

Why are uranium stocks booming?

Uranium stocks have been rising since November 2020 and are now very clearly in a strong bull run. We asked some of our InvestorIntel team members and experts about what's their view as to why uranium stocks are booming.

If we look at the two leading US listed uranium miners their stock prices are both **up around 150% over the past 3 months** (see chart below). Some of the other uranium miners such as Western Uranium & Vanadium Corp. (CSE: WUC | OTCQX: WSTRF) and Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF) have seen impressive gains around 70% over the past 3 months.

What is going on, asks InvestorIntel CEO Tracy Weslosky. This is extraordinarily. Something is up! The impeachment vote? War mongers? The Biden factor? What?

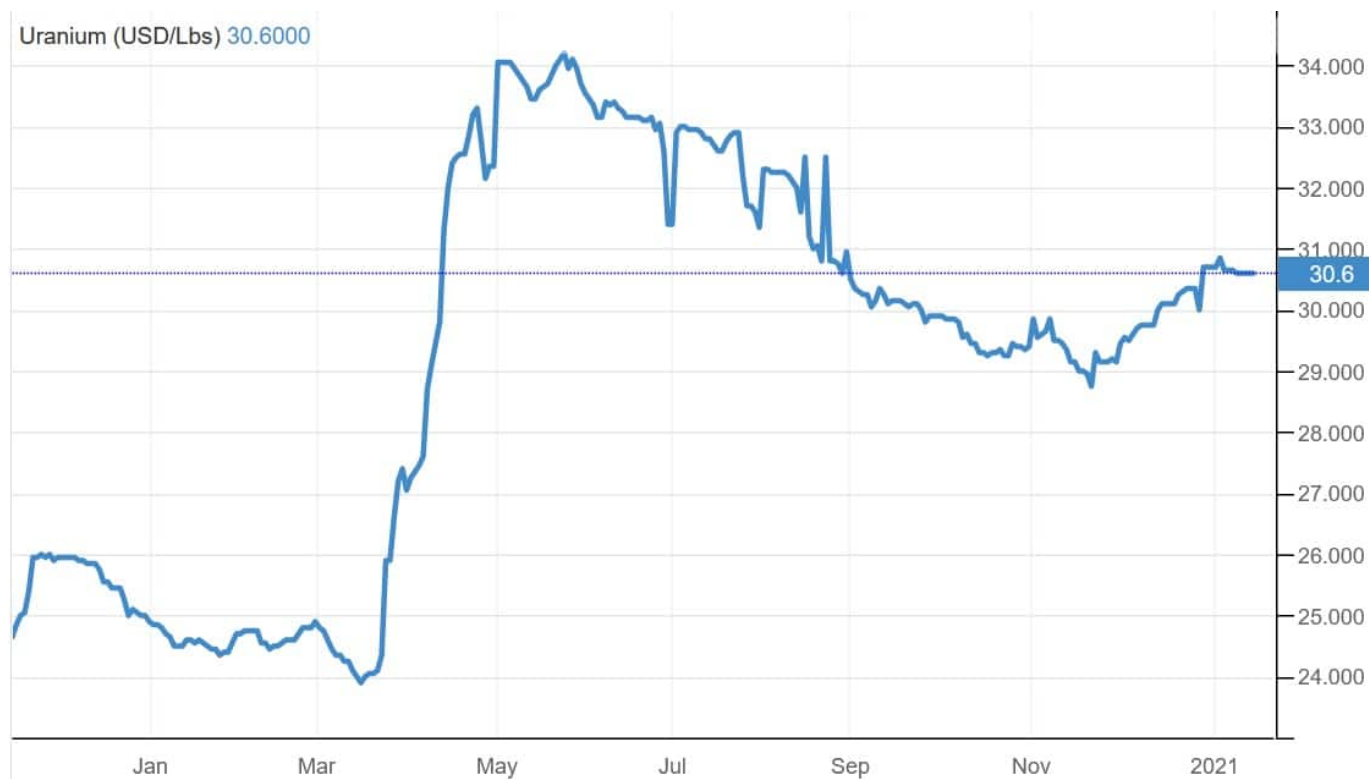
Leading US uranium miners Energy Fuels Inc. (NYSE American: UUUU) and Ur-Energy Inc. (NYSE American: URG) are up about 150% the past 3 months



Looking at the chart below we can see uranium prices have picked up a little but not enough to explain the uranium

miners stock prices surging. So why?

