

Uranium breaks out as tight spot market leaves buyers with nowhere to turn

The uranium market has been hit by a series of events, seemingly of differing and unrelated causes, but all with the same impact – to further tighten a spot market which has gone from seemingly ample liquidity and increasing market share in 2018, to a thin market where small volumes now drive big price moves. This includes the growth of financial buyers, which began last cycle with UPC, but really accelerated with the IPO of Yellowcake, which purchased 8.1Mlbs in 2018 and now holds 20.2Mlbs; and SPUT, which took over UPC and has grown to 63.6Mlbs from 2021-present. Mine supply has also fallen, with nearly all US ISR assets, Langer Heinrich, Kayelekera, and Rio Tinto's Ranger mines all shut down due to low prices. Supply restarts have not been smooth either with both Kazatomprom and Cameco missing guidance, which raises questions about their ability to increase production in 2024 (Cameco) and 2025 (Kazatomprom). The impacts could worsen if the US Senate approves a ban on Russian uranium, which we think would force enrichers to run at higher tails assays, increasing the need for natural uranium feed.

While these events had different underlying causes, including geopolitics, financial markets, labour and reagent availability, the common thread has been a lack of investment. What we are seeing is a lack of contingency capacity in the supply chain, from mining to enrichment to inventories, and thus every shock has a material impact on the spot price. In 2022, the WNA reported a primary deficit of 26% of global, or 33.4Mlbs, a record. In total from 2013-2022, WNA reports a cumulative deficit of 207Mlbs, which has come from above ground inventories. A further 63Mlbs sit within SPUT and 20.2Mlbs are held by Yellowcake. The Japanese inventories from pre-Fukushima are gone. Supply has been idled. Incentive prices are back.

Based on our analysis, we think the market will remain in deficit in 2024, could possibly balance in 2025 IF everyone meets their production targets (in practice we expect the market to remain undersupplied), and is more likely to balance in 2026 or 2027 in our view. Even in a balanced market, we don't see inventory restocking potential until NexGen's Rook I commences production at earliest in 2028. Based on this, as well as cost inflation, we revise our LT U₃O₈ price forecast to US\$80/lb. We forecast a peak spot price of US\$150/lb in 2H24 moderating to US\$120/lb in 2025 and US\$100/lb in 2026-2027. This is above consensus and reflects our expectation that the market remains undersupplied for longer than expected due to ramp up difficulties and potential for geopolitical/supply chain disruptions.

Company: NexGen Energy (NXE CN)	Price: C\$9.50/sh	Rec / Target: BUY / C\$13.25/sh (up)	Risk rating: HIGH
Company: UEC (UEC US)	Price: US\$6.70/sh	Rec / Target: BUY / US\$9.00/sh (up)	Risk rating: HIGH
Company: Energy Fuels (EFR CN)	Price: C\$8.44/sh	Rec / Target: BUY / C\$15.25/sh (up)	Risk rating: HIGH
Company: Fission Uranium (FCU CN)	Price: C\$1.08/sh	Rec / Target: BUY / C\$1.95/sh (up)	Risk rating: HIGH
Company: IsoEnergy (ISO CN)	Price: C\$4.34/sh	Rec / Target: BUY / C\$5.50/sh (up)	Risk rating: HIGH
Company: F3 (FUU CN)	Price: C\$0.44/sh	Rec / Target: BUY / C\$0.75/sh (up)	Risk rating: VENTURE
Company: GoviEx Uranium (GXU CN)	Price: C\$0.17/sh	Rec / Target: BUY / C\$0.70/sh (up)	Risk rating: HIGH

Updating our deck – model U₃O₈ prices peaking at US\$150/lb in 2024, US\$80/lb LT from 2027

Running updated prices through our coverage, the average NAVPS increases by 36%. Conversely, if we assume spot flat pricing, our coverage is trading at an average 0.7x P/NAV. At spot flat (US\$100/lb flat forward), the current share prices imply a 22% discount rate. Conversely, if we assume an 8% discount rate across the board, the average implied flat forward uranium price is US\$64/lb. Of course, we don't think either flat forward spot uranium or a 22% discount rate are exactly what the market is implying, but more likely a combination in the middle for both price and discount rate.

Table 1. SCPe Uranium price deck and commodity consensus

SCPe uranium price (US\$/lb U3O8)	1Q24	2Q24	3Q24	4Q24	2025	2026	2027	2028	2029	2030
SCPe Uranium spot price	120	120	150	150	120	100	100	80	80	80
Forward curve	106	107	108	109	112	117	122	--	--	--
Bloomberg consensus	90	91	80	80	75	70	60	--	--	--

Source: SCPe price estimates, Bloomberg CPFC

Our analysis suggests market remains in deficit in 2024, could remain so until NXE starts prodn

Additional supply in 2024 totals SCPe 6.7Mlbs from announced mine restarts (Paladin’s Langer Heinrich, Boss’s Honeymoon, Energy Fuels’ White Mesa, enCore’s Rosita and Alta Mesa assets, UEC’s Wyoming ISR assets, and Peninsula’s Lance) plus 2.7Mlbs from Cameco and 1.6Mlbs from Kazatomprom based on prior guidance. Even assuming these operations reach their guided production levels, we forecast a 26Mlb deficit in 2024; we don’t expect market balance this year. The 2025 outlook is heavily dependent on Kazatomprom’s updated guidance for next year, as their last 2025 guidance implies a 24Mlb increase over 2024, but that was issued before they downgraded 2024 guidance due to sulphuric acid availability issues. New operations add a further 7Mlbs in 2025, which implies the market will be balanced if all operations meet their outlook, and Kazatomprom doesn’t downgrade 2025. Ultimately, while 2025 could be balanced on paper, we expect the market to remain in moderate deficit of ~5-10Mlbs as we expect Kazatomprom to cut guidance, and we expect some operations to produce below their nameplate ramp ups.

Figure 1. SCPe supply growth by asset

Company	Asset	Location	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
			Mlbs	Mlbs	Mlbs	Mlbs	Mlbs	Mlbs	Mlbs	Mlbs	Mlbs	Mlbs
Kazatomprom			56.7	55.2	54.9	56.5	80.6	80.6	80.6	80.6	80.6	80.6
Cameco	McArthur River	Saskatchewan	--	1.1	13.5	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Cameco	Cigar Lake	Saskatchewan	10.2	18.0	15.1	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Orano	SOMAIR	Niger	5.2	5.2	3.7	--	--	3.7	3.7	3.7	3.7	3.7
BHP	Olympic Dam	Australia	7.3	7.3	8.9	8.9	8.9	8.9	8.9	8.9	8.9	8.9
Other producing mines - Hussab, Rossing, Uzbekistan etc			44.8	41.5	41.5	41.5	41.5	41.5	41.5	41.5	41.5	41.5
Subtotal existing assets			137.5	142.9	167.0	170.6	170.6	170.6	170.6	170.6	170.6	170.6
Boss	Honeymoon	South Australia			--	1.0	2.5	2.5	2.5	2.5	2.5	2.5
EnCore	Rosita	Texas				0.8	0.8	0.8	0.8	0.8	0.8	0.8
Paladin	Langer Heinrich	Namibia				3.2	5.0	6.0	6.0	6.0	6.0	6.0
UEC	Christiansen Ranch	Wyoming				1.0	1.3	1.3	2.6	3.3	4.0	4.0
Energy Fuels	White Mesa	AZ/NM/CO				--	2.0	2.0	2.0	2.0	2.0	2.7
EnCore	Alta Mesa	Texas				0.7	1.5	1.5	1.5	1.5	1.5	1.5
Peninsula	Lance	Wyoming					1.1	1.4	1.5	1.3	1.8	1.8
Subtotal FID approved			--	6.7	14.2	15.4	16.8	17.4	17.4	18.6	19.3	19.3
UEC	Texas	Texas				--	0.6	1.3	1.5	2.5	2.5	2.5
NexGen	Rook I	Saskatchewan								20.2	28.8	28.8
Goviex	Muntanga	Zambia						--	1.5	2.6	2.4	2.1
EnCore	Dewey Burdock	SD/WY						0.5	1.0	1.0	1.0	1.0
EnCore	Gas Hills	Wyoming						0.5	1.0	1.0	1.0	1.0
Lotus	Kayelekera	Malawi						1.5	2.5	2.5	2.4	2.4
Deep Yellow	Tumas	Namibia						1.5	3.0	3.6	3.6	3.6
UR Energy		Wyoming						2.5	2.5	2.5	2.5	2.5
Subtotal other assets - EIA or mine permit approved			--	--	0.6	7.8	13.0	36.0	44.2	43.9	43.9	43.9
Total supply			147.2	149.9	137.5	149.6	181.8	198.9	205.5	229.0	238.4	238.9
Balance			-16.3	-18.9	-34.7	-26.0	4.4	19.7	24.5	46.2	53.8	52.4
Cumulative since 2013			-7.6	-26.5	-61.2	-87.2	4.4	-67.5	28.8	-21.4	82.6	31.0

Source: World Nuclear Association (production 2022 and previous); company disclosure; SCPe based on company guidance and public economic studies for non-covered assets. SCPe for covered names (BOE AU, UEC US, EFR CN, NXE CN, GXU CN)

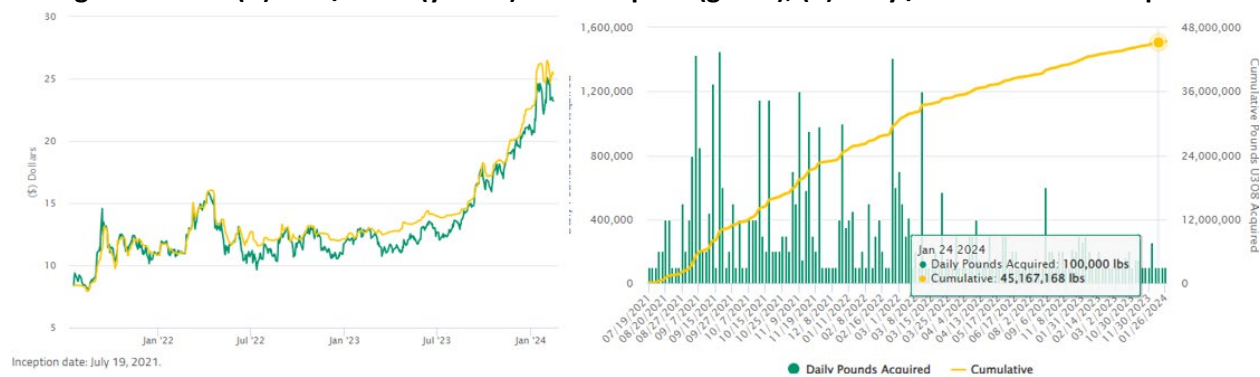
We also assume some other operations to come online in 2025-2026, which have not currently been financial investment decision (FID) approved for restart by their respective companies. These include UEC’s Texas assets (SCPe 2025), enCore’s South Dakota and Wyoming assets (SCPe 2026), and Lotus’s Keyelekera in Malawi. We also assume operations commence at Goviex’s Muntanga in Zambia in 2027 and NexGen’s Rook I in 2028. Based on our analysis, market balance depends on two major factors: whether Kazatomprom delivers nameplate production, and when NexGen’s Rook I comes into production. If Kazatomprom can’t deliver 100% of its’ subsoil production rates (~81Mlbs/year on a 100% basis), or if uranium restarts don’t hit nameplate, then we expect the market to be undersupplied until Rook I commences production. Some additional supply sources we didn’t include in our base case include Deep Yellow’s Tumas (Namibia), Bannerman’s Etango (Namibia) and a potential BHP Olympic Dam expansion.

