

Uranium Energy Corp. (UEC)
Rating: Buy

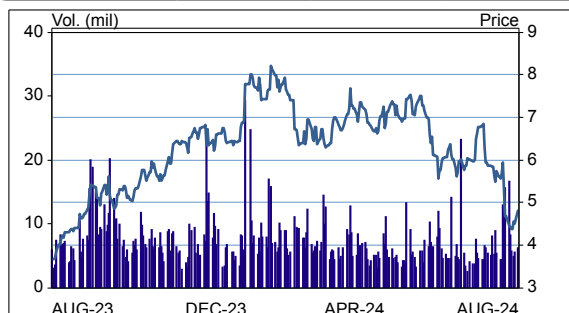
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Successful Uranium Production Restart at Christensen Ranch; Updated Mineral Resource; Reiterate Buy

Stock Data		8/13/2024		
Price		\$4.77		
Price Target		\$10.25		
52-Week High		\$8.34		
52-Week Low		\$3.60		
Enterprise Value (M)		\$1,849.0		
Market Cap (M)		\$1,937		
Shares Outstanding (M)		406.0		
3 Month Avg Volume		6,754,531		
Short Interest (M)		45.99		
Balance Sheet Metrics				
Cash (M)		\$87.7		
Total Debt (M)		\$0.0		
Total Cash/Share		\$0.22		
<i>Cash (M): Includes inventories.</i>				
EPS (\$) Diluted				
Full Year - Jul	2023A	2024E	2025E	
FY	(0.01)	0.06	0.24	
Revenue (\$M)				
Full Year - Jul	2023A	2024E	2025E	
FY	164.4	39.1	149.9	

Successful uranium production restart. On August 13, 2024, Uranium Energy Corp. (UEC) announced the successful startup of uranium production at its Christensen Ranch In-Situ Recovery (ISR) operations in Wyoming. We highlight that production began at Mine Unit (MU) 10 on August 6, 2024, with uranium concentrations meeting expectations amid anticipated further increases. Uranium from Christensen Ranch is expected to be processed at the nearby Irigaray Central Processing Plant (CPP), as the site is likely to increase its annual capacity from 2.5M to 4.0M pounds (lbs). Management also highlighted future expansion plans for MU-7, MU-8, and MU-11. The current workforce at site is 40 employees, with an additional 20 expected to be hired by year-end. Looking ahead, the first yellowcake shipment from the asset is likely to get completed during the beginning of UEC's FY2Q24, which ends on January 31, 2025. In our view, UEC's production startup is well-timed, as the value of U.S. uranium is rising given various national security concerns amid ongoing volatility in the market.

Updated mineral resources following successful drill program. On June 13, 2024, UEC announced an updated mineral resource for the firm's Texas Hub and Spoke ISR platform following UEC's resource increase at the Burke Hollow Project. Updated resources are based on a successful delineation drilling program at site after the last resource update on August 12, 2022. In short, the new technical report summary outlines an increase in Burke Hollow's Measured and Indicated (M&I) Resources to 6.2Mlbs from 2.3Mlbs U₃O₈, with Inferred Resources growing to 4.9Mlbs U₃O₈. In addition, the Texas Hub and Spoke platform now estimates total M&I Resources of 13.0Mlbs, with 7.2M tonnes (t) at approximately 0.085% U₃O₈, and Inferred resources of 10.0Mlbs, with 4.4Mt at about 0.120% U₃O₈. The company's South Texas and Wyoming Hub & Spoke platforms now hold a total of 79.2Mlbs U₃O₈ of M&I Resources and 25.0Mlbs U₃O₈ of Inferred Resources. Looking ahead, we expect the Burke Hollow ISR Project to further expand as ongoing exploration and delineation drilling is likely to yield additional resource growth.



We reiterate our Buy rating on UEC and our PT of \$10.25. Our valuation for UEC remains primarily based on a DCF of future operations for the company. We continue to utilize our unchanged and increasingly conservative-looking discount rate of 7.5%. We then add our in-situ value of \$849.0M for Roughrider, \$180.0M for UEC's Reno Creek assets, and \$180.0M for Alto Paraná. Notably, we model a conservative value for UEC's M&I resources of \$15/lb, and an additional \$12/lb for Inferred resources of U.S. and Canada-based assets, as well as 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 prove to be somewhat conservative based on recent market multiples given consistent demand growth for U.S.-based uranium that has been confirmed by recent M&A activities.

Near-term catalysts. We expect UEC to recognize revenue soon after its first shipment of yellowcake sometime in November or December 2024. We also plan to monitor the firm's actions at site moving forward given the notable resource increase at the Burke Hollow Project. Management has already pinpointed several mineralized trends and horizons that could contribute to resource growth, noting that nearly half of the Burke Hollow property remains under-explored thus far. We also stress that the application to increase licensed capacity at the Irigaray CPP (to 4.0Mlbs) is expected to receive a response from the Wyoming Department of Environmental Quality later this year. Lastly, we stress that the company remains well-capitalized to invest in the growth of its asset base given its \$87.7M of cash and \$63.4M of inventories.