Uranium spot price 1 year history – Uranium prices started a new uptrend back in mid Nov. 2020



Source: Trading economics

Here are a few experts views sought this week by InvestorIntel:

Jack Lifton, host of The Technology Metals Show – “The USA imports 95% of the uranium it needs to operate its 25% of the worlds civilian nuclear reactors that provide almost 30% of American baseload (available at any time) electricity needs and accounts for more than half of all carbon free power generation in the USA. It’s imperative therefore that America produce uranium domestically for its security of supply of carbon free electric power. The US Congress has recognized this need and recently funded a program to buy domestic uranium.”

Peter Clausi – InvestorIntel Host, CBLT Inc. (TSXV: CBLT) CEO – “No matter where you are on the political spectrum,

utilities and a nuclear fleet need uranium.”

Industry insider Fission Uranium President & COO Ross McElroy stated back in August 2020 – **“I think we are in the start of a bull market right now.** That’s happened because there’s been so many production shutdowns globally. All the major mines, even all the production in Canada has been shutdown. So, we know the **demand is there and it continues to grow, supply is constricting** and these are the things that are making the bottom of the bull market happen.”

Spot on Ross, you called it before most others.

Here is how investors can track the uranium miners

InvestorIntel readers can track the uranium sector at Uranium Watchlist”

InvestorChannel’s uranium Watchlist – January 14, 2021



InvestorChannel's Watchlist

- Mega Uranium Ltd. (MGA.TO) CAD 0.19 (15.63%)
- CanAlaska Uranium Ltd. (CVV.V) CAD 0.50 (13.64%)
- Fission Uranium Corp. (FCU.TO) CAD 0.43 (13.33%)
- Forum Energy Metals Corp. (FMC.V) CAD 0.27 (10.42%)
- GoviEx Uranium Inc. (GXU.V) CAD 0.27 (8.16%)
- Appia Energy Corp. (APAAF) USD 0.33 (8.07%)
- Denison Mines Corp. (DNN) USD 0.80 (8.07%)
- Plateau Energy Metals Inc. (PLU.V) CAD 0.45 (7.23%)
- Ur-Energy Inc. (URG) USD 1.19 (7.21%)
- Energy Fuels Inc. (UUUU) USD 4.22 (5.76%)
- Global Atomic Corporation (GLO.TO) CAD 1.65 (5.10%)
- Forsys Metals Corp. (FSY.TO) CAD 0.31 (5.08%)
- Uranium Energy Corp. (UEC) USD 1.85 (4.52%)
- Anfield Energy Inc. (AEC.V) CAD 0.12 (4.35%)

Source

Uranium stocks that we follow closely at InvestorIntel include:

- Appia Energy Corp. (CSE: API | OTCQB: APAAF)
- Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR)
- Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF)
- Ur-Energy Inc. (NYSE American: URG | TSX: URE)
- Western Uranium & Vanadium Corp. (CSE: WUC | OTCQX: WSTRF)

Closing remarks

My view is that the uranium stocks are booming the past 2 1/2 months as a result of the Biden victory. The market thinks Biden will support nuclear energy as a way of reaching his 100% carbon-free electricity target by 2035. If Biden's US\$2 trillion green infrastructure and jobs plan gets passed through the Senate during the course of 2021, then it looks like the uranium miners will have a tremendous decade ahead.

In any event I also hear what insiders have been saying for some time, and that is that uranium demand continues to grow as supply constricts. This is also a positive for the underlying fundamentals of the uranium bull market.

Happy to hear what InvestorIntel readers think in the comments section below. Also if you think the uranium miners bull run can be maintained.

Further reading

- Aug. 11, 2020 – Fission Uranium's President on why the uranium bull market starts now

Western Uranium and Vanadium

stock doubles in December on no news

Ready and waiting...

That's the best way to describe Western Uranium & Vanadium Corp. (CSE: WUC | OTCQX: WSTRF), a Colorado based uranium and vanadium conventional mining company focused on low cost near-term production of uranium and vanadium in the western United States. The market clearly sees the company that way as well, as the stock has doubled since early December on no apparent news.

