

# NATURAL RESOURCE INVESTOR & WORLD GOLD STOCK REPORT

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Uranium Energy Corp. (OTC BB: URME)

*"Your Key to Emerging Winners"*

Late May 2006

## Is This Still-Unknown Energy Company America's Next Major Uranium Producer?

**Newly Public, Uranium Energy Corp. Holds Major Industry Trump Card: Management Includes the ISL\* Experts Who Built 80% of U.S. Uranium Production Facilities Now in Operation!**

**Company Also Now Gains Permits to Drill 70 Holes This Month to Confirm and Expand Current 5.2 mm lb. Historic Uranium Resource at Goliad, a Turn-Key Project in South Texas. Drill Program to Provide Further Key Data for Upcoming Scoping Study and Permitting.**

**With 11 Properties in Five States, Controlling 10.7 mm lbs. Historic Resource – and with Significant Exploration Databases from Seven Earlier U<sub>3</sub>O<sub>8</sub> Explorers/Producers – Company Is Rapidly Expanding Its Resources so Production Can Ramp Up Quickly.**

Uranium Energy Corp. (OTC BB: URME) just went public in February this year. The company hasn't yet made it onto the radar screen of most investors or analysts.

This report is the first to introduce the company to a broader audience, and, in our opinion, presents an unusually attractive opportunity for readers who are sophisticated, risk-tolerant resource investors.

\* ISL or In-Situ Leach mining of uranium is solution mining. Oxidized ground-water is pumped through the U<sub>3</sub>O<sub>8</sub> deposit in its location underground, dissolving the uranium. It's pumped to surface for further processing.

With uranium prices having surged 500% in the last few years and anticipated to keep climbing because of powerful continuing demand growth, most uranium stocks are flying. The opportunity to take a close look at a company before it's swiftly marked up by the markets shouldn't be missed.

Further, because of today's hot uranium markets, those few companies that earn the "potentially future uranium producer" label trade at significant premiums. As we'll detail in this report, URME earns that label, and premium, hands-down. Since most investors have yet to learn of the company, the upside potential here could be powerful.

### CORPORATE INFORMATION

#### Uranium Energy Corp.

Exchange	OTC BB
Symbol	URME
Recent Price Range	\$3.70 to \$4.40
Shares Outstanding	22.5 million
Sh. Outstdg FD	25.5 million
Contact	Amir Adnani, President
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Email	info@uraniumenergy.com
Website	www.uraniumenergy.com

URME's management laid a strong base of operations long before the company went public, and this helps to explain its advanced position in the industry ahead of public awareness.

The key factors that compel attention to this aggressive uranium exploration and development company include the following:

- The company's Chief Operating Officer is Harry Anthony. Mr. Anthony is an internationally recognized expert in the uranium industry, having been involved with most notable ISL uranium mines in the U.S. and abroad, at all levels of development, including feasibility, design, construction and management – and including four of the five producing U<sub>3</sub>O<sub>8</sub> mines operating in the U.S. today! (The fifth mine, Crow Butte, owned by Cameco, was built by Cameco based on Mr. Anthony's design.)

- The Company's ISL Engineering Manager is Doug Norris. Mr. Norris has spent 20 years designing and constructing uranium mining facilities including Smith Ranch in Wyoming (Power Resources Inc, a subsidiary of Cameco), Highland in Wyoming (Power Resources Inc.) and Alta Mesa in Texas (Mestena) – three of the five producing ISL U<sub>3</sub>O<sub>8</sub> mines operating in the U.S. today.

- URME already controls 11 projects in five states, covering 11,400 acres with 10.7 million pounds of uranium as historic resource. Included in this initial portfolio is the company's flagship Goliad U<sub>3</sub>O<sub>8</sub> project in south Texas. Management believes this in-situ leach project is turn-key, as turn-key as any uranium project can be in this country. Historic resource here is 5.2 mm pounds U<sub>3</sub>O<sub>8</sub>, with potential to add another 10 mm pounds with the drilling program commencing in May, anticipated to be reported in July.

- With several properties pending completion of acquisition, the company plans to add at least another 13 million pounds U<sub>3</sub>O<sub>8</sub> historic resource this year.

## LIBRARY OF HISTORICAL RESULTS IS VITAL

- Having acquired major exploration data bases from several senior energy companies, URME has been able to pinpoint strategic acquisitions that have been subject to significant exploration and development in the past. Many of these acquisitions are still pending and are expected to further enhance the company's portfolio of projects, and historic resources, in the near-term. In several cases, these acquisitions include or will include, drilled deposits, many of which were near production in the 1980s when the falling price of uranium precluded further development.

