

Uranium Energy Corp. (UEC)
Rating: Buy

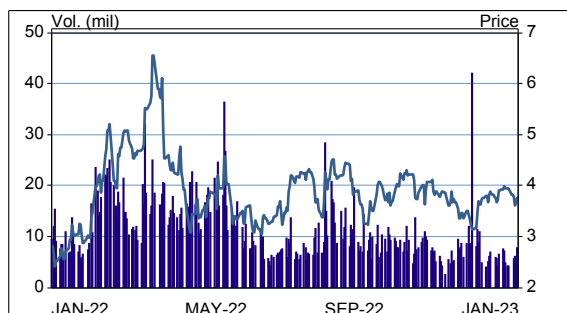
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Strong Grades at Christie Lake in First Hole of 2023; Synergistic Opportunity in the Prospective Athabasca; Reit. Buy

Stock Data		01/23/2023	
Price		\$3.87	
Exchange		NYSE American	
Price Target		\$8.25	
52-Week High		\$6.60	
52-Week Low		\$2.34	
Enterprise Value (M)		\$1,381	
Market Cap (M)		\$1,431	
Public Market Float (M)		136.4	
Shares Outstanding (M)		369.8	
3 Month Avg Volume		7,862,828	
Short Interest (M)		51.57	
Balance Sheet Metrics			
Cash (M)		\$50.1	
Total Debt (M)		\$0.0	
Total Cash/Share		\$0.14	
Cash (M): Includes inventories.			
EPS (\$) Diluted			
Full Year - Jul	2021A	2022A	2023E
FY	(0.07)	0.02	0.02
Revenue (\$M)			
Full Year - Jul	2021A	2022A	2023E
FY	0.0	23.2	91.0

2022 Annual: Revenue assumed from uranium inventory sales



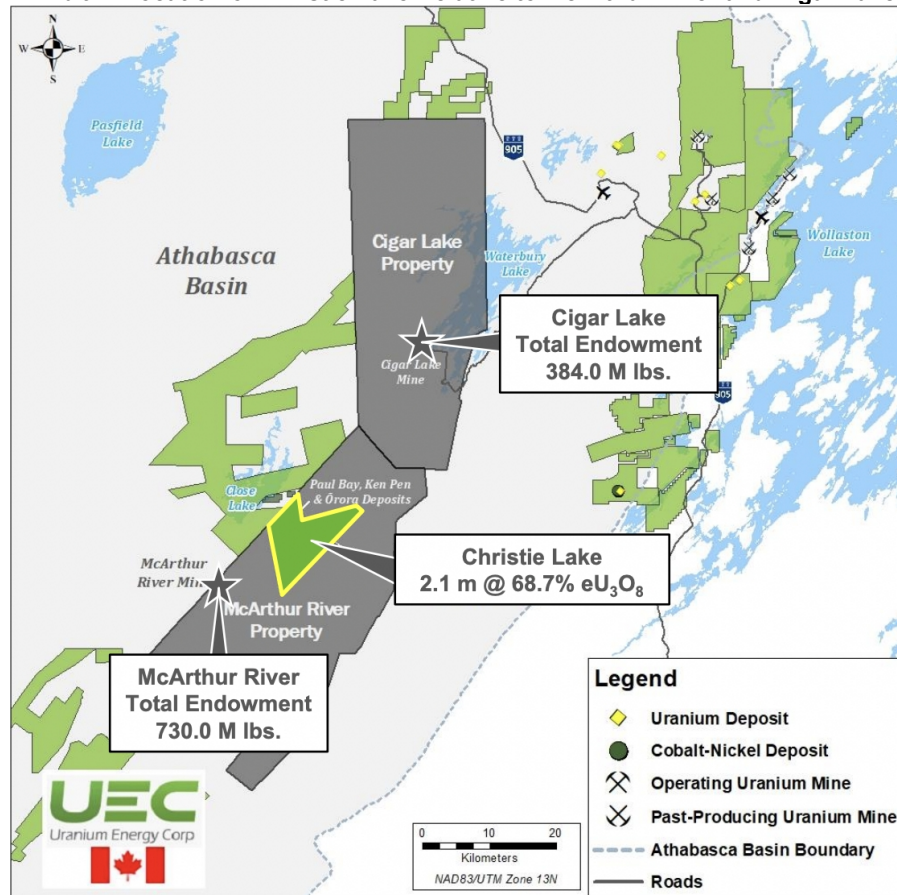
Strong grades in recent assay results. On January 23, Uranium Energy Corp. (UEC) announced assays from its Christie Lake project in the Athabasca Basin, Canada. UEC saw strong uranium grades throughout its first drill hole targeting the Sakura Zone at Christie Lake, ultimately leading to the expansion of UEC's mineralized footprint at site. As an example, hole CB-178-1 returned 15.6 meters (m) of 5.42% uranium, which also included 3.4m of 23.22% uranium within a more discrete sub-interval. Notably, mineralization at Christie Lake now sits between 400.0 – 420.0m from surface, which remains 100.0m shallower than McArthur River and similar in depth to Cigar Lake. In conclusion, we believe that the recent results reiterate the growth potential for Christie Lake and stress that the site remains relatively under-explored given constrained expenditures in previous years.

