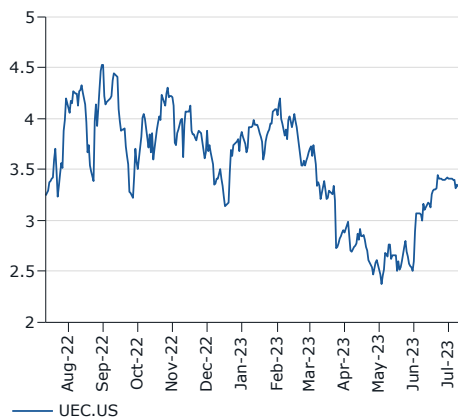


Rating <b>SPECULATIVE BUY</b>	Price Target <b>US\$6.50</b>
UEC-NYSE	Price <b>US\$3.17</b>

**Market Data**

52-Week Range (US\$) :	2.30 - 4.65
Avg Daily Vol (000s) :	5,099.83
Shares Out. (M) :	377.5
Market Cap (US\$M) :	1,196.8
Dividend /Shr (US\$) :	0.00
Dividend Yield (%) :	0.0



Priced as of close of business 11 July 2023

Uranium Energy Corp. is a uranium explorer and developer with a diverse portfolio of assets located in the Americas. UEC's production-ready assets include its Hub & Spoke ISR portfolios in South Texas and Wyoming, among other exploration and development projects in Canada and Paraguay.

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## Steps to de-risk a restart now complete

**What's new?** This morning, UEC announced the completion of de-risking steps required for the potential resumption of operations at the Christensen Ranch project in Wyoming.

**Our take:** We view this as a positive announcement for UEC. When we were on site in May (see our note [here](#)), de-risking activities were underway and on track to be complete by year-end. Today's announcement also comes ahead of our expected timeline and therefore positions UEC for a quicker-than-expected restart (if the company decides to do so).

In line with previous management commentary, a formal restart decision will be predicated on market conditions and the spot price staying sustainably above US \$60/lb for a few months. Once a formal restart decision is made, we expect it to take approximately six months to achieve first production. With uranium spot prices currently sitting at ~US\$55/lb, term contracting on the rise, and pending legislation to ban Russian uranium imports into the United States, we expect spot U<sub>3</sub>O<sub>8</sub> prices to exceed US\$60/lb in 2024, triggering a restart decision. Our current forecasts assume first production from Christensen Ranch in H2 2024.

**Production readiness activities:** At a high level, UEC has now upgraded and refurbished Christensen Ranch to facilitate a formal restart. These activities have included, among others:

- Electrical testing of pumps and module buildings (header-houses)
- Testing of leak detection systems
- Assessment and repair of lines, piping, IX columns and valves in the satellite plant
- Mechanical integrity tests of all wells to be used in the restart
- Operational tests in the Mine Units 8 and 10 (injection + recovery wells), which were partially mined in the past
  - The tests evaluated electronic communication between wells and plant, O<sub>2</sub> and CO<sub>2</sub> rates to optimize recovery, well flow rates, etc

**Installation of new wellfield:** In addition to the Mine Units that have already been prepared for start-up, UEC also plans to complete the well installation in Modules 10-7 and 10-8. This work will commence in August and will include the installation of 180 recovery and injection wells. These production units are not required for initial start-up but should help in the ramp-up at Christensen Ranch to meet production targets.

As a reminder, UEC's goal is to ramp-up production from 1mlbs U<sub>3</sub>O<sub>8</sub> per year to up to 4mlbs over the next four years. Production is expected to start at Christensen Ranch, where the wellfield is already fully permitted, with final processing to yellowcake at the Irigaray CPP. Other satellite projects are then expected to come into production in a sequenced fashion with Irigaray first (partially permitted), followed by Reno Creek (fully permitted), Ludeman (fully permitted), Antelope (permitting initiated), Moore Ranch (fully permitted), and Barge.

**SPEC BUY rating; US\$6.50/sh target price:** Our estimates remain unchanged. We have a SPEC BUY rating and US\$6.50 target price. Our target price remains based on 1.0x NAV. UEC currently trades at 0.53x NAV, a discount to peers at 0.69x.

## Appendix: Important Disclosures

### **Analyst Certification**

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### **Investment Recommendation**

Date and time of first dissemination: July 12, 2023, 08:12 ET

Date and time of production: July 12, 2023, 08:12 ET

### **Target Price / Valuation Methodology:**

Uranium Energy Corp. - UEC

Our target price is based on 1.0x our NAVPS estimate as at February 1, 2024

### **Risks to achieving Target Price / Valuation:**

Uranium Energy Corp. - UEC

#### ***Uranium price and market risk***

Our estimates and valuation are extremely sensitive to the price of uranium, and we can make no assurances that the future price trajectory of the metal will be in line with our estimates. A weaker-than-expected uranium price will impact the advancement of UEC's projects and projected cash flows. These factors could materially impact our valuation for UEC.

