UPDATES
Plus Additional Stocks!
On All Companies!

Uranium Report 2021

Everything you need to know about uranium!

SRC swiss resource capital ag

Disclaimer

Dear reader,

Please read the complete disclaimer in the following pages carefully before you start reading this Swiss Resource Capital Publication. By using this Swiss Resource Capital Publication you agree that you have completely understood the following disclaimer and you agree completely with this disclaimer. If at least one of these point does not agree with you than reading and use of this publication is not allowed.

We point out the following:

Swiss Resource Capital AG and the authors of the Swiss Resource Capital AG directly own and/or indirectly own shares of following Companies which are described in this publication: Blue Sky Uranium, GoviEx Uranium, International Consolidated Uranium, Skyharbour Resources, Uranium Energy, Uranium Royalty.

Swiss Resource Capital AG has closed IR consultant contracts with the following companies which are mentioned in this publication: Uranium Energy.

Swiss Resource Capital AG receives compensation expenses from the following companies mentioned in this publication: Blue Sky Uranium, GoviEx Uranium, International Consolidated Uranium, Skyharbour Resources, Uranium Energy, Uranium Royalty.

Therefore, all mentioned companies are sponsors of this publication.

Risk Disclosure and Liability

Swiss Resource Capital AG is not a securities service provider according to WpHG (Germany) and BörseG (Austria) as well as Art. 620 to 771 obligations law (Switzerland) and is not a finance company according to § 1 Abs. 3 Nr. 6 KWG. All publications of the Swiss Resource Capital AG are explicitly (including all the publications published on the website http://www.resource-capital.ch and all sub-websites (like http://www.resource-capital.ch/de) and the website http://www.resource-capital.ch itself and its sub-websites) neither financial analysis nor are they equal to a professional financial analysis. Instead, all publications of Swiss Resource Capital AG are exclusively for information purposes only and are expressively not trading recommendations regarding the buying or selling of securities. All publications of Swiss Resource Capital AG represent only the opinion of the respective author. They are neither explicitly nor implicitly to be understood as guarantee of a particular price development of the mentioned financial instruments or as a trading invitation. Every investment in securities mentioned in publications of Swiss Resource Capital AG involve risks which could lead to total a loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. In general, purchase and sell orders should always be limited for your own protection.

This applies especially to all second-line-stocks in the small and micro cap sector and especially to exploration and resource companies which are discussed in the publications of Swiss Resource Capital AG and are exclusively suitable for speculative and risk aware investors. But it applies to all other securities as well. Every exchange participant trades at his own risk. The information in the publications of Swiss Resource Capital AG do not replace an on individual needs geared professional investment advice. In spite of careful research, neither the respective author nor Swiss Resource Capital AG will neither guarantee nor assume liability for actuality, correctness, mistakes, accuracy, completeness, adequacy or quality of the presented information. For pecuniary losses resulting from investments in securities for which information was available in all publications of Swiss Resource Capital AG liability will be assumed neither by Swiss Capital Resource AG nor by the respective author neither explicitly nor implicitly.

Any investment in securities involves risks. Political, economical or other changes can lead to significant stock price losses and in the worst case to a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. Especially investments in (foreign) second-line-stocks, in the small and micro cap sector, and especially in the exploration and resource companies are all, in general, associated with an outstandingly high risk. This market segment is characterized by a high volatility and harbours danger of a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. As well, small and micro caps are often very illiquid and every order should be strictly limited and, due to an often better pricing at the respective domestic exchange, should be traded there. An investment in securities with low liquidity and small market cap is extremely speculative as well as a high risk and can lead to, in the worst case, a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. Engagements in the publications of the shares and products presented in all publications of Swiss Resource Capital AG have in part foreign exchange risks. The deposit portion of single shares of small and micro cap companies and low capitalized securities like derivatives and leveraged products should only be as high that, in case of a possible total loss, the deposit will only marginally lose in value.

All publications of Swiss Resource Capital AG are exclusively for information purposes only. All information and data in all publications of Swiss Resource Capital AG are obtained from sources which are deemed reliable and trustworthy by Swiss Resource Capital AG and the respective authors at the time of preparation. Swiss Resource Capital AG and all Swiss Resource Capital AG employed or engaged persons have worked for the preparation of all of the published contents with the greatest possible diligence to guarantee that the used and underlying data as well as facts are complete and accurate and the used estimates and made forecasts are realistic. Therefore, liability is categorically precluded for pecuniary losses which could potentially result from use of the information for one's own investment decision.

All information published in publications of Swiss Resource Capital AG reflects the opinion of the respective author or third parties at the time of reparation of the publication. Neither Swiss Resource Capital AG nor the respective authors can be held responsible for any resulting pecuniary losses. All information is subject to change. Swiss Resource Capital AG as well as the respective authors assures that only sources which are deemed reliable and trustworthy by Swiss Resource Capital AG and the respective authors at the time of preparation are used. Although the assessments and statements in all publications of Swiss Resource Capital AG were prepared with due diligence, neither Swiss Resource Capital AG nor the respective authors take any responsibility or liability for the actuality, correctness, mistakes, accuracy, completeness, adequacy or quality of the presented facts or for omissions or incorrect information. The same shall apply for all presentations, numbers, designs and assessments expressed in interviews and videos.

Swiss Resource Capital AG and the respective authors are not obliged to update information in publications. Swiss Resource Capital AG and the respective authors explicitly point out that changes in the used and underlying data, facts, as well as in the estimates could have an impact on the forecasted share price development or the overall estimate of the discussed security. The statements and opinions of Swiss Capital Resource AG as well as the respective author are not recommendations to buy or sell a security.

Neither by subscription nor by use of any publication of Swiss Resource Capital AG or by expressed recommendations or reproduced opinions in such a publication will result in an investment advice contract or investment brokerage contract between Swiss Resource Capital AG or the respective author and the subscriber of this publication.

Investments in securities with low liquidity and small market cap are extremely speculative as well as a high risk. Due to the speculative nature of the presented companies their securities or other financial products it is quite possible that investments can lead to a capital reduction or to a total loss and – depending on the investment – to further obligations for example additional payment liabilities. Any investment in warrants, leveraged certificates or other financial products bears an extremely high risk. Due to political, economical or other changes significant stock price losses can arise and in the worst case a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. Any liability claim for foreign share recommendations, derivatives and fund recommendations are in principle ruled out by Swiss Resource Capital AG and the respective authors. Between the readers as well as the subscribers and the authors as well as Swiss Resource Capital AG no consultancy agreement is closed by subscription of a publication of Swiss Resource Capital AG because all information contained in such a publication refer to the respective company but not to the investment decision. Publications of Swiss Resource Capital AG are neither, direct or indirect an offer to buy or for the sale of the discussed security (securities), nor an invitation for the purchase or sale of securities in general. An investment decision regarding any security should not be based on any publication of Swiss Resource Capital AG.

Publications of Swiss Resource Capital AG must not, either in whole or in part be used as a base for a binding contract of all kinds or used as reliable in such a context. Swiss Resource Capital AG is not responsible for consequences especially losses, which arise or could arise by the use or the failure of the application of the views and conclusions in the publications. Swiss Resource Capital AG and the respective authors do not guarantee that the expected profits or mentioned share prices will be achieved.

The reader is strongly encouraged to examine all assertions him/herself. An investment, presented by Swiss Resource Capital AG and the respective authors in partly very speculative shares and financial products should not be made without reading the most current balance sheets as well as assets and liabilities reports of the companies at the Securities and Exchange Commission (SEC) under www.sec.gov or other regulatory authorities or carrying out other company evaluations. Neither Swiss Resource Capital AG nor the respective authors will guarantee that the expected profits or mentioned share prices will be achieved. Neither Swiss Resource Capital AG nor the respective authors are professional investment or financial advisors. The reader should take advice (e. g. from the principle bank or a trusted advisor) before any investment decision. To reduce risk investors should largely diversify their investments.

In addition, Swiss Resource Capital AG welcomes and supports the journalistic principles of conduct and recommendations of the German press council for the economic and financial market reporting and within the scope of its responsibility will look out that these principles and recommendations are respected by employees, authors and editors.

Forward-looking Information

Information and statements in all publications of Swiss Resource Capital AG especially in (translated) press releases that are not historical facts are forward-looking information within the meaning of applicable securities laws. They contain risks and uncertainties but not limited to current expectations of the company concerned, the stock concerned or the respective security as well as intentions, plans and opinions. Forward-looking information can often contain words like "expect", "believe", "assume", "goal", "plan", "objective", "intent", "estimate", "can", "should", "may" and "will" or the negative forms of these expressions or similar words suggesting future events or expectations, ideas, plans, objectives, intentions or statements of future events or performances. Examples for forward-looking information in all publications of Swiss Resource Capital AG include: production guidelines, estimates of future/targeted production rates as well as plans and timing regarding further exploration, drill and development activities. This forward-looking information is based in part on assumption and factors that can change or turn out to be incorrect and therefore may cause actual results, performances or successes to differ materially from those stated or postulated in such forward-looking statements. Such factors and assumption include but are not limited to: failure of preparation of resource and reserve estimates, grade, ore recovery that differs from the estimates, the success of future exploration and drill programs, the reliability of the drill, sample and analytical data, the assumptions regarding the accuracy of the representativeness of the mineralization, the success of the planned metallurgical test work, the significant deviation of capital and operating costs from the estimates, failure to receive necessary government approval and environmental permits or other project permits, changes of foreign exchange rates, fluctuations of commodity prices, delays by project developments and other factors.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual events to differ materially from those indicated in the forward-looking statements. Such factors include but are not limited to the following: risks regarding the inaccuracy of the mineral reserve and mineral resource estimates, fluctuations of the gold price, risks and dangers in connection with mineral exploration, development and mining, risks regarding the creditworthiness or the financial situation of the supplier, the refineries and other parties that are doing business with the company; the insufficient insurance coverage or the failure to receive insurance coverage to cover these risks and dangers, the relationship with employees; relationships with and the demands from the local communities and the indigenous population; political risks; the availability and rising costs in connection with the mining contributions and workforce; the speculative nature of mineral exploration and development including risks of receiving and maintaining the necessary licences and permits, the decreasing quantities and grades of mineral reserves during mining; the global financial situation, current results of the current exploration activities, changes in the final results of the economic assessments and changes of the project parameter to include unexpected economic factors and other factors, risks of increased capital and operating costs, environmental, security and authority risks, expropriation, the tenure of the company to properties including their ownership, increase in competition in the mining industry for properties, equipment, qualified personal and its costs, risks regarding the uncertainty of the timing of events in-

cluding the increase of the targeted production rates and fluctuations in foreign exchange rates. The shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Neither Swiss Resource Capital AG nor the referred to company, referred to stock or referred to security undertake no obligation to update publicly otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

48f Abs. 5 BörseG (Austria) and Art. 620 to 771 obligations law (Switzerland)

Swiss Resource Capital AG as well as the respective authors of all publications of Swiss Resource Capital AG could have been hired and compensated by the respective company or related third party for the preparation, the electronic distribution and publication of the respective publication and for other services. Therefore the possibility exists for a conflict of interests.

At any time Swiss Resource Capital AG as well as the respective authors of all publications of Swiss Resource Capital AG could hold long and short positions in the described securities and options, futures and other derivatives based on theses securities. Furthermore Swiss Resource Capital AG as well as the respective authors of all publications of Swiss Resource Capital AG reserve the right to buy or sell at any time presented securities and options, futures and other derivatives based on theses securities. Therefore the possibility exists for a conflict of interests.

Single statements to financial instruments made by publications of Swiss Resource Capital AG and the respective authors within the scope of the respective offered charts are not trading recommendations and are not equivalent to a financial analysis.

A disclosure of the security holdings of Swiss Resource Capital AG as well as the respective authors and/or compensations of Swiss Resource Capital AG as well as the respective authors by the company or third parties related to the respective publication will be properly declared in the publication or in the appendix.

The share prices of the discussed financial instruments in the respective publications are, if not clarified, the closing prices of the preceding trading day or more recent prices before the respective publication.

It cannot be ruled out that the interviews and estimates published in all publications of Swiss Resource Capital AG were commissioned and paid for by the respective company or related third parties. Swiss Resource Capital AG as well as the respective authors are receiving from the discussed companies and related third parties directly or indirectly expense allowances for the preparation and the electronic distribution of the publication as well as for other services.

Exploitation and distribution rights

Publications of Swiss Resource Capital AG may neither directly or indirectly be transmitted to Great Britain, Japan, USA or Canada or to an US citizen or a person with place of residence in the USA, Japan, Canada or Great Britain nor brought or distributed in their territory. The publications and their contained information can only be distributed or published in such states where it is legal by applicable law. US citizens are subject to regulation S of the U.S. Securities Act of 1933 and cannot have access. In Great Britain the publications can only be accessible to a person who in terms of the Financial Services Act 1986 is authorized or exempt. If these restrictions are not respected this can be perceived as a violation against the respective state laws of the mentioned countries and possibly of non mentioned countries. Possible resulting legal and liability claims shall be incumbent upon that person, but not Swiss Resource Capital, who has published the publications of Swiss Resource Capital AG in the mentioned countries and regions or has made available the publications of Swiss Resource Capital AG to persons from these countries and regions.

The use of any publication of Swiss Resource Capital AG is intended for private use only. Swiss Resource Capital AG shall be notified in advance or asked for permission if the publications will be used professionally which will be charged.

All information from third parties especially the estimates provided by external user does not reflect the opinion of Swiss Resource Capital AG. Consequently, Swiss Resource Capital AG does not guarantee the actuality, correctness, mistakes, accuracy, completeness, adequacy or quality of the information.

Note to symmetrical information and opinion generation

Swiss Resource Capital AG can not rule out that other market letters, media or research companies are discussing concurrently the shares, companies and financial products which are presented in all publications of Swiss Resource Capital AG. This can lead to symmetrical information and opinion generation during that time period.

No guarantee for share price forecasts

In all critical diligence regarding the compilation and review of the sources used by Swiss Resource Capital AG like SEC Filings, official company news or interview statements of the respective management neither Swiss Resource Capital AG nor the respective authors can guarantee the correctness, accuracy and completeness of the facts presented in the sources. Neither Swiss Resource Capital AG nor the respective authors will guarantee or be liable for that all assumed share price and profit developments of the respective companies and financial products respectively in all publications of Swiss Resource Capital AG will be achieved.

No guarantee for share price data

No guarantee is given for the accuracy of charts and data to the commodity, currency and stock markets presented in all publications of Swiss Resource Capital AG.

Copyright

The copyrights of the single articles are with the respective author. Reprint and/or commercial dissemination and the entry in commercial databases is only permitted with the explicit approval of the respective author or Swiss Resource Capital AG.

All contents published by Swiss Resource Capital AG or under http://www.resource-capital.ch – website and relevant sub-websites or within www.resource-capital.ch – newsletters and by Swiss Resource Capital AG in other media (e.g. Twitter, Facebook, RSS-Feed) are subject to German, Austrian and Swiss copyright and ancillary copyright. Any use which is not approved by German, Austrian and Swiss copyright and ancillary copyright needs first the written consent of the provider or the respective rights owner. This applies especially for reproduction, processing, translation, saving, processing and reproduction of contents in databases or other electronic media or systems. Contents and rights of third parties are marked as such. The unauthorised reproduction or dissemination of single contents and complete pages is not permitted and punishable. Only copies and downloads for personal, private and non commercial use is permitted.

Links to the website of the provider are always welcome and don't need the approval from the website provider. The presentation of this website in external frames is permitted with authorization only. In case of an infringement regarding copyrights Swiss Resource Capital AG will initiate criminal procedure.

Information from the Federal Financial Supervisory Authority (BaFin)

You can find further information on how to protect yourself against dubious offers in BaFin brochures directly on the website of the authority at www.bafin.de.

Liability limitation for links

The www.resource-capital.ch – website and all sub-websites and the www.resource-capital.ch – newsletter and all publications of Swiss Resource Capital AG contain links to websites of third parties ("external links"). These websites are subject to liability of the respective operator. Swiss Resource Capital AG has reviewed the foreign contents at the initial linking with the external links if any statutory violations were present. At that time no statutory violations were evident. Swiss Resource capital AG has no influence on the current and future design and the contents of the linked websites. The placement of external links does not mean that Swiss Resource Capital AG takes ownership of the contents behind the reference or the link. A constant control of these links is not reasonable for Swiss Resource Capital AG without concrete indication of statutory violations. In case of known statutory violations such links will be immediately deleted from the websites of Swiss Resource Capital AG. If you encounter a website of which the content violates applicable law (in any manner) or the content (topics) insults or discriminates individuals or groups of individuals, please contact us immediately.

In its judgement of May 12th, 1998 the Landgericht (district court) Hamburg has ruled that by placing a link one is responsible for the contents of the linked websites. This can only be prevented by explicit dissociation of this content. For all links on the homepage http://www.resource-capital.ch and its sub-websites and in all publications of Swiss Resource Capital AG applies: Swiss Resource Capital AG is dissociating itself explicitly from all contents of all linked websites on http://www.resource-capital.ch – website and its sub-websites and in the http://www.resource-capital.ch – newsletter as well as all publications of Swiss Resource Capital AG and will not take ownership of these contents."

Liability limitation for contents of this website

The contents of the website http://www.resource-capital.ch and its sub-websites are compiled with utmost diligence. Swiss Resource Capital AG however does not guarantee the accuracy, completeness and actuality of the provided contents. The use of the contents of website http://www.resource-capital.ch and its sub-websites is at the user's risk. Specially marked articles reflect the opinion of the respective author but not always the opinion of Swiss Resource Capital AG.

Liability limitation for availability of website

Swiss Resource Capital AG will endeavour to offer the service as uninterrupted as possible. Even with due care downtimes can not be excluded. Swiss Resource Capital AG reserves the right to change or discontinue its service any time.

Liability limitation for advertisements

The respective author and the advertiser are exclusively responsible for the content of advertisements in http://www.resource-capital.ch – website and its sub-websites or in the http://www.resource-capital.ch – newsletter as well as in all publications of Swiss Resource Capital AG and also for the content of the advertised website and the advertised products and services. The presentation of the advertisement does not constitute the acceptance by Swiss Resource Capital AG.

No contractual relationship

Use of the website http://www.resource-capital.ch and its sub-websites and http://www.resource-capital.ch – newsletter as well as in all publications of Swiss Resource Capital AG no contractual relationship is entered between the user and Swiss Resource Capital AG. In this respect there are no contractual or quasi-contractual claims against Swiss Resource Capital AG.

Protection of personal data

The personalized data (e.g. mail address of contact) will only be used by Swiss Resource Capital AG or from the respective company for news and information transmission in general or used for the respective company.

Data protection

If within the internet there exists the possibility for entry of personal or business data (email addresses, names, addresses), this data will be disclosed only if the user explicitly volunteers. The use and payment for all offered services is permitted – if technical possible and reasonable – without disclosure of these data or by entry of anonymized data or pseudonyms. Swiss Resource Capital AG points out that the data transmission in the internet (e.g. communication by email) can have security breaches. A complete data protection from unauthorized third party access is not possible. Accordingly no liability is assumed for the unintentional transmission of data. The use of contact data like postal addresses, telephone and fax numbers as well as email addresses published in the imprint or similar information by third parties for transmission of not explicitly requested information is not permitted. Legal action against the senders of spam mails are expressly reserved by infringement of this prohibition.

By registering in http://www.resource-capital.ch – website and its sub-websites or in the http://www.resource-capital.ch – newsletter you give us permission to contact you by email. Swiss Resource Capital AG receives and stores automatically via server logs information from your browser including cookie information, IP address and the accessed websites. Reading and accepting our terms of use and privacy statement are a prerequisite for permission to read, use and interact with our website(s).

Table of Contents

Imprint

Editor
Swiss Resource Capital AG
Poststr. 1
9100 Herisau, Schweiz
Tel : +41 71 354 8501
Fax : +41 71 560 4271
info@resource-capital.ch
www.resource-capital.ch

Editorial staff
Jochen Staiger
Tim Rödel

Layout/Design
Frauke Deutsch

Editorial Deadline: 04/30/2021

Cover: shutterstock.com
Page 13: US Nuclear Regulatory Commission
Page 18: NASA
Page 20: rawpixel
Page 32: vlastas@shutterstock.com

Back:
 # 1: rawpixel
 # 2: NASA
 # 3, 4: flickr.com/photos/nrcgov

All images and graphics are, unless otherwise stated, by the companies.

Charts 05/12/2021
JS Charts by amCharts

Preface

Dear Readers,

With this update of the Uranium Report 2021 we are already in the fifth year of this special report series. Uranium has recently shown relative strength again, which can be attributed to the great imbalance of a decreasing supply and a simultaneous increasing demand. Without the emission-free and at the same time base-load capable nuclear power, which is based on the „fuel“ uranium, many countries will not only have a huge problem in the stable basic energy supply and, due to the electromobility revolution, a real power supply problem in itself, but will completely lose sight of the goal of a world that is as CO_2-free as possible. The expansion of the hybrid and fully electric model range is progressing rapidly, and the development of the charging infrastructure will really explode in the coming years.

