Permitted and Production ready, the Sunday Mornin' Mine is Comin' Alive to Mine Saleable Uranium

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It's been a wild ride for uranium stocks over the last few months. From mid-August into September there was a tremendous, across the board, rally on the back of bullishness brought about by the Sprott Physical Uranium Trust (TSX: U.UN) and its purchase of uranium that helped prop up spot prices. Then, as the Sprott Uranium fund raised even more cash to continue buying physical uranium, you had additional optimism that nuclear would be a prominent theme at COP26 as a zero carbon energy source. However, it would appear that for the time being that early to mid-November was the top of the impressive rally in uranium stocks as they seem to be in a bit of a slump of late. With that said, there seems to be plenty of optimism out there that spot uranium buying by Sprott and its peers, have perhaps set a new base for uranium prices and this should serve to benefit virtually all uranium producers.

This could make the current weakness in uranium stocks a buying opportunity, but as I've noted before, I might be the worst market timer ever when it comes to uranium names. So today we'll simply discuss 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 – Western Uranium & Vanadium Corp. (CSE: WUC | OTCQX: WSTRF). Then you can decide whether this is a good time for you to jump on the uranium bandwagon.

Probably the most critical aspect for an investment in Western Uranium is its Sunday Mine Complex (SMC), which is now back in pre-production development. On October 12, 2021, the Company stated that active mine development operations had resumed at the Sunday Mine Complex, and the project is already producing strong results. Development ore is being stockpiled underground, with full production of the GMG ore body potentially beginning within six months. The ore body is projected to be significantly larger than indicated by the previous limited surface drilling and the location of ore-grade material is within thirty feet of the existing mine workings. The Company followed up on November 16th to report that in only three working days, over 300 tons of very high-grade uranium/vanadium ore was mined from the drift estimated at 1.5%+ uranium U_3O_8 content. At present market prices, this mined ore has a uranium/vanadium ore value of approximately US$1 million. I'd say that's a pretty good 3 days at the office.

It's important to note that the Sunday Mine Complex is already permitted and production ready. 2019/2020 exploration and development have enabled Western to quickly restart operations at the SMC where the infrastructure has been recently upgraded and the mine workings rehabilitated. This is a huge advantage relative to other players in the uranium space given that growing a resource, feasibility studies, and permitting can take many years or longer. Western is one of the few North American small-cap uranium producers that have the ability to mine saleable uranium today. In theory, this should give Western a better correlation to uranium price movements than an explorer with indicated or inferred resources or possibly not even that advanced. Western is actually stockpiling a resource it could sell tomorrow.

At present, Western is well-financed to continue operations

having finished September with $4.4 million in cash (excluding restricted cash). Additionally, there are roughly 10.7 million warrants outstanding with an average strike price of C$1.60 versus yesterday’s close of C$1.83, which represents an additional C$17 million of potential funding. All this makes Western Uranium’s market cap just under C$70 million. If you are better at figuring out what’s going to happen next with uranium prices than I am, then you can decide if this is a steal of a deal or not. What I do know is that Western Uranium & Vanadium Corp. should react positively to any good news on the uranium front going forward.