

URANIUM PRICES <sup>1</sup>	As of 01/31/2020	MoM	YTD	YoY
Spot Price US\$/lb U <sub>3</sub> O <sub>8</sub>	\$24.76	-0.7%	-0.7%	-14.3%
Long-Term Price US\$/lb U <sub>3</sub> O <sub>8</sub>	\$32.00	0%	0%	0%

GLOBAL REACTOR <sup>2</sup>	COUNT	GWe	MoM	YTD	YoY
Operable	443	396	0%	0%	-1.8%
Under Construction	55	58	-1.9%	-1.9%	-7.0%
Planned	110	122	0.9%	0.9%	-20.9%
Proposed	330	361	0%	0%	-3.5%

SLU <sub>3</sub> O <sub>8</sub> EQUITIES PERFORMANCE	As of 01/31/2020	MoM	YTD	YoY
SLU <sub>3</sub> O <sub>8</sub> Equity Index <sup>3</sup>	427.52	-11.7%	-11.7%	-30.4%
UProducers Average <sup>4</sup>	MoM Top Performer: A.PEN -2.9%	-11.5%	-11.5%	-30.0%
UDevelopers Average <sup>4</sup>	MoM Top Performer: L/ BKY +2.2%	-11.9%	-11.9%	-23.3%
UExplorers Average <sup>4</sup>	MoM Top Performer: A.AEE +20.0%	-2.4%	-2.4%	-46.9%

1. Price as per UxC, LLC.  
 2. As per World Nuclear Association; MoM, YTD and YoY percentages based on Global Reactor Count  
 3. SLU<sub>3</sub>O<sub>8</sub> Equity Index Performance based on CCO, DML, EFR, UEX, URE, UEC & U  
 4. Performance Averages from the SLU<sub>3</sub>O<sub>8</sub> UEquity list of companies;

Updated on February 1, 2020

### MONTH IN REVIEW

For the first time in nearly four years, the SLU<sub>3</sub>O<sub>8</sub> Equity Index has dipped below the Spot Price Index, down 11.7% this month closing at 427.52. Meanwhile the Spot Price barely moved to close January at US\$24.76/lb. This is not, however, much different than we are seeing in the equities of other commodities, such as gold, where share prices are moving in resistance to or counter to commodity prices.

Throughout 2019 the Spot Price of uranium traded in a narrow band of \$24-26/lb. losing the volatility of prior years. None the less, 2019 did demonstrate volume and liquidity that was quite high with an annual volume of nearly 65 million pounds.

As Haywood points out in this month's feature article, with equities resting on new 52 week lows, 2020 could be the year we see prices tip back to the green.

Comments or questions ? Ask us on Twitter (@Sightline3o8) or email us at [editor@sightline3o8.com](mailto:editor@sightline3o8.com).

## HAYWOOD BULLISH ON URANIUM SECTOR FUNDAMENTALS



Source: [The Northern Miner](#)

While uranium spot prices were down 14% in 2019, supply and demand fundamentals for uranium are the "most bullish in years," and the sector "offers its most compelling value proposition since pre-Fukushima," Haywood Securities says in a new research note.

"Looking ahead, we believe we are in the early stages of a long-term bull market for the uranium investment theme and recommend investors begin positioning their portfolios by steadily accumulating select names," it says. "Previously enacted and expected major supply cuts are starting to erode global inventories with primary production now less than reactor demand."

CONTINUED ON PG 2

## HAYWOOD BULLISH ON URANIUM SECTOR FUNDAMENTALS (CONT'D)

Haywood forecasts the average spot price for U308 will increase from US\$26 per lb. last year to US\$39 per lb. in 2020, and continue rising to US\$47 per lb. (2021), US\$55 per lb. (2022), US\$64 per lb. in 2023 and to US\$65 per lb. in 2024 and 2025. The long term price is expected to move from US\$32 per lb. in 2019 to US\$46 per lb. this year and then increase to US\$55 per lb. (2021), US\$63 per lb. (2022), US\$70 (2023) and then remain steady at US\$65 per lb. in 2024 and 2025.

"While 2019 failed to deliver the more substantial increase in uranium benchmark prices we anticipated, we still believe the fundamentals of the sector have dramatically improved over the last 18-24 months and that we are near the beginning of the next utility buying cycle."

