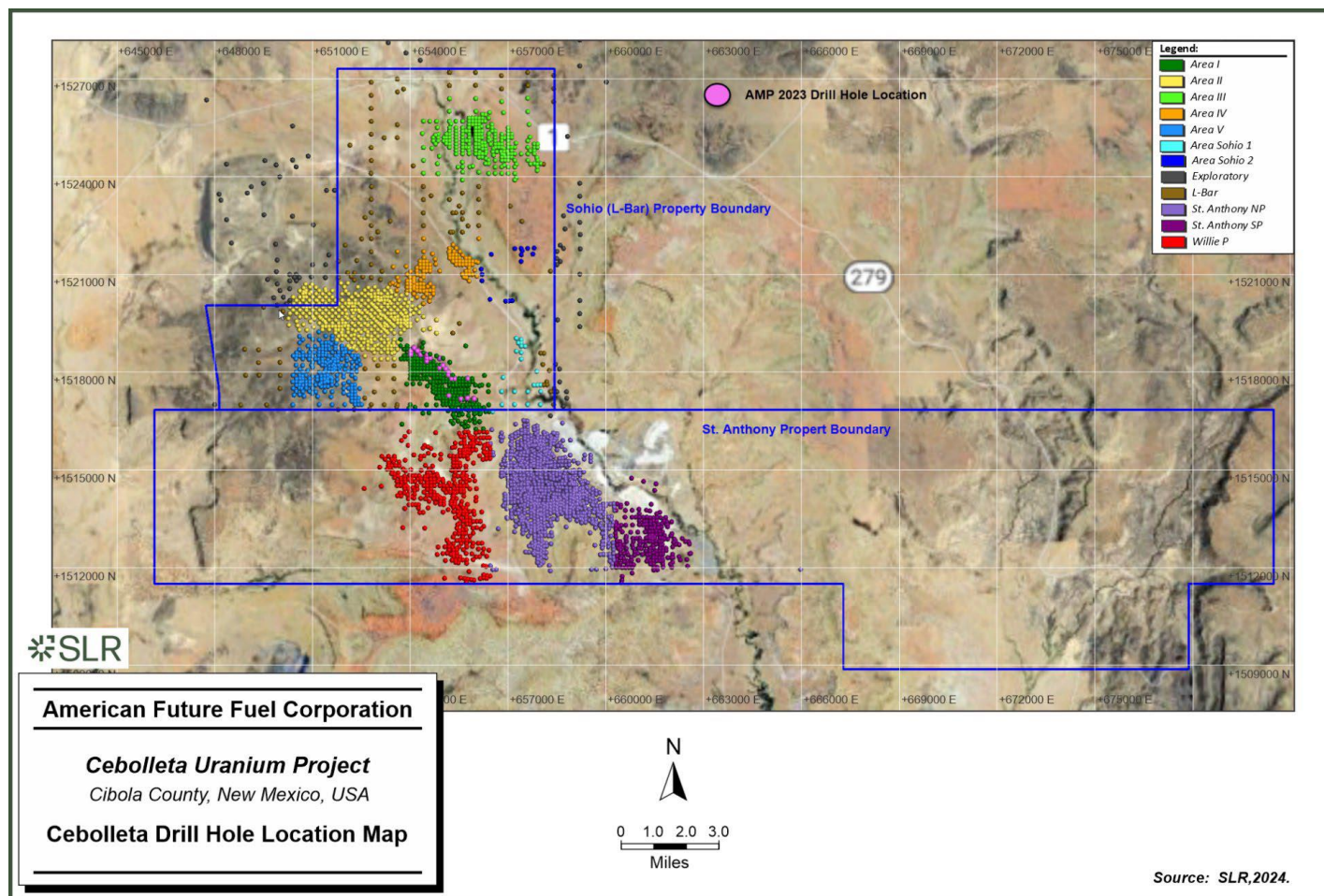
Source: Company reports

**Figure 1: Ownership of combined company**



Source: Company Reports, RCS Estimates

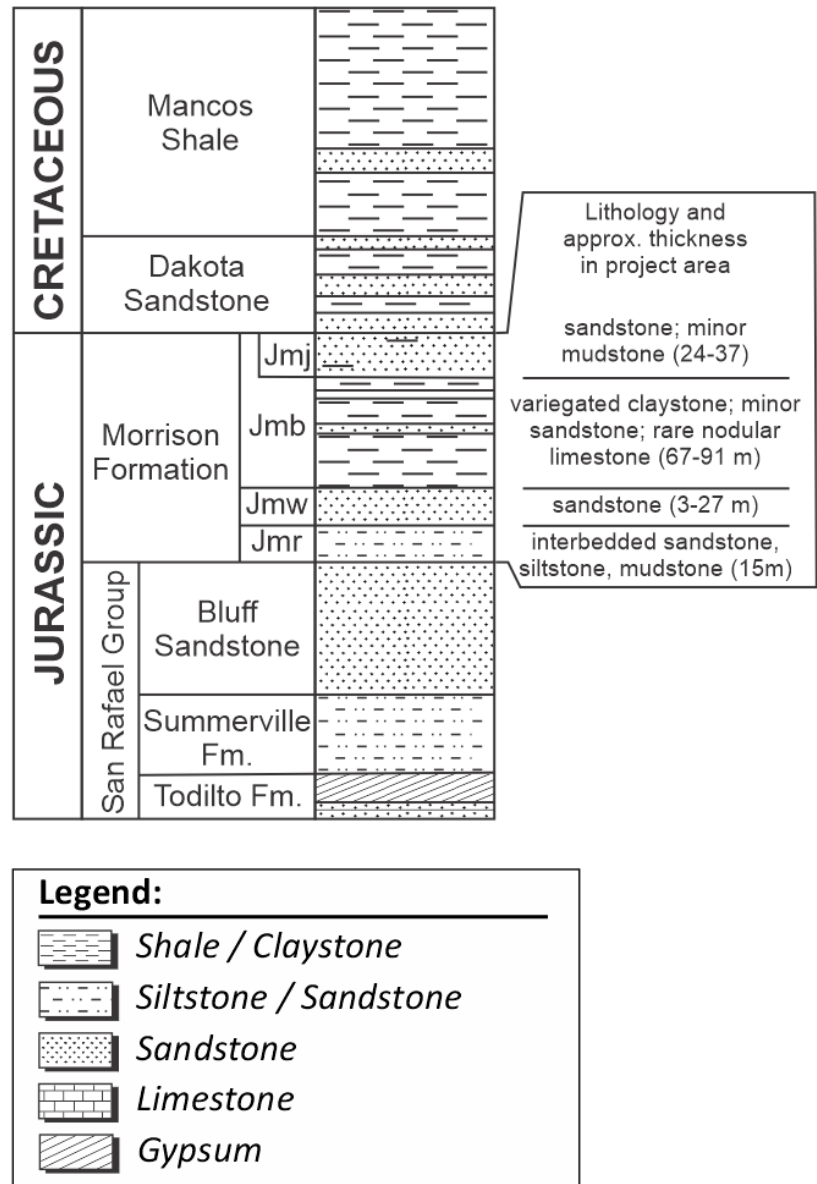
**Figure 2: Location of historical and current drill holes at Cebolleta**



Source: Company Reports



**Figure 3: Stratigraphy of the rocks in area with the Jackpile (Jmj) and Westwater (Jmw) Members**



Source: Company Reports

**Figure 4: Indicative NAV**

Indicative Net Asset Value		C\$M	C\$/sh
<b>Projects</b>			
Cebolleta	In-situ @ US\$2.5/lb	\$78.3	\$1.35
Cyclone - Low	In-situ @ US\$2.5/lb	\$26.3	\$0.45
Asset NAV - High		\$104.7	1.81
Cebolleta	In-situ @ US\$2.5/lb	\$78.3	\$1.35
Cyclone - High	In-situ @ US\$2.5/lb	\$42.0	\$0.73
Asset NAV - Low		\$120.3	2.08

Source: RCSI Estimates



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Updated July 2, 2024

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2023-12-11	NA	NA	BUY (S)	27%
2023-12-18	BUY (S)	NA	HOLD	0%
2024-02-12	BUY (S)	NA	TENDER/ SELL	3%
2024-07-02	BUY (S)	NA	NA	1%
			UNDER REVIEW	1%

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Company Name	Ticker Symbol	Disclosures
Premier American Uranium Inc.	TSXV: PUR	3,5

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