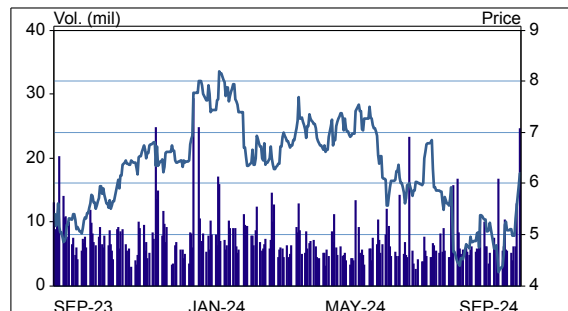


**Uranium Energy Corp. (UEC)**  
**Rating: Buy**

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## Agreement to Acquire 100% of Rio Tinto's Wyoming Assets for \$175.0M; Roughrider Project Drill Results; Reiterate Buy

Stock Data		9/23/2024		
Price		\$6.19		
Price Target		\$10.25		
52-Week High		\$8.34		
52-Week Low		\$4.06		
Enterprise Value (M)		\$2,362.0		
Market Cap (M)		\$2,513		
Shares Outstanding (M)		406.0		
3 Month Avg Volume		7,207,988		
Short Interest (M)		51.08		
Balance Sheet Metrics				
Cash (M)		\$151.1		
Total Debt (M)		\$0.0		
Total Cash/Share		\$0.37		
<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	



**Agreement to purchase Wyoming assets.** On September 23, Uranium Energy Corp. (UEC) entered into an agreement with Rio Tinto America Inc. (RIO; not rated) to acquire Rio Tinto's uranium assets in Wyoming. We highlight that this transaction includes the fully licensed Sweetwater plant and a diversified portfolio of uranium mining projects with about 175.0M pounds (lbs) of historic resources. Management estimates that approximately half of the resource should be suitable for In-Situ Recovery (ISR) mining. The purchase price for the transaction is about \$175.0M, with funding expected to come from UEC's available liquidity. Importantly, this deal provides the company with its third hub-and-spoke platform in the U.S., and the firm now looks to control 12 uranium projects in the Great Divide Basin of Wyoming. We also highlight that the Sweetwater plant has a capacity of 3,000 tonnes per day. In addition, the site has a license to process 4.1Mlbs U<sub>3</sub>O<sub>8</sub> annually amid added production flexibility for ISR and conventional methods. As part of the deal, UEC is expected to acquire over 53,000 acres of land for exploration, some of which is already supported by a thorough geological database that is derived from more than 6.1M feet of drilling. Work at the site includes about 13,000 drill holes, 26,000 assay records, and downhole geophysical logs with uranium grade equivalents.

**Ongoing development opportunities amid logical synergies.** We stress that this deal should ultimately increase the company's mining rights to 108,000 acres in the Great Divide Basin, thereby creating significant exploration and development opportunities. We anticipate the acquired Sweetwater plant, amid its accompanying portfolio of uranium mining projects, to ultimately become unique and strategic assets for the firm given ongoing scarcity of comparable facilities and uranium projects in Wyoming. Looking ahead, this transaction should improve UEC's ability to capitalize on growing clean energy demand and geopolitical shifts. This effect is likely to be exacerbated by a ban on Russian uranium imports from the U.S. amid the government's focus on domestic uranium sources.

**Roughrider drill results.** On September 12, 2024, UEC reported results from an ongoing drill campaign at its Roughrider Project located in Northern Saskatchewan, Canada. Results were strong, as displayed by drill hole RR-961, which returned 11.4% equivalent (e) eU<sub>3</sub>O<sub>8</sub> over 2.4 meters (m), including a high-grade sub-interval of 24.9% eU<sub>3</sub>O<sub>8</sub> over 1.0m. In addition, results for drill hole RR-961, which is located 15m along the strike to the east of drill hole RR-940, were released on August 12, 2024. In short, the hole yielded 6.96% eU<sub>3</sub>O<sub>8</sub> over 13.5m with a higher-grade sub-interval of 12.7% eU<sub>3</sub>O<sub>8</sub> over 7.2m. We also highlight that the company conducted its first Ambient Noise Tomography survey at the Roughrider Project in April 2024, which successfully identified new targets along established exploration corridors. Looking ahead, we plan to monitor UEC's 20 additional drill holes that remaining in the program as we expect results to be released soon.