Christie Lake remains well-positioned for future development. In addition to the resource potential at site, we highlight that Christie Lake sits within a 19,576-acre land package between the McArthur River and Cigar Lake operations. The area already maintains significant existing infrastructure given their operational history. We highlight the project's location in Exhibit 1 on page two of this report. Importantly, UEC's management team already recognizes potential synergies between Christie Lake, Roughrider, and the Horseshoe-Raven projects, as the company looks to further execute its hub strategy in the Athabasca.

We are maintaining our Buy recommendation on UEC while reiterating our PT of \$8.25. Our valuation for UEC remains based on a DCF of future operations for the company, utilizing our unchanged discount rate of 7.5%. We then add an unchanged *in situ* value of \$613.8M for Roughrider, \$150.0M for UEC's Reno Creek assets, \$100.0M for Alto Parana's resources, and an additional \$75.0M for Paraguay and UEC's other exploration-stage assets. We presently model a fairly conservative value for M&I resources of \$12/lb, \$10/lb for Inferred resources for U.S. assets and Roughrider, as well as an estimated value for UEC's shares in Anfield (AEC.V; not rated) based on current market prices. In our view, these figures may ultimately actually prove to be conservative given recent market multiples, supply chain disruptions, and continuous growth of demand for U.S.-based uranium as seen in recent M&A transactions.

Near-term catalysts. UEC intends to build off its preliminary results through further exploration at Christie Lake following a strong start to the company's 2023 drill program at site. Notably, hole CB-178-1 represents the first results of the firm's three-month winter drill campaign, while further assays are expected to be reported in the near-term. Following the completion of this program, UEC intends to publish a resource update for the project at some point in 2023. In conclusion, recent results suggest a previously overlooked trend of uranium mineralization at site, while the ongoing drilling program looks to delineate this trend and further grow the project's uranium endowment.

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

Exhibit 1: Location of Christie Lake Relative to McArthur River and Cigar Lake

Source: UEC's corporate presentation.

