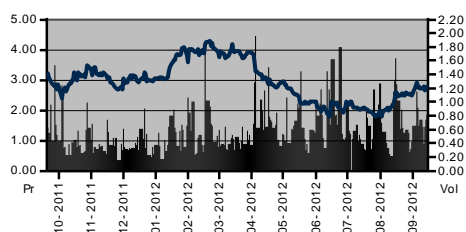


Rating:	Accumulate
Price Target:	\$4.75
<i>Price Target Metrics: DCF model with 7.5% discount rate</i>	
Current Price:	\$2.75
Float:	79.3MM
Diluted Shares:	86.3MM
Short Interest:	14.3MM
Average Daily Volume:	671k
52 Week Range:	\$1.75 - \$4.44
Market Cap:	\$237MM
Cash and Investments:	\$26MM
Enterprise Value:	\$211MM
Net Cash/Sh:	\$0.30
Tangible Book/Sh:	\$0.93

PRICE & VOLUME CHART



ESTIMATES \$ (MMs except multiples & EPS)

	2012		2013		2014		2015
	Prior	New	Prior	New	Prior	New	
Revenue							
FY	\$8.8	\$11.5E	\$56.7	\$50.8E	\$80.5	\$80.5E	\$945.0E
EBITDA (Adjusted)							
FY	\$(23.9)	\$(21.6)E	\$25.3	\$19.9E	\$43.4	\$43.4E	\$52.9E
EPS							
FY	\$(0.34)	\$(0.31)E	\$0.27	\$0.21E	\$0.32	\$0.32E	\$0.40E

Uranium Energy Corp.

(AMEX: UEC)

Comments on Hobson and Palangana site visits

Summary: On September 13, 2012 we visited Uranium Energy Corp's (UEC) producing Palangana Mine and its Hobson processing facility outside of Corpus Christi, TX. The visit was enlightening in providing an understanding of the operational bottlenecks UEC is facing along with its potential for lower costs over time. While production increases are progressing at Palangana, we estimate UEC will soon be able to begin operations at the Goliad project. We made adjustments to our estimates and model and reiterate our Accumulate rating and \$4.75 price target.

Highlights

Hobson facility. The Hobson facility was not operating the day we visited the facility as UEC continues to work to increase its production rate and utilize the full capacity of the facility. It is more cost effective for UEC to operate the Hobson facility at full capacity a small portion of the time than it is to operate it below full capacity every day.

Palangana Mine. The Palangana Mine is located 94 miles south of the Hobson processing facility. Currently UEC is producing U3O8 from production areas 1 and 2, while construction proceeds at production area 3. The method of mining uranium used at the Palangana Mine is called ISR, or in-situ recovery. The production plant at the site has the ability to process up to 2,500 gallons of water per minute. Currently the mine is operating at approximately 1,000 gallons of water per minute, leaving room for cost reduction as more production areas come online in the future.

Bottleneck issues. The major bottlenecks for UEC are not capital and development costs, availability of mineralized fluids, or capacity restrictions, as is typically the case with most mining companies, but rather a matter of permitting. UEC needs five different permits (exploration, mine permit/production area authorization, radioactive materials license, waste disposal well, and aquifer exemption) before it can begin mining a new well field. As a result, UEC currently operates the Palangana project and Hobson facility below capacity. UEC continues to wait for the final EPA concurrence for an aquifer exemption before construction can begin at the larger Goliad project.

Potential cost reductions. At Palangana the addition of production area number 3 and potential additional production areas could help it reach the plant's design capacity of 2,500 gallons per minute. Additionally, the company's Hobson facility is capable of processing significantly higher amounts or resin shipments than Palangana can produce alone, creating an opportunity to lower overall per unit costs with the addition of production from other satellite deposits.

Burke Hollow. We estimate that UEC will provide an initial resource for its Burke Hollow project in late 2012 or early 2013. We anticipate the initial resource will include between 400-500 drill holes. This could serve as another upside catalyst as UEC looks to increase its production rates in order to lower costs company wide.

Uranium mining a balancing act. The key takeaway from the visit was the view that permitting is the only real major hurdle for UEC. The cost of constructing a facility and purchasing equipment for a project like Palangana is in the \$10MM-\$20MM million range making ISR uranium mining comparatively non-capital intensive compared to other forms of mining. Unfortunately, the trade off is that permitting from exploration to production can take 4-6 years in Texas and much longer in other US jurisdictions.