Recall that the company is a 'production ready' miner with fully permitted mines in western Colorado and eastern Utah, USA. Their flagship project is the Sunday Mine Complex which consists of 221 unpatented claims on public lands covering approximately 3,800 acres. The complex contains 5 mines, including the Sunday mine, the Carnation mine, the Saint Jude mine, the West Sunday mine and the Topaz mine. The complex was most recently actively mined from 2007 to 2009.

During 2019, a mine re-opening project was implemented to identify high-grade vanadium ore, followed by bulk sampling and development drilling. Active mining was conducted and the extracted ore was stockpiled underground in the mines. Each of the mines included in the Sunday Mine Complex has its own separate mining permit and they are all currently in Temporary Cessation.

Due to historic mining activities, the complex has a robust infrastructure including all-weather roads, power from the regional electric grid, surface facility structures and readily accessible water from an underground aquifer. Combining this with the excellent ore grades, the Sunday Mine complex is expected to be a low-cost operation with minimal

future maintenance capital required.

It is unfortunate that the coronavirus pandemic crippled the global economy, because in March 2020, President & CEO George Glasier stated that the complex was ready to go into production as the company had just finished building ore pads to move ore from underground to surface. The company's preparatory activities have resulted in ore that is ready to sell and in addition to the potential sales of ore for uranium extraction, they were planning to send ore samples to potential vanadium customers around the world. Recall that vanadium is a critical material that provides exception increases in steel when added in small amounts and can also be mixed with aluminum and titanium for use in jet engines and high-speed airframes, among others.

As previously reported, the company has a substantial resource base in its mines. While the NI 43-101 reports are out-of-date, the total historic resources include approximately 53 million pounds of uranium resources and approximately 35 million pounds of historic vanadium resources. It is somewhat curious why these reports are not updated, but preserving cash in these uncertain times is always a good idea.

Looking forward, the price of uranium may have a nice lift ahead of it with the US government committed to spend \$150 million per year (\$1.5 billion over 10 years) to establish a US uranium reserve – presumably this will not change under a new US president. Importantly, the government commitment could support the operation of at least two US uranium mines, according to the US Department of Energy.

Whether this is driving the recent share price appreciation or there are other newsworthy items coming, a US domestic nuclear industry and energy independence is in everyone's interest. Whether it is this company or others who are waiting for a sustained upward price movement, investors should watch this space!

Congress Passes Funding for Uranium Reserve Program – Expected to be Signed by President

Headline reads from Ur-Energy Inc. (NYSE American: URG | TSX: URE) email circulated this morning reads **Congress Passes Funding for Uranium Reserve Program – Expected to be Signed by President.**

The Ur-Energy team writes:

“We are pleased to report that initial funding for the creation of a national uranium reserve has been approved by Congress as a part of the consolidated appropriations bill and is expected to be signed into law by the President.

With passage of the **Energy and Water Development and Related Agencies Appropriations Act, 2021**, the U.S. Department of Energy (“DOE”), National Nuclear Security Administration, will be provided \$75,000,000 and is directed to coordinate with and support the Office of Nuclear Energy in the development and implementation of a national uranium reserve program. Further, DOE is directed to submit to the Committees on Appropriations of both Houses of Congress within 30 days a plan for the proposed establishment of a uranium reserve. The plan shall include the legal authorities which are in place or required to

- establish and operate a uranium reserve, including the purchase, conversion, and sale of uranium;
- a ten-year implementation plan of the activities for

- establishment and operations of a uranium reserve; and
- a ten-year cost estimate.

Additionally, within the appropriations bill, the **Energy Act of 2020** includes an 'Extension and Expansion of Limitations on Importation of Uranium from the Russian Federation', which provides protections effectively codifying the recently extended Russian Suspension Agreement. This offers additional legal protection against Russian imports flooding the U.S. uranium market."

To access their news release titled, Congress Funds Establishment of National Uranium Reserve and Codifies Protections of the Recently Extended Russian Suspension Agreement, click [here](#). Forwarded to our analysts, editors, and management team for review, I am immediately apprised of another well written news titled Energy Fuels Applauds \$75 Million Launch of the U.S. Uranium Reserve in Bipartisan 2021 Omnibus Spending Bill.