This raises the question of where all the green electricity is to come from. Nuclear power will be the only viable solution for many years to come, since solar and wind power will not be able to meet the base load as long as no adequately large storage facilities for electricity from renewable energy sources are created. In Germany in particular, this question is even more pressing as nuclear power is being shut down and coal is also disappearing. Once again, it is worth taking a look at China, where a balanced mix of photovoltaics, hydroelectricity, wind power and, above all, nuclear power is being used. China has understood that they need a reliable, clean and cheap power supply, and nuclear power is the perfect solution. This report is intended to provide the gentle reader with an overview of the uranium industry and the real facts, as well as the world‘s energy supply from nuclear power.

The closure of many large uranium mines in recent years could be the ignition point for rising uranium prices in the future. As before, supply is falling, and demand is rising.

Of course, we also present some interesting companies in the industry with facts and figures. This is to be understood as a suggestion and not as a recommendation to buy, as there are only very few listed companies left at all. Raw materials are the basis of our entire economic life. Without raw materials, there are no products, no technical innovations and no real economic life. We need a reliable and constant basic energy supply for our highly industrialized world.

Swiss Resource Capital AG has made it its business to provide interested people with comprehensive information about metals, commodities and various listed mining companies. On our website www.resource-capital.ch you will find more than 30 companies from various commodity sectors as well as a lot of information and articles about commodities.

With our special reports we want to give you insights and inform you comprehensively. In addition, you always have the chance to inform yourself free of charge through our two commodity IPTV channels www.Commodity-TV.net & www.Rohstoff-TV.net. For the mobile everyday life, you can download our newly developed Commodity-TV App for iPhone and Android on your smartphone. Here you will get real-time charts, stock prices, indices and the latest videos automatically on your cell phone. My team and I hope you enjoy reading the Special Report Uranium and we hope to provide you with lots of new information, impressions and ideas.

Yours, Jochen Staiger

Jochen Staiger is founder and CEO of Swiss Resource Capital AG, located in Herisau, Switzerland. As chief-editor and founder of the first two resource IP-TV-channels Commodity-TV and its German counterpart Rohstoff-TV, he reports about companies, experts, fund managers and various themes around the international mining business and the correspondent metals.

Tim Rödel is Manager Newsletter, Threads & Special Reports at SRC AG. He has been active in the commodities sector for more than 15 years and accompanied several chief-editor positions, e.g. at Rohstoff-Spiegel, Rohstoff-Woche, Rohstoffraketen, the publications Wahrer Wohlstand and First Mover. He owns an enormous commodity expertise and a wide-spread network within the whole resource sector.

57-million-pound U_3O_8 supply deficit in 2020 melts inventories, modular small reactors provide future demand expansion

57 million pounds of U_3O_8, or the equivalent of about 32.5% of total annual demand, global uranium production fell short of demand in 2020, with 47 million pounds of U_3O_8 projected for 2021. This means that the uranium sector will have a supply deficit of more than 100 million pounds of U_3O_8 for 2020 and 2021 alone. And yet, the uranium spot price continues to remain at exceedingly low levels around US$30 per pound. This is likely due primarily to high stockpiles that have been built up since the Fukushima disaster of 10 years ago and have not yet been fully depleted. Until 2016, mines around the world kept producing record quantities, sometimes even at mining costs above the spot price. The fact that this system worked is due to the procurement methodology of the uranium market. Only small quantities are traded at the spot price, most of which are by-products of the mining of other raw materials. By far the greater part is traded via

Uranium price development over the last 5 years(source: own presentation)

long-term contracts. Recently, many power plant operators tried to secure their supplies at the cheap spot price in the short term. However, in view of an overflowing supply deficit, they are likely to return to the negotiating table shortly and renegotiate the expiring contracts (around 75% of total demand will soon no longer be secured by contract). The first signs of this are already evident. Until then, even producers, future producers as well as ETFs are buying the spot market empty, thus increasing the pressure on the utilities.

In addition to this, the development of so-called „Small Modular Reactors“ (SMR) is progressing rapidly. These are nuclear fission reactors that are smaller than conventional reactors, can be manufactured in a factory and then moved to an assembly site. Among others, a company owned by Microsoft founder Bill Gates is also working on implementing such reactors, one of which is already in use in ship form in northern Russia. This should create a huge surge in demand for uranium in the future, because there is no way around nuclear power as the only base-load-capable, emission-free energy source in the coming decades if the climate targets set around the globe are to be achieved.

Nuclear energy is currently the only base-load-capable energy source that can manage the balancing act between an enormously increasing demand for electricity and clean energy production! Uranium is irreplaceable for this!

Global energy demand has multiplied since the late 1980s. About 10% of the world‘s total energy demand is currently met by nuclear power. However, fossil fuels such as coal and crude oil are still mainly burned to generate energy. The increasing demand for a reduction in CO^2 emissions and the ever more noticeable phenomenon of „global warming“ are prompting energy-guzzling industrialized nations and emerging economies in particular to increase their energy efficiency and improve their CO^2 balance. The second important point is the ongoing electro revolution, which will not only allow us to travel almost 100% electrically in a few years, but at the same time will also bring a huge, additional surge in demand for clean energy. It is estimated that the demand for electricity will increase by 200% compared to 2020.

Base load capability, what is it?

Base load capability is the ability of a power plant to provide continuous, reliable electrical power. This includes nuclear power plants, coal-fired power plants, gas-fired power plants, oil-fired power plants and steam power plants fired with substitute fuels. Combined heat and power plants, biomass and biogas power plants can also be base-load capable under certain conditions, although fossil or renewable raw materials must also be fired for this purpose. The only base-load-capable electricity generation from renewable energy is by means of hydroelectric power plants, but this often requires a major intervention in nature.
Photovoltaic and wind power plants are not base-load capable due to their often highly fluctuating generation and thus feed-in.

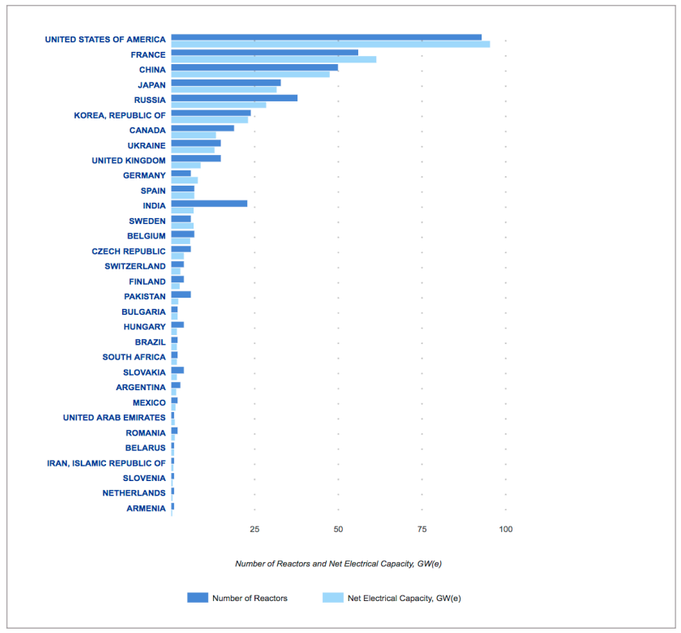
Both cannot be achieved at the same time by burning coal and oil. The alternative is renewable energies, which, however, require an enormous amount of time and money and, in addition, are not even close to base load capability without larger electricity storage facilities, or nuclear power, which can provide a great deal of energy in a CO^2-neutral manner. This possibility of fast and almost clean energy generation has long been recognized not only by climate protectionists such as Bill Gates or Greta Thunberg, but also by many countries worldwide, who are now pushing the construction of new nuclear power plants.

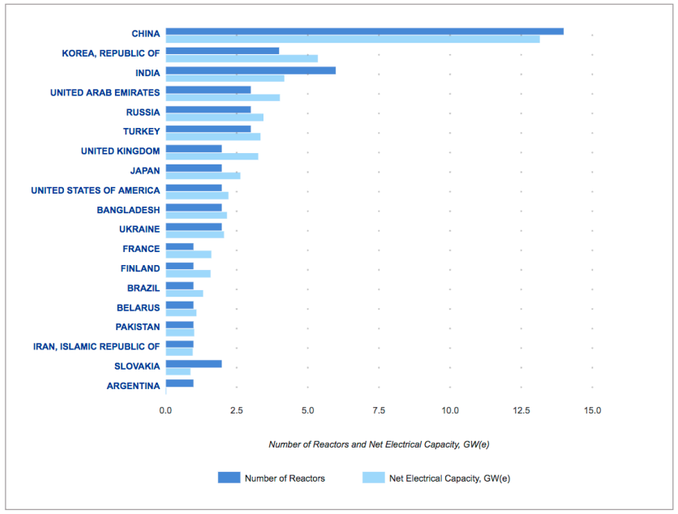
The number of nuclear power reactors worldwide has reached a record level

Despite the fact that nuclear power has been opposed at least since the Chernobyl disaster and even more so after the events surrounding the nuclear plants in Fukushima, Japan, the number of plants worldwide is already at a record high. 31 countries currently (as of April 2021) operate 444 reactors with a total net electrical capacity of about 394 gigawatts. Two more reactors have been added since the beginning of 2021 alone, and construction has started on two more.

With 94 reactors in operation, the USA is currently the leading nuclear power nation. However, emerging countries such as China and India are in particular need of more and more energy and have been focusing on a massive expansion of their nuclear power capacities for some time now.

Overview of currently operating reactors (blue) and net electrical power (light blue). (Source: www.iaea.org/PRIS)





It is therefore not surprising that 52 additional nuclear reactors with a total net electrical output of around 54.5 gigawatts are currently under construction. Planning has already been completed for around 120 additional ones, and more than 300 others are in the pipeline.

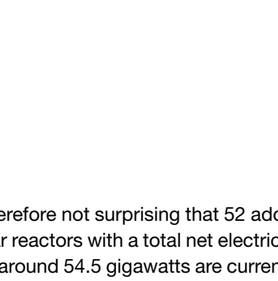
Overview of reactors currently under construction (blue) and the corresponding net electrical capacity (light blue) per country Source: www.iaea.org/PRIS.

Uranium basic knowledge

Uranium is one of only two elements for which nuclear fission chain reactions are commercially possible

Uranium is named after the planet Uranus and is a chemical element with the element symbol U and the atomic number 92. Uranium is a metal whose all isotopes are radioactive. Naturally occurring uranium in minerals consists of about 99.3% isotope 238U and 0.7% 235U.

The uranium isotope 235U can be fissioned by thermal neutrons and is therefore, apart from the extremely rare plutonium isotope 239Pu, the only known naturally occurring nuclide with which nuclear fission chain reactions are possible. For this reason, it is used as a primary energy source in nuclear power plants and nuclear weapons.



Occurrence

Uranium does not occur in pure form in nature, but always in oxygenated minerals. There are a total of about 230 uranium minerals that can be of local economic importance.
There is a wide range of uranium deposits from magmatic hydrothermal to sedimentary types.

The highest uranium grades are achieved in unconformity-bound deposits with average uranium grades of 0.3 to 20%. The highest grades are over 70% U_3O_8!
According to the International Atomic Energy Agency (IAEA), the largest uranium ore reserves are in the USA, Niger, Australia, Kazakhstan, Namibia, South Africa, Canada, Brazil, Russia, Ukraine and Uzbekistan.

Uranium mining

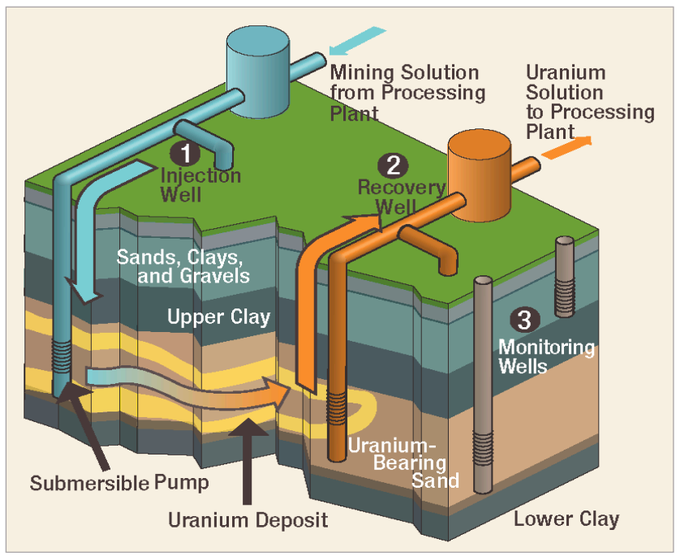
In uranium mining, a distinction is basically made between two processes: Conventional extraction and extraction by in-situ leaching or in-situ recovery (ISR). The exact extraction method depends on the properties of the ore body, such as depth, shape, ore content, tectonics, type of surrounding rock and other factors.

Conventional production

The majority of uranium is extracted by deep mining. The deposits are accessed via shafts, adits, ramps or spirals. Problems are often posed by the penetration of mine water and the so-called ventilation (technical measures to supply mines with fresh air). The exact mining method is chosen according to the characteristics of the deposit. Above all, the shape of the ore body and the distribution of the uranium in it are decisive factors. In deep mining, an ore body can be mined in a targeted manner, resulting in much less overburden than in open pit mining.
Near-surface or very large ore bodies are preferably extracted by open-pit mining. This allows the use of cost-effective large-scale technology. Modern open pits can be from a few meters to over 1,000 meters deep and several kilometers in diameter. Open pit mining often produces large quantities of overburden. As in deep mining, large quantities of water may have to be lifted for an open pit, but ventilation is less of a problem.

ISR production

In the ISR method, water and small amounts of CO_2 and oxygen are injected into the sandstone layers with the help of so-called injection wells, the uranium is dissolved out and pumped back to the surface for further processing with the help of so-called recovery wells. The entire process therefore takes place completely underground. The advantages of this process are therefore obvious: there is no need for major earthmoving as in open-pit operations, and there are no tailings piles or discharge ponds for heavy metals and cyanides. Only the wells are visible on the surface, and the land around the wells can continue to be farmed without restrictions. The ISR process also makes low-grade deposits economically mineable, and capital costs for mine development are greatly reduced. Moreover, the entire process can be carried out with a minimum of labor, which also drastically reduces operational costs. According to a study by the World Nuclear Association, 25% of uranium mined outside Kazakhstan recently came from ISR mines.



Description of in-situ mining: (1) pump a chemical solution - typically groundwater mixed with sodium bicarbonate, hydrogen peroxide, and oxygen - into the layer of earth containing uranium ore. The solution dissolves the uranium from the deposit in the ground and is then pumped back to the surface through recovery wells (2). Monitoring wells (3) ensure that nothing escapes from the drilling area. (Source: Wikimedia Commons, Courtesy of the NRC)

The current demand situation

The USA want to boost nuclear power again

With 94 reactors, the USA has by far the largest active nuclear power plant fleet in the world. Nevertheless, the USA is threatened with a collapse in energy supply. The United States is still the country with the highest per capita consumption of electricity in the world. And Americans‘ hunger for energy is growing. Many of the coal-fired power plants that date back to the 1950s and 1960s are operating inefficiently and uneconomically. They will have to be taken off the grid sooner rather than later. Electricity consumption, on the other hand, is rising steadily. So, the USA has no choice but to increase the number of its nuclear reactors in the coming years. Accordingly, the expansion of the nuclear power plant fleet is also part of the „Green New Deal“ initiated by President Biden, which is intended to lead the country toward CO_2 neutrality. Alongside the expansion of wind and solar energy, nuclear power is the top priority.
In recent years, more than 60 U.S. nuclear reactors have applied for lifetime extensions to 60 years of total operation. In addition, there are about 40 applications to build new nuclear power plants. To date, however, only 2 plants are under construction, and another 20 are in the concrete planning phase.

China goes full throttle in reactor construction

For several years now, it has been the giant empire of China that has been setting the pace in the construction of nuclear power plants. 50 reactors with a total net electrical capacity of 47.5 gigawatts are operated by the Middle Kingdom, which until now has primarily used coal to generate electricity. Of these, 11 new reactors alone have come online since the beginning of 2018. Nuclear power expansion in China is therefore enormous and taking place at breathtaking speed! It is to be expected that the Middle Kingdom will replace France as the current number two in nuclear power in a few years.
The Chinese government plans to build more than 80 new nuclear reactors in the next 15 years and over 230 new nuclear reactors by 2050. By 2030, a total of 110 reactors are to be connected to the grid, by which time the USA will have been replaced as the current leader. A total of 14 nuclear reactors are currently under construction, more than in any other country.

India massively expands nuclear program

India is following a similar path. The second most populous country in the world is planning to expand its nuclear energy capacity by 70 gigawatts.
Currently, a total of 23 Indian nuclear reactors are running at full load (7 gigawatts). One of them was recently connected to the grid.
Currently, 6 nuclear reactors are under construction in India, with 40 more to follow by 2050.

Russia with increasing nuclear capacity

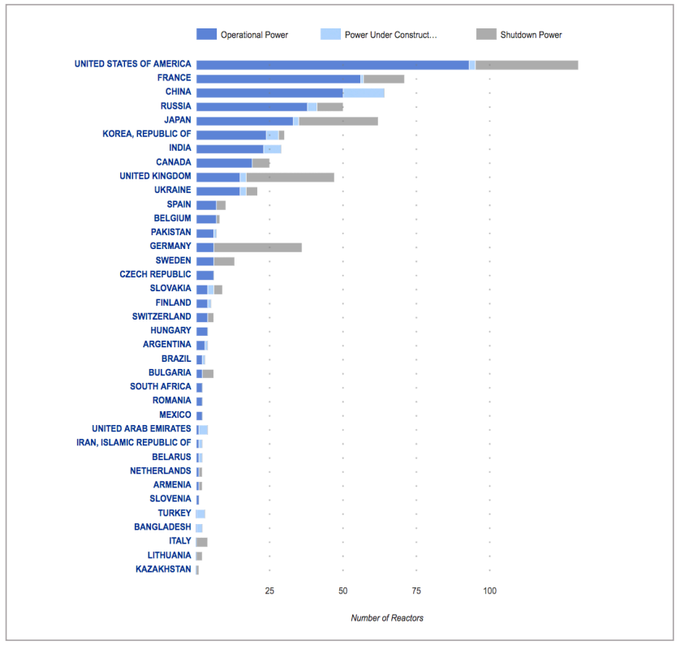
Russia has also announced a massive expansion of its nuclear power plants. The country currently operates 38 nuclear reactors with about 28.5 gigawatts. 3 plants are in the construction phase. In addition, Russia plans to build more than 40 additional nuclear power plants, which will increase the share of nuclear energy in Russia‘s energy mix from the current 15% to more than 20%.

Increasing global expansion of nuclear energy

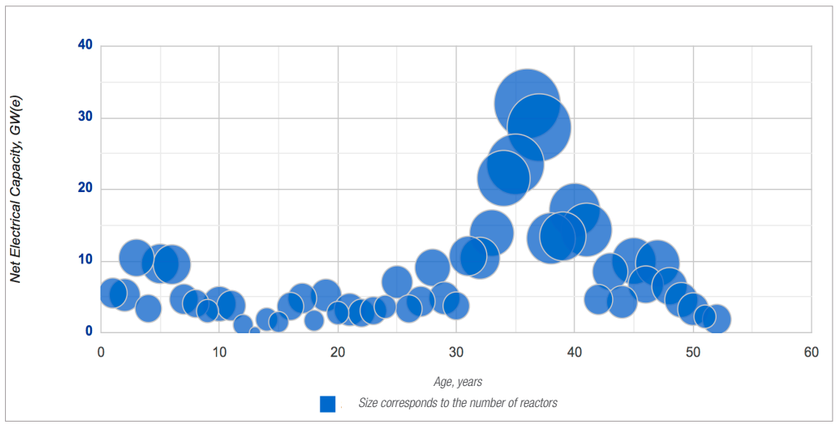
In addition to the 31 nations that already have nuclear reactors on the grid, another 17 countries are planning to install nuclear power plants. Among them are Egypt, Jordan, Turkey and Indonesia. In early March 2020, the United Arab Emirates became the 31st nation to enter nuclear energy production. Another 3 reactors are under construction there. South Korea currently has 4 plants under construction.

Long-term supply contracts to expire shortly

The previous cycle of contracting, dominated by the uranium price spikes of 2007 and 2010, has led plant operators to enter into contracts with higher price levels and very long terms of around 8 to 10 years. On the one hand, these old contracts are expiring, but on the other hand, plant operators have not yet looked for replacements for these supply volumes. As a result, the forward contracts of the plant operators are declining sharply, and thus the demand volumes for which there is not yet a contractual obligation, but which will have to be contractually secured in the future, are also increasing. Unmet demand is expected to exceed one billion pounds of U_3O_8 over the next 10 years. At the same time, more than 75% of expected reactor demand through 2025 is not contractually secured. For a thinly traded commodity such as uranium, this return to more „normal“ long-term contracts is likely to put tremendous pressure on both long-term and spot prices. There are therefore now increasing signals among international plant operators towards increased buying activity.