Haywood also notes that the global reactor pipeline remains robust and is nearing the number prior to the Fukushima nuclear plant disaster in Japan.

"Importantly, the number of operating reactors is inching ever close to the pre-Fukushima era as Japan made significant strides to bring reactors back online over the last two years," the report states. "Reactors under construction' have declined slightly since January 2011, but there is an underlying success story here that keeps us bullish. Since 2014, China has completed construction on and commissioned 28 reactors, increasing its operating fleet to 47 (+161% in just five years). China makes up 21% (911 units) of the current global 'under construction' pipeline, with another seven in India, four in Russia, four in South Korea and four in the United Arab Emirates."

Haywood puts the current reactor fleet globally at 415 operating reactors and expects demand growth of about 26% in 'operating' reactors from 415 today to 520 by 2035.

In the U.S., Haywood notes that uranium production saw declines in the double digits annually in the last five-year period, falling from 5 million lb. U308 in 2014 to 1 million lb. U308 in 2019, "representing a tiny fraction of the country's annual reactor demand, which is approaching 50 million lb. U308 a year.

"We believe substantially higher prices will be required to incentivize new mine construction to backfill the accelerating supply shortfall we outline from 2027," Haywood states.

Haywood also argues that uranium equities "will lead the charge higher in anticipation of higher uranium prices. It recommends core uranium holdings of Cameco Corp. (TSX: CCO; NYSE: CCJ); Denison Mines (TSX: DML); Energy Fuels (TSX: UUU); NexGen Energy (TSX: NXE); Uranium Energy (TSX: UEC); Uranium Participation (TSX: U); and Azarga Uranium (TSX: AZZ).

Among the group its top picks are NexGen and Azarga Uranium.

"NexGen controls the best uranium discovery made anywhere in the world in decades, in the ultra-high-grade Arrow deposit, while Azarga has made major project level and regulatory progress in 2019 and we expect it can convert this success into share price performance in 2020."

Both companies would make attractive acquisition targets, Haywood argues.

In terms of NexGen's Arrow deposit, Haywood says, "it is critical for existing major producers to control this deposit because of its disruptive potential," and points to a prefeasibility study outlining cash operating costs of US\$4.65 per lb.

As for Azarga, it believes its Dewey Burdock project has "potential to evolve into a lower cost, low CAPEX uranium producing operation in the U.S." and points to a preliminary economic assessment in December 2019 outlining a pre-tax net present value at an 8% discount rate of US\$63 million and internal rate of return of 28% at a uranium price of US\$40 per lb.

"With all-in pre-tax cost of production of US\$29 per lb., Dewey Burdock should be a very resilient project capable of generating positive cash-flow even at currently depressed long-term market prices." ●

## TOP SUPPLY NEWS

[Britain's electricity since 2010: wind surges to second place, coal collapses and fossil fuel use nearly halves](#)

January 6, 2020

[Uzbekistan to supply uranium to Japan for over \\$1 billion](#)

January 7, 2020

[Romania to scrap deal with Chinese partner to expand Cernavoda nuclear power plant](#)

January 21, 2020

[Top 10 large, high-grade uranium projects](#)

January 23, 2020

[Trump administration to renew Iran sanctions waivers amid worries over US nuclear supply](#)

January 30, 2020

## TOP DEMAND NEWS

[Preliminary Nuclear Power Facts and Figures for 2019](#)

January 1, 2020

[The share of nuclear energy in the power balance of Russia has reached 19%](#)

January 15, 2020

[Timeline to mothball Pickering nuclear plant could shift under new plan from OPG](#)

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[Turkey, Japan scrap partnership in Sinop nuclear plant in Turkey's north](#)

January 21, 2020

[France could shut next two nuclear reactors sooner than expected](#)

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[Bruce Power, Town of Saugeen Shores welcome Williams Industrial Services Group on opening of Canadian offices](#)