Uranium Energy Corp.												
All figures in USD\$ unless otherwise noted												
			2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	
Uranium price per lb			\$ 55	\$ 60	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	
Sales from inventory			\$ 1,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Revenue from inventory sales			\$ 68,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Cost of Sales from Inventory			\$ 51,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Gross Profit from Inventory Sales			\$ 16,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Palangana Production ('000s pounds)			300	340	200	50	-	-	-	-	-	
Total Revenue ('000s)			\$ 16,500	\$ 20,400	\$ 13,000	\$ 3,250	\$ -	\$ -	\$ -	\$ -	\$ -	
Goliad Production ('000s pounds)			150	600	600	600	600	600	600	600	600	
Total Revenue ('000s)			\$ 8,250	\$ 36,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000	
Burke Hollow Production ('000s pounds)			-	450	1,200	1,550	1,550	1,550	1,550	1,550	1,550	
Total Revenue ('000s)			\$ -	\$ 27,000	\$ 78,000	\$ 100,750	\$ 100,750	\$ 100,750	\$ 100,750	\$ 100,750	\$ 100,750	
Gross Revenue			\$ 24,750	\$ 83,400	\$ 130,000	\$ 143,000	\$ 139,750	\$ 139,750	\$ 139,750	\$ 139,750	\$ 139,750	
10% Royalty Palangana ('000s)			\$ 1,350	\$ 2,040	\$ 1,300	\$ 325	\$ -	\$ -	\$ -	\$ -	\$ -	
8.25% Royalty Goliad ('000s)			\$ 681	\$ 2,970	\$ 3,218	\$ 3,218	\$ 3,218	\$ 3,218	\$ 3,218	\$ 3,218	\$ 3,218	
Net Sales ('000s)			\$ 22,719	\$ 78,390	\$ 125,483	\$ 139,458	\$ 136,533	\$ 136,533	\$ 136,533	\$ 136,533	\$ 136,533	
Operating cost per lb			\$ 18	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	
Total Operating Costs ('000s)			\$ 8,100	\$ 22,240	\$ 32,000	\$ 35,200	\$ 34,400	\$ 34,400	\$ 34,400	\$ 34,400	\$ 34,400	
Operating Income ('000s)			\$ 31,528	\$ 56,150	\$ 93,483	\$ 104,258	\$ 102,133	\$ 102,133	\$ 102,133	\$ 102,133	\$ 102,133	
CapEx ('000s)			\$ (5,000)	\$ (3,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	
Taxes ('000s) 35.0%			\$ -	\$ -	\$ -	\$ (18,070)	\$ (35,396)	\$ (35,396)	\$ (35,396)	\$ (35,396)	\$ (35,396)	
			Note: We assume tax loss carryforwards for FY22-25									
Total Operating Cash Flow			\$ 26,528	\$ 53,150	\$ 92,483	\$ 85,187	\$ 65,736	\$ 65,736	\$ 65,736	\$ 65,736	\$ 65,736	
Discount Rate 7.5%												
PV of Operating Cash Flows ('000s)			\$ 26,528	\$ 49,442	\$ 80,028	\$ 68,573	\$ 49,223	\$ 45,789	\$ 42,594	\$ 39,623	\$ 36,858	
NPV \$ 438,659			\$ 1.19 per share									
Plus Non-Texas Projects (Including UEX)			\$ 995,676	\$ 2.69 per share								
Plus U1A resources at \$12/lb and Inferred at \$10/lb			\$ 494,600	\$ 1.34 per share								
Plus Roughrider resources at \$12/lb and Inferred at \$10/lb			\$ 613,784	\$ 1.66 per share								
Plus Paraguay Assets			\$ 75,000	\$ 0.20 per share								
Plus Cash and purchased Inventories.			\$ 50,130	\$ 0.14 per share as of 10/31/22								
Plus Reno Creek/North Reno Creek			\$ 150,000	\$ 0.41 per share								
Plus Alto Parana Resources			\$ 100,000	\$ 0.27 per share								
Ownership of Anfield Energy Inc. shares (AEC.V; not rated)			\$ 5,415	\$ 0.01 per share as of 1/23/2023								
Minus Debt -			\$ 0.00 per share as of 10/31/2022									
Total Current Value \$ 3,049,264												
Common Shares Outstanding 369,803			as of 12/16/22									
Project NAV Per Share \$ 8.25												
NPV/Share (Rounded to \$0.10/share) \$ 8.25												
UEC Stock Price \$ 3.87			as of 1/23/2023									
Source: HC Wainwright & Co. estimates.												

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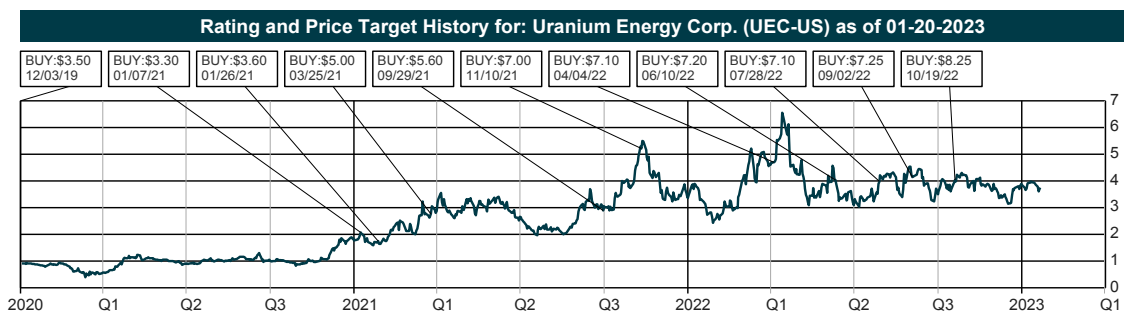
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Distribution of Ratings Table as of January 20, 2023				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	583	86.76%	129	22.13%
Neutral	71	10.57%	12	16.90%
Sell	0	0.00%	0	0.00%
Under Review	18	2.68%	4	22.22%

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