Overview of reactors currently in operation (blue), reactors currently shut down (gray) and reactors under construction (light blue). (Source: www.iaea.org/PRIS)



Overview of the age of currently operating reactors. Many will (have to) be replaced by more powerful ones in the coming years. Source: www.iaea.org/PRIS

The current supply situation

Uranium production declines sharply

In 2020, about 118 million pounds of U_3O_8 were produced as primary uranium from mines worldwide. This was significantly less than at the peak in 2016, when 162 million pounds of U_3O_8 were produced.
The supply side is in a state of upheaval, especially in the uranium sector. Secondary supply from Russia‘s disarmed nuclear stockpiles is becoming less and less important. Whereas in 2006 37% of demand was still covered by disarmed nuclear weapons, this figure is now only around 3%.

Deposits are stable – There is an acceptable range at higher uranium prices

At a market price of US$40 per pound of uranium, experts estimate that there are just under 715,000 metric tons of economically recoverable uranium. With annual consumption currently at around 68,000 metric tons of uranium, these deposits would last for just 10.5 years, provided the market price remained constant at at least US$40 during this period and demand also remained constant. However, demand will inevitably increase.

If the market price for uranium were to rise and justify extraction costs of US$80 per pound of uranium, about 1.28 million tons of uranium could be mined economically. Range at current consumption: 19 years.

If the uranium price were US$130 per pound, about 3.86 million tons of uranium could be mined economically. The known reserves would then last for about 56 years at current consumption levels.

Former producing nations struggle with weak uranium prices

The established uranium-producing nations of Australia, Canada, Russia and Niger were already having problems expanding their production before the Corona crisis. All four countries combined produced just under 19,445 tons of uranium in 2019. In 2009, the figure was 28,000 metric tons of uranium. In some cases, mines were shut down due to the weak uranium spot price or lack of further reserve availability (as was recently the case at the Cominak and Ranger mines).

US uranium production no longer exists

The U.S. uranium industry is a shadow of days gone by. Over the past 45 years, virtually nothing has been invested in developing new deposits, and nearly 95% of the uranium needed has been extracted from the disarmament programs. U.S. nuclear reactors already consume about 21,000 tons of uranium annually. Accordingly, an increase in capacity would also require an increase in the amount of uranium needed. The World Nuclear Association (WNA) estimates that by 2035, about 40,000 metric tons of uranium will be needed annually in the U.S. alone. Even at the peak of U.S. uranium production in the 1960s and 1970s, it would not have been possible to produce such a quantity from the own facilities. U.S. uranium production reached its previous peak in 1980, when about 29,000 tons of uranium were extracted from the ground. After the end of the Cold War, disarmed nuclear weapons in particular became the most important source of U.S. uranium requirements. This led to a decline in U.S. uranium production to, most recently, less than 500 tons of uranium annually. As a direct result, much of the infrastructure and licensed production facilities were simply closed or completely dismantled. Currently, there are only a few mines left in Texas, Arizona and Wyoming, but most of these have been shut down.

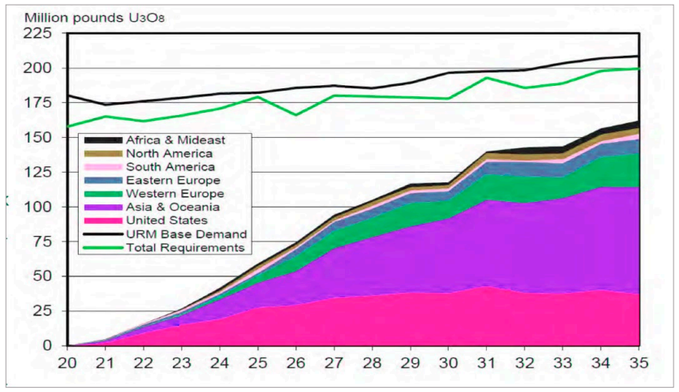
Kazakhstan – the new uranium superpower

While almost all established uranium producers are having difficulty rebuilding or expanding their uranium production, one region has now moved past all other countries to the top of uranium production: Central Asia. There, Kazakhstan in particular has been able to multiply its uranium production in the last ten years. From 2000 to 2019, uranium production in the former Soviet republic rose from 1,870 to over 22,808 metric tons. As a result, Kazakhstan also overtook the previous leader Canada in 2009 and is now responsible for around 41.6% of total global uranium production.

Massive production cuts to stabilize prices

Although Kazakhstan is one of the nations that can currently mine uranium at the lowest cost, the country is no longer prepared to sell off its uranium deposits at rock-bottom prices. In early 2017, the state-owned Kazatomprom announced that it would cut its own uranium production by at least 20% in 2017. In May 2018, Kazatomprom announced further production cuts. In addition, production had to be further reduced due to Corona.
But Kazatomprom is not the only uranium producer to cut production in light of the weak uranium price. Uranium major Cameco also announced production cuts and closed its McArthur River mine and Key Lake facilities indefinitely in January 2018. The Rabbit Lake mine was also closed, both of which are among the ten largest uranium mines in the world. McArthur River was the mine with the second highest uranium production and grades in the world. The temporary closure took 10% of the world‘s total production off the market in one fell swoop. In addition, Cameco has itself been acting as a uranium buyer for some time to service long-term, higher-grade supply contracts with corresponding uranium volumes at spot prices.

Since 2017, Kazatomprom reduced its uranium production by about 15% and Canada by about 45%. Furthermore, Cameco closed its Cigar Lake mine for one year in March 2020 due to Corona. Additionally, Orano‘s McClean Lake processing plant had to close as well. In addition, there are closures at Moab Khotseng in South Africa and at the Chinese-owned Husab and Rössing mines in Namibia, to name only the most important ones. The spot market, whose supply is mainly made up of uranium mined as a by-product in other mines, has also recently seen a decline in supply due to various mine closures.



Unmet need for supply(Graphic: own representation)

Huge gap in supply was already present before Corona

Even before the Corona pandemic, the supply deficit was about 40 million pounds of uranium per year. In 2020, the supply deficit was about 57 million pounds of U_3O_8, or just under one-third of global annual demand. Thus, most of the current demand is being met from stockpiles, which are thus rapidly running out. A de facto supply shortfall has already existed since 2017, with consumption at the current level of 444 nuclear reactors worldwide at about 175 million pounds of U_3O_8, of which only about 118 million pounds is covered by global uranium production (excluding the special effect of Corona).

A look into the future

Future supply deficit almost inevitable at current spot price

The International Atomic Energy Agency (IAEA) estimates that new nuclear power plant construction will increase global uranium demand to as much as 300 million pounds of U_3O_8 per year in 2030. A supply gap of 47 million pounds of U_3O_8 is estimated for 2021.

The fact is that the apparently cheapest and only base-load-capable CO_2-free way of generating electricity can only continue to be used if the market price for uranium, the initial product, rises again. In the case of uranium, too, demand and supply regulate the market price. However, if the market price no longer permits economic extraction, it must and will inevitably rise. In the case of uranium, there is also the fact that demand will rise sharply due to the construction of several hundred new nuclear reactors, so that the market price will benefit twice over. And thus, of course, also those investors who have recognized this trend in time.

The assembled Kilopower experiment, enclosed in a vacuum chamber at NASA's Glenn Research Center. (Source: NASA)

High proportion of demand remains unmet to date

Unmet demand is expected to exceed one billion pounds of U_3O_8 over the next decade. In this context, more than 80% of the expected reactor demand will not be contracted by 2025. For a commodity as thinly traded as uranium, this return to more „normal“ long-term contracts is likely to put tremendous pressure on both long-term and spot prices. Therefore, there are already increasing signals among international plant operators in the direction of increased buying activity.

Modular small reactors could become demand drivers

Another growth market for uranium is currently emerging in the form of modular small reactors, or SMRs. These are small 50–100-megawatt units that can be built in a modular fashion in a factory and transported to the eventual deployment site. These scalable units can provide carbon-free benefits while competing on cost with cheap natural gas or diesel and can coexist with grid-intensive renewables due to their load-sensing characteristics and zero-emission operation. The individual SMR units have a capacity of less than 100 megawatts and can operate for 3 to 5 years without fuel reloads – without interruption. They are very similar to the compact reactors that have safely powered aircraft carriers and submarines since the 1950s, and can be ideally marketed for smaller grids, island states, or remote locations (including mining and military bases). Very significant progress has been made in government support for these innovative, carbon-free energy sources in the United Kingdom, Canada, and the United States, with several projects and designs moving forward in 2021. Among others, Microsoft founder Bill Gates is also working with one of his companies to develop such small reactors. An existing example of such a power plant is the Akademik Lomonosov, which Russia commissioned in 2019 as a floating power plant in northern Siberia. A huge market that could cause uranium demand to skyrocket in the future.

US builds strategic reserve ...

The USA is also working on the implementation of SMR technology. First of all, however, the country is trying to become less dependent on the immensely high uranium imports, primarily from the successor states of the former Soviet Union. To this end, the U.S. Congress approved a budget that will provide $150 million annually over the next 10 years to create a strategic uranium reserve. This reserve is to come entirely from uranium from U.S. mines.

The main resolutions on this were:

- U.S. purchases of 17-19 million pounds of U_3O_8, beginning in 2021 (initially at $75 million) from domestic producers based on a competitive bidding process. Subsequent support is considered necessary over a period of up to 10 years to restore market share.
- Streamline regulatory reform and access to land for uranium mining.
- Support Commerce Department efforts to extend the Russian suspension agreement to protect against future uranium dumping in the U.S. market.
- Empowering the Nuclear Regulatory Commission to deny the importation of nuclear fuel produced in Russia or China for national security reasons.
- Establish a nuclear industrial base structure analogous to the defense industrial base.
- Financing advanced water treatment technology for uranium mining and in-situ recovery.
- Increase efficiency of export processes and adopt 123 agreements to open new markets for exports of U.S. civil nuclear technology, materials, and nuclear fuel.

In this way, the U.S. government is making some concessions to domestic mine operators in an attempt to revive domestic production. It is expected that U.S. producers will need an average uranium price of at least US$50 to US$60 per pound to be able to produce sustainably. At present, only Energy Fuels, Uranium Energy, Ur-Energy and Cameco are likely to restart their mining projects, although Cameco has already announced that this is not currently in the company‘s interest.

... and reduces uranium imports from Russia

In addition to these measures, in September 2020, U.S. President Trump signed an amendment to the agreement suspending the U.S. Department of Commerce‘s antidumping investigation of uranium from the Russian Federation, reducing America‘s dependence on Russian natural uranium concentrations by up to 75% from previous levels. The agreement was set to expire at the end of 2020 and allowed the import of about 20% of U.S. low-enriched uranium requirements from Russia. The U.S. Department of Commerce determined that the natural uranium and conversion components would be about 7% of U.S. enrichment requirements and no more than 5% beginning in 2026. This represents a reduction in Russian natural uranium imports of up to 75% from previous limits. In the context that the U.S. consumes about 47 million pounds of U_3O_8 annually, the initialed agreement reduces the annual limit on natural uranium components from about 9.4 million pounds of Russian U_3O_8 to less than 2.4 million pounds.

Uranium ETFs and uranium companies drive spot price up + Sprott gets in on the action

Only recently have several other strong market players joined the fray, now securing U_3O_8 on the spot market at a small price, mostly from mines where uranium is a by-product. In addition to Cameco, which is now a buyer, Uranium Participation Corp. and Yellow Cake Plc. were also able to purchase larger quantities of uranium. Yellow Cake used its US$200 million IPO proceeds to buy 8.4 million pounds of U_3O_8 from Kazatomprom with an option to buy uranium for 9 years for an additional US$100 million per year. This takes immense pressure off the uranium spot price and also builds pressure on utilities to renew their expiring contracts. Furthermore, uranium companies such as Uranium Energy, Denison Mines and Boss Energy also bought physical uranium in order to be able to act flexibly and fulfill supply contracts in the event of an early production start-up. The news that Sprott Asset Management took over Uranium Participation and thus formed the Sprott Physical Uranium Trust also attracted attention.

The best uranium stocks promise multiplication potential!

We have taken the current situation of a uranium spot price that is far too low and does not reflect reality, plus the massive supply deficit that is expected in the future, as an opportunity to provide you with a compact summary of promising uranium shares. In doing so, we focus primarily on development companies with extremely promising projects, as these also offer a high takeover opportunity in addition to the actual appreciation due to a higher uranium spot price in this context.

(Source: rawpixel)

Interview with Dr. Christian Schärer –
Manager of the Uranium Resources Fund and Partner of Incrementum

Dr. Christian Schärer is a partner at Incrementum AG, responsible for special mandates. During his studies he started to search for the strategic success factors of successful business models. A topic that still fascinates him today and inspires him in the selection of promising investment opportunities. He studied business administration at the University of Zurich and earned his doctorate while working at the Banking Institute Zurich with an analytical study on the investment strategy of Swiss pension funds in the real estate sector. He has acquired comprehensive financial market knowledge in various functions as investment advisor, broker and portfolio manager. Since the summer of 2004, Schärer has been focusing on various investment themes with a tangible asset character as an entrepreneur, consultant and portfolio manager. He also brings his practice-oriented financial market knowledge to companies as a member of the board of directors. He is married and father of a son. In his free time, he enjoys cooking for friends and family, hiking in the Ticino mountains or reading the biography of a fascinating personality.

Dr. Schärer, over the last few months, a two-track market development can be observed on the uranium market. While there has been little price movement in the physical uranium market, uranium shares have risen quite dynamically. What are the reasons for this differentiated market recovery?

I see the significantly improved investor sentiment and the sector-specific market structure as the main drivers behind the good performance of uranium stocks. Commodity stocks have generally benefited from portfolio shifts due to an improved economic outlook. This has also helped uranium stocks. In addition, the perception of nuclear power has changed as part of the global climate debate. According to the goals of the Paris Climate Agreement, energy supply in the future should be based less on fossil fuels. Alternative energies (wind, solar, hydropower) are to be expanded accordingly. In order to compensate for the unavoidable fluctuations in the production of alternative energy sources and to stabilize the power grids, reliable power generation (24/7) from non-fossil sources will also be needed in the future. Against this background, nuclear power is increasingly seen as a valid source that provides the base load for the power grid. Because nuclear power is produced with low CO_2 emissions, nuclear power plants are a possible component of the „New Green Deal“ for the Biden administration. In addition, an EU expert report has also recently given nuclear power a green label. Accordingly, the acceptance of the investment topic „uranium“ is increasing among investors. Last but not least, the current market structures have ensured that this interest has fallen on „fertile ground“. Despite the recent price increases, the aggregate market capitalization of shares from the uranium sector remains marginal. This is illustrated by the following comparison: Elon Musk‘s fortune amounts to around USD 170 billion. However, the market value of the weightiest uranium share (Cameco) is only around USD 7 billion. Against this background, even small capital allocations by institutional investors leave clear traces in the price development of uranium shares. Accordingly, the medium-term prospects remain positive against the background of further improving fundamental data.

In contrast, the physical uranium market has been rather subdued recently. We recall that the uranium sector went through a lean period for five years after the Fukushima nuclear accident. This ended with the temporary low of the uranium spot price at the end of 2016. Since then, the uranium spot price in particular has been able to rise again somewhat. However, the physical uranium market does not yet seem to be out of the valley of tears. Why is that?

It is indeed worth taking a closer look at the market development since the reactor accident in Fukushima. Only in this way can we understand how the uranium market has moved into the current attractive starting position as part of a shakeout process that has lasted several years. For the uranium sector, the Fukushima nuclear accident was a game-changing event that unbalanced the market. At the time, Japan had 54 reactors online, produced nearly 30 percent of its electricity from nuclear power plants, and generated about 1/8th of the world‘s demand for uranium. In addition, power plant operators had significant uranium stockpiles to guarantee security of supply. Following the incident, the entire reactor fleet was taken offline. About ¼ of these reactors were permanently shut down. The remaining plants were subjected to a tough safety check and some had to be extensively retrofitted. Accordingly, the restart of the Japanese reactor fleet is taking significantly longer and has brought fewer reactors back online than originally expected. As a consequence, demand for uranium was significantly lower.

Against this background, it would be expected that uranium production would be significantly reduced due to the slump in demand, thus bringing the market back into balance.

„Prices of at least USD 50 per pound are needed to bring production capacities that have already been shut down (in care and maintenance status) back into operation.“

But this has not happened. On the contrary. Production was even expanded under the leadership of the two sector heavyweights „Kazatomprom“ and „Cameco“. From an economic point of view, 3 factors have supported this behavior. On the one hand, „Kazatomprom“ has consistently exploited its relative cost advantages due to its „in-situ production method“ and its production location in Kazakhstan. With its low-cost base behind it, the company has risen to become the market leader (40% market share) in global uranium production. On the other hand, thanks to their full order books with long-term supply contracts on good terms, the other producers were able to largely escape the price pressure of the market in the early years. The market imbalances therefore did not diminish in the period from 2011 to 2016, but actually increased. The need for adjustment was all the greater as a result.

In this context, it is also important to understand that uranium demand by power plant operators is hardly price sensitive. This is because the total production costs of nuclear power are only marginally dependent on the level of fuel costs (uranium price). The most important cost block in the operation of a nuclear power plant is the capital costs (capitalized construction costs, which are depreciated over the entire operating life). Thus, the cost structure of a nuclear power plant differs significantly from that of fossil-fired power plants (high share of fuel costs in total production costs). This cost structure shapes the inventory cycle or purchasing behavior of nuclear power plant operators. It is not the absolute level of the uranium price that primarily drives uranium demand, but rather security of supply considerations. Anyone who invests billions in the construction of a nuclear power plant also wants to be able to operate it! From this point of view, the behavior of the power plant operators is not surprising: good availability and low price of uranium do not lead to an increase in stockpiles, but to their reduction. This put additional pressure on the market.

In 2016, the turnaround on the uranium market was triggered by the realization that economic realities can be ignored but never permanently overridden. The full order books of uranium producers with their guaranteed purchase volumes and prices fixed at a high level had in the meantime been largely worked off. Continuing to produce and sell uranium on the spot market at prices that did not cover costs was not an economically viable prospect in the long term. From a business perspective, it made more sense to leave the uranium unmined in the ground and wait for better times. Accordingly, obligations under existing supply contracts were increasingly covered by purchases on the spot market. In addition, Kazakhstan also realized that its dominant market position was not earning enough on the bottom line due to the low prices realized. This laid the foundation for a shakeout on the supply side. As a result of initial production cuts, the uranium price entered a bottoming-out phase after years of price correction.

Since 2017, several major uranium producers have closed mines, reducing supply. The Corona pandemic again led to mine closures or lower production volumes, especially in mines where uranium is a by-product and ends up on the spot market.

To what extent will this supply shortage lead to an improvement in the current situation of the uranium sector?

In this context, it is important to distinguish between strategic and cyclical market developments. The Corona-related production cuts have relieved the market in the short term as part of a cyclical fluctuation and supported the spot price. This was because, due to interruptions in production, renowned producers were no longer able to cover their delivery obligations from their own uranium production, but only with purchases on the spot market. This was a welcome contribution to the desired stabilization of the market. However, these capacities will sooner or later find their way back into the market, as the example of Cameco‘s „Cigar Lake“ mine has recently shown. This also applies in particular to producers where uranium is a by-product of the production process.

More important for the further development of the uranium price, however, are the changes at the strategic level. Under the leadership of the two heavyweights „Kazatomprom“ and „Cameco“, the supply side has attempted to lead the uranium market back to a new equilibrium over the past four years with significant production cuts. We are seeing previously unknown supply side discipline in the market. As a result, global mine production is likely to have reduced by around a quarter compared to 2016.

These production cuts reflect nothing more than the recognition of economic realities by uranium producers. From the mine operators‘ point of view, the ratio of the production costs of their existing capacities (ASIC – All In Sustaining Costs) to the spot price is relevant. If these costs are higher than the selling price realized on the spot and forward markets, then uranium production makes no sense from a strategic point of view.

In the current environment, the economic reality for uranium producers is as follows: Both spot and forward prices are hovering around USD 30 per pound. Global demand is approximately 180 million pounds. In total, around 125 million pounds were probably produced last year. The market is accordingly in deficit and the resulting supply gap is being met from non-strategic stocks as well as from secondary sources. This is a development which, in view of the declining stockpiles, does not appear to be sustainable and is likely to be accentuated in the coming years due to the economic realities (ASIC) on the part of the mine operators. This is because less than 100 million pounds of current production is mined at a maximum cost (ASIC) of USD 30 per pound. Consequently, a good 30% of the current production is not cost covering from an economic point of view and thus not sustainable! Consequently, the accentuating supply gap can only be closed by significantly higher uranium prices. Prices of at least USD 50 per pound are needed to bring production capacities that have already been shut down (in care and maintenance status) back into operation. For new mining projects to be realized, uranium prices need to be sustainably established above the USD 60 mark. It must be taken into account that even the „only“ decommissioned capacities are not available again at the push of a button. Recommissioning takes time and costs money. Not to speak of the realization time of new mining projects...