Our view: While stocking/destock complicates the analysis, we expect incentive (or “pain curve”) pricing to persist while the market remains undersupplied and/or utilities are restocking, while cost curve pricing is likely to prevail if supply is in surplus. While published studies imply that the most new or restart assets can deliver sub US\$40/lb cash costs and ~US\$60/lb incentive pricing (cash costs plus capex plus returns on capital), we think that the top of the cost curve could well slip to ~US\$60-70/lb cash costs and US\$80/lb incentive pricing, which is why we are increasing our LT price assumption from US\$60/lb to US\$80/lb.

Investors played a major role in the price run up, but not from US\$50/lb to US\$100/lb

While we acknowledge that financial buying played a major role in driving prices higher, we think this impact was most pronounced from 2018-2021 (US\$20/lb to US\$50/lb). We think the role of investors in the price run up from US\$50/lb to US\$100/lb (March 2023 – present) is overestimated by some market participants, with the implication that the current price isn’t as overheated as some suggest. SPUT purchases have been relatively limited since March 2023, totalling ~2.0Mlbs total, out of SPUT’s total 61.5Mlbs holdings. Moreover, SPUT has traded at a discount to NAV for nearly the entire period since March 2023, as shown below. Over the same period, Yellow Cake (YCA LN) purchased ~1.35Mlbs, only a small percentage of its 20.3Mlbs holdings. While it is possible other financial groups have traded physical uranium directly (i.e. not through listed vehicles), we think the price movement is likely a combination of producers buying to make up for production shortfalls, end user spot purchases, and a fall in overall spot volumes due to market tightness (i.e. fewer transactions having a larger impact on the price).

Figure 2: SPUT (A) NAV/share (yellow) vs share price (green); (B) daily / cumulative lbs acquired



Source: Spott, RBC Investor Services Trust

Changes lift our average SCPe NAVPS by 36% even as we ‘kitchen sink’ our estimates

Updating our coverage for our price deck, the average NAVPS increases by 36% and our average price target increases by 26%. Given the price deck increase, we have adjusted our NAV multiples where applicable, topping out at 1.0x NAV, as previously we assigned multiples up to 1.2x as we thought our LT US\$60/lb U₃O₈ price was conservative given both the supply deficit and clear inflation/cost creep impacting incentive prices. UEC saw the greatest NAV change at 69%, a function of its near-term TX and WY producing assets. Goviex, Fission and Energy Fuels have the most upside to our price targets at 312%, 81%, and 81%, respectively and we think both are excellent value at these levels. Thematically we continue to favour the Athabasca names, which remain cheaper on a per lb basis than US/Australian restarts despite higher margins through the cycle and with lead times to production far closer than before.

Figure 3: Table of new/old SCPe NAVPS and price targets

	Sh Px (\$/sh)	FD NAVPS		Target multiple		Price Target		EV/lb* (US\$/lb)	
		Old	New	Old	New	Old	New	M&I&Inf	Reserve
NexGen Energy	C\$9.50	C\$9.45/sh	C\$13.17/sh	1.20x	1.00x	C\$11.50/sh	C\$13.25/sh	13.00	15.80
UEC	US\$6.70	US\$5.78/sh	US\$9.08/sh	1.20x	1.00x	US\$7.00/sh	US\$9.00/sh	10.03	n/a
Energy Fuels	C\$8.44	US\$10.51/sh	C\$13.06/sh	1.00x	1.00x	C\$14.00/sh	C\$15.25/sh	10.19	52.07
Fission Uranium	C\$1.08	C\$1.61/sh	C\$1.97/sh	1.00x	1.00x	C\$1.60/sh	C\$1.95/sh	4.47	6.22
IsoEnergy	C\$4.34	C\$3.50/sh	C\$5.41/sh	US\$7/lb	US\$8.8/lb	C\$3.50/sh	C\$5.50/sh	10.19	n/a
F3 Uranium	C\$0.44	C\$1.22/sh	C\$1.46/sh	US\$6/lb	US\$7.5/lb	C\$0.60/sh	C\$0.75/sh	n/a	n/a
GoviEx Uranium	C\$0.17	C\$0.89/sh	C\$1.03/sh	0.70x	0.70x	C\$0.65/sh	C\$0.70/sh	0.67	2.25

Source: SCPe

Uranium stocks under coverage (ranked by Mcap):

NexGen Energy (NXE CN): maintain BUY rating, lift PT from C\$11.50/sh to C\$13.25/sh

A consensus favourite, we think NexGen remains a rock solid investment proposition, as the owner of the best uranium development asset and likely the best undeveloped mineral deposit globally, NexGen retains full upside to uranium prices and is unhedged. Although first production is not until SCPe 2028, we think NexGen should receive licensing approval in 2024 so has a strong catalyst in the near term. With Rook I producing an average of 25.5Mlbs pa over the first 5-years, then ramping down to 15.6Mlbs annually, at an average AISC of US\$24/lb over its 10Y LOM, generating an average FCF yield of 25% at our US\$80/lb long-term uranium price (or average annual FCF >C\$1.1bn), it remains a great returns generator, a top tier global major M&A target. Compared to Cameco and Kazatomprom, NexGen is also a large and liquid name, in a western country (some can't own Kazatomprom) but retains full exposure to the uranium price (which Cameco does not currently). NXE received the EA provincial approval last November, now waiting for the Federal permits this year, which is the main key value accretive catalyst.

Model and changes: We model NexGen on a DCF basis. Along with others, we apply our new uranium price assumptions, lifting our LT price assumption to US\$80/lb from US\$60/lb. We also take the opportunity to bulletproof our capex and opex assumptions for inflation. We increase our capex assumptions by 28% to C\$1.60bn, and opex by 30% to C\$8.6/lb LOM cash costs. Rook I remains one of the highest returning assets we've ever seen, generating an SCPe NPV_{8%-80} of C\$5.8bn and 58% IRR with 1.3-year FCF payback. Our NAV valuation also adds C\$1.06bn for lbs outside the mine plan. We lower our NAV multiple to 1.0x NAV from previous 1.2x. The changes result in a 40% increase in NAVPS and 15% increase to our target price.

Table 2. Valuation and sensitivities for NexGen Energy

Group-level SOTP valuation	4Q23E				1xNAV sensitivity to uranium price and discount / NAV multiple					
	C\$m	O/ship	NAVx	C\$/sh	1xNAV Arrow (C\$m)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb
Arrow NPV 4Q23E	5,766	100%	1.0x	10.03	10% discount	3,232	4,076	4,920	5,763	6,607
Central SG&A & fin costs 4Q23E	(256)	--	1.0x	(0.45)	9% discount	3,518	4,421	5,324	6,227	7,130
Lbs outside mine plan (US\$8/lb)	1,319	100%	1.0x	2.29	8% discount	3,831	4,799	5,766	6,733	7,700
IsoEnergy stake	229		1.0x	0.40	7% discount	4,174	5,212	6,250	7,287	8,325
Cash and restr. cash 3Q23	370	--	1.0x	0.64	6% discount	4,551	5,665	6,780	7,895	9,009
Debt 3Q23 excl convert	(2)	--	1.0x	(0.00)	5% discount	4,964	6,163	7,362	8,561	9,761
ITM options	219	--	1.0x	0.38						
1xNAV8% US\$80/lb	7,645			13.30	Valuation (C\$/sh)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb
Assumed build equity issuance	300			0.50	0.80xNAV	7.75	9.25	10.50	12.00	13.25
1xNAV fully funded8% US\$80/lb	7,945			13.14	0.90xNAV	8.75	10.25	11.75	13.25	15.00
P/NAV (x):				0.77x	1.00xNAV	9.75	11.50	13.25	14.75	16.50
Target multiples	Multiple			C\$/sh	1.10xNAV	10.75	12.50	14.50	16.25	18.25
Target P/NAV Multiple	1.00x			13.25	1.20xNAV	11.75	13.75	15.75	17.75	20.00
Target price				13.25						

Source: SCPe

Uranium Energy Corp (UEC US): maintain BUY rating, lift PT from US\$7.00/sh to US\$9.00/sh

We like UEC's combination of market savvy management and well constructed asset base. We are confident in UEC's ability to read the market and be aggressive or conservative when warranted, as evidenced by UEC's shrewd acquisition strategy through this cycle. Production restart was announced in Wyoming and we expect a ~1Mlb/year run rate initially from mid-2024 ramping up to 2.5Mlbs/year steady state in 2025. At Texas, we expect production to start in 2025 reaching 1.5Mlbs/year in 2027. In the long term, we project further expansions to 4Mlbs at Wyoming and 2.5Mlbs/year from Texas contingent on licensing, but we think both production and licensing are achievable given the push for more domestic US critical metal production. While we don't currently model production from UEC's Athabasca portfolio, we are very excited about the exploration potential of the assets, notably Roughrider and Christie Lake. UEC has the financial firepower to explore 'looking for elephants', and we love the exploration portfolio it has acquired because we think the potential is there to make a game changing discovery, even for a large cap.

Model and changes: We value UEC on a SOTP basis, modelling production from Wyoming at 1Mlbs/year from mid-2024 ramping up to 2.5Mlbs/year in 2026 and 4Mlbs/year long-term from 2029. We model 1.5Mlbs/year from Texas in 2025 increasing to 2.5Mlbs/year in 2028. We model US\$40/lb AISC from Wyoming and US\$35/lb from Texas. We value UEC's ISR assets at US\$1.71bn (US\$1.08bn for Wyoming's and US\$0.63bn for Texas' assets) based on NPV_{7%}, Roughrider at US\$510m based on a US\$8/lb of resource nominal value and US\$6.7/lb for the rest of its uranium portfolio for another US\$1,065m. We also attribute US\$100m for exploration upside and US\$75m for physical uranium inventories and purchase contracts to arrive at our US\$3.68bn NAV.