The importance of these databases can't be over-emphasized. Among juniors, URME already holds one of the most complete libraries of historic uranium exploration in the U.S. This is a tremendous catalyst to early production.

Take these two examples. The company has acquired Moore Energy's uranium exploration and development results covering one million acres, 10,000 drill holes and 30 years of exploration and development of uranium-bearing zones in Texas, New Mexico and Wyoming. Concurrently, URME has acquired the rights to the strategic O'dell U<sub>3</sub>O<sub>8</sub> database covering 50 years of exploration and development including 315,000 feet of drill logs and more than 400 maps of the uranium ore bodies throughout Wyoming – the state with the greatest uranium reserves and production.

The information in the Moore database includes all drill results at URME's lead Goliad project, among other things. Between just these two databases – the company controls seven – many other explorers will either have to re-drill thousands of holes – or work a deal for this valuable information with URME. Further, in terms of new acquisitions, this company is in an excellent position, as mentioned above. In short, these databases catapult URME to a lead position among the explorers and developers in the key uranium states.

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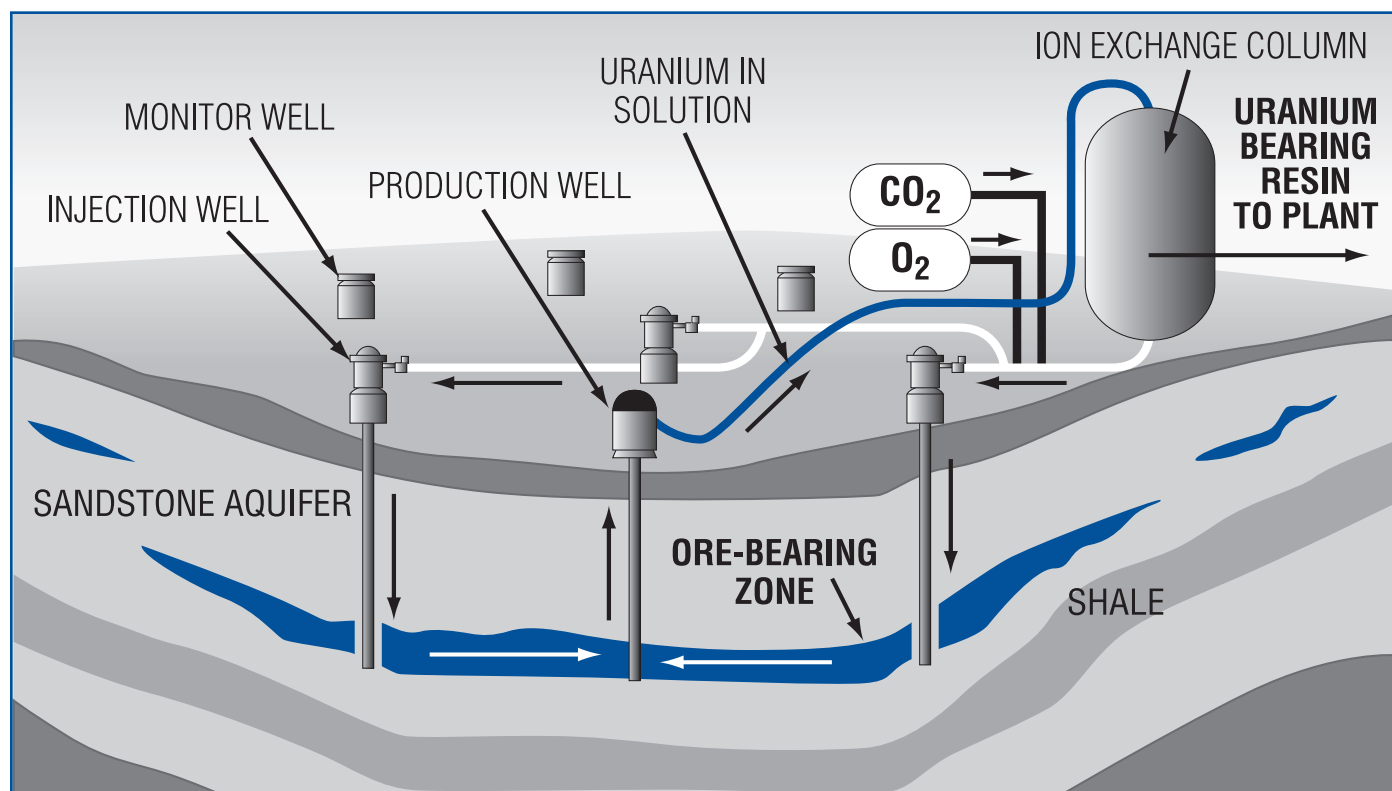
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## Typical In-Situ Leach Well Field