Until now, we have focused our discussion exclusively on the supply side of the uranium market, which is under pressure. However, the demand side is also on the move. It is worth noting that, despite the nuclear phase-out in the German-speaking world (Germany, Switzerland), global electricity production from nuclear power plants has again surpassed the old highs from before the events in Fukushima. In particular, the expansion of reactor fleets in China, India, the Middle East or Russia is leading to a net growth in demand of around +2% p.a. despite various reactor shutdowns in the Western industrialized countries. As already noted in the introduction, this expansion of nuclear power is driven by the steadily increasing demand for low-CO_2 base load in the power grids. Nuclear power plants produce in a 24/7 rhythm and help to balance the large production fluctuations of wind and solar plants and thus stabi-

incrementum

lize the power grids. In addition, nuclear power is a welcome trump card in the fight against air pollution as well as import dependence in fossil fuels. What also strikes me as remarkable is the fact that this growth is characterized by high visibility. Nuclear power plants do not appear or disappear overnight. Planning and construction cost a lot and take a long time. But once a reactor is up and running, operators aim for high utilization of production capacity over its entire 40-plus-year life, if possible. This transparency of demand development clearly distinguishes the uranium market from the cyclically sensitive commodity markets in the base metals or energy sectors.

In summary, looking at the current constellation on the uranium market, we note that, on balance, a further expanding supply gap is emerging. Around 30% of current uranium production is unsustainable from an economic point of view. At the same time, the demand side is growing at around 2% p.a. The supply gap (demand > mine production) will consequently widen. So far, the deficit has been covered by reducing non-strategic stock positions and from secondary sources. However, destocking is likely to soon reach its limits in view of the security of supply sought by power plant operators. The conclusion from my point of view is clear: the risk on the uranium market is about to move from the supply to the demand side. The demand side will become the catalyst for a significant price increase with the start of the new inventory cycle. This is the only way to close the growing supply gap.

This year we have observed a new phenomenon on the uranium market. In addition to the two holding companies „Yellow Cake" and „Uranium Royalty", non-producing companies (as yet) have also appeared as buyers on the uranium spot market. How do you interpret this development?

These purchases of physical uranium on the spot market by „Uranium Energy", „Denison Mines" and „Boss Energy" are indeed remarkable. They have occurred, in my opinion, for 3 reasons. First, they reflect the positive market assessment by the decision makers involved. They obviously assume that the shakeout on the spot market due to destocking is already well advanced and accordingly a price recovery is foreseeable soon. Secondly, these purchases show that refinancing opportunities on the uranium market have improved significantly as a result of the rise in share prices. The capital increases required for this are also easier to justify to shareholders because of the lower dilution. And thirdly, these purchases give companies more room for maneuver. With the physical uranium stocks in hand, it is also easier to conduct credible negotiations on long-term supply contracts with potential buyers and financing banks.

„It is worth noting that, despite the nuclear phase-out in the German-speaking world, global electricity production from nuclear power plants has again surpassed the old highs from before the events in Fukushima."

The U.S. in particular is working to get its uranium industry going again. How do they plan to achieve this?

The background for the various initiatives and proposals to support domestic uranium producers is the fact that U.S. nuclear power plants provide about 20% of the nation's electricity production. However, due to low uranium prices, uranium production from domestic mines has collapsed in recent years and almost all of the uranium needed for production must be imported. However, a good 40% of these imports come from countries that are considered politically untrustworthy from a U.S. perspective or are outside the U.S. sphere of influence. This brings the issue of supply security into focus. Accordingly, the U.S. Department of Commerce has developed various recommendations for action based on a study of supply security. Common to all is the intention to incentivize and support uranium production from domestic sources.

In the latest budget proposal of the US government, the proposal to build up a strategic uranium reserve was included. Up to USD 1.5 billion is to be made available for this purpose over the next 10 years. However, much is still unclear with regard to implementation. Moreover, the deal is only a proposal within the current budget process, and it still has to be approved by the parliament. It is also unclear whether the next administration will continue to support the project. It is also not settled at what price the uranium will be purchased. At a fixed price that covers production costs. Or at the current spot price? Depending on the definition of the purchase price, there are different volumes that could be acquired with the said US$1.5 billion. It also remains unclear from whom to buy. However, the non-existing domestic production capacity is precisely the origin of the initiative. So, a lot of things have not been thought through yet. But the impetus has been set.

You are the manager of the Uranium Resources Fund (ISIN LI0224072749) of LLB Fundservices AG in Liechtenstein. What strategy are you pursuing and what does the fund actually represent?

An investment in our Fund is a focused bet on the widening supply gap in the uranium market. Despite the recent price rises, investors with a medium-term investment horizon can expect an attractive return potential, although this is also subject to corresponding risks. The Fund is therefore suitable as a supplementary component in a diversified portfolio and not as a basic investment. The Uranium Resources Fund holds around 30 positions in the portfolio. This diversification makes sense against the background of the current state of the uranium market.

What selection criteria do you use when choosing fund stocks, and what are your current top performers?

Although the price recovery on the physical uranium markets has been hesitant so far, we are convinced on the basis of the fundamental starting position that the uranium market will make the sustained upward turn in view of the growing supply gap. However, interim setbacks and high volatility remain a feature of this tight market. The still young bull market in uranium stocks will open up large profit opportunities. We want to consistently exploit these while accepting controlled risks!

Against this background, our portfolio stands on four pillars. The first pillar is our strategic liquidity ratio. This ensures our ability to act at any time. In this way, we take advantage of attractive entry points that regularly open up due to the volatile price performance of many uranium shares.

With the second pillar, we want to participate directly in an improvement in the uranium spot price. Without higher uranium prices, a sustainable recovery of uranium producers is difficult to imagine. That is why two investment companies, which have invested their funds mainly in physical uranium, form the core of the portfolio. If our view is correct, the supply gap in the uranium market will be closed via a rising uranium price. „Uranium Participation" and „Yellow Cake Plc." should accordingly be the first and most immediate beneficiaries of this price recovery. We have added to this group with a position in Uranium Royalty Corp. The company adapts the „streaming and royalties" business model, which has been successful mainly in the precious metals environment, to the uranium market. The company finances uranium mines and in return secures a share in current or future production. However, this is done without taking on the risks associated with operating a mine.

incrementum

„The supply gap and the associated potential for rising uranium prices are still only foreseeable, and the expected turnaround on the physical uranium market is still a long time coming despite the good fundamental prospects.“

The third pillar focuses on the shares of uranium producers or standby producers with approved and/or realized projects that are not currently in production. When uranium prices start to rise, the producers who can place significant uranium production on the market will benefit. Only those who produce can also deliver. To be on the safe side, we focus on companies that have low production costs on the one hand and a good order book of long-term supply contracts on the other. Significantly represented in the portfolio are the two industry leaders „Cameco“ and „Kazatomprom“. Both companies have a broad portfolio of first-class production sites. Despite the challenging environment, both companies are cash flow positive and pay a decent dividend. This group is complemented by investments in companies to which we would give the status of „standby producer“. These are companies that have a portfolio of approved production facilities and processing capacity. Production could be launched within a foreseeable period of time as soon as the economic conditions (i.e., a higher uranium price) are met. We include „Uranium Energy“ or „Energy Fuels“ in this group, for example.

Under the fourth pillar, we focus on explorers and developers that are advancing world-class development and mining projects. These are particularly interesting if they can start their production in the time window of the expected supply gap. They will then be able to benefit from correspondingly attractive sales prices. In addition, these assets should have the necessary size to also qualify as takeover targets. After all, we assume that a wave of consolidation will take place on the uranium market once the price turnaround has occurred and that mining companies from outside the sector may also want to position themselves in the uranium business. This would make sense not least because of the low cyclical sensitivity and the comparatively high visibility of uranium demand. For example, the companies „Denison Mines“ or „Boss Resources“ can be assigned to this group.

What advice do you have for investors interested in investing in the uranium sector?

The supply gap outlined above and the associated potential for rising uranium prices are still only foreseeable, and the expected turnaround on the physical uranium market is still a long time coming despite the good fundamental prospects. If, contrary to expectations, the current bottoming phase continues for a longer period, the air will quickly become thin for some uranium producers. Their balance sheets have been eroded by the continuing collapse in prices and their cost-cutting potential has already been largely exhausted. The environment also remains challenging for developers of new uranium projects, as their projects will only become economically viable and therefore feasible as uranium prices rise. Accordingly, it is difficult to find investors to finance the next project stages. Anyone who puts all their eggs in one basket in this constellation is playing for high stakes – possibly even too high. The use of a fund that invests in a diversified manner within the theme seems reasonable to me. In addition, we recommend a staggered build-up of positions.

Interview with Scott Melbye

Executive Vice President of Uranium Energy, Commercial V.P. of Uranium Participation Corp. and Ex-Advisor to the CEO of Kazatomprom

Scott Melbye is a 35-year veteran of the nuclear energy industry having held leadership positions in major uranium mining companies as well as industry-wide organizations. Through to June 2014, Melbye was Executive Vice President, Marketing, for Uranium One, responsible for global uranium sales activities. Prior to this, Melbye spent 22 years with the Cameco Group of companies, both in the Saskatoon head office and with their U.S. subsidiaries. He had last served as President of Cameco Inc., the subsidiary responsible for marketing and trading activities with annual sales exceeding 30 million pounds U_3O_8. Melbye was formerly the Chair of the Board of Governors of the World Nuclear Fuel Market and President of the Uranium Producers of America. He also currently serves as Executive Vice President of Uranium Energy and VP-Commercial for Uranium Participation Corporation and was Advisor to the CEO of Kazatomprom, the world's largest uranium producer in Kazakhstan. Melbye received a Bachelor of Science in Business Administration with specialization in International Business from Arizona State University in 1984.

Mr. Melbye, you have held and continue to hold senior positions with a variety of uranium companies and are considered one of the world's most respected uranium experts. Can you give our readers a brief overview of your career to date?

Thank you, it is a pleasure to share my observations and insights into the global uranium market with your readers. I have been fortunate to spend my entire 36-year career in the uranium and nuclear energy industries. Starting out as a nuclear fuel broker with Nukem in New York on 1984, and later being responsible for uranium fuel procurement at the three-unit Palo Verde Nuclear Generating Station in Arizona, really prepared me for the bulk of my career in uranium mining. In addition to 23 years with leading producer, Cameco, most recently as President of their global uranium marketing subsidiary, I also held leadership roles at Russian-owned, Uranium One and Kazakhstan's State uranium company, Kazatomprom. I have also had the opportunity to manage the physical uranium activities of Uranium Participation Corp. Since 2014, I have served as Executive Vice President of U.S. uranium developer and producer, Uranium Energy Corp., and more recently assumed the CEO role at Uranium Royalty Corp. which launched as a public company in December 2019.

The uranium spot price has been in a bearish phase for about 5 years and has not yet been able to recover significantly from its low in 2016, until very recently. What are the main reasons for this development?

While we are very encouraged by the recent improvements in the uranium spot market (up 63% from 2016 lows), it has indeed been a frustratingly slow recovery with prices moving sideways or rallying temporarily, only to fall back to previous levels. With the benefit of hindsight, we can now see that 2016 was a pivotal year for uranium fundamentals. As a result of Fukushima market impacts, the uranium price fell from a ten-year high of US$70 per pound in early 2011 to a cycle low of US$17.75 per pound in November 2016. Today, uranium prices have been fluctuating above and below $30 per pound. In the face of falling prices over the past decade, global uranium production counter-intuitively grew, year-over-year, and finally peaked in 2016 at 162 million pounds. This speaks to the relative inefficient nature of the uranium market compared to other mineral commodities like copper, gold or silver. In those commodities, price signals usually manifest in adjustments to supply much more rapidly, in real time, as selling prices are more reliant on spot price indexing. In the case of uranium, the prevalence of hedged, long-term contracts at higher-priced, base-escalated terms insulated many producers from the lower spot prices. However, by the end of 2016 we began to see the rapid drop off of that long-term contractual coverage that was secured in the previous cycle, hence (finally) exposing producers to the depressed market conditions. The uranium market has, as a result, seen a steady drop in global uranium production from 2017 to the present. This has been a key supply development as it finally allows the critical drawdown of excess inventories over-hanging the market. These supply cuts have created a gap in 2021 between annual production (likely around 127 million pounds in 2021) and consumption (about 175 million pounds) of about 47 million pounds U_3O_8. In 2020 this gap was widened by reductions in mine supply to about 57 million pounds due to the Coronavirus pandemic which we will discuss in more detail.

With regards to the demand side during this period we also witnessed the closure of Japanese reactors (both temporary and permanent), and the gradual phase-out of German reactors in response to Fukushima. However, after a period of safety re-assessments and plant upgrades, we experienced a resumption of nuclear plant construction globally which remarkably returned global nuclear generation to pre-Fukushima levels in 2019.

This growth has also been helped by changing attitudes towards nuclear power, particularly in the climate change community where it is increasingly being seen as an important contributor towards a lower-carbon energy future.

So, this begs the question why the post-2016 recovery to-date has been so slow and stubborn? The main reason rests in a key catalyst which has only recently begun to re-emerge. Namely, the procurement activities of the world's nuclear utilities. Just as long-term contractual coverage has been rolling off for uranium producers in recent years, this has logically also been the case for their counterparty customers, the utilities. However, rather than rush back into new long-term contracts with producers, the utilities have been content to focus on spot and near-term procurement with prices that reflect the near term over-supplied market (spot prices have fluctuated in the $20-$31 per pound range). This has been especially compelling considering the utilities had been paying $40-$60 per pound, or higher, under older legacy contracts signed in the previous bull-market (the most famous example being the Cameco/Tokyo Electric Power contract at $100 per pound). The most appealing option for these short-term focused buyers had been the "carry-trade" facilitated by trading companies that buy spot material, carry it at historic low cost-of-money levels, and deliver two to three years out at fixed prices, which were at or below, $35 per pound. While this myopic view of future uranium supplies has had a very positive impact on the fuel costs of nuclear power plants, it has not provided the level of long-term incentive pricing for uranium producers to sustain or start up new production. In a uranium market that consumes between 170 and 180 million pounds of uranium annually (and heading towards 200 million), the forward contracting levels of utilities should be at or near those levels each year to avoid falling behind on future needs. To the contrary, UxC Consulting reported long-term contracting levels in the years 2013 to 2020 averaged about 67 million pounds per year (well below normal levels). Fortunately, a shift in buyer behavior began to be observed in the 4th quarter of 2019 and was continuing into 2020, until Coronavirus hit and again put a damper on long term procurement activities. While utilities can rely to some degree on shorter term strategies as a temporary measure (and have done so) the return to more strategic buying is not only inevitable, but imminent. Recent geopolitical developments with the U.S., China, Iran and Russia, as well as a completely idled uranium production industry in North America, have only reinforced this need. This long-awaited interaction between buyers and primary producers should support price formation in both the spot and long-term markets which tend to interplay off of each other. Of course, as the pool of cheap spot material has been depleted by spot purchasing and carry trade activities, the spot price will rise (hence putting upward pressure on long-term prices). A current debate among market observers exists as to whether this pool of spot supply is greater than expected, or conversely, is not that extensive after years of drawdown, but has simply not been tested yet by meaningful procurement levels. These supplies were challenged recently as a number of junior uranium development companies independently took the strategic step of buying uranium in the spot market, adding a valuable (under-priced) asset to their balance sheets. This purchasing (approximately 10 million pounds in total) moved the uranium spot price by $3 to $4 per pound in only a couple weeks. This, and the recent depletion and permanent closure, of two of the world's largest and longest running mines in Australia (Ranger) and Niger (Cominak), have accelerated the drawdown and moved us closer to a market which becomes driven more by the cost and availability of primary mine production.

Over the past three years, several of the leading uranium producers – in particular Cameco and Kazatomprom – have announced production cutbacks, some of them substantial. When will these have a significant impact on the uranium spot price?

Although there were some earlier exceptions, global production cuts really began to kick in during 2017 and are still a somewhat recent development. However, the magnitude of these supply cuts has reached significant levels, taking some 40-60 million pounds from the market each year over the past few years. With indications that these conditions are not abating, the cumulative impact is an accelerated drawdown of excess inventories. While this production discipline is quite widespread, affecting mines in the United States, Africa and Australia, the most profound impact has been seen in Canada. After shuttering their Rabbit Lake Mine in 2016, Cameco took their world-class McArthur River Mine offline in 2018. To put this into perspective, the McArthur River operation is the world's richest uranium mine with ore grades 100 times the world's average. Production had been approaching 21 million pounds annually. Cameco made the difficult, but logical decision, to suspend this production and instead meet their very substantial long-term contract book from spot market purchases. Not only does this move reduce fresh supplies to the market, it also accelerates the drawdown of excess inventories through their purchasing activities. It also preserves valuable geological resources in the ground until they can be mined at financial returns commensurate to their discovery, and development value.

The longer the prevailing market prices remain below incentive levels, additional production will be removed from the supply equation. While all of these cuts add to the needed economic "supply destruction", the keys still remain in the hands of world leader, Kazakhstan. Their State-producer, Kazatomprom, has also announced cuts from "planned production" in recent years, but many market observers assert that more could be done to help rebalance the market more quickly. These moves have currently capped their output at about 59 million pounds annually, which represents 40% of global supply. Incidentally, this growing reliance on a single country, under Russian (and Chinese) influence and in a volatile part of the world, has security of supply implications, and has begun to cause some utilities to rethink nuclear fuel diversification objectives. The recent acquisition of 49% of Kazatomproms's Ortalyk project by China's CGN Mining should put an exclamation point on the concern for western utilities.

The Coronavirus Pandemic has had profound impacts on the global economy, and we have now begun to see this affect major uranium operations around the world. Is this behind the recent dramatic increase in uranium prices recently?

Very substantial production cuts occurred as a result of the Coronavirus precautions taken to protect the health and safety of uranium miners, support staff and impacted communities. In the Spring and Summer of 2020, these announced mine shutdowns affected approximately 50% of worldwide monthly uranium output. Production cutbacks from Canada's Cigar Lake, Kazakhstan's operations, Moab Khotseng in South Africa and the Chinese-owned Husab and Rossing mines in Namibia, removed as much as 6-7 million pounds from the uranium market in the months these measures were in place. Most of these mines have since announced their resumption of development and mining activity, but the ramp up back to planned volumes has been slow and gradual. In fact, the Cigar Lake Mine in Canada restarted production, only to have to shut back down when COVID-19 cases spiked in the Province. They have recently announced (again) a return to production but the ramp up to full production will not occur overnight. In Kazakhstan, the biggest impact to production volumes occurred in 2021 due to the nature of In-Situ Recovery (ISR) mine development. The total reduction in global production from COVID-19 related causes is expected to have been about 19 million pounds, dropping annual production in 2020 to about 124 million pounds. In answer to your question, while this provided a tipping-point catalyst for uranium prices early in the 2020, the real driver will be the rebalancing of global supply and demand fundamentals over the past 4 years. Put another way, this Coronavirus "black swan" event has served to accelerate fundamentals that were already significantly improved going into 2020.

The Trump Administration recently released its comprehensive policy document on nuclear energy, including an initiative to invest a total of US$ 1.5 billion over the next 10 years in a national domestic uranium reserve. What impact will this have on the US uranium industry and the entire uranium sector?