With production coming, we expect UEC to become a significant cash flow generator, with SCPe US\$160m of FCF in FY25, ramping up to steady state ~US\$200m/year from 2030. Other catalysts to provide more torque on UEC's stock this year includes results from 2024's 17,000m drill program in Athabasca, and perhaps an updated MRE/engineering study for Roughrider.

Table 3. Valuation and sensitivities for UEC

Group-level SOTP valuation	1Q24				1x fully funded NAVPS sensitivity to uranium price and discount / NAV multiple						
	US\$m	O/ship	NAVx	US\$/sh	Valuation (US\$/sh)		\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb
Wyoming ISR assets 7% 1Q24	1,082	100%	1.00x	2.67	9% discount		6.75	7.50	8.50	9.50	10.25
Texas ISR assets 7% 1Q24	628	100%	1.00x	1.55	8% discount		6.75	7.75	8.75	9.75	10.75
Roughrider @ US\$8/lb	510	100%	1.00x	1.26	7% discount		7.00	8.00	9.00	10.25	11.25
Uranium portfolio @ US\$6.7/lb	1,065	100%	1.00x	2.63	6% discount		7.25	8.25	9.50	10.50	11.75
Exploration	100	100%	1.00x	0.25	5% discount		7.50	8.50	9.75	11.00	12.25
Central SG&A & fin costs 1Q24	32	-	1.00x	0.08	Wyoming NPV7% (US\$m)		\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb
Cash and liquid investments 1Q24	93	-	1.00x	0.23	9% discount		609	782	955	1,128	1,301
Physical uranium inventories and deliveries	171	-	1.00x	0.42	8% discount		642	829	1,016	1,202	1,389
Debt 1Q24	-	-	1.00x	-	7% discount		678	880	1,082	1,285	1,487
1xNAV7% spot fully diluted, pre-funded	3,682			9.08	6% discount		718	937	1,156	1,376	1,595
Assumed equity raised - none currently	-		1.00x	-	5% discount		762	1,000	1,238	1,477	1,715
Target price NAV7% spot fully funded	3,682			9.00	Texas NPV7% (US\$m)		\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb
					9% discount		371	466	560	655	750
					8% discount		390	491	593	694	795
					7% discount		411	519	628	736	844
					6% discount		434	550	666	782	898
					5% discount		459	583	708	833	957

Source: SCPe

Energy Fuels (EFR CN): maintain BUY rating, lift PT from C\$14.00/sh to C\$15.75/sh

Energy Fuels continues to be one of our top picks, as we think the combination of uranium and rare earths is synergistic and makes the White Mesa Mill one of the most strategic critical metals assets in the United States, able to produce uranium and separated rare earths including radionuclide bearing rare earth ore types. We also think the combination provides more long-run balance for investors, although they may not always appreciate the diversification: In 2021-2022 REE investors often asked us why EFR didn't run as hard as pure play REE companies, while we field similar questions today from uranium investors.

We generally think of EFR as a 2/3 rare earths and 1/3 uranium business from a NAV perspective, using our LT prices assumptions. With currently depressed REE prices less than 1/3 of 2022 highs, at spot prices, NAV shifts to ~80/20 in favour of uranium. We still regard rare earths as a major and attractive part of the business, but we note that at spot flat uranium prices, EFR is trading at 0.8x NAV_{7%-spot} on our DCF based valuation for White Mesa uranium production plus EFR's net cash balance sheet.

Model and changes: Rather than using our previous methodology of applying US\$5/lb to EFR's uranium portfolio, we now shift to a DCF-based valuation for uranium. We expect EFR to start mining in H2 2024 at a run rate of 1.1-1.4Mlbs/year but per guidance, processing is guided to commence in 2025, thus we model 2Mlbs/year at US\$50/lb AISC from 2025. We model a slight step up to 2.7Mlbs/year in 2030 with AISC/lb lowering to US\$40/lb with feed from the higher grade Roca Honda (NM) and Pinyon Plain (AZ) projects, for overall 35Mlb at US\$42/lb AISC total modelled production from 2025-2038. This generates a uranium NPV_{7%-80/lb LT} of US\$565m.

To generate NAV, we start with our modelled uranium NPV_{7%} of US\$565m, plus US\$177m for the Wyoming uranium assets which lie outside our modelled mine plan which generates a US\$742m NAV subtotal for uranium. We add US\$1.36bn for White Mesa REE production (15ktpa REO steady state from third-party monazites) at SCPe US\$120/kg NdPr, US\$500/kg Dy and US\$1,500/kg Tb LT prices, subtract US\$265m for SG&A, and add US\$200m for cash and marketable securities (US Treasuries, IsoEnergy shares and the enCore Energy convert) and US\$67m for 590klbs of U₃O₈ inventory. This totals US\$2.15bn NAV or C\$15.32/sh, putting EFR at 0.36x NAV. At spot rare earth and uranium prices, the uranium NAV increases to US\$758m and group NAV decreases to US\$1.07bn (REE NAV nets out group G&A), putting EFR at 0.7x NAV.

Table 4: Valuation and sensitivities for EFR

Group-level SOTP valuation					1x fully funded NAVPS sensitivity to NdPr price and discount / NAV multiple						
	US\$m	O/ship	NAVx	C\$/sh	Valuation (C\$/sh)						
White Mesa REE Hydromet NPV 7% 4Q23	759	100%	0.60x	6.14	9% discount	\$80/kg	\$100/kg	\$120/kg	\$140/kg	\$160/kg	
White Mesa REE Separation NPV7% 4Q23	601	100%	0.60x	2.92	8% discount	9.75	11.25	12.75	14.25	15.75	
Brazil REE + exploration	50	100%	0.60x	0.24	7% discount	10.50	12.25	14.00	15.75	17.25	
Uranium assets - DCF +US\$5/lb for WY assets	742	100%	1.00x	6.01	6% discount	11.50	13.25	15.25	17.25	19.25	
Central SG&A & fin costs 4Q23	(265)	-	1.00x	(2.14)	5% discount	12.50	14.75	17.00	19.25	21.50	
Cash and securities pro-forma asset sales 3Q23	200	-	1.00x	1.62	5% discount	13.75	16.25	19.00	21.50	24.25	
Physical inventories - U3O8 and V2O5, plus contracts	67	-	1.00x	0.54	WM REE Crack / Leach NPV7% (US\$m)						
Debt 3Q23	(0)	-	1.00x	(0.00)	9% discount	\$80/kg	\$100/kg	\$120/kg	\$140/kg	\$160/kg	
1xNAV7% spot fully diluted, pre-funded	2,153	-	-	15.32	8% discount	596	814	1,032	1,250	1,467	
Assumed equity raised	-	-	1.00x	-	7% discount	688	935	1,181	1,428	1,675	
1xNAV7% fully funded price target	2,153	-	-	15.25	6% discount	797	1,078	1,360	1,641	1,922	
Commodity price	2022	2023	2024	2025	2026	5% discount	928	1,251	1,573	1,896	2,218
NdPr price (US\$/kg)	125	70	71	101	120	Uranium portfolio NPV7% (US\$m)					
U3O8 price (US\$/lb)	48	66	80	80	80	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb	
Share data					9% discount	512	593	674	755	836	
Basic shares (m): 161.3					8% discount	530	618	706	794	882	
	FD + options (m):	164.7	FD/FF	164.7	7% discount	551	646	742	838	934	
					6% discount	573	677	782	886	991	
					5% discount	597	711	825	939	1,053	

Source: SCPe

Fission Uranium (FCU CN): maintain BUY rating, lift PT from C\$1.60/sh to C\$1.95/sh

We think Fission remains the best risk adjusted upside in the entire uranium space. It's an undeniably world class project, with production of >9Mlbs/year for SCPe 10 years, generating SCPe C\$450-600m/year of FCF at steady state, with a sub 3-year payback period. Capex and opex could improve materially if synergies with NexGen's neighbouring Rook I project are realized including potential shared power and access infrastructure and/or a more holistic integration of the mine plans in an M&A scenario. We expect Fission to pursue a dual track strategy, submitting the EIS and pushing ahead with permitting and mine development while remaining open to accretive M&A with neighbour NexGen or a major consolidating the entire Patterson Lake district (i.e. acquiring both NexGen and Fission).

The major catalysts over the next year are draft EIS submission in 1Q24 and final submission in 2H24, alongside with a 6,000m / 13-hole exploration program within its world-class licenses in a market that is now rewarding uranium explorers (as exemplified by F3's stock performance). With neighboring NexGen approaching the finishing line in permitting, its now apparent that this will be the next uranium production centre in Athabasca, opening the door for M&A and operational / logistics synergies.

Model and changes: We model Fission on a DCF basis with a 3,329kt at 1.41% U₃O₈ for 100,369Mlbs saleable mine inventory (or 9.1Mlbs pa on average, at US\$27.5/lb AISC) reflecting the current reserves, plus 322kt @ 1.41% from the M&I for additional 10,000 Mlbs in-situ. In addition, we add US\$4/lb for resources outside our modelled mine plan (C\$143m). Similar to NexGen, we take the opportunity to pad our assumptions, assuming a 30% increase in opex and capex from the DFS to C\$17/lb cash cost and C\$1.5bn capex, respectively. In an US\$80/lb LT price environment we think this is prudent, as uranium development crews will be in high demand if we're right about the LT outlook. We also increase funding assumptions to include C\$450m of equity at the current share price.

Despite significantly more conservative capex, opex and funding assumptions, SCPe NAV per share lifts by 22% to C\$1.97/sh from C\$1.61/sh previously, and we maintain our BUY rating but lift our price target to C\$1.95/sh based on 1.0x NAV8%-80/lb on our fully diluted and fully funded NAVPS estimate. At C\$450-600m/year FCF, PLS remains an outstanding project, and with 77% upside to our price target, Fission is an outlier as a tier 1 project in Canada, that trades at a significant discount to its Athabasca peers and US/Australian/Namibian near term restart assets.