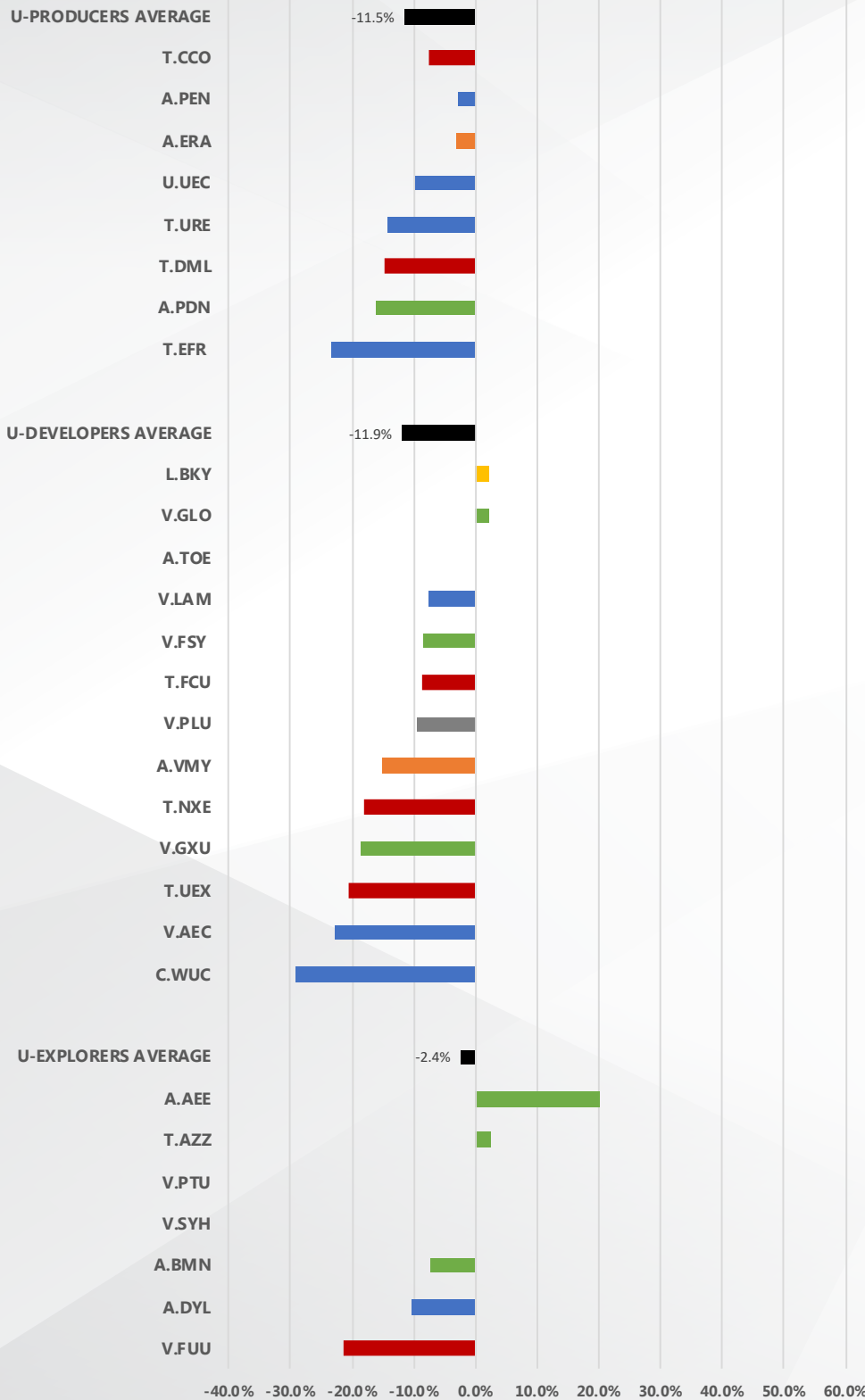
January 24, 2020

## SLUO EQUITIES MONTHLY PERFORMANCE (JANUARY 31, 2020)

### TOP EQUITIES NEWS

**Project Regional Focus:**

Red: Canada   Blue: USA   Green: Africa   Orange: Australia   Yellow: Spain   Gray: Peru



[V.AAZ Receives Permits for Upcoming Drill Program at the East Preston Uranium Project](#)  
January 8, 2020

[T.LAM Increases Private Placement to \\$4,500,000](#)  
January 10, 2020

[V.SYH Plans Upcoming 2,500m Winter Diamond Drilling Program at its High Grade Moore Uranium Project](#)  
January 16, 2020