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

Uranium Energy Corp.		2024E	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	\$ 90
Sales from inventory		\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue from Inventory sales		\$ 82,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost of Sales from Inventory	\$38	\$ 57,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Profit from Inventory Sales		\$ 25,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Palangana Production	<i>(’000s pounds)</i>	300	340	200	50	-	-	-	-
Total Revenue (’000s)		\$ 27,000	\$ 30,600	\$ 18,000	\$ 4,500	\$ -	\$ -	\$ -	\$ -
Goliad Production	<i>(’000s pounds)</i>	150	600	600	600	600	600	600	600
Total Revenue (’000s)		\$ 13,500	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000	\$ 54,000
Burke Hollow Production	<i>(’000s pounds)</i>	450	1,200	1,550	1,550	1,550	1,550	1,550	1,550
Total Revenue (’000s)		\$ 40,500	\$ 108,000	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500	\$ 139,500
Gross Revenue		\$ 163,500	\$ 192,600	\$ 211,500	\$ 198,000	\$ 193,500	\$ 193,500	\$ 193,500	\$ 193,500
10% Royalty Palangana (’000s)		\$ 2,700	\$ 3,060	\$ 1,800	\$ 450	\$ -	\$ -	\$ -	\$ -
8.25% Royalty Goliad (’000s)		\$ 1,114	\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455	\$ 4,455
Net Sales (’000s)		\$ 159,686	\$ 185,085	\$ 205,245	\$ 193,095	\$ 189,045	\$ 189,045	\$ 189,045	\$ 189,045
Operating cost per lb		\$ 20	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16	\$ 16
Total Operating Costs (’000s)		\$ 75,000	\$ 32,000	\$ 35,200	\$ 35,200	\$ 34,400	\$ 34,400	\$ 34,400	\$ 34,400
Operating Income (’000s)		\$ 84,686	\$ 153,085	\$ 170,045	\$ 157,895	\$ 154,645	\$ 154,645	\$ 154,645	\$ 154,645
CapEx (’000s)		\$ (5,000)	\$ (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		\$ 79,686	\$ 152,085	\$ 139,462	\$ 101,982	\$ 99,869	\$ 99,869	\$ 99,869	\$ 99,869
Discount Rate	7.5%								
PV of Operating Cash Flows (’000s)		\$ 79,686	\$ 141,474	\$ 120,681	\$ 82,091	\$ 74,782	\$ 69,565	\$ 64,711	\$ 60,197
NPV	\$ 749,185	\$ 1.85							
Plus Non-Texas Projects (Including UEX)	\$ 1,257,276	\$ 3.10							
Plus U1A resources at \$15/lb and Inferred at \$12/lb	\$ 616,110	\$ 1.52							
Plus Roughrider resources at \$15/lb and Inferred at \$12/lb	\$ 849,000	\$ 2.09							
Plus Paraguay Assets	\$ 100,000	\$ 0.25							
Plus Cash and purchased Inventories.	\$ 151,113	\$ 0.37							
Plus Reno Creek/North Reno Creek	\$ 180,000	\$ 0.44							
Plus Alto Parana Resources	\$ 180,000	\$ 0.44							
Ownership of Anfield Energy Inc. shares (AEC.V; not rated)	\$ 4,916	\$ 0.01							
Minus Debt	-	\$ 0.00							
Total Current Value	\$ 4,117,750								
Common Shares Outstanding	405,951	as of 04/30/24							
NAV Per Share	\$ 10.14								
NPV/Share (Rounded to \$0.25/share)	\$ 10.25								
UEC Stock Price	\$ 4.77	as of 08/13/2024							
Source: HC Wainwright & Co. estimates.									

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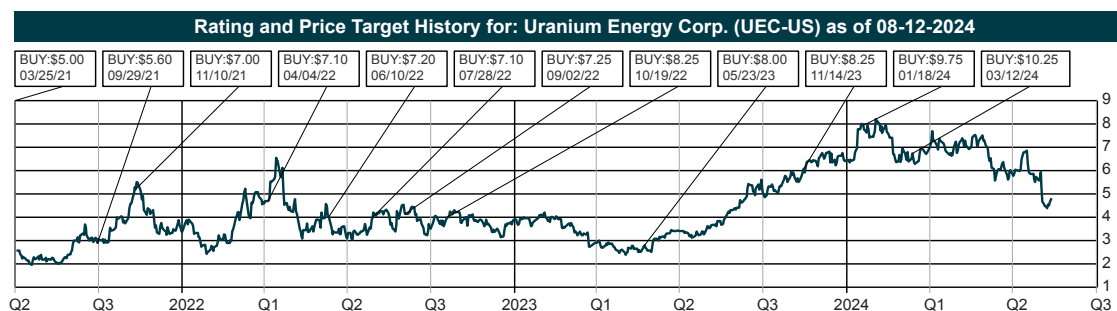
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Distribution of Ratings Table as of August 12, 2024				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	559	87.76%	126	22.54%
Neutral	71	11.15%	4	5.63%
Sell	1	0.16%	0	0.00%
Under Review	6	0.94%	1	16.67%

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