Table 5. Valuation and sensitivities for Fission Uranium

Group-level SOTP valuation					1xNAV sensitivity to uranium price and discount / NAV multiple					
	1Q24E				1xNAV PLS (C\$m)					
	C\$m	O/ship	NAVx	C\$/sh	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb	
PLS NPV 1Q24E	1,550.5	100%	1.0x	1.71	10% discount	572	901	1,229	1,557	1,886
Central SG&A & fin costs 1Q24E	(118.6)	--	1.0x	(0.13)	9% discount	672	1,027	1,381	1,736	2,090
Lbs outside mine plan (US\$4/lb U3O8)	143.1	--	1.0x	0.16	8% discount	784	1,167	1,551	1,934	2,317
Other assets	4.2	--	1.0x	0.00	7% discount	908	1,324	1,739	2,154	2,570
SCPe cash	130.1	--	1.0x	0.14	6% discount	1,048	1,499	1,949	2,400	2,850
Debt 3Q23	--	--	1.0x	--	5% discount	1,205	1,694	2,184	2,673	3,163
ITM options	58.6	--	1.0x	0.06						
1xNAV8% US\$80/lb	1,768			1.95						
Assumed build equity issuance	450.0			0.40						
1xNAV fully funded8% US\$80/lb	2,218			1.97						
P/NAV - fully diluted for build (x)				0.56x						
Target multiples	Multiple				Valuation (C\$/sh)					
Target P/NAV Multiple	1.00x			1.95	0.8xNAV	1.00	1.30	1.55	1.85	2.15
Target price				1.95	0.9xNAV	1.15	1.45	1.75	2.10	2.40
					1.0xNAV	1.25	1.60	1.95	2.30	2.70
					1.1xNAV	1.40	1.75	2.15	2.55	2.95
					1.2xNAV	1.50	1.95	2.35	2.80	3.20

Source: SCPe

IsoEnergy (ISO CN): maintain BUY rating, lift PT from C\$3.50 to C\$5.50/sh

Although we think Hurricane remains the crown jewel for ISO and thus were lukewarm on the CUR merger, the strong uranium price performance since the transaction is proving us wrong. The reason high prices favour the transaction is that CUR brings near-term production and cash flow potential at Tony M (9Mlbs at ~2800ppm U₃O₈) in Utah (potential to toll treat at the White Mesa Mill), which is strategically complementary to Hurricane's world class grades but longer-dated production timeline. The other acquired assets include historic MREs of 37Mlbs at 0.58% U₃O₈ at Matoush in Quebec, 163Mlbs at 500ppm U₃O₈ historic at Coles Hill in Virginia, and a further 35Mlbs in Australia and Argentina. Post the merger and the recent C\$23m bought deal, Iso is well funded with C\$71m cash and C\$13m ITM options vs C\$13.5m convertible debt.

The major catalysts are now split between exploration in the Athabasca, targeting targets east of Hurricane (6 holes for 3,150m) and the Hawk License (6 holes / 5,100m) targeting ANT survey targets, and advancing Tony M towards production with 58 holes / 38,000ft (11,582m) designed to upgrade inferred lbs to M&I, as well as UG sampling and mine preparation. A high grade result at either (Larocque East / Hawk) resistivity anomaly target could represent a game-changer for Iso and we think this opportunity alone is worth owning the shares, particularly in a 'hot' uranium market. Moreover, we think Iso is a potential big winner from Orano's Sabre technology trial (mining using jet boring), as a potential extraction method for high grade unconformity hosted deposits in the Athabasca basin.

Model and changes: We model Iso post-merger on a SOTP EV/lb basis. We value Tony M at US\$12/lb for total C\$141m, at a slight discount to US and Australian near-production peers who trade at US\$15/lb. We value Hurricane at US\$12/lb, in line with the Athabasca peer average (discount to CCO, NXE and FUU, at a premium to FCU's current multiples but in line with our implied valuation for FCU). We add a nominal C\$125m for other projects (roughly US\$1/lb for historic resources at Matoush, US\$0.50/lb at the Australian/Argentinian assets and US\$0.25/lb for Coles Hill), and C\$50m for Larocque East, plus C\$71m cash and C\$37m ITM options less C\$3.1m remaining interest due on the C\$12.5m of converts. This generates our SCPe corporate NAV of C\$1.1bn. We treat the converts as equity, thus use a fully diluted 203.7m share count, generating our C\$5.50/sh price target.

Table 6. Valuation for IsoEnergy

SOTP project valuation		Commodity price			CY21E	CY22E	CY23E	CY24E	CY25E
51Mlbs at US\$10/lb @ Hurricane	680	100%	1.00x	3.34	80.00	80.00	80.00	80.00	80.00
Consolidated Uranium Tony M @ US\$12/lb	141	100%	1.00x	0.69	0.75	0.75	0.75	0.75	0.75
Pro forma net cash	71.1	100%	1.00x	0.35	Resources				
Interest payable on converts (C\$m)	(3.1)	100%	1.00x	(0.02)	kt	% U3O8	Mlbs	EV/lb U3O8	
Cash from options	37.0	100%	1.00x	0.18	Measured, ind. & inf. - Hurricane	118	19.70%	51.3	6.84
C\$125m for global licences, C\$50m for Larocque East	175	100%	1.00x	0.86	Measured, ind. & inf. - Tony M	1,479	0.28%	8.8	39.75
Asset NAV8% US\$80/lb	1,101		PT:	5.50	TOTAL	1,597	1.71%	60	5.83
			Market P/NAV	0.79x	Reserves (2P)	nmf	nmf	nmf	nmf
					Capital structure	Basic	FD		
					Shares (m)	176.6	203.7		

Source: SCP estimates

F3 Uranium (FUU CN): maintain BUY rating, lift PT from C\$0.60/sh to C\$0.75/sh

F3 remains our favourite explorer in the Athabasca for three reasons: First, FUU's flagship PLN project already has proof of endowment, with SCPe 25-35Mlbs already drilled at the JR Zone. With peers trading at US\$5-15/lb, we think this provides a backstop on FUU's current ~C\$210m mcap, which includes ~C\$41m of cash. Second, the regional potential is clearly world class with ~338Mlb NexGen and 138Mlb Fission within 25km. Not only does this speak to upside potential, but it means the M&A consolidation angle for F3 is clearly there, as evidenced by Denison's involvement as a cornerstone convertible debenture investor in 2023. Third, F3 is aggressive, both in exploration and in corporate strategy which we think is well rewarded in a bull market. Management has a track record of discoveries, getting taken out, and doing it again, and enters the year well funded with C\$16m of planned spend, which is well covered by C\$41m of cash. We think the spin out of F3's non-PLN tenements into F4 Uranium and connected vend-out of 70% Murphy Lake (5km south of ISO's Hurricane) for up to C\$18m spend are both value accretive for investors as they secure the crucial thing that unlocks value in the Athabasca: exploration dollars going into the ground.

Catalyst wise the key drivers are exploration. The JR Zone is a helpful 25-35Mlb baseload which could expand up dip or at the unconformity, or potentially along strike or a parallel shear zone, but we think the major step change potential now lies in a new discovery. The current target is the B1 conductor with evidence of greater alteration and basement offset to the North, which is currently being drill tested now.

Model and changes: We model F3 on an in-situ basis. We model a conceptual MRE potential estimate of 75Mlbs (unchanged from prior). While we don't think the drilled inventory has reached this yet, we think F3 is worth owning on the thesis that they'll keep moving through new targets and a new discovery likely gets them there. We allocate a US\$8/lb valuation for a C\$800m conceptual NAV, which grosses up to C\$840m adding in cash, additional C\$25m of nominal value for other licenses (soon to be spun into F4) and subtracting G&A and convertible debt. We apply a 0.5x NAV multiple, reflecting risk, since drilled inventory is not at our conceptual 75Mlbs estimate yet.

We like F3's potential as (i) is amongst the very few companies with prime licenses on the margins of the basis with good access and infrastructure, (ii) is not afraid to drill aggressively greenfield targets (something that not many peers can claim), and (iii) the team has a proven track of exploration success and discoveries.

Table 7. Valuation for F3 Uranium

Ticker: FUU CN	Price / mkt cap: C\$0.44/sh, C\$208m	Market P/NAV: 0.30x	Assets: PLN
Author: J Chan / E Magdzinski / K Korpis	Rec / PT: BUY / C\$0.75	1xNAV_{1Q24} FD: C\$1.46/sh	Country: Canada (Sask)
Group-level SOTP valuation	1Q24	Share data	
	C\$m	O/ship	NAVx
			C\$/sh
Conceptual 75Mlbs at US\$8/lb	800.0	100%	0.5x
Central SG&A & fin costs 1Q24	(30.0)	--	0.5x
Nominal value for other licenses	25.0	--	0.5x
Cash and restr. cash 4Q23	43.9	--	0.5x
Debt 4Q23	(15.0)	--	0.5x
ITM options	15.9	--	0.5x
1xNAV8% US\$80/lb	840		0.73
Target multiples	Multiple		C\$/sh
Target P/NAV Multiple	0.50x		0.75
Target price			0.75

Basic shares (m): 472.2	FD + options (m): 546.0	+ RSUs	576.2
Commodity price	CY23E	CY24E	CY25E
Uranium price (US\$/lb)	57.5	135.0	120.0
USD/CAD	0.75	0.75	0.75
Conceptual SCPe inventory	kt	%U3O8	Mlbs
SCPe exploration target	1008.0	3.4%	75.0

Source: SCP estimates

GoviEx Uranium (GXU CN): maintain BUY rating, lift PT from C\$0.65/sh to C\$0.70/sh

We think Goviex is a good value trade, which is now hard to come by in uranium. In our view, the Mutanga project in Zambia, a targeted ~2.5Mlb/year heap leach, is now Goviex's de-facto flagship asset with DFS and ESIA guided for mid-2024 (we expect Q3), enabling final permits and FID in 2025 and first production in 2027. We think Mutanga should be quite attractive to investors, as a low capex (US\$124m per the PEA, we expect closer to US\$150m now), >10-year mine life producing 2.5Mlbs/year in Zambia, a Western-friendly country that is eminently financeable. Coming from Indaba earlier this month, there was a lot of enthusiasm over the geopolitically resource strategic and energy/base metal rich Southern African corridor that includes DRC-Zambia-Botswana-Tanzania. US involvement has stepped up significantly, key infrastructure is clearly improving, and western groups have started to invest in downstream processing. We think Madaouela, located in Niger, is on hold for now until the political and logistical situation in Niger improves, as operating and financing a mine would be challenging in the current situation in our view.

