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Why I Remain a Uranium Bull

Calgary, April 2011

Uranium: The Next Big Thing

March 11, 2011 Japan Disaster

U_3O_8 Supply and Demand

- 2009 Demand: 186 million lbs
- 2009 Mined: 132 million lbs
- 54 million lb Deficit
- Megatons to Megawatts: 24 million lbs
- Stockpiles: 30 million lbs

Uranium Supply and Demand

- 443 Operating Plants Before Japan Disaster
- 425 Operating Plants Post Japan Disaster
- 3 % Demand Destruction
- Sovereign Stockpiles Dwindling
- Russia / US Conversion Agreement Ends 2013

Uranium Sales

- Long Term Contracts 70-85 %
- Short Term Trades 15-30%
- Off-take Contract Price \$72 / lb
- Spot Market Price \$59.50 / lb
- Prices Same as November 2010

Spot Price

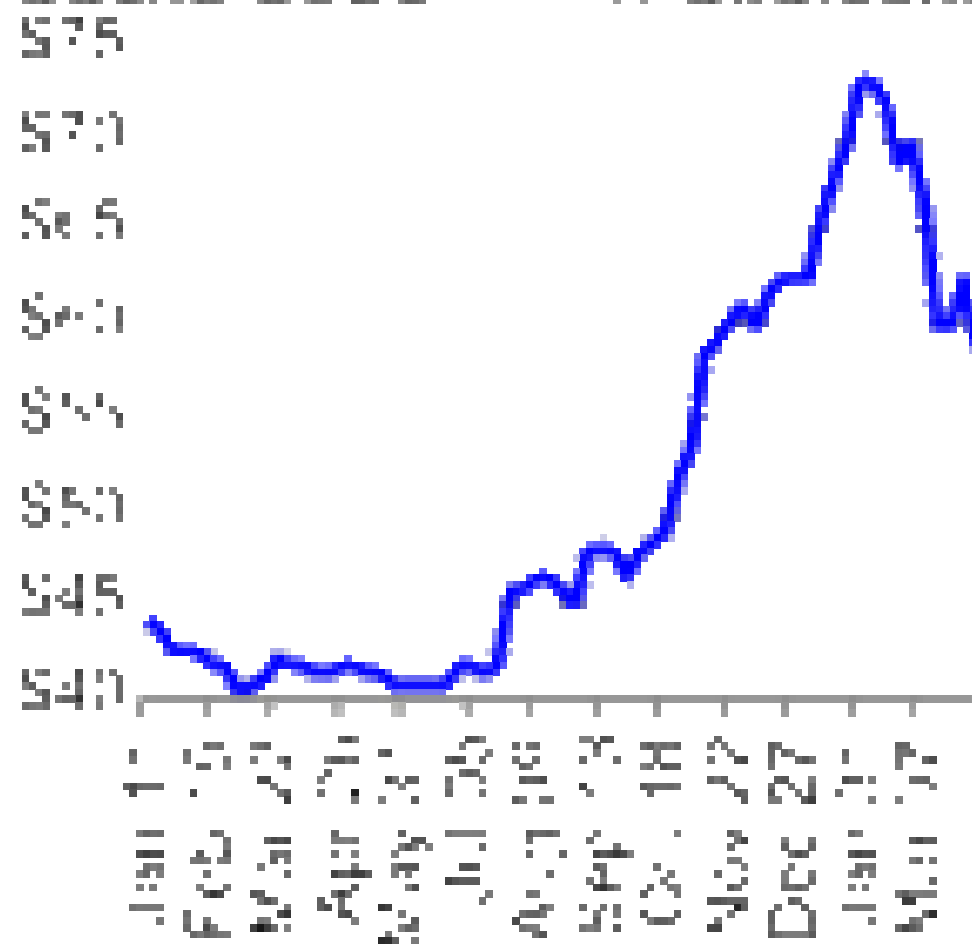
- Ux Consulting
- 12 month Increase 50 %
- Drives the Stock Market

Ux U3O8 Price: \$59.00

4-Apr-11 (▼-\$3.50)

US\$/lb U3O8

© UxC.com



Spot Price Increases

- Buyers > Sellers
- Speculators
- China
- Utilities
- Producers
- Kazakhstan

Uranium: The Next Big Thing Story Remains the Same

- Nuclear Energy = 13% of Electricity
- 443 Nuclear Power Plants
- 104 United States
- 59 Under Construction / 200 Planned
- Increased Demand for Yellowcake
- 4% Growth Projected Year over Year

Uranium Supply

- USA 52 million pounds Demand
- USA 4 million pounds Supply = 7%
- Kazakhstan #1; Russia #4; Niger #6
- Uzbekistan #9; China #10

Five Largest Mines = 43% of Supply

- MacArthur River, Saskatchewan
- Ranger, Northern Territory Australia
- Rossing, Namibia
- Kraznokamensk, Russia
- Olympic Dam, South Australia

New Production

- High Cost Conventional UG Mines
- Higher Prices Required (\$65-80 per pound)
- Low Cost Mines
- ISR & Open-Pit Heap Leach Mines
- Profitable at Current Prices

Uranium Juniors

- H2 2005 - H1 2007 Boom
- H2 2007 - 2008 Bust
- 2009 - H1 2010 Flat and Out of Favor
- H2 2010 Next Big Thing
- Q2 2011 Japan: Future ?

