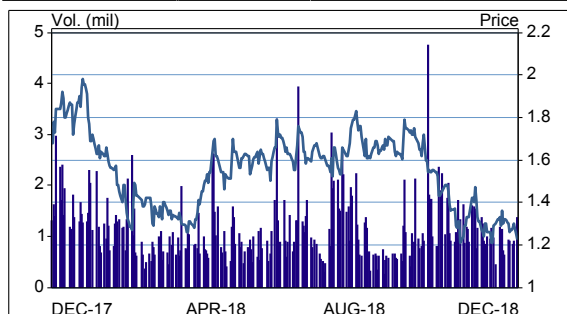


Uranium Energy Corp. (UEC)
Rating: Buy

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1Q19 Results; Recent Capital Raise and Extended Loan Maturities Improve Future Growth Prospects; Reiterate Buy

Stock Data		12/10/2018	
Price		\$1.23	
Exchange		NYSE American	
Price Target		\$3.50	
52-Week High		\$2.00	
52-Week Low		\$1.20	
Enterprise Value (M)		\$226	
Market Cap (M)		\$216	
Public Market Float (M)		136.4	
Shares Outstanding (M)		176.1	
3 Month Avg Volume		1,206,254	
Short Interest (M)		16.92	
Balance Sheet Metrics			
Cash (M)		\$9.5	
Total Debt (M)		\$19.8	
Total Cash/Share		\$0.05	
EPS Diluted			
Full Year - Jul	2018A	2019E	2020E
FY	(0.11)	(0.10)	(0.05)
Revenue (\$M)			
Full Year - Jul	2018A	2019E	2020E
FY	0.0	0.0	15.0



1Q19 financial results. On December 10, 2018, UEC announced 1Q19 financial results for its fiscal year ending July 31, 2019. The firm reported a net loss of \$3.5 million, or (\$0.02) per share, which compares favorably to a net loss of \$4.5 million, or (\$0.03) per share, in 1Q18. We attribute the improvements to management continuing its strategic efforts towards increased efficiencies throughout a weak, yet improving, uranium market. UEC ended 1Q19 (ending October 31, 2018) with cash and cash equivalents of \$9.5 million, in addition to \$15.0 million of short-term investments. This figure includes \$20.2 million of gross proceeds from a public offering that was completed during the quarter. In our opinion, UEC remains in a good position and should continue adding value for shareholders through additional acquisitions. We further expect management to focus on incremental efficiencies and reducing future capital requirements.

Additional financial flexibility following recent capital raise amid extension of loan maturity. On December 5, 2018, UEC entered into a third amended and restated credit agreement for its \$20 million senior secured credit facility. Management also extended the maturity date from January 1, 2020 to January 31, 2022. We note that this shift removed \$15 million from UEC's current portion of long-term debt, and thereby allows incremental flexibility for payback of the loan facility. We further highlight that on October 3, 2018 UEC completed a public offering with gross proceeds of \$20.2 million (12,613,049 shares at \$1.60/share). Lastly, UEC has recently divested a 1% NSR on some of its non-core assets in return for increasing its ownership in Uranium Royalty Corp (URC), a private company focused on uranium royalties and streams. In short, the firm sold a NSR on its Slick Rock (CO), Workman Creek (AZ) and Anderson (AZ) projects for 12.0 million shares of URC. We note that UEC now owns about 34% of URC. Given the recent loan extension and capital raising, we believe the company is now even better positioned to capitalize on other opportunities in the uranium market.

UEC's portfolio to benefit from improving uranium pricing environment. The company continued to utilize reduced operations at the Palangana Mine, which only captured residual uranium. This resulted in no depletion for the asset during the quarter. Given the reduced operations, no uranium concentrate was processed at the Hobson Processing Facility while the company recorded no depreciation during the quarter. We note that UEC has received a draft Radioactive Material License (RML) for its Burke Hollow project, and management now awaits the final RML draft from the Texas Commission on Environmental Quality (TCEQ). Additionally, the firm advanced its Preliminary Economic Assessment (PEA) for the Yuty Project.

We maintain our Buy rating and \$3.50 per share price target. Our valuation is based on a DCF of future operations using an 8.0% discount rate. We add in-situ value for the firm's resources, \$25.0M for exploration-stage assets, and fair market value for the Reno Creek acquisitions. We highlight UEC's success in providing value organically and through prior acquisitions, while reiterating our belief that the firm is well-positioned for higher uranium prices.

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



UEC DCF Model

	2019E	2020E	2021E	2022E	2023E	2024E
(US\$ '000)						
Net Revenue	-	15,000	47,500	69,500	100,000	110,000
Total operating costs	2,050	7,700	17,200	24,240	34,600	37,200
Corporate costs	10,000	10,000	10,000	10,000	10,000	10,000
Operating Income	(14,050)	(6,200)	13,944	29,085	49,925	58,075
EBITDA	(9,050)	(1,200)	18,944	34,085	54,925	63,075
Taxes	-	-	2,080	7,730	15,374	18,576
EPS	(\$0.10)	(\$0.05)	(\$0.02)	\$0.10	\$0.17	\$0.19
Cash Flow	(10,050)	(2,037)	4,667	26,264	39,636	42,247
CFPS	(\$0.06)	(\$0.01)	\$0.03	\$0.15	\$0.22	\$0.24
Total capital costs	1,000	1,000	13,500	1,000	1,000	1,000
NAV	\$613,607					
NPV / share	\$	3.50				

Source: H.C. Wainwright & Co. estimates.

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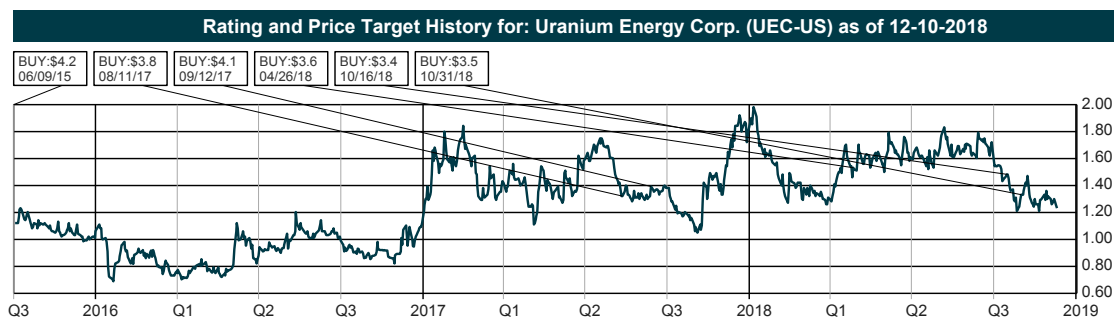
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Distribution of Ratings Table as of December 10, 2018

Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	279	90.00%	112	40.14%
Neutral	18	5.81%	4	22.22%
Sell	1	0.32%	0	0.00%
Under Review	12	3.87%	5	41.67%
Total	310	100%	121	39.03%

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