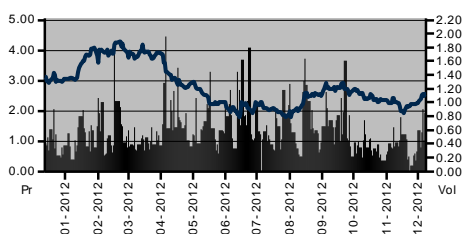


Rating:	Accumulate
Price Target:	\$4.50
<i>Price Target Metrics: DCF model with 8.0% discount rate</i>	
Current Price:	\$2.33
Float:	79.9MM
Diluted Shares:	86.3MM
Short Interest:	13.0MM
Average Daily Volume:	383k
52 Week Range:	\$1.75 - \$4.44
Market Cap:	\$201MM
Cash and Investments:	\$17MM
Enterprise Value:	\$184MM
Net Cash/Sh:	\$0.20
Tangible Book/Sh:	\$0.93

PRICE & VOLUME CHART



ESTIMATES \$ (MMs except multiples & EPS)

	2012	2013	2013	2014	2014
		Prior	New	Prior	New
Revenue					
FY	\$13.8A	\$30.0	\$11.8E	\$56.7	\$45.7E
EBITDA (Adjusted)					
FY	\$(22.7)A	\$5.0	\$(12.0)E	\$23.8	\$16.3E
EPS					
FY	\$(0.32)A	\$0.04	\$(0.18)E	\$0.17	\$0.09E

Uranium Energy Corp.

(AMEX: UEC)

FQ1:13 Update: Production slows at Palangana but Goliad moving forward

Summary: UEC reported a loss of \$7.3 million (\$0.09 per share) on revenue of \$2.2 million due to lower than anticipated sales of U3O8 along with lower uranium prices realized during the quarter. However, we believe for the remainder of fiscal year 2013 (ending July) UEC will make operational improvements at the Palangana ISR mine as well as commence production at the larger Goliad ISR mine. We recognize that the quarter was lackluster at best, but we believe better days are ahead for UEC. We are maintaining our Accumulate Rating and \$4.50 price target.

Highlights

Palangana hits a couple of bumps. The operating Palangana ISR mine underperformed during the quarter; it showed a drop in U3O8 production to approximately 29,000 pounds from 50,000 pounds the previous quarter. The shortfall was attributed to limitations and underground fractures in production areas 1 and 2. Looking ahead, production area 3 is fully constructed and commencing production. We anticipate production area 3, once fully ramped, will contribute 30,000 pounds of U3O8 per quarter. We believe this expansion will enable UEC to significantly lower production cost metrics back to the low \$20s, from the current quarter's \$37 per pound. Additionally, permitting work is underway for expansion into production areas 4 and 5 in the future.

Goliad project received final authorization from the EPA. UEC announced on December 5 receipt of final authorization from the EPA for the aquifer exemption. EPA concurrence to the permit had put construction of the Goliad project effectively on hold. We estimate that UEC has approximately \$12 million remaining in capital to spend to complete construction of production area 1 and begin shipping U3O8 to the Hobson facility for processing. The estimated timeline to commence production is for June-July, 2013.

UEC production estimated at 260,000 pounds of U3O8 in FY 2013 and over 700,000 pounds in FY 2014. We estimate that a moderate ramp-up for the Goliad project along with expansion at Palangana will result in overall production growth to 260,000 pounds of U3O8 in FY 2013. In 2014, we believe production at both projects can be further expanded when full production levels at Goliad kick in to reach approximately 725,000 pounds of U3O8 produced. We estimate costs of \$18 per pound for the Goliad project, which should create significant cash flow even at today's low uranium price environment.

Takeaways. We believe that one quarter of underperforming production at Palangana does not diminish the long-term potential for UEC. The heart of the story is the addition of U3O8 production at the flagship Goliad project in mid-2013. We will be monitoring construction progress at Goliad over the next quarter and believe this is key to jump-starting UEC again. Goliad's contribution and a larger production capacity at Palangana should both lower costs per pound and begin to take up some of the excess capacity at the Hobson processing facility. In our opinion, 2013 will show both bigger production numbers for UEC along with eventually higher realized uranium prices. We reiterate our Accumulate rating and \$4.50 price target, which is based on a discounted cash flow model that uses an 8% discount rate.