Excerpt from the Energy Fuels news release reads:

"Energy Fuels has been the number one uranium miner in the U.S. since 2017, and the projects the Company now owns and operates have produced roughly one-third of all uranium mined in the U.S. since 2006, ranking second among all U.S. uranium producers during that period. Energy Fuels holds three (3) of the most productive uranium facilities in the U.S., which together have a combined licensed capacity to produce over 11.5 million pounds of uranium per year. This includes the White Mesa Mill, located in southeast Utah, which is the only conventional uranium mill operating in the U.S. today, along with the Nichols Ranch and Alta Mesa *in situ* recovery ("ISR") facilities, located in Wyoming and Texas respectively, both of which are on standby. The Company is therefore in an unmatched position and stands ready to supply uranium for the reserve."

A dialogue with the hosts from the TechnologyMetals.com site

ensues, and host Jack Lifton responds with:

“Energy Fuels has an inventory of 700,000 lbs. of U308. Only one other American vendor has any inventory and no other vendor in the USA is licensed or capable of producing new material.

\$75 million is enough for the time being.

Besides , 117 million was set aside for the government’s Diversity Office so we know where the priorities are.”

We do a lot of coverage in the uranium sector. In fact, we just published an interview on TechnologyMetals.com on December 18th with an interview hosted by Jack Lifton and Peter Clausi with uranium guests and experts Mark Chalmers and Marc Henderson titled – The Upcoming Bull Uranium Market.

So if you agree that you are hearing the sounds of hooves heading our way for the New Year and you want to do some research on the uranium sector, here’s our most recent story on Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF) written by Matt Bohlsen titled – Uranium market heats up with Biden win, and Ross McElroy takes the Triple R Project reins.

Or an update Frederick Kozak composed on Ur-Energy titled Ready for the inevitable change in the market, as a secure domestic uranium industry is in the United States’ best interest.

Or perhaps you may enjoy seeing how the 20 uranium companies we are following on InvestorChannel.com are faring?

The following 5 InvestorIntel.com members in the uranium sector we urge you to review:

- Appia Energy Corp.
- Energy Fuels Inc.
- Fission Uranium Corp.

- Ur-Energy Inc.
- Western Uranium & Vanadium Corp.

On behalf of InvestorIntel, happy holidays.

Energy Fuels' Mark Chalmers talks about re-establishing rare earths processing in the USA

InvestorIntel's Tracy Weslosky speaks with Mark Chalmers, President & CEO of Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR), about Energy Fuels' recent three-year supply agreement with The Chemours Company (NYSE: CC) to acquire a minimum of 2,500 tons per year of natural monazite sands, one of the highest-grade rare earth element ("REE") minerals in the world.

"We didn't announce we were getting into the rare earths business until April, and then eight months later we sign a supply agreement with Chemours," Mark told Tracy. "It's a very significant first step to re-establishing the processing of rare earths in the United States." Energy Fuels' supply agreement with The Chemours Company "represents about 10% of the U.S. requirements" for rare earths, he told Tracy.

Energy Fuels expects to be producing rare earth carbonate in Q1, 2021, "so you're only looking at a few months away," Mark said. The company is also in ongoing discussions with additional suppliers of monazite.

In the InvestorIntel interview, also available on our InvestorIntel YouTube channel, Tracy and Mark discuss how cost has been one of the barriers to North American rare earths production, but Mark believes Energy Fuels “is going to be world competitive” in processing rare earths at its White Mesa Mill because of “the grade, the ability to process it, the existing facility that’s fully paid for and licensed, and the ability and the permits to start producing a rare earths carbonate.”

“For all those reasons,” Mark continued, “we think we are at a substantial advantage over the others and we are excited about the future.”

To watch the full interview, [click here](#).

To learn more about Energy Fuels Inc., [click here](#).

Disclaimer: Energy Fuels Inc. is an advertorial member of InvestorIntel Corp.

Appia Energy’s monazite ‘a particular gem in the world of rare earths’

Appia Energy Corp. (CSE: API | OTCQB: APAAF) is a company focused on strategic minerals in Canada, specifically uranium and rare earths. The company has a high-grade rare earths project at Alces Lake and is also targeting uranium in three additional properties, all of which are located in the Athabasca Basin in northern Saskatchewan. In addition, the company has uranium (and associated rare earths) in a property

near the town of Elliot Lake, Ontario. Thirteen underground mines on this property produced approximately 360 million pounds of U308 from 1955-1996.