Model and changes: We refresh our estimates for Mutanga, adding 4-years and ~10Mlbs to the mine plan, increasing mine life to 14-years at 2.5Mlbs/year (4Mtpa at ~334ppm head grade and 88% recovery) at US\$35/lb cash costs and US\$40/lb AISC with US\$150m initial capex. This generates a US\$352m NPV_{8%}-_{80/lb} U3O8 LT. We push Madaouela development back by four years and assume construction start in 2028 and first production in 2030 which lowers its NPV by ~20% on like-for-like pricing. We apply a 50% discount to Madaouela in calculating group NAV. We add US\$44m for Falea (Mali), subtract US\$61m for SG&A, and add US\$117m for Mutanga (US\$2/lb) and Madaouela (US\$1/lb) lbs outside the mine plan, US\$25m nominal for exploration upside, and add US\$15m for pro forma cash and ITM options. This generates our risk weighted C\$1.22/sh NAVPS (undiluted for mine build). Adding our dilution assumptions, including US\$50m of equity, we generate a C\$1.03/sh fully diluted and fully funded NAVPS and apply a 0.7x NAV multiple to this to generate our C\$0.70/sh price target.

They key catalysts are the Muntanga DFS and ESIA in mid-2024 (we expect Q3) and funding and offtake developments, leading to FID in 2025 and production in 2027. In production we expect Muntanga to generate ~US\$75m of EBITDA and ~US\$50m of FCF/year, both suggestive of US\$500m mcap (10% FCF yield or 6-7x EBITDA), a significant lift on GXU's US\$100m EV and SCPe US\$150m capex to first production.

Table 8. Valuation and sensitivities for GoviEx Uranium

Group-level SOTP valuation	1Q24E				1xNAV sensitivity to Uranium price and discount/ NAV multiple					
	US\$m	O/ship	NAVx	C\$/sh	1xNAV Muntanga(C\$m)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb
Muntanga NPV 1Q24E	352	100%	1.0x	0.63	10% discount	100	192	283	375	467
Madaouela NPV 1Q24E	377	80%	0.5x	0.34	9% discount	117	216	316	415	515
Falea (US\$1/lb)	44	80%	1.0x	0.08	8% discount	136	244	352	460	568
Central SG&A & fin costs 1Q24E	(61)	--	1.0x	(0.11)	7% discount	158	276	393	510	627
Lbs outside mine plan (\$2/lb Mutanga, \$1/lb Madaouela)	117	100%	1.0x	0.21	6% discount	183	311	439	566	694
Exploration	25	100%	1.0x	0.04	5% discount	211	350	490	629	768
Cash 4Q23	13	--	1.0x	0.02	Valuation (C\$/sh)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb
Debt 4Q23	--	--	1.0x	--	0.50xNAV	0.20	0.35	0.50	0.70	0.85
ITM options	2	--	1.0x	0.00	0.60xNAV	0.20	0.40	0.60	0.80	1.00
1xNAV8% US\$80/lb	868			1.22	0.70xNAV	0.25	0.50	0.70	0.95	1.20
Assumed build equity issuance	50			0.05	0.80xNAV	0.30	0.55	0.80	1.10	1.35
1xNAV fully funded8% US\$80/lb	918			1.03	1.00xNAV	0.35	0.70	1.05	1.35	1.70
P/NAV (x):				0.15x						
Target multiples	Multiple			C\$/sh						
Target P/NAV Multiple	0.70x			0.70						
Target price				0.70						

Source: SCPe

APPENDIX: Full model snapshot pages for DCF modelled assets

Ticker: NXE CN	Price / mkt cap: C\$9.50/sh, C\$4,962m	Market P/NAV: 0.71x	Assets: Arrow
Author: J Chan / E Magdzinski / K Kor Rec / PT:	BUY / C\$13.25	1xNAV_{1Q24} FD: C\$13.31/sh	Country: Canada (Sask)

Group-level SOTP valuation					Share data				
4Q23E									
	C\$m	O/ship	NAVx	C\$/sh					
Arrow NPV 4Q23E	5,774	100%	1.0x	10.04	Basic shares (m): 522.3	FD + options (m): 574.8	FD + FF	604.8	
Central SG&A & fn costs 4Q23E	(255)	--	1.0x	(0.44)	Commodity price	CY23E	CY24E	CY25E	CY26E
Lbs outside mine plan (US\$/lb)	1,319	100%	1.0x	2.29	Uranium price (US\$/lb)	64.6	135.0	120.0	100.0
IsoEnergy stake	229		1.0x	0.40	Ratio analysis	CY23E	CY24E	CY25E	CY26E
Cash and restr. cash 3Q23	370	--	1.0x	0.64	FD shares out (m)	574.8	574.8	574.8	585.1
Debt 3Q23 excl convert	(2)	--	1.0x	(0.00)	EPS (C\$/sh)	0.096	(0.063)	(0.158)	(0.074)
ITM options	219	--	1.0x	0.38	CFPS before w/c (C\$/sh)	(0.07)	(0.05)	(0.04)	(0.03)
1xNAV8% US\$80/lb	7,653			13.31	FCFPS pre growth (C\$/sh)	(0.08)	(0.06)	(0.09)	(0.14)
Assumed build equity issuance	300			0.50	FCF/sh (C\$/sh)	(0.11)	(0.10)	(0.49)	(1.35)
1xNAV fully funded8% US\$80/lb	7,953			13.15	FCF yield - pre growth (%)	(1%)	(1%)	(1%)	neg
P/NAV (x):				0.72x	FCF yield (%)	(1%)	(1%)	(5%)	neg
Target multiples	Multiple			C\$/sh	EBITDA margin (%)	--	--	--	--
Target P/NAV Multiple	1.00x			13.25	FCF margin (%)	--	--	--	--
Target price				13.25	ROA (%)	(1%)	(3%)	(4%)	(3%)
Sources		Uses			ROE (%)	(1%)	(4%)	(8%)	(7%)
DFS capex C\$1247m	SCPe current cash + ITM options C\$370m				ROCE (%)	(0%)	(3%)	(3%)	(1%)
SCPe confingency C\$353m	Mine debt @ 60% gearing C\$900m				EV (C\$m)	3,181	3,199	3,351	4,168
SCPe G&A + fn. cost to first Au C\$200m	Build Equity C\$300m				PER (x)	86.2x	(142.5)	(59.3)	(129.0)
SCPe working capital -C\$10m	Offtake C\$300m				P/CF (x)	nmf	nmf	nmf	nmf
					EV/EBITDA (x)	nmf	nmf	nmf	nmf
Total uses C\$1790m	Total proceeds C\$1870m				Income statement	CY23E	CY24E	CY25E	CY26E
1xNAV sensitivity to uranium price and discount / NAV multiple					Revenue (C\$m)	--	--	--	--
1xNAV Arrow (C\$m)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	COGS (C\$m)	--	--	--	--
10% discount	3,237	4,082	4,927	5,772	Gross profit (C\$m)	--	--	--	--
9% discount	3,523	4,427	5,331	6,235	G&A & central	(63)	(30)	(30)	(30)
8% discount	3,836	4,804	5,772	6,741	Depreciation	--	--	--	--
7% discount	4,179	5,217	6,256	7,295	Impairment & other (C\$m)	61	--	(20)	20
6% discount	4,555	5,670	6,786	7,901	Net finance costs (C\$m)	(4)	(6)	(21)	(53)
5% discount	4,967	6,168	7,368	8,568	Tax (C\$m)	--	--	--	--
Valuation (C\$/sh)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	Minority interest (C\$m)	--	--	--	--
0.80xNAV	7.75	9.25	10.50	12.00	Net income attr. (C\$m)	(6)	(36)	(71)	(63)
0.90xNAV	8.75	10.25	11.75	13.50	EBITDA	(63)	(30)	(30)	(30)
1.00xNAV	9.75	11.50	13.25	14.75	Cash flow	CY23E	CY24E	CY25E	CY26E
1.10xNAV	10.75	12.50	14.50	16.25	Profit/loss after tax (C\$m)	(6)	(36)	(71)	(63)
1.20xNAV	11.75	13.75	15.75	17.75	Add non-cash items (C\$m)	(33)	10	48	43
Valuation over time	1Q22A	1Q23A	1Q24E	1Q25E	Less wkg cap / other (C\$m)	--	--	--	(10)
Mines NPV (C\$m)	4,853	5,263	5,706	6,184	Cash flow ops (C\$m)	(38)	(26)	(23)	(20)
Cntrl G&A & fn costs (C\$m)	(284)	(283)	(258)	(240)	PP&E (C\$m)	--	--	(228)	(706)
Net cash at 1Q (C\$m)	132	399	656	699	Other (C\$m)	--	--	--	--
Other Assets + Options	448	448	448	448	Cash flow inv. (C\$m)	(20)	(20)	(228)	(706)
1xNAV (C\$m)	5,149	5,826	6,551	7,091	Debt draw (repayment) (C\$m)	148	--	300	300
P/NAV (x):	1.1x	0.9x	0.8x	0.8x	Equity issuance (C\$m)	183	314	22	90
1xNAV share px FD (C\$/sh)	8.96	10.14	11.40	12.34	Other (C\$m)	(6)	(10)	272	(63)
ROI to equity holder (% pa)	-6%	3%	6%	7%	Cash flow fin. (C\$m)	325	304	595	326
Resource / Reserve	kt	% U3O8	Mlbs	EV/lb U3O8	Net change post forex (C\$m)	267	258	343	(399)
Measured, ind. & inf. - Arrow	8,152	1.88%	338.4	10.17	FCF (C\$m)	(64)	(56)	(279)	(789)
Reserves (2P)	4,576	2.37%	239.5	14.37	Balance sheet	CY23E	CY24E	CY25E	CY26E
SCPe Mine inventory - Arrow	4,576	2.37%	239.5	14.37	Cash (C\$m)	401	659	1,002	603
Production (100%)	CY28E	CY29E	CY30E	CY31E	Accounts receivable (C\$m)	2	2	2	--
Arrow (000mlbs U3O8)	20.2	28.8	28.8	28.8	Inventories (C\$m)	2	2	2	--
Arrow cash cost (US\$/lb)	6.49	6.49	6.49	6.49	PPE & exploration (C\$m)	430	450	678	1,384
Arrow AISC (US\$/lb)	24.17	23.48	23.48	23.48	Other (C\$m)	6	6	6	6
					Total assets (C\$m)	841	1,119	1,690	1,997
					Debt (C\$m)	2	2	302	602
					Other liabilities (C\$m)	183	183	483	463
					Shareholders equity (C\$m)	1,014	1,327	1,370	1,459
					Retained earnings (C\$m)	(396)	(432)	(503)	(566)
					Minority int. & other (C\$m)	38	38	38	38
					Liabilities+equity (C\$m)	841	1,119	1,690	1,997
					Net Cash	399	656	699	0
					Net Debt to NTM EBITDA (x)	nmf	nmf	nmf	nmf