[T.LAM Closes \\$4.5 Million Equity Financing](#)  
January 16, 2020

[T.AZZ Files Robust PEA for Dewey Burdock Project](#)  
January 17, 2020

[T.GLO Advances Dasa Uranium Project](#)  
January 18, 2020

[T.UEX 2020 Exploration Programs to Commence at West Bear and Christie Lake](#)  
January 20, 2020

[V.URC: Cash Repayment Under Laramide Promissory Note, Invited to Close the Toronto Stock Exchange Market](#)  
January 21, 2020

[T.CCO Could Be One Of Best Stocks To Own This Decade](#)  
January 21, 2020

[T.CCO Investor Webcast Advisory](#)  
January 28, 2020

[Uranium snapshot: Energetic juniors with attractive assets](#)  
January 29, 2020

[T.CCO Provides Date for Q4 Results and Conference Call](#)  
January 30, 2020

[Kazatomprom Announces Intention to Sell Interest in UEC](#)  
January 31, 2020

[Haywood bullish on uranium sector fundamentals](#)  
January 31, 2020

URANIUM PRICES	SPOT PRICE US\$/lb U <sub>3</sub> O <sub>8</sub>	LONG TERM PRICE US\$/lb U <sub>3</sub> O <sub>8</sub>
<b>UC PRICES</b>		
January 31, 2020	\$24.76 ↓	\$32.00 ●

### TOP POLITICS NEWS

[Iran Rolls Back Nuke Deal Commitments, Vows to Enrich Uranium Based On Its Tech Needs](#)  
January 5, 2020

[IAEA Network for Emergency Assistance Grows to 35 Countries as India Joins](#)  
January 7, 2020

[The cost of Germany turning off nuclear power: Thousands of lives](#)  
January 8, 2020

[France, Britain, Germany Trigger Dispute Mechanism in Iran Nuclear Pact](#)  
January 14, 2020

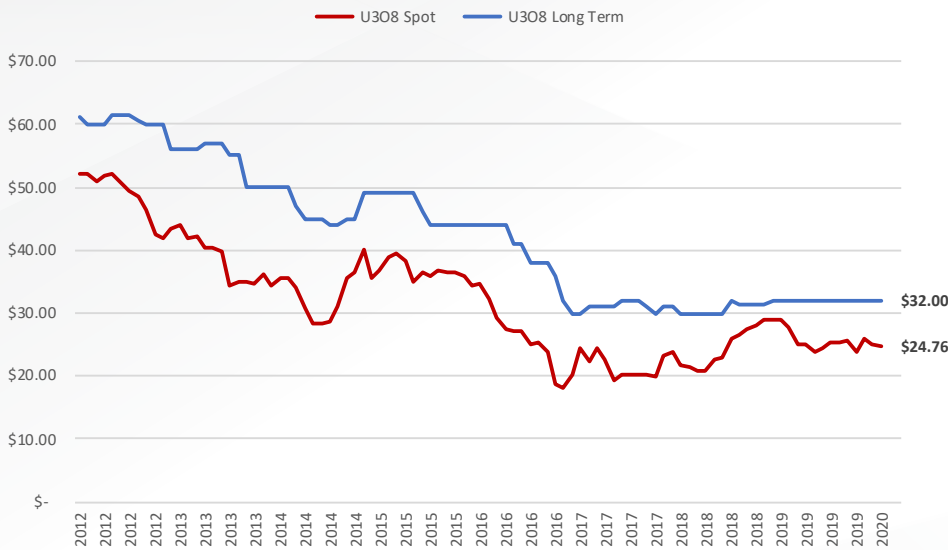
[EU Green Deal ignores its own biggest clean energy source](#)  
January 15, 2020

[Indian Envoy To Russia Says Countries Could Build Nuclear Power Plants In Africa & Middle East](#)  
January 26, 2020