In 2018, the U.S. Commerce Department initiated a Section-232 investigation into whether the extreme levels of foreign uranium imports (now effectively 100%) were posing a national security threat to the United States. The Trump Administration had recently invoked tariffs on steel and aluminum imports under a similar 232 investigation. While the Trump Administration decided against tariffs or duties on foreign uranium imports in July of 2019, the President did conclude that a threat to national security existed. As a result, Trump formed the U.S. Nuclear Fuel Working Group comprised of his Senior Cabinet Secretaries and Administrative Agency Heads. Their objective was to recommend policies to the President to revitalize and expand the domestic nuclear fuel cycle, including uranium. It should also be noted that in addition to the uranium requirements of the electric utility companies (nuclear is 20% of US electricity supply), the U.S. Defense Department requires U.S. origin uranium for the Navy fleet of 83 aircraft carriers and submarines. The report titled "Restoring America's Competitive Nuclear Energy Advantage – A strategy to assure U.S. national security" was released by the U.S. Department of Energy in April 2020 and provided the strongest policy support for nuclear energy since the Eisenhower Administration in the 1950's. A significant element of the plan was previously announced as part of the President's proposed FY 2021 Budget. In the budget, President Trump called for a 10-year program to establish a domestic uranium reserve funded at a rate of US$150 million per year. Through bipartisan support in the Congressional appropriations process, the program was officially funded for FY2021, albeit at a reduced $75 million level. While the program awaits implementation by the new Administration, and many of the specific details have yet to be announced, this is viewed as a very welcome stimulus measure providing supplemental demand for U.S. mined uranium, in addition to the broader market requirements of the nuclear utility companies. The Nuclear Fuel Working Group Policy also highlighted the national security risks of America's over-reliance on imported uranium, particularly from State-owned suppliers such as Russia. It urged the continued limits on Russian nuclear fuel supplies through the U.S. Department of Commerce agreement suspending the Russian anti-dumping investigation (so-called Russian Suspension Agreement, or "RSA"). The RSA had limited the import of Russian nuclear fuel supplies (uranium, conversion and enrichment) to no more than 20% of American uranium requirements, however, these limits were set to expire in December 2020. Since the U.S. Department of Commerce had indicated that the resumption of Russian dumping would likely occur in absence of restrictions, the conditions for a negotiated extension of the RSA were possible. This agreement has now been concluded between the U.S. and Russian Federation, extending restrictions for an additional 20 years. Furthermore, in line with the Nuclear Fuel Working Group recommendations, the amount of imports will decline over time (with the natural uranium component of Russian low-enriched uranium being significantly reduced from 20% of U.S. requirements, down to 7% over the period).

Do you see large new mines starting production in the next few years? What (spot) price will most companies need to push the development of new mines and bring their projects into production?

This is the key question facing the uranium market in the coming years. While new production is not needed today, we do not have to go very far into the future to see that restarts of idled capacity, and new mine start-ups, are required to meet robust and growing demand for uranium. However, in a "Catch-22" very similar to the previous bull market, the market price incentives have simply not been present in the recent sub-$30's spot market (and while the depressed longer-term market has been impacted by lower-priced carry trades). With every year that these conditions persist, and significant long-term utility uncommitted needs are looming, the likelihood of a supply crunch increases. The lead-times to permit, license and construct new uranium mines can be 6-10 years in duration and no level of uranium price can shorten those development times.

This, of course, begs the question of what price levels are needed to incentivize the additional supply going forward. Speaking very generally, the incentive price to return idled capacity into production, or advance the start-up of the most competitive new mine developments, is likely somewhere in a sustained $40-$50 per pound level. A point in case being the McArthur River Mine where restart thresholds have been indicated to fall in this range. The most competitive new mine developments that can advance in this range are likely restarts of idled mines (limited in number) or ISR operations, and those who are fully permitted and licensed (with smaller capital requirements) have an important first-mover advantage. For conventional mines requiring long permitting, licensing and development lead-times and large capital investment, they will likely require sustained prices in the $60+ per pound range.

What does the current demand situation look like? Who could be the driving force behind the revival of the uranium price in the future?

The current demand situation for uranium can be described as robust and growing. The previous bull market in uranium was, in part, fueled by future forecasted growth in nuclear power. Today, we are actually seeing these reactors being constructed and entering into commercial operation. The nuclear energy industry has seen 55 new reactors connected to the global grid in the last eight years, and 54 additional reactors are under construction. Global requirements for uranium are projected by the World Nuclear Association to top 200 million pounds annually in the coming years (2% annual growth in the reference case forecast).

Most importantly for current and future growth, we have begun to see public attitudes toward nuclear energy turn decidedly more positive in recent years. Former opponents of nuclear energy have softened their positions, or even spoken out in support of this safe, large baseload source of carbon-free electricity. At recent climate change meetings such as the COP 25 in Madrid, there has been an almost panicked realization that despite billions of dollars and euros spent on renewables in the past 25 years, very little progress has been achieved in global carbon reductions. Nowhere is this more evident than in Germany where the Energiewende commitment to renewables (without nuclear) has only resulted in electricity rates 50% higher than that of nuclear neighbor, France (who produce 1/10 the carbon emissions per capita). In the process, Germany has grown increasingly dependent on Russian natural gas, and ironically, French nuclear-generated electricity imports. None of this particularly comforting for Europe's leading economy which is based on energy-intensive manufacturing exports. This point is not to single out Germany's energy policy, but to highlight the difficulty, if not impossibility to achieve meaningful carbon reductions without a significant component of nuclear power in the energy mix. In the United States (California in particular), and in South Australia, we have begun to see serious electricity reliability issues as a result of an over-reliance on intermittent renewables. Note that these are all leading global economies, and not emerging markets where electricity shortages and blackouts might be more expected.

In that regard, many of those emerging markets, with large and growing populations, struggle to energize their economic growth without adding to extreme levels of harmful air pollution in their major cities. The good news is that nuclear energy can solve those problems with production of very safe, highly reliable, 24-7, carbon free, clean air electricity.

Another growth market for uranium is emerging from Small Modular Reactors ("SMR's"). These are not the 1,600 Mwe large reactors with large capital costs and long construction

Source: vlastas@shutterstock.com

times, but rather the small 50-100 Mwe units that can be constructed in a factory and shipped on site. These scalable units can provide carbon-free benefits while competing on cost with cheap natural gas and can co-exist with grid-heavy renewables due to their load-following characteristics. They are very similar to the compact reactors that have powered aircraft carriers and submarines safely since the 1950's, and can be ideally marketed to smaller grids, island nations, or remote locations (including mining operations and military bases). Very significant advances in government support of these innovative, carbon-free, energy sources have occurred in the U.K., Canada and United States, with multiple projects and designs advancing in 2021.

In the United States, the new Biden Administration is embracing nuclear energy as a central part of their clean-energy, carbon reduction goals. While this will be a difficult time for the fossil fuels industries, it is already being seen as a boost for preserving the existing fleet of 94 American reactors that provide 20% of U.S. electricity and over 50% of its carbon-free energy. It should also continue, or even advance, the U.S. Department of Energy's Advanced Reactor Development Programs that are funding a number of SMR and advanced reactor designs.

In summary, what do you expect for the uranium sector in the next two to three years?

In summary, expect very good things from the uranium market in 2021. This optimism is grounded in the most fundamental factors of supply and demand. Uranium has suffered a long, severe, bear market, but appears to have turned the corner. Any economist will tell you that no commodity will stay down, nor go up forever. Our uranium market is no exception, and it's unique and inefficient nature has caused market forces to manifest more slowly into higher prices. This prolonged, but very fundamental rebalancing, is already driving substantial appreciation in uranium equities. The continued growth in global nuclear energy, production discipline by existing producers and underinvestment by new producers, will continue to test the market fundamentals in the coming months. As global utilities return to more normal procurement levels, more upward pressure on uranium prices should develop. The Coronavirus crisis has shocked economic markets in ways few imagined and certainly grabbed the headlines during 2020 but has now been replaced by the growing realization of nuclear energy's role in a lower carbon future. In the meantime, however, a very compelling supply and demand narrative for uranium has emerged and should not be overlooked by resource investors seeking out-sized gains though this very safe, clean, green energy commodity. Opportunities exist with the well-run uranium companies that are positioned with quality assets and management teams that can capitalize on this story. Recent global mine cutbacks coupled with the green-energy mega-trend towards nuclear, may well be proving to be the long-awaited catalysts in a market poised for significant recovery.

Blue Sky Uranium

High-grade uranium deposits with the prospect of low-cost surface mining!

Nikolaos Cacos, CEO

In the vast majority of cases, a standard uranium mine extracts the corresponding rock underground, which drives up the construction and mining costs accordingly. The Canadian development company Blue Sky Uranium owns several huge uranium licenses in Argentina which, after reviewing the initial drilling results, should in all probability be exploitable in open pit, i.e., surface, operation. This is a huge cost advantage, promising not only faster mining but also high margins. The aim is to supply Argentina's nuclear power plants with their own uranium.

Amarillo Grande Uranium-Vanadium Project: Location, Resources and Mining Opportunities

Blue Sky Uranium's flagship project is called Amarillo Grande and consists of three sub-projects, Anit, Ivana and Santa Barbara. In 2010, Blue Sky Uranium was granted exclusive rights to conduct airborne geophysical surveys over an area of 2.265 million hectares. After a thorough investigation, the decision was made to acquire the exploration rights to Anit, Ivana and Santa Barbara, as they encountered several significant anomalies. These three license areas total approximately 261,000 hectares and are located in Argentina's Rio Negro province. Anit, Ivana and Santa Barbara lie within a 145-kilometer trend that hosts several known uranium occurrences. In addition to near-surface uranium mineralization, Amarillo Grande also hosts significant vanadium resources. The uranium and vanadium-bearing rocks range in depth from 0 to 25 meters, and the deposits can extend for several kilometers. The overburden consists of only slightly compacted sand, which results in not only favorable mining costs, but also extremely favorable drilling costs. Mining is usually carried out by means of a so-called scraper, which removes the rock layers and loads them directly onto a truck driving alongside by means of a conveyor belt. There is no need for drilling or blasting, which drastically reduces mining costs. In addition, most of the excavators normally required are not needed. The rock material can be processed in a plant centrally located between the three subprojects using leaching, which is also cost-effective. All these advantages make it possible to exploit even low-grade deposits. One example of such a mine is Langer Heinrich in Namibia. It should be noted that Blue Sky Uranium has the added advantage of additional vanadium resources.

Amarillo Grande Uranium-Vanadium Project: Ivana

The largest subproject by area and the southernmost is Ivana. It covers approximately 118,000 hectares and hosts an anomaly approximately 25 kilometers long. Within a 4,500 by 1,500-meter corridor, sampling and drilling encountered high-grade mineralization consistent with previous radiometric surveys. Initial sampling detected up to 1.81% U_3O_8 over 0.75 meters. This sample was located only 2 meters below surface.

Subsequent drilling has intersected 3,136ppm U_3O_8 over 1 meter, 2,182ppm U_3O_8 and 1,285ppm V_2O_5 over 2 meters, and 2,087ppm U_3O_8 and 1,892ppm V_2O_5 over 1 meter, all within significant uranium and vanadium mineralization up to 20 meters thick. All of these drill results were from depths up to 23 meters! Additional drilling has also returned additional high-grade results including 10,517ppm U_3O_8 over 1 metre and 8,618ppm U_3O_8 also over 1 metre, each within 8 metre intervals of over 2,200 and 2,800ppm U_3O_8 respectively. In 2018, the Company encountered over 20,000ppm U_3O_8 (equivalent to over 2%) over 1 meter, among others. This successfully confirmed the initial grades of over 1% U_3O_8! A 2019 resource estimate returned an inferred resource of 22.7 million pounds of U_3O_8 and 11.5 million pounds of V_2O_5 for Ivana.

Based on this resource estimate, an initial economic estimate for Ivana was also prepared in 2019. Based on a uranium price of US$50 per pound U_3O_8 and a vanadium price of US$15 per pound V_2O_5, the net present value (discounted at 8%) was US$135.2 million and the internal rate of return was a very good 29.3% after tax. Based on a daily mining volume of 13,000 tonnes (including overburden) and a daily processing volume of 6,400 tonnes, this results in an annual production of 1.35 million pounds of U_3O_8 and a total production of 17.5 million pounds of U_3O_8 over a life of 13 years. The initial capital cost was estimated at US$128 million and the all-in sustaining cost at US$18.27 per pound of U_3O_8. This results in a payback period of 2.4 years. This would place Ivana in the lower quartile for operating costs.

Currently, the company is working on metallurgical testing and a process design program at Ivana.

Amarillo Grande Uranium-Vanadium project: Anit

The second subproject, Anit, covers approximately 24,000 hectares and is centered between Ivana and Santa Barbara. Anit lies on a 15-kilometer trend of near surface uranium mineralization. Historical exploration work has averaged grades of 0.03% U_3O_8 and 0.075% V_2O_5 over 2.6 meters for 81 drill holes. In the western and central zones, 103 pits with uranium grades greater than 50ppm were encountered, averaging 1.97 meters of 0.04% U_3O_8 and 0.11% V_2O_5. One drilling campaign detected uranium grades up to 1,114ppm U_3O_8 and up to 3,411ppm V_2O_5. In particular, the very high-grade vanadium resource encountered attracted management interest.
Test work also showed that a large part of the existing uranium and vanadium resources can be significantly improved by so-called wet screening, since coarse gravels in particular have hardly any uranium content. This would reduce transportation and processing costs and allow simultaneous extraction from several satellite projects.

Amarillo Grande Uranium-Vanadium Project: Santa Barbara

The third subproject, Santa Barbara, is located northwest of Anit and is still in its infancy. Blue Sky Uranium has already identified several anomalies there and intends to make a new discovery soon.

Amarillo Grande Uranium-Vanadium Project: Exploration Potential and Current Work

Currently, the Company is focusing primarily on Ivana. Several anomalies have been identified in the central and northern areas of the project area. In the central area, a 6-kilometer IP survey was conducted, which was extended to over 7 kilometers due to an open chargeability anomaly in the western part. In the northern area, a 5-kilometer chargeability anomaly was seen from surface to 30 meters depth along an 8-kilometer IP survey line correlating with airborne and ground-based radiometric anomalies. Systematic sampling is underway. Previous results included 1.40% U_3O_8 over 1.10 meters, including 2.74% U_3O_8 over 0.5 meters.

The current focus of work is on target areas with significant uranium-vanadium anomalies. To this end, a 4,500-meter reverse circulation drill program commenced in February 2021 at Ivana Central & Ivana North. Work continues on permitting and project planning for exploration at the Ivana East & Cuatro targets and on engineering & process test work to support advanced technical studies of the Ivana deposit.

Grosso Group: The Game Changer

Blue Sky Uranium is part of the Grosso Group of companies. The Grosso Group is a management company that has been in business since 1993, specializing in South America, particularly Argentina, and has made 3

multi-million-ounce precious metal discoveries in Argentina alone. In addition, partnerships with commodity giants such as Barrick, Areva, Rio Tinto, Teck and Yamana have been established. Company CEO Joe Grosso was named Argentina‘s Mining Man of the Year in 2005. Grosso Group has an extensive network of industry and political contacts in Argentina. Grosso has been a director and chairman of Blue Sky Uranium since October 2017.

Summary:
Three projects, two elements, prospect of low-cost funding!

Blue Sky Uranium is a true early-stage opportunity in an emerging uranium boom market. Although the company has already made significant exploration and development progress on its three advanced projects within Amarillo Grande, two things seem objectively clear: first, the rocks at Ivana and also at Anit contain significant vanadium resources in addition to uranium, and second, the existing deposits are likely to be exploitable via surface mining. Taken together, these two factors also promise a very good chance of early production due to several existing high-grade intercepts and, above all, low-cost production that also requires only a fraction of the capital costs of similar conventional mines. With the Grosso Group, which has excellent networks in Argentina, its own production should therefore be well within the realm of possibility. The aim is to supply Argentina‘s 3 current nuclear reactors and the reactor under construction with its own uranium. With an oversubscribed financing of CA$ 5.5 million at the beginning of the year, the upcoming activities are sufficiently financed.

Exclusive interview with Nikolaos Cacos, CEO of Blue Sky Uranium

What have you and your company achieved in the past 12 months?t?

Blue Sky has a unique opportunity, Argentina is the largest generator of electricity from nuclear energy in South America. The country is working to further expand their nuclear energy sector with additional power plants, but currently lacks domestic uranium production. Argentina’s desire for security of supply could provide a “guaranteed” first customer for a new domestic supplier

Blue Sky is managed by Grosso Group, a resource-focused management group that pioneered the mineral exploration industry in Argentina. The group is credited with four exceptional mineral deposit discoveries and has a highly regarded track-record for fostering strong relationships with the communities and governments where it works.

The Company‘s 100% owned Amarillo Grande Uranium-Vanadium Project in Rio Negro Province, Argentina is a new uranium district controlled by Blue Sky. This district has the potential to rank amongst the largest uranium districts in the world, with the lowest operating cost. The Ivana deposit is the cornerstone of the project and the first part of the district for which both a Mineral Resource Estimate and a Preliminary Economic Assessment have been completed.
In 2020, due to COVID restrictions, it was a difficult year to move forward as fast as we were prepared to. But late 2020, we announced and oversubscribed a $5.5M financing and have begun a 4,500-metre drill campaign that is focussed on expanding the current mineral resource.

What are the most important catalysts for the next 6 to 12 months?

The 4,500-meter drill program is currently underway and running smoothly. We expect results from this program to be available in May. At the same time as we look to expand the resource, we also plan to move the project towards a pre-feasibility study (PFS) in the second quarter of this year. As part of the PFS, we have begun the second phase of process design tests for the Ivana deposit. The PFS will take approximately 10 months to complete and will serve as a guide for making a production decision.

How do you see the current situation on the market for uranium?

The uranium market is emerging from years in the doldrums and most reactors are coming back on line as global demand strongly picks up.
The spot price for U_3O_8 moved above US$30 per pound for the first time in 2021 as uranium producers and mine developers use up above-ground inventories and reactor construction continue at a fast pace.
A new phase of nuclear energy investment with the U.S., China and Europe leading the way recognize that nuclear has to be part of the carbon free solution for a greener world.
Price reporting agency and research company UxC estimates that utilities’ uncovered requirements would grow to 500 million lbs by 2026 and 1.4 billion lbs by 2035.
Uranium is cyclical market as with most metals and all signs are indicating we are in the early innings of bull uranium market.

ISIN: CA0960495079
WKN: A12GAR
FRA: MAL2
TSX-V: BSK

Shares outstanding: 162.1 million
Options: 16.2 million
Warrants: 95.3 million
Fully diluted: 273.6 million

Contact:
Blue Sky Uranium Corp.
Suite 411 - 837 West Hastings Street
Vancouver, BC, Canada V6C 3N6

Phone: +1-604-687-1828

info@blueskyuranium.com
www.blueskyuranium.com

Blue Sky Uranium Corp.

GoviEx Uranium

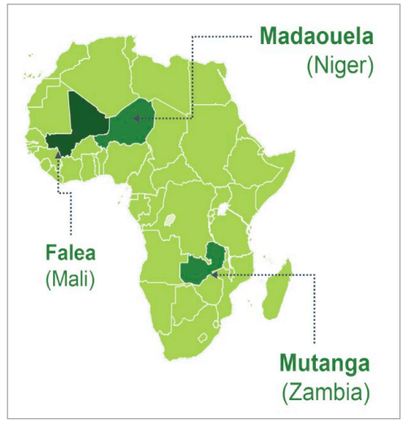
Improved pre-feasibility study boosts production prospects of a mega-resource

Daniel Major, CEO

GoviEx Uranium is a Canadian mining development company focused on the exploration and development of uranium projects in Africa. To date, the company has proven resources of over 200 million pounds of U_3O_8. GoviEx already holds valid mining licenses for the two most advanced projects. The Company's current objective is to reduce estimated production and capital costs while developing the most advanced Madaouela project, in parallel with the rising uranium spot price towards production from 2024. The second major Mutanga project could then follow in 2026.

Madaouela – location, infrastructure, resource

Madaouela, which is 80% owned by GoviEx, is located in the north of Niger, about 10 kilometers from Arlit and the Cominak and Somair mines, in which ORANO has a stake. The Cominak mine, in operation since 1978, was closed in March 2021. GoviEx benefits from a fairly well-developed infrastructure that provides year-round passable roads, sufficient groundwater, and a good energy supply. Madaouela has reserves of 60.54 million pounds of U_3O_8. The resources total approximately 138 million pounds of U_3O_8. In January 2016, GoviEx received the final mining permit for Madaouela 1, i.e., one of seven license areas (consisting of Madaouela 1 to 4 plus Agal, Eral and Anou Melle). In July 2019, GoviEx signed definitive agreements with the Republic of Niger resulting in the establishment of local mining companies in which Niger holds a 20% interest. As part of this agreement, GoviEx settled all outstanding tax claims and historical costs related to the acquisition of the Madaouela 1 mining concession, and Niger agreed to defer the payment of future local taxes for up to three years from the date of the establishment of the local operating company.



GoviEx' Project Locations in Africa
(Source: GoviEx)

Madaouela – deposits

The most significant deposit, currently known as Marianne-Marilyn, is located within the Madaouela 1 concession and is a so-called sandstone deposit located at a very shallow depth of about 30 to 120 meters. The second major deposit is MSNE and is located about four kilometers to the south. The third deposit, Maryvonne, is located in the middle. A fourth deposit, Miriam, is located in the far south of the Madaouela 1 concession. Unlike the first three deposits, Miriam can be mined by open pit. In addition, this deposit has a U_3O_8 content of over 1% in some areas, which contributes to an enormous cost reduction in the planned total production.