#### ***Project and permitting risk***

Our estimates and valuation assume successful development and production from the Texas Hub & Spoke portfolio, the Wyoming Hub & Spoke portfolio, and the Roughrider Project; however, there is no guarantee that these projects will advance as forecasted. We also recognize the risk that future satellite projects (Salvo, Longhorn, Moore, Bing and Pine Tree) are unsuccessful in receiving the required permits or permit amendments for production. However, given a history of successful permitting in the region, we believe this risk is minimal and therefore include production from these projects in our estimates.

We also note that UEC is currently completing work in preparation for a Pre-Feasibility Study on the Reno Creek project. Accordingly, the project is subject to changes in operational parameters, including estimates of initial capital and operating costs that could impact our assessed valuation.

#### ***Financing risk***

As an exploration and development company with no producing assets, UEC currently does not generate any operating cash flow and is therefore reliant upon the capital markets to fund operating expenditures. However, there is no guarantee that UEC will be able to access capital markets on a going-forward basis as a result of a potential change in market sentiment and/or pricing. Furthermore, if the price of uranium does not improve, UEC could face further dilution.

#### ***Policy risk***

Our estimates and valuation assume ongoing bipartisan support for nuclear energy in the US; however, there is no guarantee that this will be the case. In particular, we note that no Executive actions were put forward in the Nuclear Fuel Working Group report. Rather, the report warned that any recommendation that was not already reflected within the President's Fiscal 2021 Budget would be "subject to budgetary, regulatory, and policy development processes before adoption or execution". Therefore, despite a proposed 10-year timeline for a US uranium reserve, there is no commitment to take action beyond 2021. In our view, any increased policy uncertainty in the US could have adverse effects on the development of UEC's US assets and the willingness of utilities to sign into new long-term contracts.

**Distribution of Ratings:**

**Global Stock Ratings (as of 07/12/23)**

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	618	65.67%	22.49%
Hold	134	14.24%	7.46%
Sell	15	1.59%	6.67%
Speculative Buy	160	17.00%	45.62%
	941*	100.0%	

\*Total includes stocks that are Under Review

**Canaccord Genuity Ratings System**

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**HOLD:** The stock is expected to generate risk-adjusted returns of 0-10% during the next 12 months.

**SELL:** The stock is expected to generate negative risk-adjusted returns during the next 12 months.

**NOT RATED:** Canaccord Genuity does not provide research coverage of the relevant issuer.

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**12-Month Recommendation History (as of date same as the Global Stock Ratings table)**

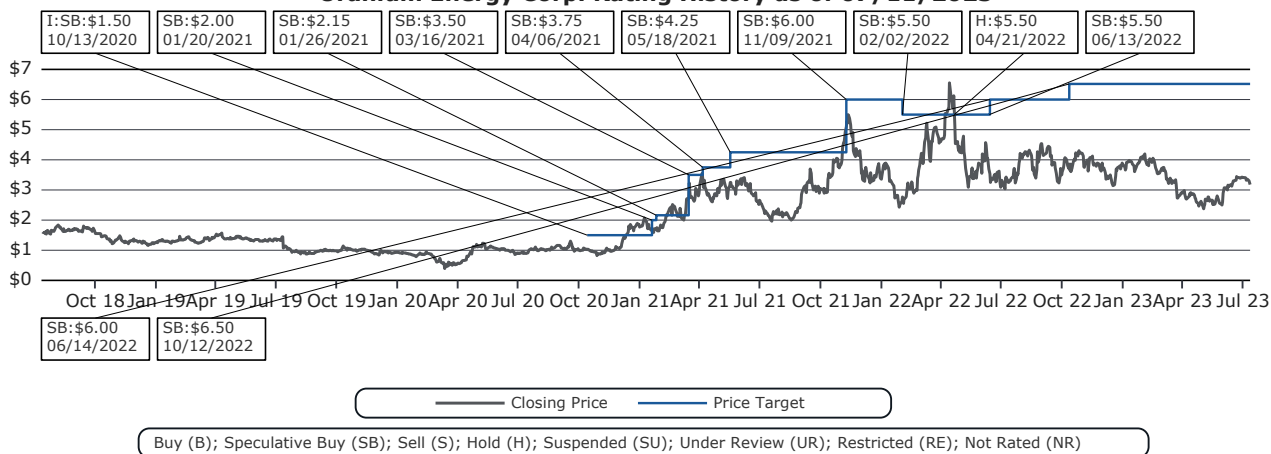
A list of all the recommendations on any issuer under coverage that was disseminated during the preceding 12-month period may be obtained at the following website (provided as a hyperlink if this report is being read electronically) <http://disclosures-mar.canaccordgenuity.com/EN/Pages/default.aspx>

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An analyst has visited the material operations of Uranium Energy Corp.. No payment was received for the related travel costs.

**Uranium Energy Corp. Rating History as of 07/11/2023**



**Past performance**

In line with Article 44(4)(b), MiFID II Delegated Regulation, we disclose price performance for the preceding five years or the whole period for which the financial instrument has been offered or investment service provided where less than five years. Please note price history refers to actual past performance, and that past performance is not a reliable indicator of future price and/or performance.

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