After a very successful summer drilling program on the Alces Lake property, the company has raised new equity in the form of non-brokered private placements of equity and flow-through shares. In early December 2020, the company closed a non-brokered \$0.4 million flow-through financing. This was preceded by another flow-through and equity raise announced in October, which raised a total \$1.8 million in new equity. In addition, the company raised a further \$0.8 million through the exercise of share purchase warrants between September 14 and November 5, 2020. All of the new capital raised is intended for continued exploration on the company's uranium and rare earth properties in Saskatchewan.

Particularly important to the company and shareholders, the rare earths continue to draw more market attention. For industry watchers and participants, the recent global activities are bringing the scarcity and security of supply of rare earths to the fore. So much so that at the end of September 2020, President Trump signed an executive order regarding critical materials, declaring a national emergency as related to rare earths. To further exacerbate the global focus on rare earths, on December 1, 2020, China implemented its Export Control Law, which is going to have impact on the export of rare earths from the country. China arguably has the world's most complete rare earth industry chain, which means in order to make full use of the rare earths mined in various countries, they must come to China for processing. China produces approximately 80% of the world's rare earths but can only supply about 30% of the input.

Reminiscent of other industries and other parties' attempts to corner particular markets, the world of rare earths appears to be undergoing a seismic shift. Governments outside of the US are also recognizing this trend and the provincial government

of Saskatchewan (Canada), via the Saskatchewan Research Council (SRC), announced in August 2020 plans to have an operational rare earths processing facility completed and operational in late 2022. Unknown to most people, the SRC has world renowned rare earths experts who have over 30 years experience in the sector. This facility is a first of its kind in Canada and is strategic for the rare earths properties in western Canada.

All of these global activities are relevant to Appia and the rest of the exploration industry's move away from a stranglehold on rare earths supply from China. In particular, according to the company, the Alces Lake property has the second highest average grade of rare earths in the world. Combine this with access to infrastructure in the immediate area and the further potential of the Alces Lake property (less than 1% of the property explored with diamond drilling), including six new areas of the rare earths system on the property.

One word – monazite. The significance of the Alces Lake property should not be underestimated. Why? The rare earths on the property are 100% hosted within monazite, which has proven simple extraction methods dating back to the 1950s. But more importantly, the monazite at Alces Lake occurs as isolated grains, 1 – 3 cm thin lenses and as isolated clusters with further metres thick massive clusters which have been found to be outcropping at surface. The monazite ore has critical rare earths Neodymium (Nd), Praseodymium (Pr), Dysprosium (Dy), and Terbium (Tb) which are necessary for the permanent magnet industry and represent approximately 85% of the potential value at Alces Lake.

While it is far too early to declare Appia Energy a leader in the global race to develop new supply sources outside of China, their Alces Lake asset is compelling and the timing is excellent. Investors should be watching this company keenly, as the global rare earths story evolves.

Uranium market heats up with Biden win, and Ross McElroy takes the Triple R Project reins

Yesterday the US uranium industry received some exciting news. The U.S. Senate Committee on Appropriations released drafts of FY 2021 funding measures and subcommittee allocations which included \$150M for the U.S. Uranium Reserve. If passed, this will enable the Department of Energy to begin the funding required to stimulate growth in the US domestic uranium mining industry. This has been long expected but looks to be finally happening. If passed, it will give a boost to the US uranium producers and lift sentiment generally across the uranium sector.

Meanwhile President elect Joe Biden plans regarding nuclear include developing small modular nuclear reactors; that are smaller, safer, and cost about half the construction cost of current reactors. It looks like safer and smaller nuclear is part of the future and for that we will continue to need uranium.

As the uranium price hovers around US\$30/lb, one company continues to advance their high grade uranium project in North America with a goal of reaching production. That company is Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF) ('Fission'). Fission is a resource company specializing in the strategic exploration and development of the Patterson Lake South (PLS) uranium property, located in Canada's Athabasca Basin, home to the world's richest uranium mines known for uranium grades

10-20 times the global average. The Project is currently in the stage of working on environmental permitting, overseen by Fission's Special Adviser Mark Wittrup.

