

International Symposium on Uranium Raw Material for the Nuclear Fuel Cycle: Exploration, Mining, Production, Supply and Demand, Economics and Environmental Issues - IAEA CN-216

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Case study: financing growth in uranium production despite today's serious challenges –from concept to production in five years

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Uranium Energy Corp is an NYSE-listed uranium exploration, development and production company headquartered in Corpus Christi, Texas. The Company was launched in late 2005 and commenced production in November 2010 using low-cost, environmentally friendly in-situ recovery (ISR) methods. The Company's assets include a pipeline of exploration and development properties, with ISR operations in Texas built around a hub-and-spoke expansion model. Assets include significant conventional uranium mining properties in Arizona and Colorado, as well as potentially world-class exploration/development projects in an emerging uranium district in the Parana Basin, Paraguay, South America. Securing financing for an array of uranium projects in various stages of development is clearly challenging in a volatile economic environment. Yet, the potential of a compelling long-term uranium supply/demand deficit has attracted contrarian investors despite the difficulties. Since going public in 2006, UEC has relied primarily on raising capital through public equity offerings. UEC has raised over 130M in equity capital since going public as well as recently arranging a 20M debt financing with a group of lenders led by Sprout Resources and Li Ka Shing, one of Asia's wealthiest and most influential investors. In addition to traditional equity and debt offerings, UEC has benefited from a variety of non-equity vehicles utilized by many metals and mining companies including timely acquisitions and timely divestitures. With a volatile uranium price over this period, as possible, the company has been making acquisitions during periods of low prices, and raising cash through divestitures when prices are higher, while reviewing royalty and streaming opportunities. With a plan to combine cash flow from operations and strategic partnerships, UEC is expanding production while advancing its diversified portfolio for maximum financial and sector flexibility.

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