Source: SCP estimates

Ticker: UEC US	Price / mkt cap: US\$6.70/sh, US\$2631m	Market P/NAV: 0.74x	Assets: Texas / Wyoming ISR
Author: J Chan / E Magdzinski / K Kompis	Rec / PT: BUY / US\$9.00	1xNAV FD: US\$9.08/sh	Country: USA

Group-level SOTP valuation					Resource / Reserve						
1Q24					Mlbs U3O8	% U3O8	EV/lb U3O8				
	US\$m	O/ship	NAVx	US\$/sh	Measured, ind. & inf.	2022	2023	2024	2025	2026	
Wyoming ISR assets 7% 1Q24	1,082	100%	1.00x	2.67	Commodity price	2022	2023	2024	2025	2026	
Texas ISR assets 7% 1Q24	628	100%	1.00x	1.55	U3O8 spot price (US\$/lb)	43	65	135	120	100	
Roughrider @ US\$8/lb	510	100%	1.00x	1.26	U3O8 term price (US\$/lb)	43	62	80	80	80	
Uranium portfolio @ US\$6.7/lb	1,065	100%	1.00x	2.63	Share data						
Exploration	100	100%	1.00x	0.25	Basic shares (m): 393.0	FD + options (m):	405.3	FD/FF	405.3		
Central SG&A & fin costs 1Q24	31	-	1.00x	0.08	Ratio analysis						
Cash and liquid investments 1Q24	93	-	1.00x	0.23	FD shares out (m)	290	378	378	382	382	
Physical uranium inventories and deliveries	171	-	1.00x	0.42	EPS (US\$/sh)	0.11	(0.04)	0.35	0.43	0.48	
Debt 1Q24	-	-	1.00x	-	CFPS before w/c (US\$/sh)	(0.18)	0.19	0.27	0.51	0.63	
1xNAV7% spot fully diluted, pre-funded	3,681			9.08	FCFPS pre growth (US\$/sh)	(0.06)	0.03	(0.23)	0.30	0.42	
Assumed equity raised - none currently	-		1.00x	-	FCF/sh (US\$/sh)	(0.06)	0.03	(0.23)	0.30	0.42	
Target price NAV7% spot fully funded	3,681			9.00	FCF yield pre growth (US\$/s)	(1%)	0%	(3%)	4%	6%	
1x fully funded NAVPS sensitivity to uranium price and discount / NAV multiple											
Valuation (US\$/sh)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb	FCF yield (%)	(1%)	0%	(3%)	4%	
9% discount	6.75	7.50	8.50	9.50	10.25	EBITDA margin (%)	(92%)	7%	56%	65%	
8% discount	6.75	7.75	8.75	9.75	10.75	FCF margin (%)	(73%)	7%	(34%)	38%	
7% discount	7.00	8.00	9.00	10.25	11.25	ROA (%)	1%	(1%)	15%	16%	
6% discount	7.25	8.25	9.50	10.50	11.75	ROE (%)	2%	(1%)	17%	18%	
5% discount	7.50	8.50	9.75	11.00	12.25	ROCE (%)	1%	(0%)	16%	17%	
Wyoming NPV7% (US\$m)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb	PER (x)	60x	(147x)	19x	16x	
9% discount	609	782	955	1,128	1,301	P/CF (x)	(137x)	25x	11x	10x	
8% discount	642	829	1,016	1,202	1,389	Fwd EV/EBITDA (x)	(350x)	172x	13x	9x	
7% discount	678	880	1,082	1,285	1,487	Income statement					
6% discount	718	937	1,156	1,376	1,595	Revenue (US\$m)	23	164	253	301	
5% discount	762	1,000	1,238	1,477	1,715	COGS (US\$m)	(16)	(115)	(87)	(81)	
Texas NPV7% (US\$m)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb	Gross profit (US\$m)	7	50	166	220	
9% discount	371	466	560	655	750	Expenses (US\$m)	-	(15)	(14)	(18)	
8% discount	390	491	593	694	795	Impairment & other (US\$m)	25	(10)	-	-	
7% discount	411	519	628	736	844	Net finance costs (US\$m)	3	(5)	0	1	
6% discount	434	550	666	782	898	Tax (US\$m)	0	(1)	(6)	(7)	
5% discount	459	583	708	833	957	Minority interest (US\$m)	-	-	-	-	
Valuation over time	Today	Jul '24	Jul '25	Jul '26	Jul '27	Net income attr. (US\$m)	35	19	146	197	
Texas ISR (US\$m)	627.7	601.9	648.0	666.4	650.4	EBITDA (US\$m)	(21)	11	141	195	
Wyoming ISR (US\$m)	1,082.3	1,049.1	1,108.5	1,099.5	1,077.1	Cash flow	2022	2023	2024	2025	
Other uranium assets	1,475.3	1,475.3	1,475.3	1,475.3	1,475.3	Profit/(loss) after tax (US\$m)	5	(7)	132	164	
Cntrl G&A & fin costs (US\$m)	31.4	(25.5)	76.2	74.0	69.4	Add non-cash items (US\$m)	(60)	83	42	25	
Net cash at 1Q (US\$m)	93.1	45.6	139.3	300.7	468.3	Less wkg cap / other (US\$m)	2	(3)	(71)	7	
1xNAV (US\$m)	3,310	3,147	3,447	3,616	3,740	Cash flow ops (US\$m)	(53)	73	104	196	
P/NAV (x):	0.82x	0.78x	0.73x	0.70x	0.68x	PP&E (US\$m)	(1)	(1)	(10)	(35)	
1xNAV share px FD (US\$/sh)	8.17	8.63	9.11	9.51	9.79	Other (US\$m)	(110)	(124)	-	-	
ROI to equity holder (% pa)	22%	14%	11%	9%	8%	Cash flow inv. (US\$m)	(111)	(125)	(10)	(35)	
Sources and uses of cash											
SCPe Texas Capex	US\$15m	SCPe current cash + options				US\$93m	Debt draw (repayment) (US\$)	(10)	(0)	-	-
SCPe Wyoming Capex incl Reno Creek	US\$30m	Physical uranium sales				US\$301m	Equity issuance (US\$m)	168	67	-	
SCPe G&A + working cap pre-positive FCF	US\$50m	Equity Raised				US\$0m	Other (US\$m)	(1)	(1)	-	
Already contracted uranium purchases	US\$66m						Cash flow fin. (US\$m)	157	65	-	
Total uses	US\$161m	Total proceeds				US\$394m	Net change post forex (US\$m)	(7)	13	94	
Production (100%)	Jul '24	Jul '25	Jul '26	Jul '27	Jul '28	FCF (US\$m)	(17)	12	(87)		
Texas ISR prodn (Mlbs U3O8)	-	0.6	1.3	1.5	2.5	Balance sheet	2022	2023	2024		
Texas cash cost (US\$/lb)	-	22.4	21.6	21.0	21.9	Cash (US\$m)	40	53	147		
Texas AISC (US\$/lb)	-	38.1	36.0	35.4	35.8	Accounts receivable (US\$m)	-	-	62		
Wyoming ISR prodn (Mlbs U3O8)	0.3	1.3	2.5	2.6	3.3	Inventories (US\$m)	-	-	8		
Wyoming cash cost (US\$/lb)	29.4	21.3	19.4	25.1	24.7	PPE & exploration (US\$m)	241	672	679		
Wyoming AISC (US\$/lb)	48.0	38.8	35.5	44.2	42.4	Other (US\$m)	73	13	(26)		
Total ISR prodn (Mlbs U3O8)	0.3	1.9	3.8	4.1	5.8	Total assets (US\$m)	354	738	870		
Physical uranium purchases (Mlbs)	0.9	0.6	0.1	-	-	Debt (US\$m)	-	-	-		
Physical uranium sales	1.6	0.6	0.1	-	-	Other liabilities (US\$m)	27	106	106		
Total uranium sales (Mlbs)	1.9	2.5	3.9	4.1	5.8	Shareholders equity (US\$m)	613	925	925		
Cash cost excl royalties (US\$/lb)	43.9	21.8	17.1	20.9	22.4	Retained earnings (US\$m)	(287)	(293)	(161)		
Total AISC (US\$/lb)	60.8	50.0	42.8	47.8	45.0	Minority int. & other (US\$m)	-	-	-		
Capex (US\$m)	10	35	73	64	73	Liabilities+equity (US\$m)	354	738	870		
						Net cash (US\$m)	33	46	139		
						Net debt to NTM EBITDA (x)	(3.0x)	(0.3x)	(0.7x)		