Madaouela – pre-feasibility and feasibility study

In February 2021, GoviEx submitted an updated pre-feasibility study, which again proved that mining is economically feasible and improved on the previous study's figures. Based on a long-term uranium price of US$70, this study showed an IRR of 23.1% and a net present value (NPV) of US$336 million, discounted at 8%. Initial capital costs were estimated at US$347 million and operating cash costs at US$22.18 per pound of U_3O_8. Annual production of 2.69 million pounds of U_3O_8 was assumed over a total mine life of 21 years. This reduced capital costs by 15% and operating costs by 20% compared to the previous pre-feasibility study. It also showed that water savings of 66% could be expected.
In September 2018, GoviEx engaged SRK Consulting and SGS Bateman as consultants to complete a feasibility study for Madaouela, to be completed before the end of 2021. This includes identifying options that have significant potential to improve the feasibility of the Madaouela project.

Madaouela – Exploration Potential

Madaouela is likely to have far more resources than previously known. For example, although more than 600,000 meters have already been drilled, Anou Melle offers high „blue sky" potential as this license area is located on the same geological structure as Cominak and Somair. In 2019, GoviEx received a new 9-year exploration permit for approximately 1,547 km2 of exploration area. In 2021, the company plans another drilling campaign covering at least 13,000 meters. This is to be carried out in the Miriam area, with holes to be drilled to an average depth of 100 meters.

Madaouela – Development Strategy

GoviEx is currently working on a four-pronged development strategy for Madaouela. The first pillar, credit financing, involves the participation of several international export credit bureaus. The second pillar consists of project optimization and completion of detailed technical work. The third pillar consists of the conclusion of corresponding long-term purchase agreements. Fourth, in parallel, work is being done on self-financing through the issuance of shares.

Mutanga – location, resource, infrastructure

Mutanga, 100 percent owned by GoviEx, is located about 200 kilometers south of the Zambian capital Lusaka, just north of Lake Kariba. The project currently has 60 million pounds of U_3O_8 spread across the deposits discovered to date: Mutanga, Dibwe, Dibwe East, Gwabe and Njame. GoviEx holds a 25-year mining license for three of the five concessions, allowing open pit and heap leach mining.

Mutanga – Positive assessment of profitability

In November 2017, GoviEx presented its first profitability estimate (PEA) for Mutanga. The PEA is based on 11 years of production with an average annual production of 2.6 million pounds of U_3O_8. Initial capital costs were estimated at only $123 million. Operating cash costs are approximately $31.10 per pound U_3O_8 and absolute costs over the life of mine are approximately $37.90 per pound U_3O_8. Assuming a long-term uranium price of US$58 per pound U_3O_8, this results in an IRR of 25%.

Mutanga – Exploration Potential

Mineralization begins directly at surface and is open along strike. Although the resource appears to be high, not all areas of the concessions have been explored for potential uranium occurrences. In particular, the respective endpoints, i.e., the areas near the western and eastern boundaries of the concessions, offer high potential for further significant uranium occurrences.

Falea

Falea, which is 100% owned by GoviEx, is located in Mali, West Africa. It consists of three exploration licenses, Bala, Madini and Falea. To date, a resource base of 30.8 million pounds of U_3O_8, 63 million pounds of copper and 21 million ounces of silver has been identified. This represents a total resource of 38.1 million pounds of U_3O_8. The gold resource was also proven in July 2020. As a result, GoviEx initiated a diamond drill core assay program in October 2020 to explore both the gold and polymetallic potential of the project.

This yielded several samples that assayed up to 1.13ppm gold. Further, GoviEx contracted Terratec Geophysical Services, which completed five high resolution IP lines and 66 line kilometers of dipole-dipole resistivity and IP gradient survey over the Falea deposit. The objective of this survey was to elucidate the structural controls on the existing polymetallic mineralization and gold in the deeper Birimian sequence. These techniques have revealed chargeable bodies in the area that will become drill targets in future drill programs. The fact that the chargeable bodies have not yet been truly drill tested and that some of the anomalous gold results occur at the margins of these zones is encouraging and will warrant future drill testing not only for gold, but also for uranium mineralization.

It is important to note that so far only 5% of the total 225 square kilometers of license area has been surveyed for such occurrences. Furthermore, the majority of the known occurrences could not yet be completely delineated.

Summary: Next catalyst: Feasibility study!

With a resource base of over 200 million pounds of U_3O_8, GoviEx is undoubtedly one of the heavyweights in the uranium industry. Madaouela, by far the largest project, is virtually ready for production. In addition, the possibility of economic production has also been demonstrated for Mutanga, GoviEx's second major project. What is missing now is a reasonable uranium price, which would take GoviEx to unprecedented price levels, especially because of this large number of resources. In addition, GoviEx has a very experienced and successful management team and strong major shareholders (Denison Mines, Friedland, Ivanhoe Industries, Cameco) that should ensure that GoviEx becomes a real success story. In January 2021, the company was able to generate CA$8 million in fresh funding through a financing. Additional momentum should come from its inclusion in the Global X Uranium ETF, which took place in February 2021.

Exclusive interview with Daniel Major, CEO of GoviEx Uranium

What have you and your company achieved in the past 12 months?

The key deliverable for the past 12 months has been a positive updated pre-feasibility study ("PFS") delivered for the mine permitted Madaouela Project, in Niger. The PFS achieved the key strategy targets that we set out to achieve, namely: simplification of the project, enhancement of project economics, especially in the early years, and improvement of the project financing potential. We have also seen a reduction of CapEx costs by 15% and OpEx costs by 20%. Another focus for us has been straightforward industry standard process design – reducing construction and operational risks, which provides the potential to fast track the completion of a feasibility study on the project in 2021, and potential to quickly move into development. The project economics highlighted the potential to service debt of USD 150-180 million.

As a result of the positive PFS results, the next steps are to accelerate project financing and offtake discussions. With this in mind, GoviEx hired Christopher Lewis to head GoviEx's Uranium Marketing efforts. Christopher has over 28 years' experience managing the sale and marketing of uranium and nuclear fuel conversion services to nuclear fuel buyers in Europe, Asia and the Americas.

In Mali, a series of low-cost geophysics and sampling programs highlighted the potential for two major gold trends to intersect GoviEx's Falea project. This exploration work has been extended to a 6,000-metre drill program as GoviEx seeks to show the upside potential for the project's Madini license to regional gold explorers.

GoviEx finishes the Q1'21 well-funded with over USD 10 million in cash, enough to complete the feasibility study for Madaouela, and start the next stage technical development towards the feasibility study for the Mutanga project, in Zambia.

What are the most important catalysts for the next 6 to 12 months?

We are excited and encouraged by the potential in the uranium market and associated prices for 2021 therefore; we intend to accelerate development of our uranium projects throughout the rest of the year.

In Niger, we have already announced the start of the drilling program on the Miriam deposit which signals the start of a series of field works focused on verification and optimisation of the project, including final metallurgical test-work for the feasibility study.

In Zambia, after the expected return of the Chirundu license by the Minister of Mines, GoviEx will start resource and exploration drilling to convert inferred to indicated resources on the Dibwe and Dibwe East deposits while exploring on strike extensions highlighted by existing trenches

In Mali, assays results from the 6,000 metres of drilling and an IP geophysics program, currently underway, will see the completion of exploration works for 2021. The expectation is that results will continue to underpin the exploration potential of the property for uranium, silver, copper and gold.

How do you see the current situation on the market for uranium?

Growing demand estimated at 2-3% by the WNA, and substantial undersupply due to mine closures, either the result of uranium prices being too low for commercial operations or end of resource life, as seen with Ranger and Cominak in 2021, are key drivers for future positive price movement.

Inventory levels have also been declining to make up for the supply gap, and cost of production is increasing becoming the key price driver.

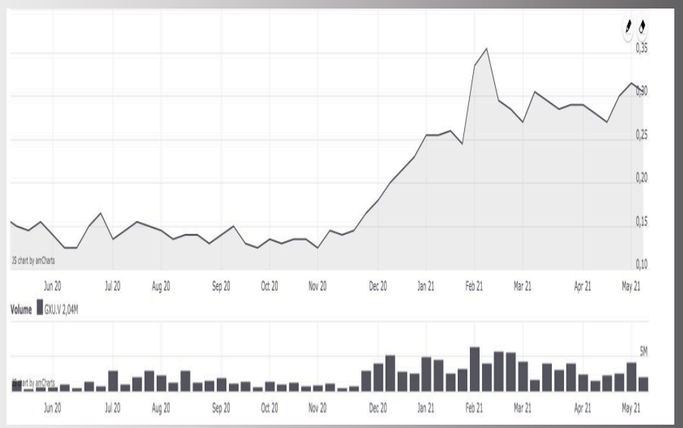
ISIN: CA3837981057
WKN: A12BL3
FRA: 7GU
TSX-V: GXU

Shares outstanding: 522.7 million
Options/warrants: 219.8 million
Fully diluted: 742.5 million

Contact:
GoviEx Uranium
World Trade Centre
Suite 654 - 999 Canada Place
Vancouver, BC, V6C 3E1, Canada

Phone: +1-604-681-5529
info@goviex.com
www.goviex.com

GoviEx Uranium



International Consolidated Uranium
Mineral bank in the uranium sector

Philip Williams, CEO

International Consolidated Uranium is a Canadian exploration and development company focused on early-stage uranium projects worldwide. The company, formed by the team around NexGen Energy and Mega Uranium, acquires potentially high-caliber projects based on a strict set of criteria. These include geographic location, stage of development and type of deposit. In particular, the company focuses on projects in which a considerable amount of exploration work has already been carried out in the past and which already have a basic resource. In addition, these must fulfill attractive development characteristics as well as staggered and accretive acquisition conditions. Thus, a portfolio of several projects with high potential could be assembled within a short period of time.

Ben Lomond/Georgetown – Queensland/Australia

The two projects, Ben Lomond and Georgetown, are located in northeastern Australia, about 50 and 350 kilometers from Townsville, respectively. Both projects have close, paved road access.

International Consolidated Uranium acquired both projects in 2020 from Mega Uranium for an upfront payment of $180,000, 900,000 shares and 900,000 warrants. Additional payments of $3 million are required to earn 100% interest in the two projects.

Ben Lomond was acquired by Mega Uranium in 2005 for $3.8 million. A total of about $10 million has already been invested in the development of the project. A bankable feasibility study for Ben Lomond was completed as early as 1982. Similarly, an environmental impact study was accepted by the relevant federal and state authorities in 1984, but in 1985 the planned mine development was halted by the imposition of „the Three Uranium Mines Policy“ by the then Australian Federal Labor Government.

Ben Lomond has historical resources of 10.7 million pounds of U_3O_8, with the deposit open to the east over a strike length of at least 1.05 kilometers. In this area, limited, widely spaced surface drilling intersected encouraging intervals of uranium mineralization and rock alteration.

Georgetown was acquired by Mega Uranium in 2005 for $6.9 million. A total of approximately $20 million has already been invested in the development of the project. Georgetown hosts the visible Maureen uranium deposit, which was discovered during an airborne magnetic radiometric survey in 1971. In 2006 to 2007, Mega Uranium drilled 94 RC/diamond core holes to validate and expand the historic Maureen resource, to search for resource extensions, and to discover additional resources in the immediate area. This ultimately resulted in a resource of 6.3 million pounds of U_3O_8. Of note, Ben Lomond and Georgetown have relatively high average grades of over 2,100 and over 1,000ppm respectively.

International Consolidated Uranium is currently working on several fronts simultaneously in Queensland. Among other things, a review of the resource and exploration potential of Ben Lomond and Georgetown is taking place, including investigation of potential drilling requests to test exploration potential and for updated resource calculations. In addition, work is underway to engage key local and state stakeholders. The Company continues to evaluate the development potential of Ben Lomond, including reviewing and evaluating potential processing sites outside the project area. Building relationships with utilities and trading houses, particularly in the Asia-Pacific region, is seen as another important step.

Mountain Lake – Nunavut/Canada

The Mountain Lake project covers 5,625 hectares and is located in the western part of the Canadian province of Nunavut, not far from the border with the Northwest Territories. International Consolidated Uranium acquired the 2020 project from IsoEnergy for 900,000 shares and $20,000. A further payment of $1 million is required to obtain 100% interest in the project.

Mountain Lake was staked by IsoEnergy in 2017. The known uranium mineralization is hosted in sandstone and dips shallowly from the top of bedrock to approximately 180 meters depth. There have been 220 holes drilled by previous operators identifying potential for higher grades (up to 5.18%, but never followed up). Mountain Lake has a historical resource of 8.2 million pounds of U_3O_8, with average grades reported at 2,300ppm.

IsoEnergy discovered further discovery potential but relinquished the non-core asset to International Consolidated Uranium. The company is now planning, among other things, gravity surveys, a repeat core sampling and subsequent drilling.

Moran Lake – Labrador/Canada

The Moran Lake uranium and vanadium project is located in the eastern Canadian province of Labrador, approximately 160 kilometers northeast of Goose Bay.

International Consolidated Uranium acquired the project in 2020 for an upfront payment of $150,000 and $150,000 in shares. A further payment of $1 million is required to obtain 100% in the project.

The project hosts, among others, the C Zone, which was the subject of significant exploration activity between 2006 and 2013. In March 2011, a previous operator released a combined uranium and vanadium resource estimate in accordance with Canadian Resource Calculation Standard NI43-101, indicating that Moran Lake has 9.6 million pounds of U_3O_8 (average grades between 330 and 340ppm) and 136.4 million pounds of V_2O_5 (average grades between 1,500 and 1,600ppm).

Vanadium is often associated with uranium and has attractive fundamentals that are also linked to clean energy. The project and area are also prospective for IOCG (iron-oxide-copper-gold) mineralization similar in style to BHP‘s Olympic Dam mine in Australia. The Central mineral belt hosts several other uranium deposits, including Paladin Energy‘s advanced Michelin project, located just a few kilometers away.

Laguna Salada – Argentina

The Laguna Salada uranium and vanadium project is located in the Chubut Province in southern Argentina.

International Consolidated Uranium acquired the 2020 project from U_3O_8 Corp. for an upfront payment of $225,000 and $125,000 in shares. A further payment of $1.5 million is required to obtain 100% interest in the project.

U_3O_8 Corp. has already invested over $15 million in the project. An initial resource estimate was released in May 2011. This showed that Laguna Salada has 10.2 million pounds of U_3O_8 and 83.9 million pounds of V_2O_5.

However, the project has further significant resource growth potential. A preliminary economic assessment was published in September 2014. This showed that Laguna Salada has straightforward geology and mining opportunities. The near surface, flat lying mineralization in soft gravels makes for easy processing by screening followed by alkaline leaching. Mining is by simple mechanical stripping. Argentina currently generates 5% of its electricity from three nuclear reactors and has uranium conversion and enrichment capacity in the country. Another reactor is under construction.

Dieter Lake – Quebec/Canada

The Dieter Lake project covers 8,105 hectares and is located in the northeast of the Canadian province of Quebec.
International Consolidated Uranium acquired the project by staking in January 2021 and therefore no major acquisition costs were incurred. Dieter Lake was previously owned by Uranerz Exploration and Mining, Strathmore Minerals Corporation, Fission Energy Corp. and Denison Mines Corp.
The project hosts a known historical resource of 24.4 million pounds of U_3O_8 in the inferred category. Dieter Lake will have been only the prelude for 2021 as the company plans further acquisitions.

Summary: Buy up cheaply, sell expensively

International Consolidated Uranium‘s acquisition strategy has a clear objective: to buy up nearly forgotten uranium projects with attractive, historic resources, high potential and good locations as cheaply as possible and to sell them again as expensively as possible in a coming uranium boom. In this way, it has already been possible to buy up a historical resource base of around 70 million pounds of U_3O_8 and around 225 million pounds of V_2O_5 for very little money. The base payments only increase if the uranium spot price climbs above certain marks. At that point, however, the value of the individual projects will have increased significantly, so these staggered payments do not represent a significant risk for the company. On the other hand, there is blue sky potential in each individual project, which can drive up the value even further. In the event of a further increase in the uranium spot price, many new uranium companies will spring up like mushrooms and will need corresponding uranium projects for their portfolio. International Consolidated Uranium will then be able to meet this demand and create corresponding added value for shareholders. In addition, there is an excellent management team and founders who have already made a splash at NexGen Energy and Mega Uranium.

Exclusive interview with Philip Williams, CEO of International Consolidated Uranium

What have you and your company achieved in the past 12 months?

In a word EVERYTHING. 12 months ago, International Consolidated Uranium (CUR) did not even exist. NxGold, as it was known, was struggling to advance two gold projects in Canada and Australia. At that time, the board of directors, which boasted significant uranium experience, had a vision that the uranium sector was so beaten down, after a plus ten-year bear market, that it could generate tremendous returns for shareholders by consolidating forgotten and unloved uranium projects around the globe. So, this is what the Company set about to do. A new management team, with decades of uranium experience, was brought in to execute on the new strategy. The board of directors was reconstituted adding individuals with varied experience in mining, finance and mergers and acquisitions. Key members of the previous board, specifically Richard Patricio (CEO of Mega Uranium) and Leigh Curyer (CEO of NexGen Energy) remained as advisors to maintain continuity and retain the company’s uranium DNA. The results:

- 6 projects in 3 countries were acquired or optioned, each with significant past expenditures, historic uranium, and in some cases vanadium, resources, and attractive characteristics for development.
- The CUR share price, buoyed a resurgence in investor interest in the sector, rose from a low of $0.15 in May 2020 to a high of $2.47 in early April 2021.
- $15m in capital was raised in 4 financings, each at a progressively higher price and with strong insider and institutional participation.

What are the most important catalysts for the next 6 to 12 months?

The most important catalysts will be on the new project acquisition front. Our focus is not on expanding the existing projects by drilling, but rather we believe that the best use of our $15m in working capital is to acquire additional projects. Our deal pipeline remains robust with opportunities in new and existing jurisdictions that could be both complimentary and transformational to the business. We will continue to use the same rigorous evaluation methodology and are focused on the highest potential most accretive transactions. Watch this space!

How do you see the current situation on the market for uranium?

The outlook for the uranium sector is notorious hard to predict over the short term. The past 20 years has been characterized by periods of extreme spot price volatility driven by black swan events, including mine floods and shutdowns on the supply side and the Fukushima incident on the demand side. Over the longer term there is only one way for prices to go and that is UP. The current spot price is too low to support existing production let alone incentivize the required new mine development. Ten years of underinvestment in uranium project exploration and development will only serve to exasperate the swing to the upside when it comes.

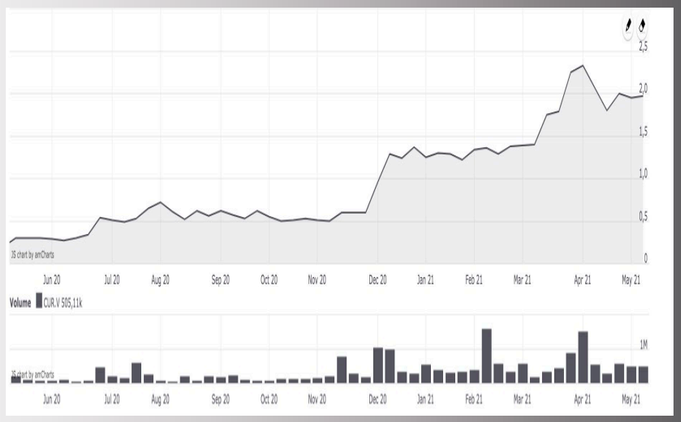
ISIN: CA45935R1055
WKN: A2QEEZ
FRA: 1WM1
TSX-V: CUR

Shares outstanding: 35.4 million
Options: 2.2 million
Warrants: 17.3 million
Fully diluted: 54.9 million

Contact:
International Consolidated Uranium
960 – 1055 West Hastings St.
Vancouver, BC V6E 2E9, Canada

Phone: +1-778-383-3057
info@consolidateduranium.com
www.consolidateduranium.com

International Consolidated Uranium



Skyharbour Resources

Own high-profile project and top development partners

Jordan Trimble, CEO

Skyharbour Resources is a uranium exploration company with projects in the prolific Athabasca Basin. The Company has acquired world-class exploration projects at attractive valuations, culminating in six uranium properties totaling approximately 240,000 hectares throughout the Athabasca Basin. Skyharbour owns 100% of its flagship property, the Moore uranium project, which hosts the high-grade Maverick zone. While focusing on its core strategy as a discovery-driven exploration company, Skyharbour is also applying the prospecting model to drive and fund exploration at its other projects in the Basin and has brought on board three strategic partners in Orano Canada, Azincourt Energy and Valor Resources.

Moore Lake Uranium Project – Summary

Skyharbour Resources‘ flagship Moore Lake project is located in the southeast region of the Athabasca Basin, approximately 15 kilometers east of Denison Mines‘ Wheeler River development project and midway between the Key Lake Mill and McArthur River Mine. The high-grade Moore Lake project consists of 12 contiguous claims totaling 35,705 hectares and was acquired by Skyharbour from its largest strategic shareholder, Denison.