*In-situ leach mining of uranium involves pumping oxidized water through the uranium deposit underground, dissolving it and then pumping it to surface for further processing. Monitor wells on all sides assure none of the U<sub>3</sub>O<sub>8</sub>-rich waters leak away from the production zone. Uranium Energy's technical team of ISL experts is by far the most experienced in North America.*

Before we delve into the excellent projects already under this company's control – and its turn-key Goliad project – it's most important to recognize the magnitude of the opportunity available today to the few experienced uranium miners who are still young enough to bring these projects to market in the U.S.

### A REMARKABLE ONE-TIME OPPORTUNITY: U<sub>3</sub>O<sub>8</sub> PRODUCTION IN THE U.S.

The United States has 104 nuclear reactors generating more than 100 million megawatts of electricity each year, or approx. 20% of the country's energy supply. These plants are using approximately 40 million pounds of U<sub>3</sub>O<sub>8</sub> annually to produce this energy. The U.S. is by far the largest user of uranium in the world.

But in 2005, there were only 2.7 million pounds of uranium mined in the country, marginally higher than in recent years. (See table, p. 4.) The owners of these nuclear plants are importing some 37+ million pounds of uranium annually as fuel for these plants – and, today, they are actually stretching hard to find uranium supplies.

Despite low current production of uranium, very significant uranium exploration was performed in the U.S. between 1960 and 1985. Hundreds of millions of

pounds of uranium have been delineated by extensive drilling and production studies and are waiting to be confirmed, permitted, mined and brought to market. With today's higher U<sub>3</sub>O<sub>8</sub> prices, with most of the public now in favor of increasing nuclear power and with a severe shortage in supply, it's imperative to get the uranium mining industry back to work in this country. This nascent U.S. industry does not need new exploration, or a new start. It needs production, mining.

### THE KEY TO RESTORING U<sub>3</sub>O<sub>8</sub> PRODUCTION

The key to U.S. uranium production lies with the few experienced professionals who are still young and active, and who really know the ropes as a matter of considerable practice. There are not many such professionals. The industry was last vital in the mid-70s to early-80s – 20 to 30 years ago. This fact directly highlights a major strategic edge held by Uranium Energy Corp.

This company has successfully brought on seven such professionals, headed by two of the biggest hitters in the North American uranium mining industry: Harry Anthony and Doug Norris. In terms of *in-situ leaching*, or ISL uranium production, there is no stronger engineering team – even considering the two North American majors, Cameco and Cogema.

Cameco's two plants in Wyoming, Smith Ranch and Highland, were designed by Mr. Anthony and built by Mr. Norris. (Please see the "bio" section starting on p. 6 for the qualifications of all seven professionals.)

In fact, arguably, there is NO other experienced engineering team that designs and builds ISL uranium facilities anywhere else in North America! And this is an unforgiving industry that demands successful experience. Uranium mining demands 100% precision. Leakage of uranium into the water table or countryside is simply not an option in today's world. Will any other team of ISL engineers be able to get permitted to mine in this country without Anthony and Norris? That's a key question.

## WHY IN-SITU LEACHING IS THE SECOND KEY TO PRODUCTION

It is noteworthy that all five uranium mines operating in the U.S. today are in-situ leach mines. A sixth mine, at Kingsville Dome in south Texas, is said to be restarting production now – it is also ISL production, also designed and built by Mr. Anthony.

In-situ leach mining is dramatically different from open-pit or underground mining. It is a process in which groundwater fortified with oxidizing agents, usually simply carbon dioxide, is pumped in to the ore body "in-situ," that is, in its place underground, causing the uranium contained in the ore to dissolve. The solution with the dissolved U<sub>3</sub>O<sub>8</sub> is pumped to the surface where it is separated and further processed to a dried form of uranium that is shipped to conversion facilities for sale to nuclear plants for electricity generation. (See diagram on p. 3.)

The ISL mining process is far safer, far less expensive – by multiples – and far less unsettling to the environment than open-pit or underground uranium mining – the historic methods of producing uranium. Only a few economic uranium deposits are amenable to ISL production – those that are located in an aquifer, or in

underground permeable rock, usually sandstone, that is saturated in water. URME specializes in acquiring ISL deposits and has the personnel who fully understand ISL production.

Most importantly, experts believe that the future of uranium production in the United States is in-situ leach mining. This is indicated by the fact that the only production occurring today in the U.S. is ISL.

