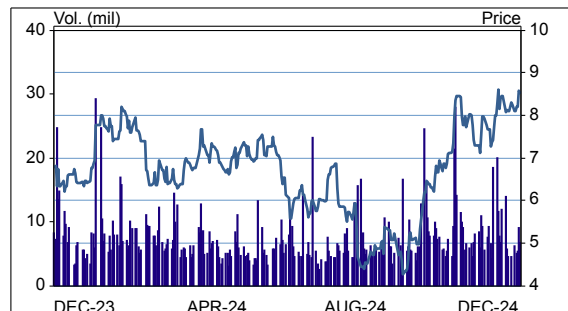


**Uranium Energy Corp. (UEC)**  
**Rating: Buy**

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**FY1Q25 Financials; Acquisition of Assets in Wyoming; Initial Economic Assessment for Roughrider; Reit. Buy; PT Higher**

Stock Data		12/6/2024		
Price		\$8.53		
Price Target		\$11.00		
52-Week High		\$8.93		
52-Week Low		\$4.06		
Enterprise Value (M)		\$3,527.7		
Market Cap (M)		\$3,609		
Shares Outstanding (M)		423.1		
3 Month Avg Volume		8,964,216		
Short Interest (M)		52.57		
Balance Sheet Metrics				
Cash (M)		\$81.3		
Total Debt (M)		\$0.0		
Total Cash/Share		\$0.19		
<i>Cash (M): Includes inventories. Pro forma for recent acquisition.</i>				
EPS (\$) Diluted				
Full Year - Jul	2024E	2025E	2026E	
FY	(0.07)	0.13	0.28	
Revenue (\$M)				
Full Year - Jul	2024E	2025E	2026E	
FY	0.2A	159.2	205.2	



**On December 5, 2024, Uranium Energy Corp. (UEC) announced its FY1Q25 results.** During the quarter, the company recorded sales and service revenue of \$17.1M that yielded a net loss of \$20.2M, or (\$0.05) per share. Although revenue meaningfully increased when compared to FY1Q24 sales and service revenue of \$108,000, UEC ultimately reported a larger net loss when compared to net income of \$3.3M, or \$0.01 per share, during FY1Q24. Overall, however, we view the current financial results as largely irrelevant given the transitional nature of the firm. UEC's sharp YoY revenue increase is based on the firm selling 210,000 pounds (lbs) of U<sub>3</sub>O<sub>8</sub> at an average price of \$81.37/lb. This sale generated a gross profit of \$6.3M. In contrast, the primary driver for UEC's aforementioned net loss was a fair value loss of \$10.3M in equity securities (which compares to a gain of \$17.3M in FY1Q24). The loss was based on the revaluation of specific equity securities at market values at the end of the quarter. In addition, mineral property expenditures increased to \$13.5M (\$5.7M in FY1Q24), while exploration and development efforts for the company increased significantly as well.

**Inventory and sales updates.** UEC reported total inventories valued at \$66.1M as of FY1Q25. This figure compares to \$75.8M at the end of FY1Q24. We highlight that the company's inventory at quarter-end totaled about 1.26Mlbs U<sub>3</sub>O<sub>8</sub>. This figure is mostly in-line with UEC's FY1Q24 inventory balance of 1.30Mlbs U<sub>3</sub>O<sub>8</sub>. In our view, UEC is likely to create additional shareholder value through its ongoing uranium build-up in a rising price environment. If needed, UEC's inventory could also get used as a form of non-dilutive liquidity in a favorable M&A environment. As of October 31, 2024, the firm had uranium purchase commitments totaling 700,000 pounds for \$27.2M over the next two fiscal years, with commitments to sell 600,000lbs for \$49.8M from November 2024 to January 2025. We also note that UEC sold 500,000lbs of uranium from inventory for \$41.4M following the end of the quarter. The aforementioned sale was made at a weighted average price of \$82.80/lb. Management also entered into contracts to purchase 300,000lbs of U<sub>3</sub>O<sub>8</sub> at a weighted average price of \$78.08/lb, for a total of \$23.4M, with an expected delivery sometime this month.

**Agreement to acquire Wyoming assets.** On December 6, 2024, UEC completed its agreement with Rio Tinto (RIO; not rated) to acquire 100% of its Wyoming assets. The transaction is comprised of the fully-licensed Sweetwater Plant coupled with a portfolio containing the Red Desert Project and the Green Mountain Project. Importantly, the deal incorporates approximately 175.0Mlbs of historic uranium resources. We stress that the combined purchase price for the assets totaled only \$175.4M in cash, which was funded by the company's available liquidity.