Source: SCP estimates; fiscal year ended July 31 unless otherwise noted

Ticker: EFR CN / UUUU US Author: J Chan / E Magdziński / K Korpis		Price / mkt cap: CS8.44/sh, CS1361m Rec / PT: BUY / CS15.25		Market P/NAV: 0.36x 1xNAV FD: CS17.43/sh		Assets: White Mesa Country: Utah, USA	
Group-level SOTP valuation		3Q23		4Q23		Resource / Reserve	
		US\$m		O/ship		NAVx	
		CS/sh		CS/sh		Mlbs U3O8	
		% U3O8		EV/lb U3O8		Mlbs Cu	
		Mlbs V2O5					
White Mesa REE Hydromet NPV 7% 4Q23		759		100%		0.60x	
White Mesa REE Separation NPV7% 4Q23		601		100%		0.60x	
Brazil REE + exploration		50		100%		0.60x	
Uranium assets - DCF +US\$5/lb for WY assets		742		100%		1.00x	
Central SG&A & fin costs 4Q23		(265)		-		1.00x	
Cash and securities pro-forma asset sales 3Q23		200		-		1.00x	
Physical inventories - U3O8 and V2O5, plus contracts		67		-		1.00x	
Debt 3Q23		(0)		-		1.00x	
1xNAV7% spot fully diluted, pre-funded		2,153		15.32			
Assumed equity raised		-		1.00x		-	
1xNAV7% fully funded price target		2,153		15.25			
1x fully funded NAVPS sensitivity to NdPr price and discount / NAV multiple							
Valuation (C\$/sh)		\$80/kg		\$100/kg		\$120/kg	
		\$140/kg		\$160/kg			
9% discount		9.75		11.25		12.75	
8% discount		10.50		12.25		14.00	
7% discount		11.50		13.25		15.25	
6% discount		12.50		14.75		17.00	
5% discount		13.75		16.25		19.00	
White Mesa REE NPV7% (US\$m)		\$80/kg		\$100/kg		\$120/kg	
		\$140/kg		\$160/kg			
9% discount		596		814		1,032	
8% discount		688		935		1,181	
7% discount		797		1,078		1,360	
6% discount		928		1,251		1,573	
5% discount		1,087		1,459		1,831	
Uranium portfolio NPV7% (US\$m)		\$60/lb		\$70/lb		\$80/lb	
		\$90/lb		\$100/lb			
9% discount		512		593		674	
8% discount		530		618		706	
7% discount		551		646		742	
6% discount		573		677		782	
5% discount		597		711		825	
Valuation over time							
		Today		Dec '24		Dec '25	
		Dec '26		Dec '27		Dec '27	
REE crack and leach + separation		1,359.7		1,460.3		1,527.4	
Uranium assets		742.3		733.3		797.4	
Brazil REE + exploration		50.0		50.0		50.0	
Cntrl G&A & fin costs (US\$m)		(264.8)		(280.3)		(253.9)	
Net cash (US\$m)		199.6		184.9		278.3	
1xNAV (US\$m)		2,087		2,148		2,399	
P/NAV (x):		0.50x		0.47x		0.42x	
1xNAV share px FD (C\$/sh)		16.87		17.83		19.91	
ROI to equity holder (% pa)		100%		45%		33%	
		25%		21%			
Sources and uses of cash							
SCPe MREC capex (US\$150m)		US\$150m		SCPe current cash + options		US\$267m	
SCPe separation capex		US\$200m		Debt package		US\$50m	
SCPe G&A + working cap pre-positive FCF		-US\$48m		Equity Raised		US\$0m	
Contingency		US\$14m					
Total uses		US\$317m		Total proceeds		US\$317m	
Production (100%)							
		Dec '24		Dec '25		Dec '26	
		Dec '27		Dec '27		Dec '28	
Production (kt REE in MREC)		0.9		2.6		5.2	
NdPr in MREC (kt)		0.2		0.6		1.2	
DyTb in MREC (t)		13		37		73	
Separation TReO produced		0.7		2.7		5.0	
NdPr produced (kt)		0.2		0.6		1.1	
DyTb produced (t)		9		38		69	
REE Separation revenue (US\$/kg REE)		25.3		34.3		39.9	
REE Separation AISC (US\$/REE)		34.2		29.5		36.4	
U3O8 production (Mlbs)		0.2		2.0		2.0	
U3O8 received price (US\$/lb)		65.0		104.0		89.8	
U3O8 cash cost (US\$/lb)		49.7		42.6		48.6	
U3O8 revenue (US\$m)		38.1		210.0		179.5	
REE revenue (US\$m)		17.8		59.4		197.5	
Capex (US\$m)		(2)		(13)		(28)	
		(14)		(150)			
Balance sheet							
		2022		2023		2024	
		2025		2026			
Cash (US\$m)		80		60		60	
Accounts receivable (US\$m)		1		11		11	
Inventories (US\$m)		38		22		1	
PPE & exploration (US\$m)		116		216		223	
Other (US\$m)		39		80		80	
Total assets (US\$m)		274		389		376	
Debt (US\$m)		-		(1)		(1)	
Other liabilities (US\$m)		30		19		19	
Shareholders equity (US\$m)		698		718		720	
Retained earnings (US\$m)		(458)		(350)		(366)	
Minority int. & other (US\$m)		4		4		4	
Liabilities+equity (US\$m)		274		389		376	
Net cash (US\$m)		63		43		44	
Net debt to NTM EBITDA (x)		2.2x		4.5x		(0.3x)	
		(1.2x)		(0.2x)			

Source: SCP estimates

Ticker:	FCU CN	Price / mkt cap:	C\$1.11/sh, C\$921m	Market P/NAV:	0.57x	Assets:	PLS
Author:	J Chan / E Magdzinski / K Korpis	Rec / PT:	BUY / C\$1.95	1xNAV _{1Q24} FD:	C\$1.95/sh	Country:	Canada (Sask)

Group-level SOTP valuation					Share data						
	1Q24E										
	C\$m	O/ship	NAVx	C\$/sh	Basic shares (m):	FD + options (m):	908.0	FD + FF	1127.6		
PLS NPV 1Q24E	1,550.5	100%	1.0x	1.71	Commodity price	CY25E	CY26E	CY27E	CY28E	CY29E	
Central SG&A & fin costs 1Q24E	(118.6)	--	1.0x	(0.13)	Uranium price (US\$/lb)	80.0	80.0	80.0	80.0	80.0	
Lbs outside mine plan (US\$/lb U3O8)	143.1	--	1.0x	0.16	Ratio analysis	CY25E	CY26E	CY27E	CY28E	CY29E	
Other assets	4.2	--	1.0x	0.00	FD shares out (m)	908.0	1121.4	1135.7	1154.9	1166.1	
SCPe cash	130.1	--	1.0x	0.14	EPS (C\$/sh)	(0.005)	0.003	(0.023)	(0.072)	0.325	
Debt 3Q23	--	--	1.0x	--	CFPS before w/c (C\$/sh)	(0.00)	0.00	0.00	(0.00)	0.57	
ITM options	58.6	--	1.0x	0.06	FCF/FCF pre growth (C\$/sh)	(0.00)	0.00	(0.02)	(0.07)	0.48	
1xNAV8% US\$80/lb	1,768			1.95	FCF/sh (C\$/sh)	(0.01)	(0.14)	(0.61)	(0.69)	0.48	
Assumed build equity issuance	450.0			0.40	FCF yield - pre growth (%)	neg	0.3%	neg	neg	57.7%	
1xNAV fully funded8% US\$80/lb	2,218			1.97	FCF yield (%)	neg	neg	neg	neg	57.7%	
P/NAV - fully diluted for build (x)				0.56x	EBITDA margin (%)	--	--	--	--	69.6%	
Target multiples	Multiple			C\$/sh	FCF margin (%)	--	--	--	47.1%	50.8%	
Target P/NAV Multiple	1.00x			1.95	ROA (%)	(0.4%)	0.2%	(1.6%)	(4.1%)	17.3%	
Target price				1.95	ROE (%)	(0.5%)	0.3%	(3.0%)	(10.5%)	32.3%	
Sources		Uses			ROIC (%)	(7.5%)	(2.2%)	(0.6%)	(0.3%)	39.2%	
	DFS capex C\$1155m		PF cash + ITM options C\$192m		EV (C\$m)	(39)	285	973	1,766	1,350	
	SCPe contingency C\$591m		Mine debt @ 60% gearing C\$918m		PER (x)	(167.1x)	318.7x	(36.3x)	(11.5x)	2.6x	
	SCPe G&A + fin. cost to first Au C\$22m		Build Equity C\$450m		P/CF (x)	(167.9x)	316.3x	634.6x	(1417.1x)	1.5x	
	SCPes working capital C\$92m		Offtake C\$300m		P/Book value (x)	0.9x	1.1x	1.1x	1.2x	0.8x	
	Total uses C\$1860m		Total proceeds C\$1860m		EV/EBITDA (x)	7.8x	(57.0x)	(194.5x)	(353.2x)	1.6x	
1xNAV sensitivity to uranium price and discount / NAV multiple					Income statement	CY25E	CY26E	CY27E	CY28E	CY29E	
1xNAV PLS (C\$m)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb	Revenue (C\$m)	--	--	--	1,191	
10% discount	572	901	1,229	1,557	1,886	COGS (C\$m)	--	--	--	(357)	
9% discount	672	1,027	1,381	1,736	2,090	Gross profit (C\$m)	--	--	--	834	
8% discount	784	1,167	1,551	1,934	2,317	Expenses (C\$m)	(6)	(9)	(5)	(5)	
7% discount	908	1,324	1,739	2,154	2,570	Impairment & other (C\$m)	--	--	--	--	
6% discount	1,048	1,499	1,949	2,400	2,850	Net finance costs (C\$m)	0	8	(21)	(78)	
5% discount	1,205	1,694	2,184	2,673	3,163	Tax (C\$m)	--	--	--	(166)	
Valuation (C\$/sh)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb	Minority interest (C\$m)	--	--	--	--	
0.8xNAV	1.00	1.30	1.55	1.85	2.15	Net income attr. (C\$m)	(6)	(1)	(26)	(83)	
0.9xNAV	1.15	1.45	1.75	2.10	2.40	EBITDA	(5)	3	(26)	(83)	
1.0xNAV	1.25	1.60	1.95	2.30	2.70	Cash flow	CY25E	CY26E	CY27E	CY28E	CY29E
1.1xNAV	1.40	1.75	2.15	2.55	2.95	Profit/(loss) after tax (C\$m)	(5)	3	(26)	(83)	378
1.2xNAV	1.50	1.95	2.35	2.80	3.20	Add non-cash items (C\$m)	0	0	28	83	286
						Less wkg cap / other (C\$m)	--	--	--	(1)	(92)
Valuation over time	1Q23E	1Q24E	1Q25E	1Q26E	1Q27E	Cash flow ops (C\$m)	(5)	3	1	(2)	572
Mines NPV (US\$m)	1,418	1,534	1,661	1,794	2,106	PP&E (C\$m)	(2)	(156)	(662)	(712)	(38)
Cntrl G&A & fin costs (US\$m)	-114	-118	-122	-127	-141	Other (C\$m)	--	--	--	--	--
Net cash at 1Q (US\$m)	34	50	795	649	-27	Cash flow inv. (C\$m)	(2)	(156)	(662)	(712)	(38)
Other Assets + Options	63	63	63	63	63	Debt draw (repayment) (C\$m)	--	--	459	459	(200)
1xNAV (US\$m)	1,402	1,528	2,396	2,378	2,001	Equity issuance (C\$m)	452	7	12	19	--
P/NAV (x):	0.53	0.50	0.42	0.52	0.63	Other (C\$m)	300	(0)	(28)	(83)	(108)
1xNAV share px FD (C\$/sh)	2.08	2.22	2.64	2.12	1.76	Cash flow fin. (C\$m)	752	7	443	395	(308)
ROI to equity holder (% pa)	87%	42%	33%	18%	10%	Net change post forex (C\$m)	745	(146)	(217)	(319)	226
1.2xNAV share px FD (C\$/sh)	2.49	2.67	3.17	2.54	2.11	FCF (C\$m)	(7)	(153)	(688)	(795)	560
ROI to equity holder (% pa)	125%	55%	42%	23%	14%	Balance sheet	CY25E	CY26E	CY27E	CY28E	CY29E
Resource / Reserve	Mt	Mlbs	EV/oz U3O₈	EV/lb	Cash (C\$m)	799	652	436	117	342	
Measured, ind. & inf. - Triple R	3,323	130.3	5.05	5.05	Accounts receivable (C\$m)	0	0	0	--	46	
SCPes Mine inventory - Triple R	3,329	103.5	6.36	6.36	Inventories (C\$m)	--	--	--	--	89	
Production (100%)	CY29E	CY30E	CY31E	CY32E	CY33E	PPE & exploration (C\$m)	363	520	1,181	1,893	1,711
Triple R (000lb U3O8)	11.2	11.5	11.5	10.9	9.1	Other (C\$m)	1	1	1	1	1
Triple R cash cost (US\$/lb)	\$23.98	\$23.69	\$23.69	\$24.19	\$26.03	Total assets (C\$m)	1,163	1,173	1,618	2,011	2,190
Triple R AISC (US\$/lb)	\$26.90	\$26.51	\$26.51	\$27.17	\$29.61	Debt (C\$m)	--	--	459	918	718