Speculating in Junior Resource Stocks

Key Criteria

- Share Structure
- People
- Projects
- Undervalue

Strathmore Minerals Corp (STM.TSX)

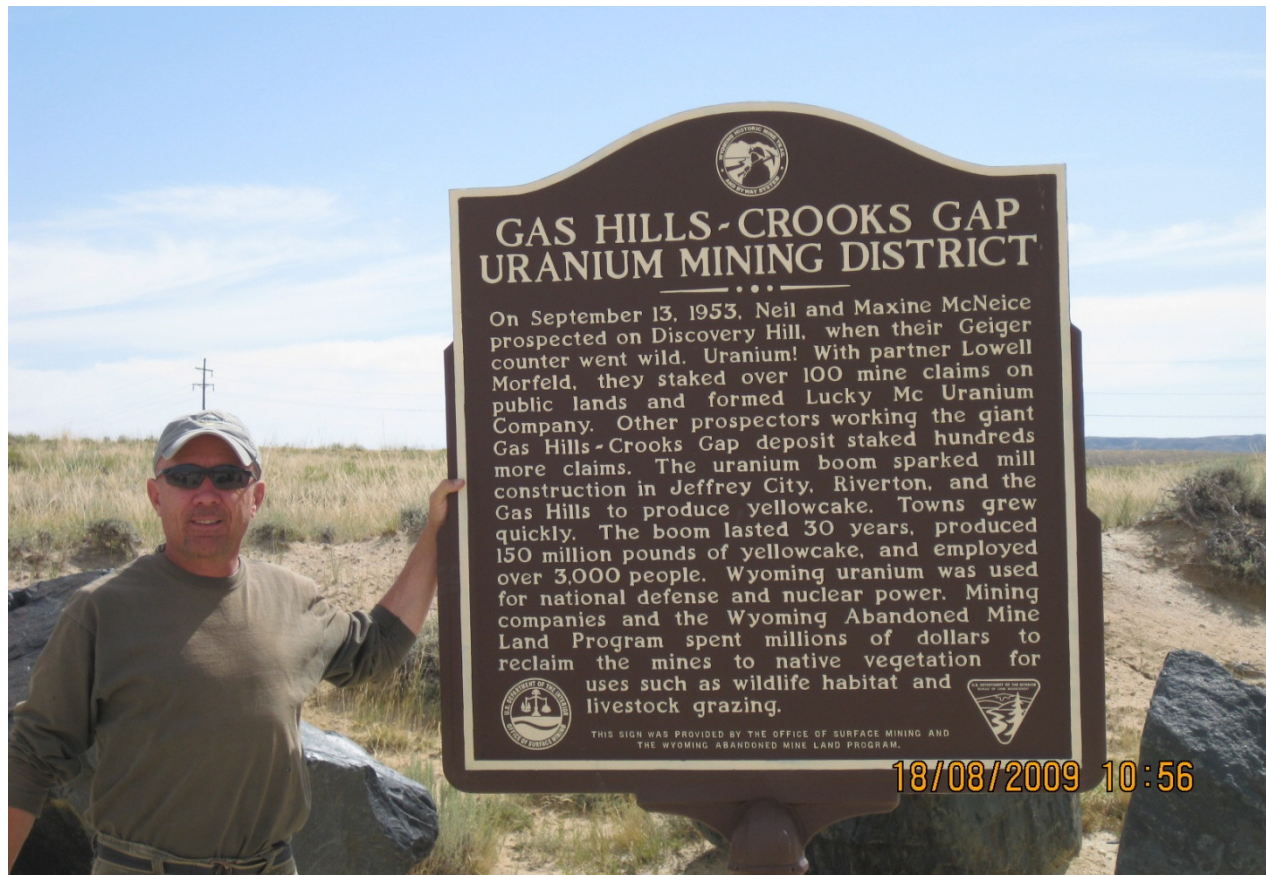
- 88.9 million Shares
- 80 c per Share
- \$72 million Market / \$25 million Working
- 120 million Pounds-in-the-Ground
- 60 cents per Pound