**We reiterate our Buy rating on UEC and our PT of \$10.25.** We stress that our PT does not yet factor in the aforementioned transaction as it has not yet closed. Our valuation for UEC remains primarily 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 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, and 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 be somewhat conservative based on recent market multiples, given the consistent demand growth for U.S.-based uranium, confirmed by recent M&A activities.

**Near-term catalysts.** Looking ahead, we continue to emphasize the growing interest in North American uranium production given ongoing fears related to Russian export restrictions amid supply challenges based on recent sanctions. Alongside UEC's recent M&A with Rio Tinto, we also highlight the anticipated relaunch of Three Mile Island given strong demand from North American utilities. We reiterate that we expect UEC to recognize some revenue following its first shipment of yellowcake, presumably in November or December 2024. Lastly, we anticipate the firm's application to increase licensed capacity at the Irigaray CPP (to 4.0Mlbs) to receive a response from the Wyoming Department of Environmental Quality later this year.

**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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Palangana Production</b>	<i>('000s pounds)</i>	300	340	200	50	-	-	-	-
Total Revenue ('000s)		\$ 27,000	\$ 30,600	\$ 18,000	\$ 4,500	\$ -	\$ -	\$ -	\$ -
<b>Goliad Production</b>	<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
<b>Burke Hollow Production</b>	<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
<b>Gross Revenue</b>		\$ 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							0.7403 USD/CAD exchange rate as of 09/23/2024
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	as of 04/30/24						
Plus Reno Creek/North Reno Creek	\$ 180,000	\$ 0.44							
Plus Alto Parana Resources	\$ 180,000	\$ 0.44	0.1x of NAV under stretch case scenario.						
Ownership of Anfield Energy Inc. shares (AEC.V; not rated)	\$ 5,702	\$ 0.01	as of 09/23/2024						
Minus Debt	\$ -	\$ 0.00	as of 04/30/24						
Total Current Value	\$ 4,118,536								
Common Shares Outstanding	405,951	as of 04/30/24							
NAV Per Share	\$ 10.15								
NPV/Share (Rounded to \$0.25/share)	\$ 10.25								
UEC Stock Price	\$ 6.19	as of 09/23/2024							
Source: HC Wainwright & Co. estimates.									

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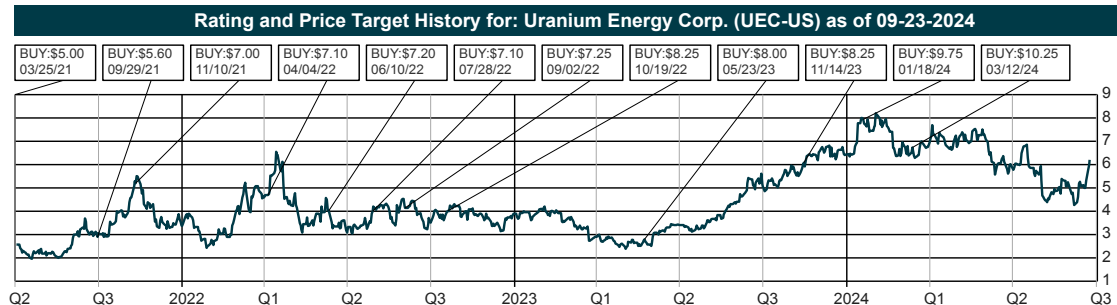
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Distribution of Ratings Table as of September 23, 2024				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	557	87.99%	121	21.72%
Neutral	71	11.22%	5	7.04%
Sell	0	0.00%	0	0.00%
Under Review	5	0.79%	2	40.00%

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