C1 = opex (excl. G&A) + royalties; AISC = C1 + sust capex + capitalized stripping/development

Year	Production (Mlbs)	AISC (US\$/lb)
CY29E	11.2	26.90
CY30E	11.5	26.51
CY31E	11.5	26.51
CY32E	10.9	27.17
CY33E	9.1	29.61

Shareholders equity (C\$m)	1,018	1,025	1,037	1,056	1,056
Retained earnings (C\$m)	(157)	(154)	(180)	(263)	115
Minority int. & other (C\$m)	--	--	--	--	--
Liabilities+equity (C\$m)	1,163	1,173	1,618	2,011	2,190
Net cash (C\$m)	795	649	(27)	(804)	(379)
Net Debt to NTM EBITDA (x)	nmf	nmf	nmf	1.0	0.4

Source: SCP estimates

Ticker: GXU CN	Price / mkt cap: C\$0.19/sh, C\$134m	Market P/NAV: 0.15x	Assets: Madaoela, Mutanga
Author: J Chan / E Magdzinski / K Korpis	Rec / PT: BUY / C\$0.70	1xNAV_{1Q24} FD: C\$1.22/sh	Country: Niger, Zambia

Group-level SOTP valuation					Share data						
	1Q24E										
	US\$m	O/ship	NAVx	C\$/sh	Basic shares (m): 726.4		FD + options (m): 745.4		FD + FF	948.8	
Muntanga NPV 1Q24E	352	100%	1.0x	0.63	Commodity price						
Madaoela NPV 1Q24E	377	80%	0.5x	0.34	CY23E CY24E CY25E CY26E CY27E						
Falea (US\$/lb)	44	80%	1.0x	0.08	Uranium price (US\$/lb) 60.0 80.0 80.0 80.0 80.0						
Central SG&A & fin costs 1Q24E	(61)	--	1.0x	(0.11)	Ratio analysis						
Lbs outside mine plan (\$2/lb Mutanga, \$1/lb Madaoela)	117	100%	1.0x	0.21	CY23E CY24E CY25E CY26E CY27E						
Exploration	25	100%	1.0x	0.04	FD shares out (m) 745.4 820.1 829.6 835.4 835.4						
Cash 4Q23	13	--	1.0x	0.02	EPS (US\$/sh) (0.014) (0.010) (0.009) (0.014) 0.037						
Debt 4Q23	--	--	1.0x	--	CFPS before w/c (US\$/sh) (0.01) (0.01) (0.01) (0.01) 0.06						
ITM options	2	--	1.0x	0.00	FCFPS pre growth (US\$/sh) (0.02) (0.01) (0.08) (0.12) 0.04						
1xNAV8% US\$80/lb	869			1.22	FCF/sh (US\$/sh) (0.02) (0.01) (0.08) (0.12) 0.04						
Assumed build equity issuance	50			0.05	FCF yield - pre growth (%) (9%) (5%) (44%) neg 19%						
1xNAV fully funded8% US\$80/lb	919			1.03	FCF yield (%) (9%) (5%) (44%) neg 19%						
P/NAV (x):				0.18x	EBITDA margin (%) -- -- -- -- 61%						
Target multiples	Multiple				C\$/sh						
Target P/NAV Multiple	0.70x				0.70						
Target price					0.70						
Sources	Uses										
SCPe Mutanga Capex	US\$150m	Cash + ITM options									US\$15m
SCPe contingency	US\$17m	Mine debt @ 60% gearing									US\$100m
SCPe G&A + fin. cost to first prodn	US\$26m	Build Equity									US\$50m
SCPe working capital	US\$22m	Offtake									US\$50m
Total uses	US\$215m	Total proceeds									US\$215m
1xNAV sensitivity to Uranium price and discount / NAV multiple											
1xNAV Muntanga(C\$m)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb						
10% discount	100	192	283	375	467						
9% discount	117	216	316	415	515						
8% discount	136	244	352	460	568						
7% discount	158	276	393	510	627						
6% discount	183	311	439	566	694						
5% discount	211	350	490	629	768						
Valuation (C\$/sh)	\$60/lb	\$70/lb	\$80/lb	\$90/lb	\$100/lb						
0.50xNAV	0.20	0.35	0.50	0.70	0.85						
0.60xNAV	0.20	0.40	0.60	0.80	1.00						
0.70xNAV	0.25	0.50	0.70	0.95	1.20						
0.80xNAV	0.30	0.55	0.80	1.10	1.35						
1.00xNAV	0.35	0.70	1.05	1.35	1.70						
Valuation over time											
	Today	1Q24E	1Q25E	1Q26E	1Q27E						
Mines NPV (US\$m)	763	755	815	945	1,118						
Cntrl G&A & fin costs (US\$m)	(61)	(62)	(58)	(55)	(46)						
Net cash at (US\$m)	13	4	(11)	(113)	(89)						
Other Assets + Options	188	188	188	188	188						
1xNAV (US\$m)	903	886	934	965	1,171						
P/NAV (x):	0.1x	0.1x	0.1x	0.1x	0.1x						
1xNAV share px FD (C\$/sh)	1.62	1.44	1.50	1.54	1.87						
ROI to equity holder (% pa)	773%	179%	101%	70%	59%						
Resource / Reserve											
	Mt	ppm U3O8	Mlbs	EV/lb							
Measured, ind. & inf. - Madaoela	46	1,351	138.4	0.64							
Measured, ind. & inf. - Total Attr	95	743	155.3	0.57							
Group 2P Reserves	25	845	46.4	1.91							
Production (100%)											
	CY27E	CY28E	CY29E	CY30E	CY31E						
Madaoela (000mlbs U3O8)	--	--	--	--	2.8						
Mutanga (000mlbs U3O8)	1.5	2.6	2.4	2.1	2.0						
Group cash cost (US\$/lb)	40.68	47.60	50.52	27.65	24.85						
Group AISC (US\$/lb)	42.57	49.68	52.84	32.27	28.98						
Income statement											
	CY23E	CY24E	CY25E	CY26E	CY27E						
Revenue (US\$m)	--	--	--	--	118						
COGS (US\$m)	--	--	--	--	(42)						
Gross profit (US\$m)	--	--	--	--	77						
G&A & central	(4)	(5)	(5)	(5)	(5)						
Depreciation	--	--	--	--	(8)						
Impairment & other (US\$m)	(1)	--	--	--	--						
Net finance costs (US\$m)	0	0	(2)	(7)	(12)						
Tax (US\$m)	--	--	--	--	(20)						
Minority interest (US\$m)	--	--	--	--	--						
Net income attr. (US\$m)	(5)	(5)	(7)	(12)	31						
EBITDA	(10)	(8)	(5)	(5)	72						
Cash flow											
	CY23E	CY24E	CY25E	CY26E	CY27E						
Profit/(loss) after tax (US\$m)	(10)	(8)	(7)	(12)	31						
Add non-cash items (US\$m)	1	--	3	8	20						
Less wkg cap / other (US\$m)	(1)	--	--	--	(10)						
Cash flow ops (US\$m)	(11)	(8)	(5)	(4)	41						
PP&E (US\$m)	--	--	(60)	(90)	--						
Other (US\$m)	--	--	--	--	--						
Cash flow inv. (US\$m)	--	--	(60)	(90)	--						
Debt draw (repayment) (US\$m)	--	--	50	50	--						
Equity issuance (US\$m)	20	1	2	--	--						
Other (US\$m)	(2)	--	48	(8)	(17)						
Cash flow fin. (US\$m)	18	1	99	43	(17)						
Net change post forex (US\$m)	8	(7)	34	(52)	24						
FCF (US\$m)	(12)	(8)	(67)	(102)	30						
Balance sheet											
	CY23E	CY24E	CY25E	CY26E	CY27E						
Cash (US\$m)	11	4	39	(13)	11						
Accounts receivable (US\$m)	--	--	--	--	5						
Inventories (US\$m)	--	--	--	--	10						
PPE & exploration (US\$m)	70	70	130	220	211						
Other (US\$m)	1	1	1	1	1						
Total assets (US\$m)	82	75	169	208	238						
Debt (US\$m)	--	--	50	100	100						
Other liabilities (US\$m)	--	--	50	50	49						
Shareholders equity (US\$m)	320	321	323	323	323						
Retained earnings (US\$m)	(246)	(254)	(262)	(274)	(242)						
Minority int. & other (US\$m)	9	9	9	9	9						
Liabilities+equity (US\$m)	82	75	169	208	238						
Net Cash	11	4	(11)	(113)	(89)						
Net Debt to NTM EBITDA (x)	n/m	n/m	n/m	1.6x	0.9x						

Source: SCP estimates

Research

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NEUTRAL: The stock's total returns are expected to be in line with the overall market

SELL: The stocks total returns are expected to be materially lower than the overall market

TENDER: The analyst recommends tendering shares to a formal tender offering

UNDER REVIEW: The stock will be placed under review when there is a significant material event with further information pending; and/or when the research analyst determines it is necessary to await adequate information that could potentially lead to a re-evaluation of the rating, target price or forecast; and/or when coverage of a particular security is transferred from one analyst to another to give the new analyst time to reconfirm the rating, target price or forecast.

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Issuer	1	2	3	4	5	6	7	8	9
NexGen Energy	NO	NO	NO	NO	NO	NO	NO	YES	YES
UEC	NO	NO	NO	NO	NO	NO	NO	NO	NO
Energy Fuels	NO	NO	NO	NO	NO	NO	NO	YES	NO
Fission Uranium	NO	NO	NO	YES	NO	NO	NO	YES	NO
IsoEnergy	NO	NO	NO	YES	NO	NO	NO	YES	NO
F3	NO	NO	NO	YES	NO	NO	NO	NO	NO
GoviEx Uranium	NO	NO	NO	YES	NO	NO	NO	NO	NO

SCP Resource Finance Equity Research Ratings:

Summary of Recommendations as of February 2024	
BUY:	55
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	1
NOT RATED:	0
TOTAL	56

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