Fission also has a new CEO, Ross McElroy, to take the Company to the next stage of development. Mr. McElroy is a professional geologist with over 30 years of experience in the mining industry. He is the winner of the PDAC 2014 Bill Dennis award for exploration success and the Northern Miner 'Mining Person of the Year 2013'. He has comprehensive experience with managing and advancing many types of mineral projects from grass roots exploration to feasibility and production.

Fission CEO, Ross McElroy stated: "We are excited to further progress the world-class Triple R uranium project towards production. We are committed to the efficient and effective development of this one-of-a-kind deposit so that it may help ease the upcoming global uranium supply deficit."

Patterson Lake South Property (PLS) which includes the Triple R uranium deposit



Source

The 31,039 hectare Patterson Lake South Property (PLS) project is 100% owned and operated by Fission. It is accessible by road with primary access from all-weather Highway 955. Within the PLS Project sits the high-grade, and near-surface Triple R uranium deposit.

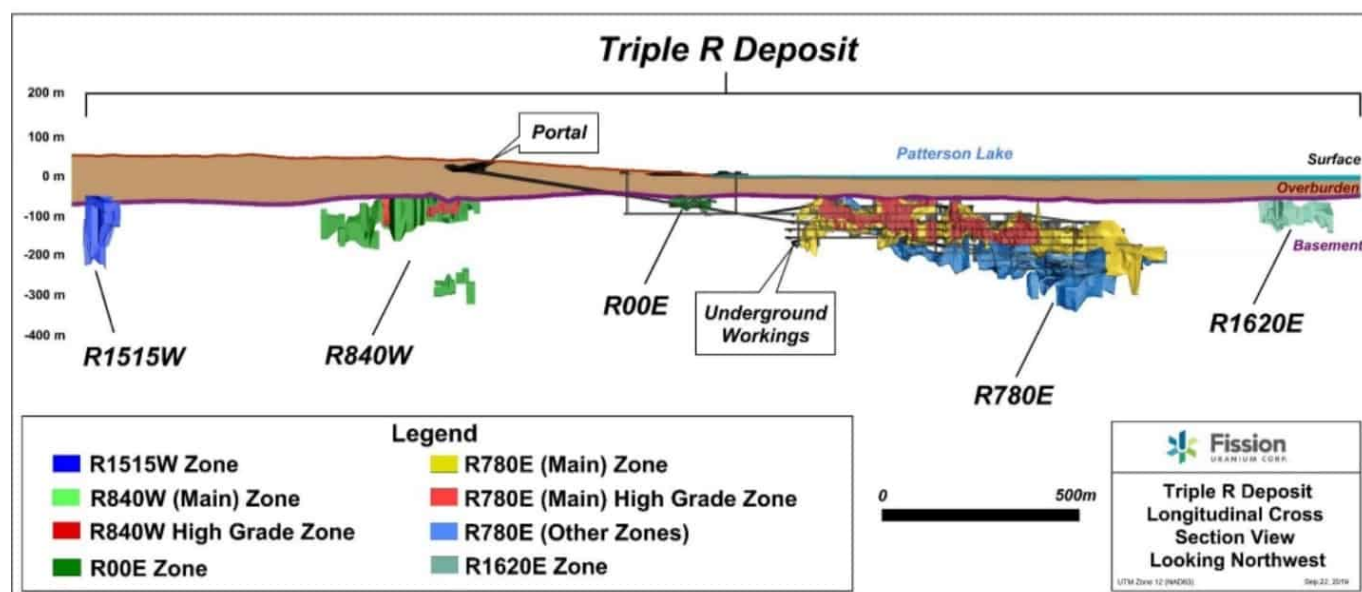
In 2019, the Company released results of two PFS studies. The underground option is looking more favorable than the hybrid open pit/underground option due to a lower CapEx (C\$320M less), 25% quicker construction time, 90% reduced surface footprint (potentially helps lessen the environmental impact), favored by locals, and has a lower OpEx and higher IRR.

The PFS was based on an Indicated Resource of 2.2 million pounds of contained uranium with an average grade of 2.2%.

The underground-only mine PFS resulted in a post-tax NPV8% of C\$702M, post-tax IRR of **25%**, initial CapEx of C\$1,177M. Operating costs were estimated at C\$9.57/lb (US\$7.18) U₃O₈ over a 7 year mine life. Usually a post-tax IRR of over 20% is seen as favorable.