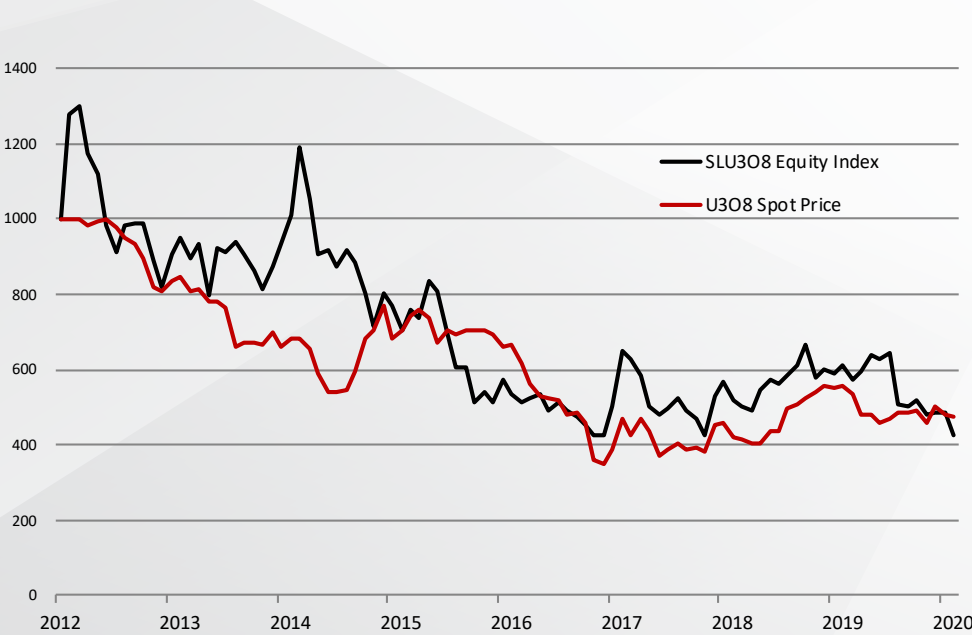
[Hungary Vows To Be Carbon-Free By 2050, Remains Committed To Nuclear Power](#)  
January 26, 2020

[U.S. to Extend Four Sanctions Waivers On Iran Nuclear Program](#)  
January 29, 2020

### U<sub>3</sub>O<sub>8</sub> PRICES - HISTORIC



### SLU3O8 EQUITY INDEX



### TOP ALTERNATIVE NEWS

[Korea, Saudi Arabia to set up Korea's SMART reactor construction JV](#)  
January 6, 2020

[Russia launches a technical documentation shop for nuclear power plant customers](#)  
January 7, 2020