## LOCATION, LOCATION, LOCATION

Of the five operating uranium mines in the U.S., two are in Wyoming, two are in Texas and one is in north-western Nebraska. This is, of course, no accident. Wyoming and Texas, in particular, are positive toward uranium mining and understand the permitting process. There are fine uranium deposits in other states – Arizona, New Mexico, Colorado, Utah and Oregon – but the permitting process has not really been well-established in these states, and this factor could prove to be very time-consuming.

While Uranium Energy holds properties in other states – in Wyoming, Utah, Arizona and Colorado – the company's objective is to become the top uranium producer in Texas, first, where the opportunity is huge.

In 1984, at the end of the last uranium mining boom in the U.S., uranium reserves and resources in Texas were estimated by the *Handbook of Texas* to be 620 million pounds – more than a 15-year supply for all U.S. reactors. Virtually all of that resource is still "in situ" today, and most is believed to be amenable to ISL mining methods. The deposits lie within a belt of strata extending 250 miles from the middle Coastal Plain southwestward to the Rio Grande River. (See map, p. 5.) Texas has produced 76 million pounds of U<sub>3</sub>O<sub>8</sub> since 1961.

## URANIUM ENERGY'S GOLIAD PROJECT

The company's foundation asset, located in Goliad County, Texas, and 100%-controlled, has 5.2 million pounds of historic resource, all ISL-amenable, at an average grade of 0.055% uranium oxide, with potential to host additional resources of 10 million pounds.

The first phase of confirmation drilling was permitted by state regulators in April and will consist of 70 holes, each to be drilled to the depth of 300 to 450 feet, a \$200,000 budget. This type of

## U.S. Uranium Production – 2005

COMPANY	MINE	LOCATION	2005 PRODUCTION	DESIGN/CONSTRUCTION
Power Res (Cameco)	Smith Ranch/ Highland	Wyoming	1.3 mm lb (combined)	Anthony/Norris
Crow Butte Res (Cameco)	Crow Butte	Nebraska	0.8	Based on Anthony design
Uranium Res	Vasquez	So. Texas	0.3	Anthony
Mestena (private co.)	Alta Mesa	So. Texas	0.3	Norris
<b>Total U.S. Production 2005</b>			<b>2.7 mm lb</b>	

*Harry Anthony and Doug Norris, heading URME's technical team, have designed and/or constructed the facilities responsible for 80% of current U.S. production of uranium, as shown. The fifth facility, Crow Butte in Nebraska, was based on Mr. Anthony's design. A sixth facility is re-starting production in south Texas currently, Uranium Resources' Kingsville Dome. It was also designed and constructed by Mr. Anthony.*



drilling, akin to reverse-circulation drilling with gamma interpretation, is very quick. The program is expected to start in May, to be complete within five weeks, and to be interpreted and reported in July-August. The program will consist of confirmation drilling and step-out drilling to further define new areas of uranium, first drilled and pin-pointed by prior explorers (Moore Energy and Coastal States Mining) in the 1980s.

So, not only is the 5.2 mm pounds of  $U_3O_8$  expected to be confirmed, the company also anticipates announcing additional  $U_3O_8$  resources from this phase of drilling.

The company has all prior databases from the earlier 190,000 feet of delineation drilling performed by Moore and Coastal States (400 holes) and the earlier 60,000 feet of step-out drilling as well. The manager of these exploration programs was Clyde Yancey, PGeo, who is now an employee of URME. Mr. Yancey has a 25-year history with this asset, and his knowledge of the ore body is without equal.