Company Description: Uranium Energy Corp. (UEC) is a production stage uranium company. As of July 31, 2010, it had interests in 50,253 acres of leased or staked mineral properties, consisting of claim blocks located in the states of Arizona, Colorado, New Mexico, Texas, Utah and Wyoming.

UEC DCF Model

	2012A	2013E	2014E	2015E	2016E	2017E	2018E	2019E
(US\$ '000)								
Net Revenue	13,757	11,750	45,675	87,750	97,500	100,800	100,800	97,600
Total operating costs	4,794	6,601	14,700	25,800	29,501	30,850	30,850	30,550
Corporate costs	17,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Operating Income	(23,913)	(13,986)	14,293	41,500	46,574	48,182	48,182	45,574
EBITDA	(22,713)	(11,986)	16,293	43,500	48,574	50,182	50,182	47,574
Taxes	0	(560)	4,303	13,825	15,601	16,164	16,164	15,251
EPS	(\$0.32)	(\$0.18)	\$0.09	\$0.30	\$0.34	\$0.35	\$0.35	\$0.33
Cash Flow	(32,713)	(11,561)	13,540	24,212	35,336	33,813	31,308	27,467
CFPS	(\$0.42)	(\$0.14)	\$0.16	\$0.29	\$0.42	\$0.40	\$0.37	\$0.32
Total capital costs	10,000	12,500	500	13,000	500	500	500	500
NPV @ 8.0%		\$381,765						
NPV / share (F.D.)		\$4.50						

Source: GHS estimates, Company Reports

Uranium Energy Corp. (UEC) Disclosures

We, Jeff Wright and Joe Reagor, certify that the views expressed in this report accurately reflect our personal beliefs about these companies and that we have not and will not receive compensation directly or indirectly in connection with our specific recommendations or views contained in this report.

Global Hunter Securities, LLC received compensation for investment banking services from Uranium Energy Corp. in the past 12 months.

Global Hunter Securities, LLC acted as Co-Manager for an offering of securities for Uranium Energy Corp. in the past 12 months.

As with all employees of Global Hunter Securities, LLC, a portion of our analysts' compensation is based on investment banking revenues.

Risks & Considerations for Uranium Energy Corp. (UEC)

Political risk. Natural resource companies are subject to significant political risk. Despite compliance with national laws, provincial or local opposition (legal or otherwise) may impact operations. Changing federal laws and regulations may negatively impact project economics, regardless of prior agreements. Environmental groups and other non-governmental organizations may actively pursue tactics (legal or otherwise) that can negatively impact miners.

Commodity price risk. Nearly all commodity-related equities are exposed to changes in the underlying commodity. Investors may seek this exposure for the upside potential, but must recognize that leverage cuts both ways. Lower commodity prices could undoubtedly make attractive projects less economically viable.

