Uranium prices surged 35% higher in the past month, just as Western Uranium & Vanadium is ready to begin production

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Uranium prices have surged higher, up 35% in the last month, making uranium the best performing major commodity so far in 2020. Uranium demand has remained steady but supply has fallen sharply due to mine shutdowns in Kazakhstan and Canada by Kazatomprom and Cameco respectively. Bloomberg quotes cantor Fitzgerald stating: "Shutdowns wiped out about 46 million pounds, or about 35%, of annual global uranium output, over three weeks."

After a decade long bear market in uranium prices, uranium inventories are now low as is global uranium production. This spells out the possible beginning of a new uranium bull market, which should be positive for those uranium miners that can bring on new production relatively quickly.

Uranium prices are up 35% in the past month to $32.50

Source

Western Uranium & Vanadium Corp. (CSE:WUC | OTCQX:WSTRF) is a uranium and vanadium 'production ready' miner from their fully permitted mines in western Colorado and eastern Utah. The Company's Projects cover both vanadium and uranium. Their flagship project is the Sunday Mine Complex that covers 5 mines located in western San Miguel County, Colorado, USA. The Company

was wise to purchase previously producing mines achieving a lower CapEx, good infrastructure and project permits.

Western Uranium & Vanadium is one of the largest U.S. Uranium and Vanadium in-situ resource holders. Grades are good with historic resources (formerly JORC) and NI 43-101 of:

- Total uranium resource ~53,000,000 lbs.
- Total vanadium resource ~35,000,000 lbs.

Western Uranium & Vanadium Sunday Complex has high grades of uranium and vanadium

The Sunday Mine Complex is now ready to produce and ship uranium with ore stockpiled

In a March 10, 2020 interview with InvestorIntel, CEO George Glasier stated regarding uranium production from their Sunday Mine Complex:

"We opened the mines and got them ready this summer. We are ready to go into production. As soon as the market turns a little bit we will be in production."

With regards to the US$150 million US reserve and possible contracts, CEO Glasier stated: *"We will be one of the suppliers."*

The Sunday Mine complex was re-opened in 2019 and successful mine development of the underground workings during 2019 has brought the Sunday Mine Complex into production-ready status. Mined ore is currently being stockpiled and the ore pads have been built to facilitate the ore on the outside, which will then be shipped to buyers for further processing.

Next steps for Western Uranium & Vanadium

- Further production of uranium and vanadium ore.
- Shipping uranium/vanadium ore to potential customers and processors.

Closing remarks

The uranium price move is quite likely the start of a new uranium bull market. Higher uranium prices are required to incentivize new production needed to meet future global nuclear reactor requirements. A positive for the US uranium sector is that in the US, starting in the Fiscal Year 2021 budget, there will be a $150 million uranium reserve each year for the next decade.

Western Uranium & Vanadium is well positioned to quickly bring on a new uranium supply. The stock is priced at C$0.88 with plenty of upside potential should the uranium rally hold or continue.