Roca Honda, New Mexico

Monitor Well Drilling Fall 2007



Gas Hills, Wyoming Summer 2009

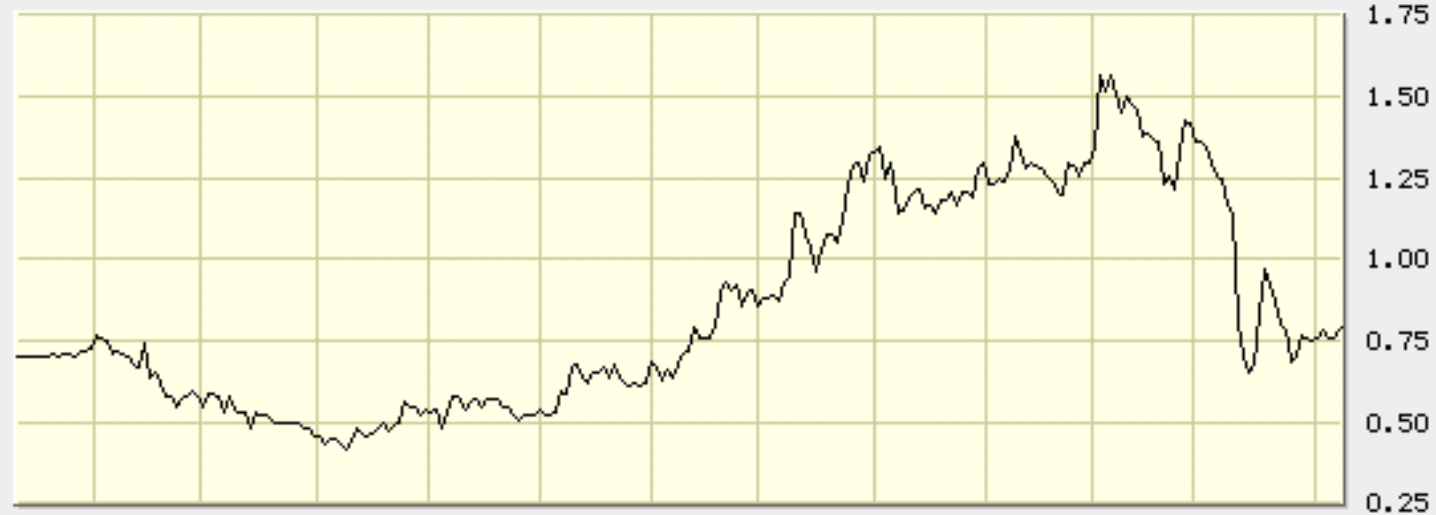


Gas Hills, Wyoming Roll Front



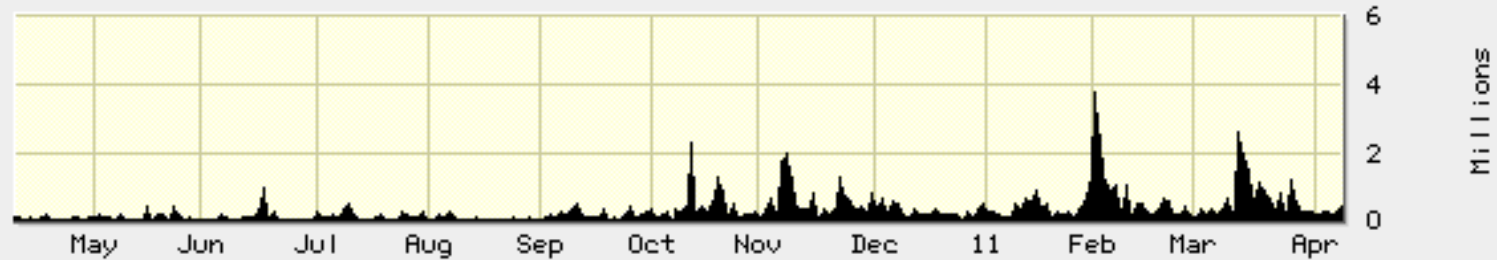
CR:STM Daily

4/08/11



Volume

©BigCharts.com



Uranium Energy Corp (UEC.NYSE)

- 72 million Shares Outstanding
- \$4.20 per Share
- \$300 million Market / \$33 million Working
- 12 million pounds South Texas
- 23 million pounds Western USA
- Cash Cost \$20 / lb \$10 million Capex

Palangana ISR “Mine”



Hobson ISR Plant, South Texas





USA Future Production

- South Texas ISR
- Wyoming Basins ISR & Open Pit
- Utah-Colorado UG
- Grants Mineral Belt UG & ISR

Monday Morning Musings from Mickey the Mercenary Geologist



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