The Triple R Deposit, plus the underground only PFS Indicated and Inferred Resources

Triple R Deposit – Cross Section Looking NW



U₃O₈ Resources

U/G Only PFS – Indicated:

102.4 Mlb U₃O₈ at an average grade of 2.10% U₃O₈
2.22 million tonnes

U/G Only PFS – Inferred:

32.8 Mlb U₃O₈ at an average grade of 1.22% U₃O₈
1.22 million tonnes

U/G Only OPEX:

US\$7.18/lb U₃O₈

Source

In recent news, Fission announced a C\$15M bought deal offering which is backed by the underwriters. The Offering is expected to close on or about November 17, 2020. Fission state that “the net proceeds of the Offering will be used to fund the further development of the Triple R deposit in Saskatchewan, to repay certain amounts owing under the credit facility among the Company, Sprott Resources Lending Corp. and Sprott Private Resource Lending II (Collector), LP, and for working capital and general corporate purposes.”

Fission’s timeline and catalysts summary



Source

Closing remarks

The US Uranium Reserve appropriations bill (if passed) and a US/Biden strategy of developing small modular nuclear reactors for base load power is a positive for the uranium sector.

Fission Uranium continues to advance their high grade Triple R Project in Canada. A recent C\$15M raise will help the Company to progress to the next stage of development including starting work on environmental permitting and the Feasibility Study.

The current market cap of Fission Uranium is C\$129M.

Further viewing

- Fission's Ross McElroy on how "we are in the early stages of a uranium bull market" (video)

Ready for the inevitable change in the market, as a secure domestic uranium industry is in the United States' best interest

The world still needs energy of all forms. Despite the ongoing (and hopefully temporary) impact of the global coronavirus pandemic, world prices for many consumable commodities have fallen. Great for consumers, but not so great for the

producers.

A case in point was the third quarter results released by Ur-Energy Inc. (NYSE American: URG | TSX: URE) late on October 30, 2020. The company's Form 10-Q for the quarter ended September 30, 2020, highlights that no sales were made in Q3-2020 and none are expected for the current quarter. The company had contractual sales in the first half of 2020, which were profitably met by product purchases and not from inventory, which totaled just over 268,000 pounds of U308 at the end of the quarter.

Ur-Energy is a uranium mining company operating the Lost Creek in-situ recovery uranium facility in south-central Wyoming. The Lost Creek processing facility, which includes all circuits for the production, drying and packaging of uranium for delivery into sales transactions, is designed and anticipated under current licensing to process up to one million pounds of U308 annually from the Lost Creek mine. The processing facility has the physical design capacity to process two million pounds of U308 annually, which provides additional capacity to process material from other sources.