Modeling and valuation. We made a number of minor changes to our UEC model including inputting our updated commodity price deck for uranium. Also, we estimate UEC sold 225,000 pounds of uranium during its fiscal 2012 (ending July). This resulted in slightly better numbers for 2012 and lower estimates for 2013 onward. However, we are not making any changes to our \$4.75 price target or our Accumulate rating.

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.

Palangana Photos (Source: Global Hunter Securities)

Image 1: Water processing tanks



Image 2: Mobile well pump rack



Image 3: Production pump rack with individual well monitors



Source for all images: Global Hunter Securities

Hobson Photos (Source: Global Hunter Securities)

Image 4: Truck with resin tank at Hobson



Image 5: Concentration tanks



Image 6: Uranium concentration samples at each step of process



Image 7: Barrels of processed uranium



Image 8: Uranium dryer



Image 9: Yellow cake uranium



UEC DCF Model

	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
(US\$ '000)								
Net Revenue	11,464	50,754	80,500	94,500	99,000	100,800	100,800	97,600
Total operating costs	5,100	16,381	20,050	23,100	26,501	27,700	27,700	27,500
Corporate costs	14,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Operating Income	(22,783)	19,331	42,788	52,338	52,937	53,332	53,332	50,624
Taxes	0	656	14,766	18,108	18,318	18,456	18,456	17,508
Total capital costs	10,000	500	500	13,000	500	500	500	500
Cash Flow	(29,379)	16,814	34,523	29,906	36,943	34,622	32,206	28,441
NPV @ 7.5%	\$395,039							
NPV / share (F.D.)	\$4.66							

Source: Company reports, Global Hunter Securities estimates

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.

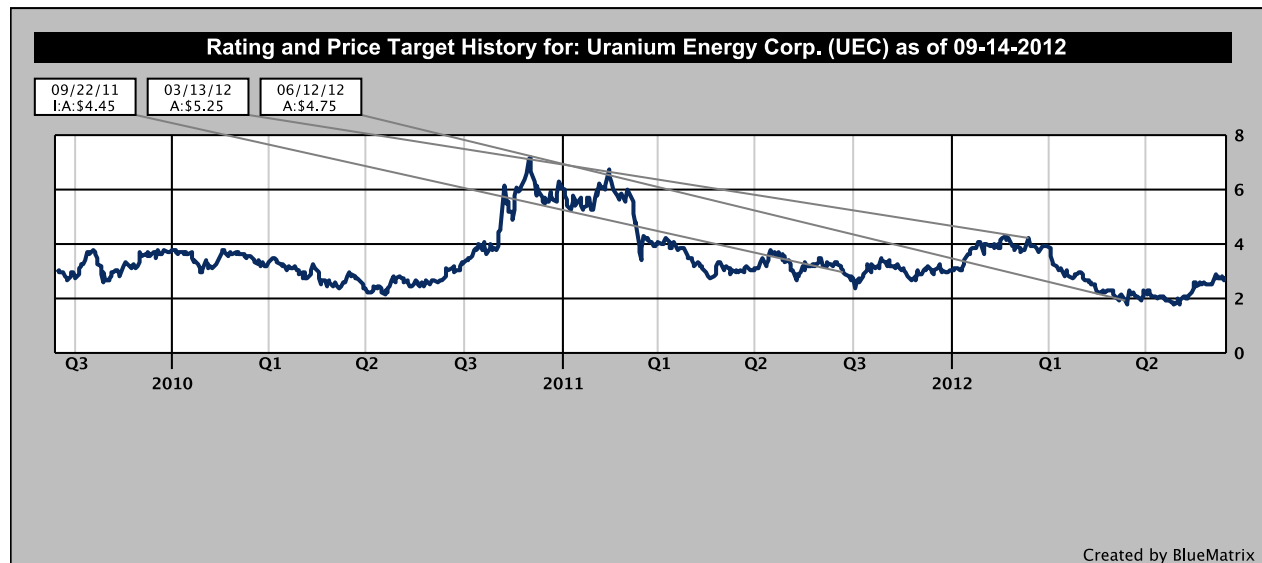
Operational and technical risk. Mining projects are exposed to operational and technical risks that may impact costs and production including technical issues with and/or potential changes in geological, mining and metallurgical parameters of the ore body, such as dilution, grade, and recoveries, as 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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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)	146	70.54%	18	90.00%	12.33%
Hold/Neutral/NA	58	28.02%	2	10.00%	3.51%
Sell(Sell or Reduce)	3	1.45%	0	0.00%	0.00%
Total	207	100%	20	100%	9.7%

*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 September 17, 2012

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