Moore Lake Uranium Project – Recent Exploration and Drilling

Skyharbour commenced two drill programs in 2017, including winter and summer programs. High-grade uranium mineralization was encountered in several drill holes, and notable new discoveries were made in the Main and East Maverick zones. Drill program highlights included 20.8% U_3O_8 over 1.5 meters within a 5.9-meter interval with 6.0% U_3O_8 at 262 meters depth, 5.6% U_3O_8 over 1.8 meters within a 10.7-meter interval with 1,4% U_3O_8 at 267 meters depth, 2.25% U_3O_8 over 3.0 meters and 4.17% U_3O_8 over 4.5 meters including 9.12% U_3O_8 over 1.4 meters in a new discovery area called the Maverick East Zone. Continued drilling in 2018 returned additional high-grade intercepts including 3.11% U_3O_8 over 1.8 meters and 1.33% U_3O_8 over 7.8 meters. In 2019, the Company began testing new targets identified by drone geophysics in the underlying basement rocks beneath the Unconformity and Athabasca Sandstone. This is the geological environment where notable new discoveries such as those made by NexGen Energy and Fission Uranium have been made, and very few drill tests have been conducted in the past to test the Moore Lake project‘s basement rocks. The Company successfully intersected high grade mineralization in the potential underground feeder zones, including 2.5 meters at 2.31% U_3O_8. Additional follow-up drilling and testing was warranted. In February 2020, the Company commenced a drilling campaign that doubled the known strike extent of the Maverick East zone. This intersected 4.5 metres of 0.38% U_3O_8, with a basal high-grade pedestal intersection returning 0.5 metres of 1.43% U_3O_8. In the fall of 2020, Skyharbour conducted a drill program to follow up on results from previous programs. This drill program tested unconformity and deeper targets along the high-grade Maverick structural corridor. The Company quickly saw positive results from this campaign. These included encountering 0.72% U_3O_8 over 17.5 meters, including 1.00% U_3O_8 over 10.0 meters, and trace copper at grades up to 2.3%. Of particular interest are potential underground basement feeder zones to the unconformity-hosted high-grade uranium occurrences along the Maverick corridor.

Preston Uranium Project – Location and Exploration

The Preston uranium project is located in the southwest quadrant, just outside the Athabasca Basin in the Patterson Lake region. It is bordered to the north by the Fission 3.0 and NexGen project areas, among others. The Preston project, which covers approximately 70,000 hectares and in which Skyharbour Resources holds a 50% interest (the remaining 50% is owned by partner Dixie Gold), is located near the high-profile discoveries of NexGen (Arrow) and Fission Uranium (Patterson Lake South). In the past, CA$5 million has been spent on exploration and reconnaissance drilling that has helped identify 15 areas with similar indicators to Patterson Lake South and Arrow. Several other additional drill targets also offer robust exploration upside potential.

Preston Uranium Project – Option Agreement and Joint Venture with Orano Canada

In March 2017, Skyharbour entered into an option agreement with industry leader and France‘s largest uranium mining and nuclear fuel cycle company Orano (formerly AREVA). Under the terms of the agreement, Orano can earn up to a 70% interest in the western portion of the 50,000-hectare Preston uranium project by investing CA$7.3 million in exploration and making additional CA$700,000 in cash payments over a 6-year period. In March 2021, Orano received a 51% interest in Preston and formed a joint venture together with Skyharbour Resources and Dixie Gold.

East Preston uranium project – option agreement with Azincourt Energy

In addition, in March 2017, Skyharbour entered into a second option agreement with Azincourt Energy for the East Preston uranium project. This project covers the eastern portion of the Preston Project and covers an area of approximately 20,000 hectares. Azincourt Uranium has earned a 70% interest in the East Preston Uranium Project through February 2021 by issuing shares to Skyharbour, making cash payments totaling CA$1 million and investing over CA$2.5 million in exploration of the project. In early 2018, gravity geophysical studies enabled Azincourt to identify several significant targets for further exploration, and a VTEM survey was conducted in 2019 to identify seven new targets. An initial drilling campaign also confirmed the prospectivity of the East Preston project, as the subsurface lithologies and graphitic structures intersected at East Preston show similarities to the Patterson Lake South, Arrow and Hook Lake/Spitfire uranium deposits. In February 2020, a second drill program was completed that encountered radioactivity and traces of rare earths and other indicator elements. A ground geophysical program was also conducted in the summer of 2020 to support future drill programs based on existing interpretation available across the property, and results from the heli-supported VTEM survey helped identify numerous untested graphite conductor corridors to be tested in future drilling. In February 2021, Azincourt initiated a drilling program that would include up to 12 holes and up to 2,500 meters.

North Falcon Point Project – Option Agreement with Valor Resources

Skyharbour‘s North Falcon Point Project is located 60 kilometers east of the Key Lake uranium mine and covers approximately 26,000 hectares. Skyharbour announced in December 2020 that it had entered into a definitive agreement, with ASX-listed Valor Resources, granting Valor an earn-in option to acquire an 80% interest in the North Falcon Point uranium project. To complete the earn-in option, Valor issued shares to Skyharbour and will contribute cash and exploration expenditures totaling CA$3,925,000 over a three-year period. By April 2021, Valor completed an airborne VLF-EM study that will be used to locate initial proprietary exploration targets.

Other uranium projects in the Athabasca Basin

In addition to Moore Lake, Preston and North Falcon Point, Skyharbour owns 100% in several other highly prospective exploration projects in the Basin. These include the South Falcon project, which covers 79,000 hectares and is located approximately 55 kilometers east of the Key Lake mine. In 2015, Skyharbour reported a near-surface NI 43-101 inferred mineral resource estimate totaling 7.0 million pounds at an average grade of 0.03% U_3O_8 and 5.3 million pounds at an average grade of 0.023% ThO2 in the Fraser Lakes Zone B deposit area, which is open along strike and at depth. The project has geological and geochemical similarities to some of the best projects in the Athabasca Basin such as Eagle Point, Millennium, P-Patch and Rougher. The Company also owns the Mann Lake project, which is adjacent to the joint venture project of the same name between Cameco, Denison and Orano. Mann Lake is strategically located approximately 25 kilometers southwest of Cameco's McArthur River Mine and 15 kilometers northeast of Cameco's Millennium uranium deposit.

Summary: Double opportunity for investors!

Skyharbour, with its world-class portfolio of high-grade uranium projects in the Athabasca Basin, is well positioned to benefit from a rising uranium price. The company is advancing its Moore Lake high-grade uranium project on one side, while three partner companies are financing the exploration and development of the other projects. In return, Skyharbour also receives cash payments and shares from the partners. The Company is led by a strong management and geological team who are major shareholders with extensive capital markets experience as well as concentrated experience in uranium exploration in the Athabasca Basin. Skyharbour's objective is to maximize shareholder value through new mineral discoveries, committed long-term partnerships and advancing exploration projects in geopolitically favorable jurisdictions.

Exclusive interview with Jordan Trimble, CEO of Skyharbour Resources

What have you and your company achieved in the past 12 months?

In the last 12 months Skyharbour has advanced its high-grade uranium projects in the Athabasca Basin and raised more than CAD $7M to fully fund the company well into 2022. Skyharbour completed two drill programs in 2020 totalling 4,888m in 13 holes at the flagship Moore Uranium Project and successfully intersected high-grade uranium in several holes including the longest continuous drill intersection of uranium mineralization discovered at the project - 0.72% U_3O_8 over 17.5m including 1.00% U_3O_8 over 10.0m. Skyharbour also signed a definitive agreement with Valor Resources on its Hook Lake (previously North Falcon Point) project whereby Valor can earn 80% of the project through $3.5 million in exploration expenditures and $475,000 in cash payments over three years, as well as share issuance.

What are the most important catalysts for the next 6 to 12 months?

The primary upcoming catalysts for Skyharbour will be the results from upcoming drill programs at its Moore Project and other partner funded projects. The company is fully funded to carry out over 10,000m of drilling at its flagship Moore Project through several drill programs this year. The Company continues to test several targets along the 4.7km long Maverick Structural Corridor as it works toward a resource estimate while delineating basement feeder zones and source mineralization for some of the higher-grade zones present at the project including mineralization of up to 21% U_3O_8 in previous drilling.

Skyharbour has also positioned itself as an Athabasca Basin prospect generator having amassed over 240,000 hectares of uranium projects in the Basin. Skyharbour's partner companies Orano, Azincourt and Valor have plans for future exploration and drill programs at the Preston, East Preston, and Hook Lake projects, respectively.

How do you see the current situation on the market for uranium?

Nuclear utilities face expiring contracts, and large producers such as Cameco and Kazatomprom, and more recently developers, are purchasing material in the spot market as the supply deficit between primary mine supply and reactor requirements continues to grow. On the demand side, China and the USA aim to be carbon neutral by 2050-2060, with many other countries following similar carbon reduction objectives that will rely on nuclear energy to supplement other clean energy sources. Small Modular Reactor (SMR) advancement by several companies and governments globally will also result in increased uranium demand going forward. These strong underlying fundamentals, with growing demand and a major supply-side response having played out, should underpin a continued resurgence in the sector in 2021 as new ESG focused investors allocate capital to the nuclear and uranium mining industries.

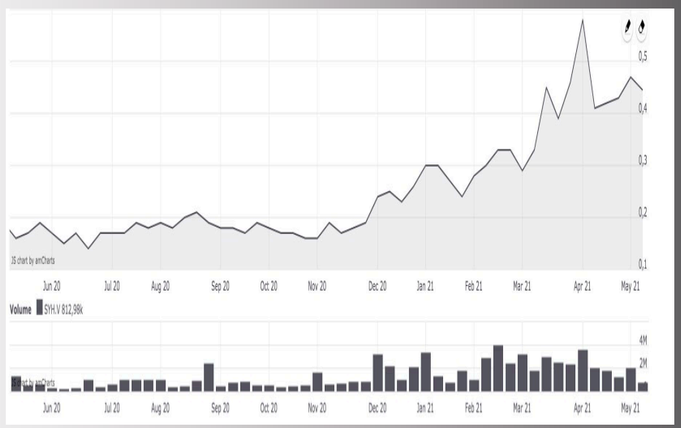
Skyharbour Resources Ltd.

ISIN: CA8308166096
WKN: A2AJ7J
FRA: SC1P
TSX-V: SYH
OTCQB: SYHBF

Shares outstanding: 115.4 million
Options: 6.8 million
Warrants: 40.9 million
Fully diluted: 163.1 million

Contact:
Skyharbour Resources Ltd.
777 Dunsmuir Street - Suite 1610
Vancouver, BC, V7Y 1K4, Canada

Phone: +1-604-639-3850
Fax: +1-604-687-3119
info@skyharbourltd.com
www.skyharbourltd.com



Uranium Energy

Ready to resume uranium production + Physical uranium secured cheaply

Amir Adnani, CEO

Uranium Energy Corp is a U.S.-based, production-ready uranium mining and exploration company with a U.S. production profile of 4 million pounds of U_3O_8 per year. In South Texas, the company's hub-and-spoke operations are anchored by the fully licensed Hobson processing plant, which is central to the fully licensed low-cost Palangana, Burke Hollow and Goliad ISR projects. In Wyoming, UEC controls the Reno Creek project, which is the largest licensed ISR uranium project in the U.S. prior to construction. In addition, the Company controls a pipeline of uranium projects in Arizona, New Mexico and Paraguay, a uranium/vanadium project in Colorado, and one of the world's highest grade and largest undeveloped ferrotitanium deposits located in Paraguay. Just recently secured over 2 million pounds of U_3O_8 at low cost to meet future government-backed demand for U.S. uranium prior to the actual start of production.

Palangana Project

The Palangana In-situ Recovery (ISR) project is fully licensed and began production in December 2010. Due to a weak uranium market, the project has ramped down production to a standby status by 2014. The Palangana project has a measured and indicated (M&I) resource of 1.1 million pounds and an inferred resource of 1.2 million pounds of U_3O_8. Internally, it is estimated that approximately $1 to $2 million is required to bring Palangana back on stream, which would take less than 6 months. Historically, the cash cost of production has been less than US$22 per pound of uranium.

Goliad project fully licensed

The Goliad ISR project is also fully licensed for production. Like Palangana, the Goliad project is located near the Hobson processing plant in South Texas. It has a NI 43-101 compliant resource of 5.5 million pounds of measured and indicated U308 and 1.5 million pounds in the inferred category. The uranium mineralization, as currently defined by historical drilling, remains laterally open in all directions, providing excellent potential targets for further drilling and expansion of the resource.

Burke Hollow Project

UEC's largest ISR project in South Texas is known as Burke Hollow and covers approximately 20,000 acres. The project holds all four major licenses required for uranium mining. Burke Hollow has an inferred resource of 7.09 million pounds of U_3O_8 and is located approximately 50 miles from Hobson. A total of six independent uranium trends have been identified, with approximately half of the project area already explored. In 2019, Uranium Energy conducted a drilling campaign at Burke Hollow that included 57 delineation holes and the installation of 76 monitoring holes to advance the project toward uranium recovery. By mid-April 2021, Uranium Energy completed a total of 40 additional resource delineation drill holes. Drilling will continue with additional resource delineation test drilling, followed by the installation of approximately 45 additional external monitoring holes to address trend extensions and to supplement the 76 monitoring holes already installed. This encountered several intercepts with grade thicknesses (degrees times thickness) above the cut-off of 0.3, with the best intercepts boasting grade thicknesses of up to 4.48.

Hobson processing plant

The Hobson production facility in South Texas is a fully licensed processing plant with a capacity of 2 million pounds of U_3O_8 per year. The facility has been fully renovated and is state of the art. UEC has submitted an application to amend the license to increase the licensed capacity to 4 million pounds of U_3O_8 per year. Hobson serves as a hub in the company's „hub and spoke" strategy, processing uranium from the various low-cost ISR mines in South Texas.

Reno Creek Project

In May 2017, Uranium Energy announced the acquisition of Reno Creek Holdings Inc. and 100% of its fully licensed Reno Creek ISR uranium project in Wyoming. The project is ready for construction of ISR wellfields and a central processing plant. The project is licensed to recover and process up to 2 million pounds of U_3O_8 per year. Reno Creek has a large NI 43-101 resource of 26 million pounds of U_3O_8 in the M&I category. In addition, Reno Creek has an additional 1.49 million pounds of U_3O_8 in the inferred category. A pre-feasibility study conducted in 2014 confirmed that Reno Creek is a highly economic project with low capital and operating costs. In total, Uranium Energy paid less than $25 million for this fully licensed ISR project with a resource of approximately 27.5 million pounds of U_3O_8, plus the now fully integrated Reno Creek North project acquired in November 2017. In addition, the project has much higher exploration potential. Project expenditures by the previous owners totaled approximately $60 million for exploration and development of the project.

Titanium Project Alto Paraná

In July 2017, Uranium Energy acquired CIC Resources (Paraguay) Inc., consolidating more than 70,000 hectares of land comprising the project area in Paraguay where the Alto Parana titanium project and its pilot plant are located. Prior to the acquisition, CIC Resources and former joint venture partner Tronox had invested approximately $25 million in the project. The Alto Parana Titanium Project is an advanced exploration project located in eastern Paraguay in the departments of Alto Parana and Canindeyú. The property covers an area of 70,498 hectares with five mining permits. Work on the project included an extensive program of trenching and auger drilling, development of a small test mine, construction of a pilot plant to evaluate the proposed ore processing flow sheet, laboratory-scale smelting tests, production of approximately 110 tonnes of concentrate for extensive smelting tests, and related engineering, marketing, logistics and environmental work.

In September 2017, Uranium Energy was able to publish its own resource estimate for Alto Paraná. The total inferred resource was estimated at 4.94 billion tonnes grading 7.41% titanium oxide („TiO2") and 23.6% iron oxide („Fe2O3") at a 6% TiO2 cut-off, making Alto Paranà one of the largest known and highest-grade ferrotitanium deposits in the world. In 2020, the Company announced the completion of a 49-hole drilling campaign at Alto Paraná, which is expected to result in a revised resource estimate and is the first phase of a preliminary economic assessment (PEA). Uranium Energy plans to monetize the project at some point in the future. With the titanium market expected to experience a supply shortfall in the near future, major producers are expected to be interested in the project.

Diabase project

In February 2018, Uranium Energy acquired the Diabase Project, located on the southern edge of the uranium district in the Athabasca Basin. The project covers 21,949 hectares of land and overlays a highly prospective regional corridor less than 75 kilometers from Cameco's Key Lake operation. Uranium Energy paid a total of only about $500,000 for the acquisition, a bargain price considering that more than $20 million has been invested in exploration on the property in the past, including over 21,000 meters of diamond drilling, geophysical surveys and surface sampling data.

Further potential top projects in the pipeline

In addition to the projects listed above, Uranium Energy has a number of other excellent projects. For example, the Anderson project in Arizona will have an average production of more than one million pounds per year, with total production of 16 million pounds of uranium over a 14-year mine life and direct operating costs of $30.68 per contained pound of U_3O_8.
The Slick Rock project in Colorado has 11.6 million pounds of U_3O_8 in the inferred category and 69.6 million pounds of vanadium.
Uranium Energy also has two promising ISR uranium projects in Paraguay with geology very similar to that in South Texas. The Yuty project has resources of 8.9 million lb. U_3O_8 M&I and 2.2 million lbs. U_3O_8 inferred. The Oviedo project has an exploration target of 23 to 56 million pounds of U_3O_8 under NI 43-101 criteria.

Purchase of physical uranium

In order to be able to cover a possible demand gap until the restart of its own production, Uranium Energy purchased a total of around 2.1 million pounds of US uranium in March and April 2021 at a price of around US$30 per pound. This was financed with a share price of up to US$3.30. As of mid-April, the company thus had more than US$110 million in cash, physical uranium stockpiles and other equity.

Summary: Several projects ready to start and enough uranium in stock

Uranium Energy has 3 fully licensed, low-cost ISR projects in South Texas, as well as a fully operational processing plant with a current capacity of 2 million lbs. per year and a pending license to increase production to 4 million lbs. per year. Together with the Reno Creek project (including Reno Creek North), which is also fully licensed for 2 million lbs. per year, the Company has a current U.S. production profile of 4 million lbs. of U_3O_8 per year. The Company was also able to secure a very advanced titanium project for a modest investment that offers very attractive potential for future monetization.
With its low-cost ISR projects in Texas and Wyoming, Uranium Energy is ideally positioned to supply the U.S. government's announced 10-year uranium reserve program, which has a total budget of $1.5 billion for the purchase of domestically mined uranium. Until the actual resumption of production, future demand can be met by recently secured stockpiles.

Exclusive interview with Amir Adnani, President, CEO and founder of Uranium Energy

What have you and your company achieved in the past 12 months?

This past year was challenging for most everyone on the globe with COVID impacts, although it turned out to be an exceptional year for UEC and uranium market fundamentals.
In last year's interview, we left off in late April after the Nuclear Fuel Working Group ("NFWG") report was released. The report outlined a strategy for establishing a U.S. Uranium Reserve ("UR") to revitalize the domestic uranium and conversion industry. UEC's senior management team was heavily involved with the NFWG effort and since that report, various other pieces of legislation and initiatives in Washington D.C. important to the industry. The additional successes this past year in Washington included subsequent government follow through on the NFWG recommendations for the establishment of the UR. With strong bipartisan cooperation, Congress passed, and the President signed the U.S. Federal Government omnibus spending bill that included $75 million for initial funding in the fiscal year 2021 for the UR. Government contracts with the existing domestic mining industry to supply the UR will likely be at levels that are more reflective of production costs to sustain operations than current spot market prices.

Another notable development was the U.S. Department of Commerce signed an amendment to the Russian Suspension Agreement with Russia's State Atomic Energy Company that amounts to a reduction in Russian natural uranium imports of up to 75% from prior limits under the prior agreement that was set to expire. This will amount to a significant reduction in the amount of price-insensitive uranium imports that has impacted the domestic industry over the past decade.

Closer to home in South Texas, in January of this year, we announced the restart of wellfield development and resource delineation drilling at the Company's Burke Hollow ISR uranium project. Advancing and expanding Burke Hollow's resources strategically dovetails with UEC's plans to participate in supplying the U.S. Uranium Reserve and its initial Production Area is the newest and largest ISR wellfield being developed in the U.S.

Additionally, with uranium spot market prices still below most producers' cost of production, we initiated a program to acquire drummed uranium warehoused in the U.S. The initiative will support three objectives: 1) bolsters our balance sheet as uranium prices appreciate; 2) provides strategic inventory to support future marketing efforts with utilities that could compliment production and accelerate cashflows; and 3) increases the availability of our Texas and Wyoming production capacity for emerging U.S. origin-specific opportunities which may command premium pricing due to scarcity of domestic uranium. As of early April, UEC's physical uranium initiative was fully funded with cash on hand and included 2.105 million pounds of U.S.