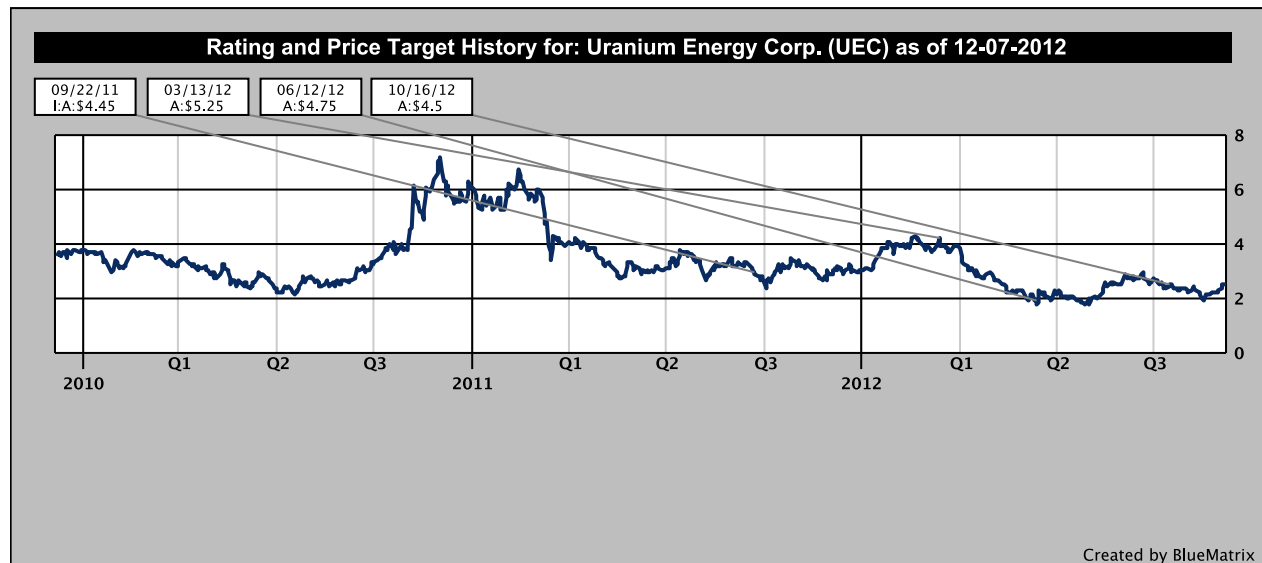
Operational and technical risk. Mining projects are exposed to operational and technical risks that may impact costs and production including technical issues with and/or potential changes in geological, mining and metallurgical parameters of the ore body, such as dilution, grade, and recoveries, as well as equipment, labor, logistics, environmental and safety issues. The timing and volume of production may significantly differ from current forecasts.

Market risk. While the industry sentiment is often tied closely with commodity prices it may also be impacted by larger business cycle forces and conditions.

Cautionary Note to US Investors: Estimates of Measured, Indicated and Inferred Resources

"Measured Mineral Resources" and "Indicated Mineral Resources." US investors are advised that while those terms are recognized and required by Canadian regulations, the US Securities and Exchange Commission (SEC) does not recognize them, and describes the equivalent as "Mineralized Material". US Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves.

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Please contact Global Hunter Securities, LLC for important disclosure information for covered companies. Contact Director of Research at (949) 274-8052 or write to Global Hunter Securities, LLC, 600 Anton Boulevard, Suite 1700, Costa Mesa, CA 92626.

Clients should also refer to <https://ghsecurities.bluematrix.com/sellside/Disclosures.action> for price charts, as well as specific disclosures for covered companies.

Explanation of Ratings

Buy - The stock should be purchased aggressively at current prices. The stock is expected to trade higher on an absolute basis and be a top performer relative to peer stocks over the next 12 months.

Speculative Buy - The stock is expected to trade higher on an absolute basis and be a top performer relative to peer stocks over the next 12 months; however, there is higher than average risk associated with the investment that could result in material loss.

Accumulate - The stock should be purchased at current prices. The stock has an attractive risk/reward and is expected to outperform peer stocks over the next 12 months.

Neutral - The stock has average risk/reward and is expected to perform in line with peer stocks over the next 12 months.

Reduce - The stock should be sold at current prices. The risk/reward has become less attractive and is expected to underperform peer stocks over the next 12 months.

Sell - The stock should be sold aggressively at current prices. The stock is expected to trade lower on an absolute basis and be a top underperformer relative to peer stocks over the next 12 months.

NA - A rating is not assigned.

Ratings Distribution

Rating	Research Coverage		Investment Banking Clients*		
	Count	% of Total	Count	% of Total	% of Rating Category
Buy (Buy, Speculative Buy or Accumulate)	143	68.74%	23	82.14%	16.08%
Hold/Neutral/NA	61	29.32%	5	17.86%	8.62%
Sell(Sell or Reduce)	4	1.92%	0	0.00%	0.00%
Total	208	100%	28	100%	13.5%

*Investment banking clients are companies from whom GHS or an affiliate received compensation from investment banking services provided in the last 12 months.

Note: Ratings Distribution as of December 7, 2012

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