**Impact of the transaction.** We highlight that this deal creates the firm's third U.S. hub-and-spoke production platform and provides UEC with an impressive licensed production capacity of 12.1Mlbs U<sub>3</sub>O<sub>8</sub> annually. In our view, the transaction provides the company with significant resource growth amid its ability to take advantage of the rising demand in the uranium market. Looking ahead, we expect UEC to complete a technical resource summary to further understand the historic estimates at its new assets while creating a dedicated team to advance and refurbish the Sweetwater Plant.

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**Initial economic assessment for Roughrider Project.** On November 8, 2024, UEC reported the filing of an initial economic assessment for its Roughrider Project in Northern Saskatchewan, Canada. In short, the economic scenario for the site provides an impressive post-tax net present value NPV<sub>8</sub> of \$946.0M. The study also estimates a strong 40% internal rate of return that pairs well with a post-tax payback period of 1.4 years. We note that the aforementioned figures are based on a long-term uranium price of \$85.00/lb. Longer-term, expected life-of-mine (LOM) production for the site totals 61.2Mlb U<sub>3</sub>O<sub>8</sub> produced over 9 years. This results in an average annual production rate of 6.8Mlbs U<sub>3</sub>O<sub>8</sub>, coupled with an average yearly LOM EBITDA of \$395.0M. We also highlight that the initial capital expenditures for the site, which includes the mill and underground mine, are expected to total only \$545.0M. This figure incorporates all-in sustaining costs of only \$20.48/lb U<sub>3</sub>O<sub>8</sub>. Overall, we view Roughrider as a project in an infrastructure-rich region that has a strong history of uranium production.

**We reiterate our Buy rating on UEC and raise our PT to \$11.00 from \$10.25.** The change in our target price is based on several minor changes to our model. These changes include market-based adjustments to our valuation for UEC's non-core assets to bring them in line with current market pricing in addition to the incorporation of the Roughrider acquisition into our model. Our valuation for the firm remains based on a DCF of future operations for the company. We continue to utilize our increasingly conservative-looking discount rate of 7.5% on the firm's asset base. We then add the revised NPV<sub>8</sub> for Roughrider, \$180.0M for UEC's Reno Creek assets, and \$180.0M for Alto Paraná. We continue to model UEC's M&I resource base at a fixed value of \$15/lb in addition to \$12/lb for Inferred resources of its U.S. and Canada-based assets. We also incorporate an estimated value for the firm's shares in Anfield (AEC.V; not rated) based on current market prices. In our view, these figures may ultimately even prove to be somewhat conservative. We base this view on recent market multiples given consistent demand growth for U.S.-based uranium, which is further affirmed by recent M&A activities.

**Near-term catalysts.** We reiterate our expectation for increased interest and demand for North American uranium production. This structural change is highlighted by ongoing fears related to Russian export restrictions amid supply challenges based on recent sanctions. We anticipate management expanding its permitted production capacity at UEC's Irigaray Plant to 4.0Mlbs of U<sub>3</sub>O<sub>8</sub> per year. In addition, we expect QoQ growth in revenue during FY2Q25 based on the sale of 500,000lbs of uranium inventory for \$41.4M. We also continue to anticipate further progress at Roughrider, and stress that management's increased understanding of the site shows significant economic viability. Ongoing progress supports our high confidence in management's ability to provide meaningful long-term value to shareholders. We still look forward to UEC releasing a technical resource summary for its newly acquired Wyoming assets in the intermediate term. This release should incorporate some refurbishment of the Sweetwater Plant, thereby improving its long-term production capabilities.