The Hobson production facility has been completely renovated and is state of the art. (Source: Uranium Energy)

warehoused uranium at a volume-weighted average price of ~$30 per pound with deliveries between March 2021 to December 2022. In the process, we strengthened UEC's balance sheet considerably, with over $110 million in Cash, Equity, and Inventory Holdings.

On another front, in May of last year, we announced the results of the completion of a drilling and sampling campaign at our Alto Parana titanium oxide project located in eastern Paraguay. The drilling program was completed prior to the COVID-19 measures the Company announced and was the first phase of a Preliminary Economic Assessment ("PEA") planned for the project. This drilling program was an important step towards development of the PEA, as we continue to advance our monetization strategy for this project – one of the world's highest-grade and largest ferro-titanium deposits. While we are working to unlock Alto Parana's value, our primary focus remains on the Company's core U.S. uranium business.

What are the most important catalysts for the next 6 to 12 months?

We have the balance sheet strength to lead U.S. uranium production higher at the most critical time for the domestic industry since the inception of the civilian nuclear power program began in the 1950s. Nuclear Power is the second-largest source of electricity generation in the U.S. and its largest source of carbon-emission-free electricity. America is also the largest consumer of uranium in the

world, yet there is virtually no uranium currently being mined domestically. We plan to change that.

At a time when the White House wants nuclear included in a clean energy mandate, included as part of the recent $2.25 trillion infrastructure plan, the domestic uranium mining industry has excellent growth potential in front of it. UEC is ideally positioned to be the leading supplier of American mined uranium for the domestic utilities and the U.S. government. We control the largest resource base of fully permitted ISR projects in Texas and Wyoming of any U.S.-based producer, ideally positioned to lead the resurgence in domestic uranium mining. We are investing to build the next generation of low-cost and environmentally friendly uranium projects that will be competitive on a global basis. Our main objective is to continue adding value to our shareholders and grow the company into the largest and most profitable uranium company in the United States.

How do you see the current situation on the market for uranium?

The global nuclear energy industry continues robust growth, with 55 new reactors connected to the grid since the start of 2013 and another 54 reactors now under construction. The global trend towards increased electrification, globally coupled with strong commitments to de-carbonize the energy sector has spurred a greater acceptance of safe, carbon-free, reliable, nuclear power. The related need for more electricity and efforts to reach associated global climate change goals are important drivers for the projected long-term increase in nuclear power's carbon-free electricity, and by association – uranium demand. World base case uranium demand is forecasted to be about 174 million pounds U_3O_8 in 2021, exceeding the 127 million pounds of projected production by about 47 million pounds. In 2020, about 19 million pounds of production were removed from the market due to the shutdowns of several uranium mines in response to the COVID-19 virus. This has accelerated inventory drawdowns and the lost production will not be made up. On the demand side of the equation, further upside market pressure also appears likely to evolve as utilities return to a longer-term contracting cycle to replace expiring contracts.

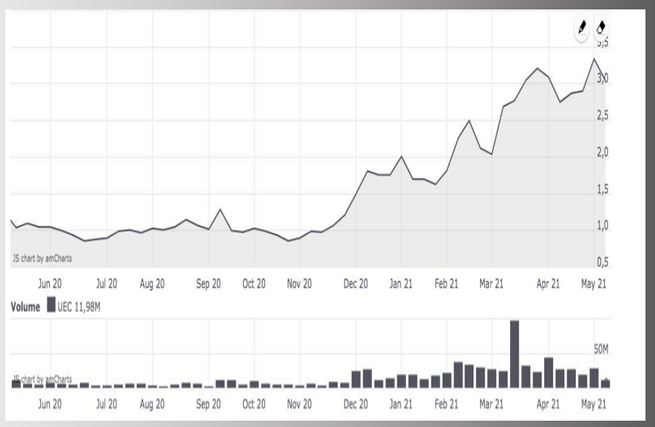
ISIN: US9168961038
WKN: A0JDRR
FRA: U6Z
NYSE: UEC

Shares outstanding: 230.7 million
Options: 11.2 million
Warrants/RSUs/PSUs: 8.3 million
Fully diluted: 250.5 million

Contact:
Uranium Energy Corp.
500 North Shoreline, Ste. 800N
Corpus Christi, TX 78401, USA

Phone: +1-361-888-8235
Fax: +1-361-888-5041
bnicholson@uraniumenergy.com
www.uraniumenergy.com

Uranium Energy Corp.



Uranium Royalty

First and Only Pure Uranium Royalty Company with Top Investments

Uranium Royalty Corp. is a Canadian company focused on participating in rising uranium prices through strategic investments in uranium interests, including royalties, streams, debt and equity in uranium companies, and through physical uranium transactions. The Company's strategy is to acquire appropriate uranium interests counter-cyclically at low prices during bear markets in exchange for ongoing payments and/or deliveries during bull markets. Uranium Royalty is the first company to apply its successful royalty and streaming business model exclusively to the uranium sector. Not only does the Company already own highly prospective uranium interests, but it also has a strong balance sheet that positions it to take advantage of future uranium royalty and streaming acquisition opportunities. Although the company has only been publicly listed since late 2019, its portfolio already includes interests in 15 development, advanced, permitted and producing uranium projects in multiple jurisdictions. These are described in more detail below.

Athabasca Basin Royalties

In the Athabasca Basin, Uranium Royalty holds 5 prospective royalties.

McArthur River

The McArthur River Mine is considered the highest-grade uranium mine in the world and is currently owned by a joint venture between Cameco (69.805%) and Orano (30.195%). Together with the Key Lake Mill, which is licensed to produce 25 million pounds per year, it is currently in care and maintenance mode. McArthur River has nearly 400 million pounds of U_3O_8 in reserves and is expected to come back online once the uranium spot price continues to move upward. Uranium Royalty holds a 1% Gross Overriding Royalty on a 9% interest.

Cigar Lake/Waterbury

The partners in the Cigar Lake joint venture are currently Cameco (50.025%), Orano Canada Inc. (37.1%), Idemitsu Canada Resources Ltd. (7.875%), and TEPCO Resources Inc. (5%). Cigar Lake is licensed to produce 18 million pounds of U_3O_8 per year and has reserves of approximately 160 million pounds of U_3O_8. The mine was temporarily shut down in December 2020 but is expected to be back in commercial operation by the end of 2021, subject to Covid-19 not striking. Uranium Royalty holds a 20% Net Present Interest on a 3.75% interest.

Roughrider

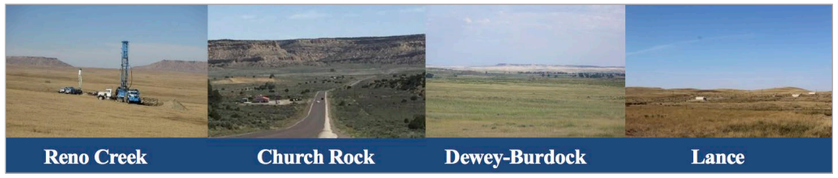
Roughrider is a highly developed underground deposit owned by Rio Tinto Canada. It has approximately 58 million pounds of U_3O_8 in reserves. Uranium Royalty holds a 1.97% net smelter royalty in Roughrider.

Russell Lake

Russell Lake is an exploration project being developed by Rio Tinto. It consists of the Russell Lake and Russell South projects and is located between 15 and 60 kilometers from the Key Lake Mill. Russell Lake covers approximately 72,000 hectares of license area on highly prospective ground. Uranium Royalty holds a 1.97% net smelter royalty in Russell Lake.

Diabase

Diabase is an early-stage exploration project being developed by Uranium Energy. It lies over a highly prospective regional corridor, similar to the Patterson Lake corridor, which hosts the Arrow and Triple R deposits. It covers approximately 22,000 hectares of license area on highly prospective ground. Uranium Royalty holds a 3% gross revenue royalty interest in Diabase.



(Source: Uranium Royalty)

US ISR Royalties

In the USA, Uranium Royalty holds 4 royalties on ISR projects

Reno Creek

Reno Creek is owned by Uranium Energy and located in Wyoming. The project is fully permitted, has resources of 26 million pounds of U_3O_8 and is ready for construction. In August 2019, Uranium Energy stated that an independent PFS study has been initiated to expedite a construction decision. Uranium Royalty holds a 0.5% net present interest in Reno Creek.

Church Rock

Church Rock is located in New Mexico and is owned by Laramide Resources. Several permits have been received for the project, which is currently undergoing additional field work and studies that will result in an updated PEA report. Church Rock has inferred resources of approximately 50 million pounds of U_3O_8. Uranium Royalty holds a 4% net smelter royalty in Church Rock.

Dewey-Burdock

Dewey-Burdock is located in South Dakota and is being developed by Azarga Uranium. The latest PEA estimates an after-tax NPV at an 8% discount of US$147.5 million at a constant price of US$55 per pound. Accordingly, direct operating costs are only US$10.46 per pound produced, excluding royalties, severance and conservation taxes. Dewey-Burdock has approximately 17 million pounds of U_3O_8. Uranium Royalty holds a 30% net present interest in Dewey-Burdock.

Lance

Lance is located in Wyoming and operated by Peninsula Energy. The project hosts over 50 million pounds of U_3O_8. Uranium Royalty's 4% Gross Revenue Royalty covers a portion of the Kendrick and Barber concessions. Production is currently suspended as the project is converted to a new mining method.

US royalties – conventional projects

In addition to the royalties on ISR projects, Uranium Royalty owns 4 other royalties on conventional projects in the USA.

Anderson

Anderson is located in Arizona and is owned by Uranium Energy. The project, in which Uranium Royalty holds a 1% net smelter royalty, hosts 29 million pounds of U_3O_8 resources. A preliminary economic assessment indicated an after-tax net present value (discounted at 10%) of US$101.1 million at a fixed uranium price of US$65 per pound. Average operating costs over the life of the mine were estimated at US$30.68 per contained pound.

Slick Rock

Slick-Rock is located in Colorado and is being developed by Uranium Energy. The project, in which Uranium Royalty holds a 1% net smelter royalty, hosts approximately 11 million pounds of U_3O_8 resources. A preliminary economic assessment resulted in an after-tax net present value (discounted at 10%) of US$31.9 million using a model with a fixed uranium price of US$60 per pound.

Workman Creek

Workman Creek is located in Arizona and is owned by Uranium Energy. The property has extensive historical data consisting of 400 exploration and development drill holes, geological mapping, regional and detailed geochemical, petrographic, mineralogical-paragenetic and metallurgical studies. To date, 5.5 million pounds of resources have been proven. Uranium Royalty holds a 1% net smelter royalty.

Roca Honda

Roca Honda is owned by Energy Fuels and is located in New Mexico. Uranium Royalty holds a 4% gross revenue royalty. The Section 17 area has a partially developed vertical mine shaft and haul road. Energy Fuels plans to include the Section 17 area covered by the royalty in the Company's permitting efforts.

Langer Heinrich

Langer Heinrich is a former producing uranium mine in Namibia. The operator, Paladin Energy, is currently conducting an operational review to evaluate process optimization, cost reduction, production capacity and life-of-mine alternatives. Langer Heinrich hosts approximately 120 million pounds of U_3O_8 resources. Uranium Royalty will receive AU$0.12 as a production royalty for each kilogram of U_3O_8 produced.

Michelin

Michelin is an advanced stage uranium project located in the Canadian province of Labrador. Operator Paladin Energy acquired Michelin in 2011 for CA$260.9 million. Michelin is a low technical risk project in a world-class uranium district. The project hosts approximately 127 million pounds of U_3O_8 resources. Uranium Royalty holds a 2% gross revenue royalty in Michelin.

Participation in Yellow Cake plc and physical uranium purchases

In addition to the aforementioned interests in uranium projects, Uranium Royalty also owns 7.5 million shares (5.9%) in Yellow Cake plc. Yellow Cake has entered into a long-term supply agreement with Kazatomprom, the world's largest uranium producer. The supply agreement allows Yellow Cake to purchase up to US$1.07 billion worth of uranium from Kazatomprom over a 10-year period. Uranium Royalty has the option to purchase up to US$31.25 million worth of uranium from Yellow Cake between January 2019 and January 2028, of which it has already purchased US$10 million worth of uranium. Uranium Royalty also has an option to participate in all future uranium royalty and stream transactions pursued by Yellow Cake on a 50:50 basis.

Summary: Profiting from rising uranium prices now possible

Uranium Royalty is the first company ever to occupy a niche that is considered to be previously unoccupied and at the same time extremely lucrative in the future. While many royalty companies are already profiting from profitable mines in the precious metals sector, but also in the base metals sector, with Uranium Royalty there is now finally a company that has positioned itself early for the coming uranium boom and has secured several high-caliber royalties. Although there is currently no royalty on a producing mine, the company has three royalties in its portfolio – McArthur River, Cigar Lake and Langer Heinrich – that should quickly go into production and keep Uranium Royalty's cash flowing. With the second pillar „physical uranium", the company will be able to profit immediately from rising uranium prices.

Scott Melbye, CEO

Exclusive interview with Scott Melbye, President, CEO of Uranium Royalty

What have you and your company achieved in the past 12 months?

Uranium Royalty Corp. completed its first year as a publicly traded company, having listed on the TSX-V exchange in December of 2019 and on the Nasdaq in April of 2021. While 2020 will be remembered as the year Coronavirus that impacted every aspect of our lives, we successfully launched the first and only royalty and streaming company in the uranium space. The cofounders of URC shared a common vision of bringing the successful business model that has become a $50 billion industry in the base and precious metals industry, to a global uranium market emerging from a prolonged bear cycle. The royalty and streaming model couldn't be better suited for an industry needing substantial new development, and the requisite capital financing required to advance this next generation of mines. For investors, URC represents an attractive alternative pure uranium play with the benefits of diversified risk exposure in this emerging bull market.

As a relatively young company, URC, possesses an impressive portfolio of 15 different royalty interests in the United States, Canada and Namibia, with additional uranium exposure through a foundational shareholding in UK-based Yellow Cake plc and physical inventory held at the Cameco fuel services facilities in Ontario, Canada. A transformational deal for URC was the early 2021 acquisition of royalty interests in two of the world's largest and highest-grade mines, the McArthur River and Cigar Lake operations in Saskatchewan, Canada. URC acquired these royalty interests, on the Orano shares of production, from Reserve Minerals of Albuquerque, New Mexico for US$11.5 million ($10 million in cash and $1.5 million in URC shares). While both of these mines have been temporarily shut in, McArthur due to the low uranium price and Cigar as a COVID-19 preventative health and safety measure, both are among the world's most competitive and lowest cost. The mines' majority owners and JV partners, Cameco and Orano, have announced the restart of Cigar Lake operations under enhanced COVID-19 precautions, while McArthur River will resume production when justified by improved market conditions. The McArthur gross overriding royalty is a straightforward revenue interest, which has the attractive option of taking physical uranium as payment in the event spot uranium prices move rapidly beyond the JV partners contract pricing. The Cigar Lake royalty is a Net Profits Interest, which will begin to payout once expense accounts are depleted in the coming years (depending on ramp-up timing, price and production rate).

Another attractive royalty in URC's portfolio is its exposure to the Langer Heinrich mine operated by Paladin in Namibia. Langer Heinrich has been one of the world's larger mines since its start up in 2007. Langer's highest output was in 2013, when it produced 5.4 million pounds. Like many global operations, Paladin decided to temporarily shut-in operations in 2018 due to the prevailing low spot market price. In Paladin's case, however, new investments in an extensive cost cutting, streamlining, and optimization of the mine and mill are being undertaken with the objective of lowering the production cost upon restart. Based on the strength of this initiative, URC believes that Langer Heinrich can be one of the earlier restart operations as the uranium price recovers.

Additionally, URC's royalty interest in various American-based in-situ, conventional mines and developments should benefit from the U.S. governments commitments to revitalize the domestic uranium fuel cycle through policies like the establishment of the strategic uranium reserve and extending restrictions on the import of Russian uranium.

What are the most important catalysts for the next 6 to 12 months?

On the Corporate front, URC has actively pursued its U.S. listing to expand its shareholder base in the world's largest investment market. This ended up at the Nasdaq in late April of 2021 and it came at an important time where generalist retail and institutional investor interest was coming back to the uranium space on strong supply and demand fundamentals and the mega-trend towards clean, carbon-free energy.

In terms of corporate development, the URC management team will continue to vigorously pursue a growth strategy to further expand our portfolio in 2021. Improving uranium prices will be a catalyst for global mine developments as they begin to advance their plans towards initial production or restart of operations. As a competitive source of capital to debt and equity financing, URC will be active in all global uranium districts to establish counterparty relationships with the most promising developments among the universe of opportunities

How do you see the current situation on the market for uranium?

URC could not be more optimistic about the growth prospects for nuclear energy and the impact that is already having on uranium demand. Global nuclear energy generation has recovered to pre-Fukushima levels as a result of the 55 new, large nuclear power plants that have been connected to the grid worldwide in the past 8 years. The construction of 54 more reactors is underway and the deployment of Small Modular and Advanced reactors emerging as an entirely new and significant market. Due to voluntary production cuts and mine depletion, global uranium demand has exceeded production by 40-60 million lbs for the past four years and little development has occurred over this period. New mines are needed in this decade and we are already within the lead-times required to make that happen. These are very bullish conditions for uranium prices and the market environment for capital funding of which Uranium Royalty can provide through its royalty and streaming business model.

URANIUM
ROYALTY CORP

Uranium Royalty Corp.

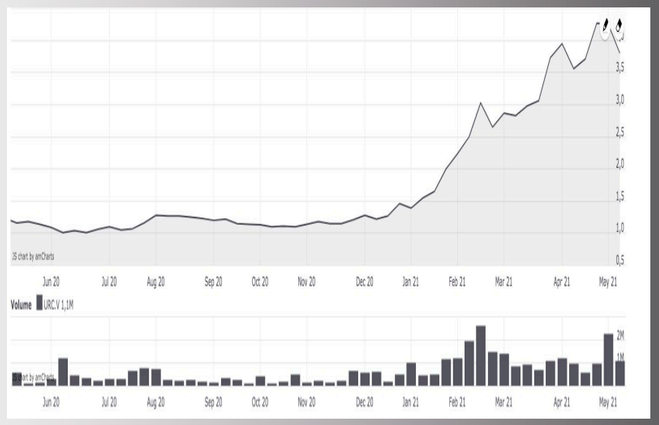
ISIN: CA91702V1013
WKN: A2PV0Z
FRA: 59U
NASDAQ: UROY
TSX-V: URC

Shares outstanding: 72.2 million
Warrants: 27.5 million
Fully diluted: 97.7 million

Contact:
Uranium Royalty Corp.
1030 West Georgia Street, Suite 1830
Vancouver, BC, V6E 2Y3, Canada

Phone: +1-604-396-8222

info@uraniumroyalty.com
www.uraniumroyalty.com



Overview of **SRC's communication programs**

Social Media Network

Access to over **70.000 followers and likers**! •

facebook · twitter · t · LinkedIn · StockTwits · Pinterest · LIVEJOURNAL · YouTube · XING · FLIPBOARD

World wide Resource TV-Channels

Commodity-TV & Rohstoff-TV – more than **1 Mio views** p.a. •

YouTube Channel – more than **1.1 Mio views** p.a. •

Partnership with Dukascopy-TV – worldwide **7 Mio views** p.a. •

Commodity-TV · ROHSTOFF-TV · DUKASCOPY Swiss Financial Television · YouTube · CORE FINANCE

THE EXCLUSIVE MEDIA & COMMODITY CORPORATION

Stockhouse. Taking it to the Street.

+ 1.700 user

Commodity TV Mobile-App

SRC swiss resource capital ag

Your partner in Europe!

Press- Media- IR- and Roadshow-Services

• Professional **roadshows in Europe & Switzerland** in citys like: Zurich, Zug, Geneva, Lugano, St. Gallen, Vaduz, Milan, Munich, Frankfurt, Hamburg, Oslo, Stockholm, Monaco, Paris, Luxemburg, Vienna

• **Write-ups** through our editors & third party authors up to 200 different websites like Wallstreet-Online.de, Ariva.de, Finanzen.net

• Translation and dissemination via IRW-Press and Pressebox **articles, news releases and write-ups, advertorials**

IRW PRESS · PRESSEBOX

In German: +2,000 press & news outlets and + 1,800 journalists in Germany, Switzerland, Austria and Liechtenstein

In English: +10,000 press & news outlets and +3,500 journalists in 170 countries worldwide

Swiss Resource Capital AG & Commodity-TV Fairs and Events

• **Deutsche Rohstoffnacht** – INVEST Stuttgart

• **Edelmetallmesse,** Munich

• **Mines and Money,** London

• **Precious Metals Summit,** Zurich ...and more

Invest – Leading trade fair and congress for finance and investment

Precious Metals Summit Conferences, LLC – Where the smart money goes prospecting® · DRN DeutscheRohstoffnacht · Edelmetall & Rohstoffmesse · mines and money London






SRC swiss resource capital ag