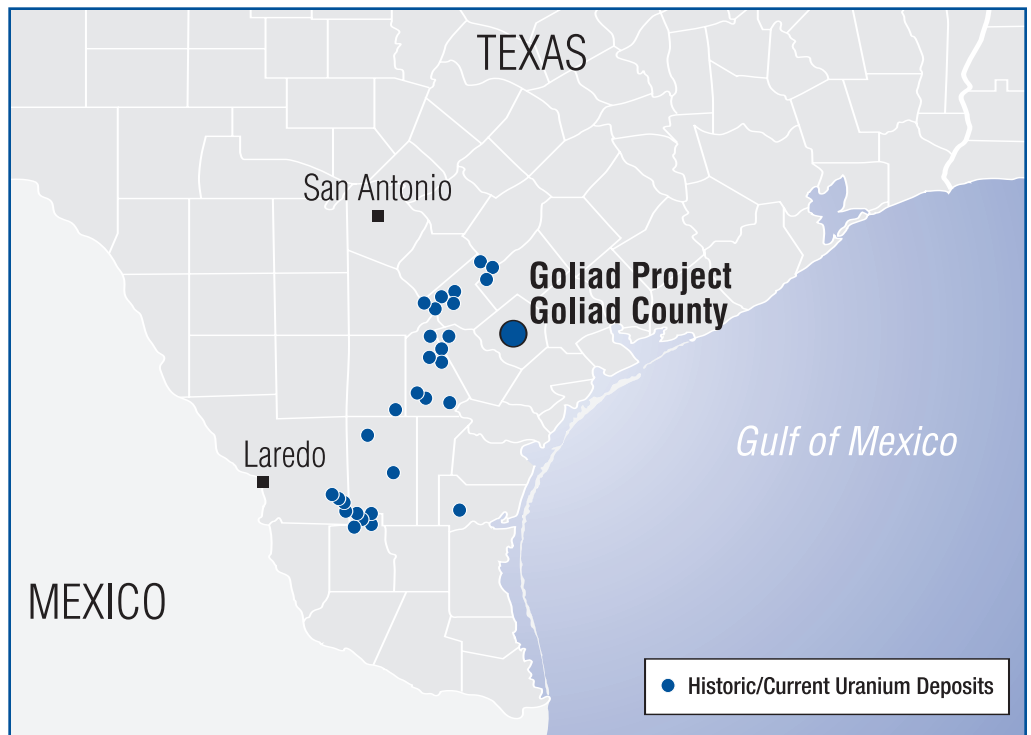
This prior drilling had delineated four zones of mineralization at an average depth of 340 feet (cutoff grade of 0.02%):

Zone A	17 feet grading	0.055%	$U_3O_8$
Zone B	10 feet grading	0.076%	$U_3O_8$
Zone C	12.5 feet grading	0.06%	$U_3O_8$
Zone D	14 feet grading	0.05%	$U_3O_8$

The company anticipates that each of these zones will demonstrate excellent economics at \$40/lb uranium. Current spot price is \$41.50/pound. Current term price is \$42/pound.

Is 5.2 million pounds of uranium an economic size to produce? Absolutely, for this deposit, according to management; and there is no management in the U.S. as qualified to remark on this, given its prior experience with ISL production. But also, the deposits are open in all directions and management is confident that the size of the deposit will increase substantially –

## URME's Goliad Project



*The Goliad Project lies among a great number of ISL-amenable uranium deposits in south Texas in near-surface sandstone. URME is acquiring many additional, similar deposits with a first objective of becoming the leading uranium producer in Texas.*

perhaps adding up to another 10 million pounds to the size of the deposit—and in short order.

### INITIAL ECONOMIC SKETCH

For some sense of the production parameters of ISL production in south Texas, management has sketched out these initial indications for Goliad: A mining facility producing approx. one million pounds  $U_3O_8$ /year would require a capital expenditure of approx. \$14 to \$15 million, including \$5 to \$6 million for 125 closely spaced injection wells, 100 production wells and 60 monitoring sites. (See ISL production diagram, p. 3.) The cost of the plant to process and dry the uranium into yellowcake is another \$8 to \$10 million. At \$40/lb  $U_3O_8$ , initial annualized revenue would approximate \$40 million.

### ADDITIONAL PROPERTIES

URME has acquired over 11,000 acres of uranium projects in Texas, Arizona, Colorado, Utah and Wyoming – all states of significant exploration and production in prior generations. Each of these properties has been subject to previous exploration and/or mining by significant companies including Conoco, Noranda, Homestake Mining and others. The properties, considered together, contain 10.7 million pounds of  $U_3O_8$  as historic resources.

## Uranium Energy Properties

STATE	ACRES	HISTORIC RESOURCE	ADDITIONAL POTENTIAL	ACQUISITIONS PENDING
Texas	2,100	5.2 mm lbs	5 mm lbs	8 mm lbs
Arizona	2,200	2.0 mm	10 mm	–
Wyoming	5,500	1.0 mm	3 mm	–
Colorado	1,000	2.0 mm	–	–
Utah	600	0.5 mm	–	–
<b>Total</b>	<b>11,400</b>	<b>10.7 mm lbs.</b>	<b>18 mm lbs</b>	<b>8 mm lbs</b>

URME's exploration team has practical knowledge of specific uranium ore bodies in the U.S. and internationally. In addition, with the use of historical exploration databases, the company has been able to acquire parcels economically with demonstrated presence of uranium. Many more properties, with resources, are being acquired.

This key factor puts into place a platform for URME's rapid ongoing expansion of qualified uranium resources, and a continuing rapid production growth.