[NuScale makes first Canadian SMR review submission](#)  
January 7, 2020

[Can Nuclear Power Offer a Way Out of the Climate Crisis?](#)  
January 8, 2020

**SLUO EQUITIES**

PRODUCING COMPANIES		COUNTRY FOCUS	PRICE AS OF 01/31/2020	52 WEEK HIGH	52 WEEK LOW	MARKET CAP (MILLIONS)
T.CCO	Cameco Corp	Canada	\$10.67	\$17.12	\$10.65	\$4,223.16
T.DML	Denison Mines Corp	Canada	\$0.46	\$0.78	\$0.43	\$274.71
T.EFR	Energy Fuels Inc	United States	\$1.90	\$4.97	\$1.84	\$190.21
A.ERA	Energy Resources of Australia Limited	Australia	\$0.16	\$0.27	\$0.14	\$573.25
A.PDN	Paladin Energy Ltd	Namibia	\$0.083	\$0.20	\$0.07	68.31
A.PEN	Peninsula Energy Limited	United States	\$0.17	\$0.33	\$0.15	\$49.70
T.URE	Ur-Energy Inc	United States	\$0.66	\$1.30	\$0.61	\$105.92
U.UEC	Uranium Energy Corp	United States	\$0.8299	\$1.58	\$0.75	\$152.43
DEVELOPMENT COMPANIES						
V.AEC	Anfield Energy Inc	United States	\$0.085	\$0.255	\$0.075	\$6.34
L.BKY	Berkeley Energia Ltd	Spain	\$11.75	\$28.90	\$10.15	\$27.80
T.FCU	Fission Uranium Corp	Canada	\$0.26	\$0.59	\$0.23	\$126.43
T.FSY	Forsys Metals Corp	Namibia	\$0.11	\$0.285	\$0.11	\$18.36
V.GLO	Global Atomic Corporation	Niger	\$0.49	\$0.56	\$0.405	\$71.26
V.GXU	Goviex Uranium Inc	Niger	\$0.16	\$0.21	\$0.12	\$52.92
T.LAM	Laramide Resources Ltd	United States	\$0.18	\$0.46	\$0.175	\$30.60
T.NXE	NexGen Energy Ltd	Canada	\$1.37	\$2.59	\$1.36	\$493.54
V.PLU	Plateau Energy Metals Inc	Peru	\$0.235	\$0.78	\$0.17	\$20.10
A.TOE	Toro Energy Limited	Australia	\$0.008	\$0.028	\$0.006	\$19.92
T.UEX	UEX Corporation	Canada	\$0.115	\$0.195	\$0.105	\$45.31
A.VMY	Vimy Resources Ltd	Australia	\$0.04	\$0.08	\$0.046	\$24.75
C.WUC	Western Uranium and Vanadium	United States	\$0.73	\$1.68	\$0.65	\$21.96
EXPLORATION COMPANIES						
A.AEE	Aura Energy Limited	Sweden, Maritania	\$0.005	\$0.02	\$0.004	\$7.12
T.AZZ	Azarga Uranium Corp	United States	\$0.205	\$0.28	\$0.105	\$38.04
A.BMN	Bannerman Resources Limited	Namibia	\$0.041	\$0.056	\$0.031	\$42.35
A.DYL	Deep Yellow Limited	Namibia	\$0.29	\$0.53	\$0.26	\$69.07
V.FUU	Fission 3.0 Corp	Canada	\$0.055	\$0.255	\$0.045	\$7.09
V.PTU	Purepoint Uranium Group Inc	Canada	\$0.055	\$0.105	\$0.045	\$12.29
V.SYH	Skyharbour Resources Ltd	Canada	\$0.16	\$0.44	\$0.145	\$10.56
OTHERS						
T.U	Uranium Participation Corp	Canada	\$3.85	\$5.14	\$3.78	\$564.67
L.GCL	Geiger Counter Ltd	UK	\$15.50	\$21.60	\$14.00	\$11.82
U.URA	Global X Uranium ETF	US	\$11.08	\$13.29	\$9.96	\$160/57
LYCA	Yellow Cake Plc	UK	\$187.00	\$245.00	\$180.00	\$166.61
T.HURA	Horizon Global Uranium ETF	Canada	\$7.69	\$11.01	\$7.60	\$2.69
U.URNM	North Shore Global Uranium Mining ETF	United States	\$23.48	\$26.91	\$23.25	\$2.35
V.URC	Uranium Royalty Corp.	Canada	\$1.15	\$1.28	\$1.10	\$81.17

Note: Currencies for the price and market cap are respective to the country of trade.

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#### ABOUT THE SLU<sub>3</sub>O<sub>8</sub> OUTLOOK

The SLU<sub>3</sub>O<sub>8</sub> Outlook; is an in-depth forecast model, optimized to anticipate the timing and extent of pending changes in uranium prices. Projections are maintained quarterly and based on the analysis of uranium price movement relative to detailed supply and demand changes over the past 15 years.

#### ABOUT THE SLU<sub>3</sub>O<sub>8</sub> EQUITY INDEX

The SLU<sub>3</sub>O<sub>8</sub> Equity Index tracks the relative share price of a select basket of uranium-based equities, checking the market's reaction to industry activities. The Index is based on share price movement since January 1, 2012 (1,000.00) of the following companies\*:

- Cameco Corporation
- Denison Mines Limited
- Energy Fuels Inc.
- UEX Corporation
- UR-Energy Inc.
- Uranium Energy Corp.
- Uranium Participation Corp

\* As the significant stock price movement of Fission Uranium Corp and NexGen Energy Ltd. is a function of major uranium discoveries, we have not included their stock performance in the Index to better reflect the uranium equities market in general.

#### ABOUT SIGHTLINE SLU<sub>3</sub>O<sub>8</sub>

Sightline U<sub>3</sub>O<sub>8</sub> is a nuclear industry research organization reporting through a monthly newsletter and supporting website created and maintained to provide uranium investors and industry stakeholders with a single source of insight into the ongoing factors that directly affect uranium prices.

We welcome your comments, questions and ideas. Please contact us at [editor@sightlineu3o8.com](mailto:editor@sightlineu3o8.com)