**Risks.** (1) Uranium price risk; (2) Operating and technical risk; (3) Political risk; and (4) Financial risk.

Uranium Energy Corp.		2025E	2026E	2027E	2028E	2029E	2030E	2031E
<i>All figures in USD\$ unless otherwise noted</i>								
Uranium price per lb		\$ 90	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90
Sales from inventory		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from Inventory sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Sales from Inventory	\$38	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Profit from Inventory Sales		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palangana Production ('000s pounds)		340	200	50	-	-	-	-
Total Revenue ('000s)		\$ 30,600	\$ 18,000	\$ 4,500	\$ -	\$ -	\$ -	\$ -
Goliad Production ('000s pounds)		600	600	600	600	600	600	600
Total Revenue ('000s)		\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000
Burke Hollow Production ('000s pounds)		1,200	1,550	1,550	1,550	1,550	1,550	1,550
Total Revenue ('000s)		\$ 108,000	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500
Gross Revenue		\$ 192,600	\$ 211,500	\$ 198,000	\$ 193,500	\$ 193,500	\$ 193,500	\$ 193,500
10% Royalty Palangana ('000s)		\$ 3,060	\$ 1,800	\$ 450	\$ -	\$ -	\$ -	\$ -
8.25% Royalty Goliad ('000s)		\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455
Net Sales ('000s)		\$ 185,085	\$ 205,245	\$ 193,095	\$ 189,045	\$ 189,045	\$ 189,045	\$ 189,045
Operating cost per lb		\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16
Total Operating Costs ('000s)		\$ 32,000	\$ 35,200	\$ 35,200	\$ 34,400	\$ 34,400	\$ 34,400	\$ 34,400
Operating Income ('000s)		\$ 153,085	\$ 170,045	\$ 157,895	\$ 154,645	\$ 154,645	\$ 154,645	\$ 154,645
CapEx ('000s)		\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)
Taxes ('000s)	35.0%	\$ -	\$ (29,583)	\$ (54,913)	\$ (53,776)	\$ (53,776)	\$ (53,776)	\$ (53,776)
Total Operating Cash Flow		\$ 152,085	\$ 139,462	\$ 101,982	\$ 99,869	\$ 99,869	\$ 99,869	\$ 99,869
Discount Rate	7.5%							
PV of Operating Cash Flows ('000s)		\$ 152,085	\$ 129,732	\$ 88,248	\$ 80,391	\$ 74,782	\$ 69,565	\$ 64,711
NPV	\$ 719,711	\$ 1.70						
Plus: Projects Outside of Texas (Including UEX) @ 1.25x cost	\$ 1,571,595	\$ 3.71	0.7121 USD/CAD exchange rate as of 12/06/2024					
Plus: U1A resources at \$15/lb and Inferred at \$12/lb	\$ 616,110	\$ 1.46						
Plus: Roughrider @ NPV(8)	\$ 946,000	\$ 2.24						
Plus: Rio Tinto (RIO; not rated) Wyoming Assets @ 1.2x cost	\$ 210,480	\$ 0.50						
Plus: Paraguay Assets	\$ 100,000	\$ 0.24						
Plus: Cash and purchased Inventories.	\$ 81,270	\$ 0.19	as of 12/06/24; pro forma for recent acquisition					
Plus: Reno Creek/North Reno Creek	\$ 180,000	\$ 0.43						
Plus: Alto Parana Resources	\$ 180,000	\$ 0.43	0.1x of NAV under stretch case scenario.					
Plus: Ownership of Anfield Energy Inc. shares (AEC.V; not rated)	\$ 6,855	\$ 0.02	as of 12/06/24					
Minus: Debt	-	0.00	as of 10/31/24					
Total Current Value	\$ 4,642,172							
Common Shares Outstanding	423,088	as of 12/04/24						
NAV Per Share	\$ 10.97							
NPV/Share (Rounded to \$0.25/share)	\$ 11.00							
UEC Stock Price	\$ 8.53	as of 12/06/2024						
Source: HC Wainwright & Co. estimates.								

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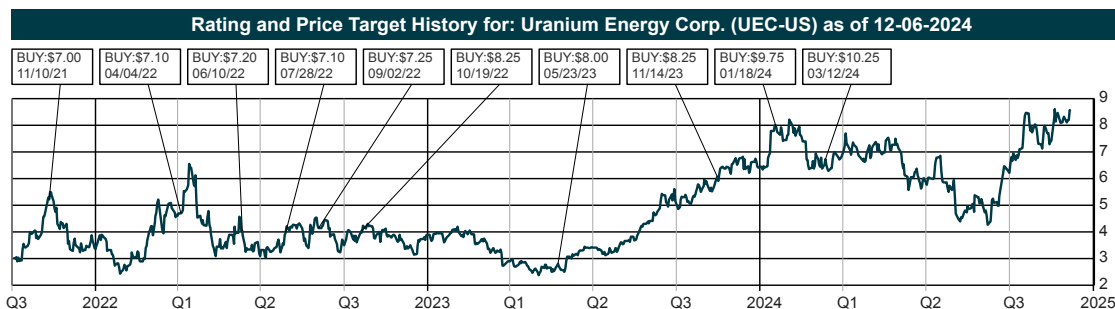
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Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	562	86.73%	124	22.06%
Neutral	80	12.35%	9	11.25%
Sell	1	0.15%	0	0.00%
Under Review	5	0.77%	2	40.00%

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