In 2006 – with corporate headquarters in Austin, Texas, and field offices in Corpus Christi, Texas, and Casper, Wyoming – management is budgeting \$5 million for exploration of several of these uranium projects with known historic uranium resources: \$3.1 million in Texas, \$1.3 million in Wyoming, \$400,000 in Arizona and \$250,000 in Utah. Each of the company's projects has the potential to be ISL-amenable deposits, depending on next phases of exploration. Far more information will be coming forward on these properties, and on new acquisitions, as the year progresses.

### DEPOSITS AMENABLE TO IN-SITU LEACH MINING

For technical buffs, here are capsule definitions of ISL deposits:

“Roll front” uranium deposits – also known as “solution fronts” – are concentrations of  $U_3O_8$  at the contact between oxidized sandstone and reduced sandstone (reduced, meaning less oxidized). Uranium in sandstone precipitates out and concentrates at those fronts where oxidized sandstone ends. (See illustration p.7.)

Usually, this contact area is associated with hydrocarbons in some form and is found at the start of less-oxidized sandstone.

ISL mining reverses the precipitative action of nature. By introducing oxidized water into the “roll front” deposit, the uranium is dissolved and freed for pumping to surface, drying and further processing.

In Texas, “roll front” uranium deposits tend to be shallow, located along the lower coastal plain, relatively

small in size (1 – 3 million pounds), but numerous. Most such deposits are found through their association with oil and gas resources.

### MANAGEMENT

**Alan Lindsay, Chairman:** Mr. Lindsay has extensive experience and expertise in the mining and bio-technology sectors. From 2000 to the present, he has been the Chairman, President, and CEO of MIV Therapeutics Inc, a publicly-listed biomedical company recently awarded the prestigious Frost & Sullivan 2005 Award for Technology Innovation in the Field of Medical Coating. Mr. Lindsay was the founder of AZCO Mining and served as Chairman, President and CEO of AZCO from 1992 to 2000. The company was listed on the Toronto and American Stock Exchanges. During his tenure at AZCO, the Company sold the Sanchez copper deposit to Phelps Dodge for \$55 million CAD and established a joint venture with Phelps Dodge on the Piedras Verdes copper deposit with 2.1 billion pounds of copper reserves. Mr. Lindsay also co-founded Anatolia Minerals Development and New Oproeru Resources, two publicly-traded companies with significant gold discoveries.

**Amir Adnani, Chief Executive Officer, President, Director:** Mr. Adnani is an entrepreneur with a background in business development and marketing. He founded and has been, for the last five years, CEO of Blender Media Inc., a Vancouver-based company that provides marketing and financial research services to public companies and investors in mineral exploration, mining, and energy sectors. In 2005, Blender Media was named one of the fastest growing companies in Canada by *Profit* magazine. Mr. Adnani received a Bachelor of Science from the University of British Columbia in Vancouver.

**D. Bruce Horton, Chief Financial Officer, Director:** D. Bruce Horton has been active in the finance industry, both in the private and public sectors, as an accountant and a financial management consultant, with an emphasis on corporate financial reporting, financing and tax planning. Mr. Horton has specialized in corporate management, re-organization, mergers and acquisitions, international tax structuring, and public and private financing for over thirty years. Mr. Horton was a partner in a public accounting firm, and in 1986 he co-founded and was director and chief financial officer of Clearly Canadian Beverage Corporation.

### TECHNICAL TEAM

**Harry Anthony, Chief Operating Officer, Director:** Mr. Anthony is an internationally recognized expert in the uranium industry. Mr. Anthony has been