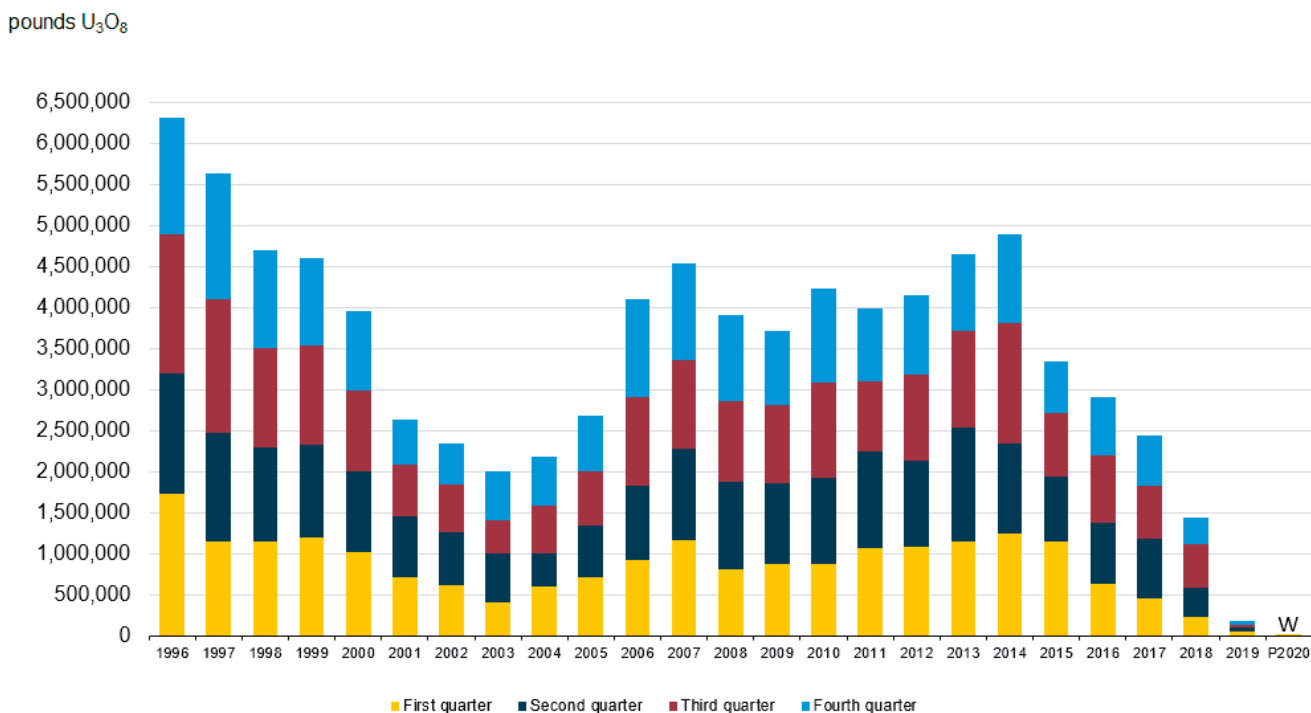
Source

The company has a total of 12 US uranium properties, including 10 properties in the Great Divide Basin, Wyoming including Lost Creek as shown above. Notably, the company also has nearby assets in the Shirley Basin, with a Measured and Indicated resource of 8.8 million pounds. Uranium was produced from this area from the 1960s through the 1990s and totaled more than approximately 71 million pounds of uranium, so this is a known resource for the company. An application to the state of Wyoming for a permit to mine the Shirley Basin Project is in process and the company anticipates that the necessary permits and authorizations should be received in Q1-2021.

In the interim, Ur-Energy continues to operate at reduced levels with the lowest possible cost structure in anticipation of an improved uranium market. While the company did produce

uranium at Lost Creek in the quarter (~2,500 pounds), this was 40% lower than the previous two quarters and half the production of Q4-2019. This reflects the current state of the global uranium business and particularly in the US which has seen a response to the low-price environment with dramatically falling US Uranium production.

Figure 1. Uranium concentrate production in the United States, 1996 to second-quarter 2020



P = Preliminary data

Source: U.S. Energy Information Administration: Form EIA-851A, *Domestic Uranium Production Report (Annual)*, and Form EIA-851Q, *Domestic Uranium Production Report (Quarterly)*

Source

Fortunately, there initiatives in play to rejuvenate the domestic industry. In 2019, US President Trump established a United States Nuclear Fuel Working Group (NFWG) as a response to the Petition 232 initiative launched by Ur-Energy and Energy Fuels Inc. in 2018, which released a report in April 2020 with recommendations to revitalize the domestic uranium mining and broaden nuclear industries. Among the recommendations was the establishment of a government-funded uranium reserve, but most importantly was the recognition of the state of the domestic industry and a call to action to protect security of domestic supply.

Additionally, on September 20, 2020, US President Trump issued an Executive Order “on Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries”. It declares a “National Emergency” to expand the domestic mining industry, considering the list developed in 2018 of 35 minerals deemed critical to U.S. national security and the economy which include uranium and rare earths. More specifically to uranium, it was also announced on October 6, 2020 that the US Department of Commerce and the Russian state atomic energy corporation, Rosatom, have amended an agreement that was to expire on December 31, 2020 that extends the 1992 pact through 2040 and reduces U.S. reliance on uranium from Russia during that time period.

For the moment, all domestic uranium companies have to do is maintain low-cost operations and be ready for the inevitable change in the market, as a secure domestic uranium industry is in the United States’ best interest. Ur-Energy completed a net \$4.3M equity raise in August 2020 and just announced a restructuring with the State of Wyoming for deferral of State Bond Loan payments until October 2022. They are part of a critical and strategic industry in the US and investors should be watching for future industry developments.