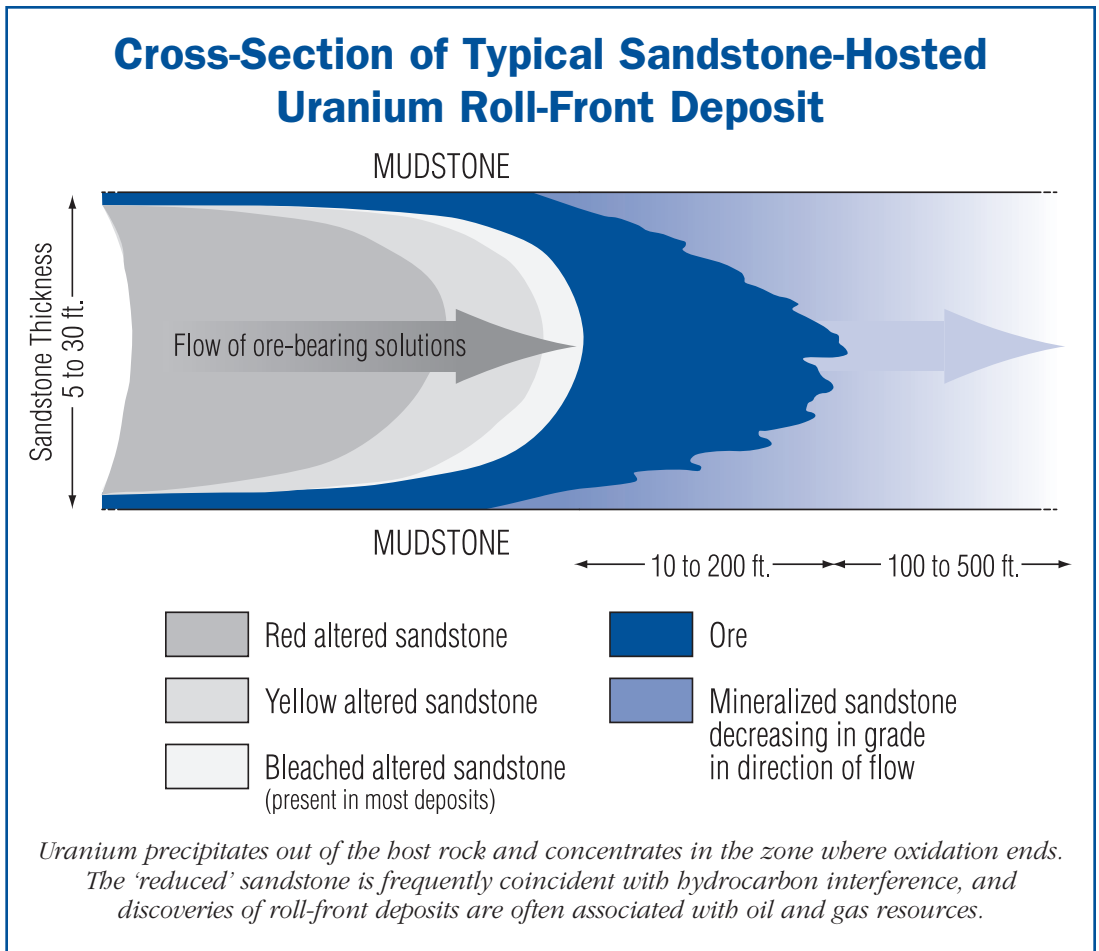
a professional engineer for 36 years, the latter 30 of which he has been at the forefront of multiple aspects of the uranium industry.

Mr. Anthony is particularly noted as being a pioneer of the emerging extraction technology for uranium mining sector known as In-Situ-Leaching, or ISL. ISL is a significantly less costly and less environmentally obtrusive technique for mining uranium than any other method currently in use. He has been involved with every notable ISL uranium mine in the U.S. and abroad, at all levels of development, including feasibility, design, operations, and management.

Mr. Anthony was a senior officer and director of Uranium Resources Inc, a public company, and a significant uranium producer in the U.S. During his 20-year tenure at URI, he was responsible for all technical aspects of mine development. He has also provided technical services and mine plans for companies such as Union Carbide, Urangesellschaft, Kennecott, Rio Algom, Heathgate Resources and others.

Mr. Anthony is a sought-after speaker on uranium and related issues, having written and presented numerous reference papers on behalf of leading internationally recognized bodies including the IAEA. He is a current and past member of several professional uranium-related societies. Mr. Anthony has a BSc and MSc in Engineering Mechanics from Pennsylvania State University.

**Randall Reneau, Chief Exploration Officer, Director:** Mr. Reneau is registered as a Certified Professional Geologist with over 30 years of experience in mineral exploration and project management in the United States, Mexico, Brazil and West Africa. He has significant experience exploring for uranium in the United States, specifically in Texas, Arizona, New Mexico and Wyoming, the states known to hold the largest uranium reserves. He extensively explored these states while employed in a senior position for Conoco Uranium, a subsidiary of Conoco Ltd., and Wold Nuclear Corporation, a privately held company.



For the past 10 years, he has been an independent contractor, performing geology services for mining and exploration companies internationally. He obtained his M.S. in Environmental Engineering from Kennedy-Western University, Boise, Idaho, and a B.A. in Geology from Central Washington University.

**James Douglas (Doug) Norris, Engineering Manager:** Mr. Norris is a professional engineer with 20 years of experience designing and constructing uranium mining facilities. Having held senior engineering, as well as operational positions, for uranium producers Rio Algom (now BHP Billiton) and Power Resources (now Cameco), he has been responsible for all phases of mine development, from the grass roots through to operations management. He was integral to the development of well-known U.S. uranium mines, Smith Ranch and the Highland, both ISL mines.

Doug Norris is a Registered Professional Engineer, chartered in the state of Oklahoma. He received his BSc in Chemical Engineering from Louisiana State University. Mr. Norris has also been ISO certified to prepare health and safety risk analyses and mitigation techniques during the plant design, construction and operational phases.

**Clyde Yancey, Senior Geologist:** Mr. Yancey received his BSc in Geology from Trinity University, San



Antonio, Texas in 1975, and his MSc in Geology from the South Dakota School of Mines and Technology in 1978. He began his professional career with the USGS – Uranium and Thorium Resources branch in 1978. He continued working in uranium development through 1989 while employed in exploration and in-situ mining production for Wyoming Minerals Corporation, Caithness Mining Corporation, Mobil Oil, and Moore Energy. During this period, he discovered several uranium deposits including the Weesatche (Goliad) and Southeast El Mesquite. From 1989 to the present, Mr. Yancey has concentrated on reclamation investigations at various uranium mill tailings sites throughout the southwest U.S. for mining companies, government agencies and First Nations. Also during this time, he co-authored numerous professional papers on groundwater reclamation and compliance related to uranium. Mr. Yancey is currently a Registered Professional Geologist in Wyoming and Texas.

**Leonard Garcia, Land Tenure Manager:** Mr. Garcia is an independent petroleum landman with over 20 years of experience in oil and gas title research, lease negotiations and acquisitions, farm out contracts and exploration and production. He has worked under contract for Sun Oil Company, Oryx Energy, Texaco and Monsanto Exploration and Production Company. He attended the University of Texas.

**Gregory Nowak, District Geologist, Wyoming:** Mr. Nowak has over 20 years of hands-on experience in all phases of field exploration for uranium, gold and base metals in West Africa and the western and southern U.S. He obtained his MSc in uranium occurrences of western U.S. from Mackay School of Mines, Reno, Nevada, and a BA in Geology from Case Western Reserve University.

**Robert Odell, Consulting Geologist:** From 1951 to 1975 Mr. Odell worked with several uranium mining companies on exploration and development projects in Wyoming, Arizona, Colorado and New Mexico. Since 1975, he has operated the *Rocky Mountain Uranium Scout* which is a North American uranium industry monitoring monthly intelligence report. Mr. Odell graduated with a BSc in Geology from the University of New Mexico in 1951.

## COMPARABLES

There may be a rapidly growing number of uranium exploration companies, but there are very few approaching production in the U.S. In addition to URME, Energy Metals Corporation (EMC) and Ur-Energy (URE) are closer to mining uranium than most other firms. EMC has independently verified current uranium resources in Texas and Oregon, and significant historic ISL-amenable resources in Wyoming. Ur-Energy has performed confirmation drilling at two

ISL-amenable projects in Wyoming, and is having independent verification of resources performed presently.

The characteristic of these two companies that merits attention is the premium that accrues to uranium companies that are “potentially future uranium producers.” EMC’s market capitalization is approx. US \$385 million (55 million shares fully diluted, US \$7.00/share) and URE’s market cap is approx. US \$150 million (65.15 million shares fully diluted, US \$2.30/share). EMC has a more experienced technical staff and more resources than URE.

For comparison, URME’s market cap is still just US \$100 million (25.5 million shares outstanding fully diluted, \$4/share) – strongly suggesting that the company is significantly undervalued by any comparables. URME’s management believes this 1 1/2x to 5x undervaluation in market cap comparison will disappear rather quickly as UEC becomes better known.

While EMC and URE may appear ahead marginally in terms of the development of their resources, both companies still have to deal with the very real issues of finding qualified engineers to perform feasibility, to design and to construct viable ISL production facilities – and to demonstrate adequate standards of safety and efficacy to the five levels of state and federal regulators to get fully permitted to mine uranium.

These are the crucial areas where URME’s management is both superbly qualified and prepared to deliver in spades. As this company gains broader recognition and as its resources continue to develop and expand, management is confident that the company’s market values should quickly rise to successively match and then exceed those of URE and EMC. Notably, other uranium pre-producers have already started to approach URME regarding the potential of joint-venturing with its engineering team on their projects.

Management believes that shareholders participating in the company from current levels should enjoy very attractive opportunities for strong capital gains potentials over the year ahead. Readers are invited to begin following the company at this point.

With uranium prices vaulting ahead from \$7.50/lb to current levels of \$42/lb, industry analysts foresee strong continuous demand pushing prices still higher in the near term. Uranium stocks accordingly should be in most portfolios – and URME represents a rare opportunity as an exceptional pre-production company not yet marked up by the markets. ▲ **NRI/WGSR**

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