

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>		
November 30, 2018	\$28.95 ↑	\$31.50 ●
December 31, 2018	\$28.82 ↓	\$32.00 ↑
<b>SLU3O8 PRICE OUTLOOK</b>		
March 31, 2019	\$32.00 ↑	\$33.50 ↑
June 30, 2019	\$34.00 ↑	\$34.24 ↑
September 30, 2019	\$35.75 ↑	\$35.00 ↑
December 31, 2019	\$39.00 ↑	\$41.50 ↑
December 31, 2020	\$42.50 ↑	\$49.75 ↑
December 31, 2021	\$45.00 ↑	\$60.50 ↑

Updated on January 10, 2019

SLU3O8 EQUITY INDEX		
September 30, 2018	668.37	↑
October 31, 2018	579.01	↓
November 30, 2018	603.35	↑
December 31, 2018	590.28	↓

**WORLD NUCLEAR  
ASSOCIATION**

Global Reactor	Count	GWe
Operable	450	399
Under construction	57	62
Planned	147	150
Proposed	337	376

### MONTH IN REVIEW

Low transaction volumes in December lead to fairly flat uranium prices at year-end. The spot fell a marginal \$0.13 from \$28.95 to \$28.82 while the long-term closed up \$0.50 at \$32.00. We do not consider a \$0.50 shudder in the long-term price to be reflective of any real improvement at this stage.

The most surprising shift last month was seen in the equities where share prices experienced the biggest one-month drop in well over a year. We look at this move more closely in this month's cover story.

As the New Year unfolds, we expect to see a continuation of a rising spot price and, hopefully, the meaningful change in long-term pricing we have been anticipating for some time now.

We look forward to any comments or questions you may have. Ask us on Twitter ([@SightlineU3O8](https://twitter.com/SightlineU3O8)) or email us at [editor@sightlineu3o8.com](mailto:editor@sightlineu3o8.com).

### URANIUM EQUITIES UNCOUPLE - ROUND 2



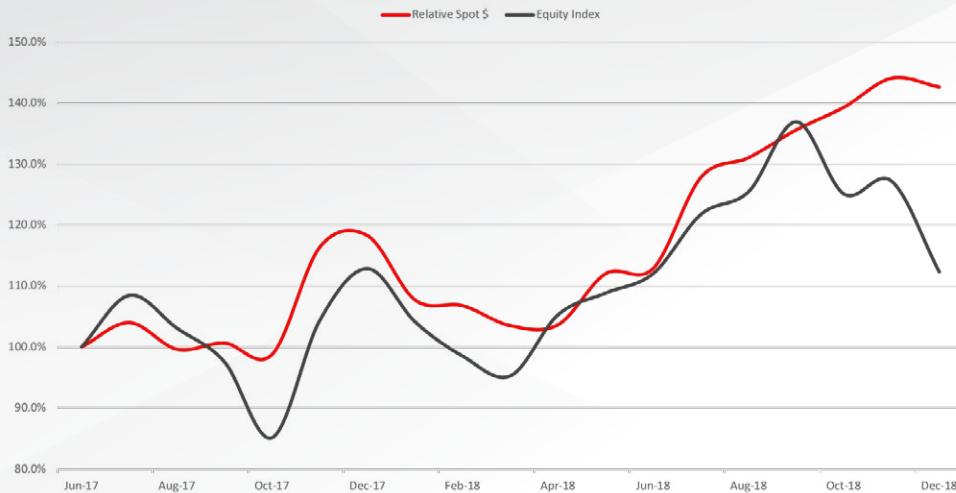
**EXCLUSIVE TO SIGHTLINE U<sub>3</sub>O<sub>8</sub>** - Last month we pointed out a strange anomaly. For the first time in over a decade, the share price of uranium equities had begun to fall while the Spot price of uranium continued to rise. Despite sharing a common movement pattern over the prior 18 months, it appeared that equities were heading in a contrary direction.

Now, to make matters worse, December 2018 has not only continued the widening of that gap but did so at an accelerated pace. Uranium prices remained rather flat during the month with the spot price falling a mere \$0.13 and the Long Term price rising only \$0.50. As seen below however, uranium equities continued to nosedive.

We amended the analysis of our portfolio of 14 uranium equities (7 producers/developers & 7 explorers<sup>1</sup>) tracking their share price movement against the Spot price movement over those same time period.

**CONTINUED ON PG 2**

### URANIUM EQUITIES UNCOUPLE - ROUND 2 (CONT'D)



How do you explain a 21% drop in uranium equities during Q4 2018 while uranium prices increased by 5%?

#### Tax Loss Selling?

December is notorious for investors shedding stocks carrying unrealized losses in order to offset taxable gains earned over the year. This does not appear to be the case here.

First, the last 18 months have been delivering gains in uranium stocks. An analysis of the trading of uranium equities indicates that there are not enough book losses out there to justify a wholesale sell off such as this. In fact, we indicated last month that the October/November selling might have been profit taking.

Further, uranium investors are primarily relying on a pending jump in the long-term price of the commodity. It seems unlikely that such a large segment of investors would abandon that belief, as all indications of continued price improvements remain.

#### Global X Uranium ETF

Last May we discussed the Q1 2018 uranium equity price drops and general volatility in our article [The Global X Uranium ETF Resets Their Expectations](#). Here, we discussed the expansion of the Global X portfolio from the uranium mining and exploration industry to include "Nuclear Components". These new investments included construction and engineering firms as well as resource companies that had a broader portfolio beyond merely uranium (e.g. Barrick Gold & Rio Tinto).

As a result, Global X had to rebalance the portfolio and sell of large positions in the uranium space to make room for the new inclusions.

This ETF, however, is not a culprit or explanation of the more recent price drop.

First, Global X's rebalancing was completed by the summer of 2018. More importantly though, all trading in the ongoing operation of this ETF is a direct reflection of investor sentiment and the buying and selling of the ETF. The ETF has done nothing out of the ordinary to cause an anomaly in the equity prices.

CONTINUED ON PG 3

### TOP EQUITY NEWS

#### [Uranium equities uncoupled](#)

December 3, 2018

#### [V.PTU: Hook Lake JV Partners approve \\$3 million for 2019 exploration budget](#)

December 11, 2018

#### [V.SYH option partner, Azincourt Energy announces VTEM survey at East Preston](#)

December 11, 2018

#### [V.PTU closes oversubscribed private placement](#)

December 17, 2018

#### [T.DML announces decision to advance Wheeler River project](#)

December 17, 2018

#### [V.SYH intersect new high grade uranium at Maverick Zone including 3.11% U<sub>3</sub>O<sub>8</sub> over 1.8m](#)

December 18, 2018

#### [T.UEX maiden mineral resource announced for the Christie Lake Uranium Project](#)

December 19, 2018

#### [T.LAM provides initial resource estimate on the Crownpoint Uranium Project](#)

December 20, 2018

### TOP DEMAND NEWS

#### [Hungary has no alternative to building nuclear plant](#)

December 5, 2018

#### [Buying nuclear fuel is back in fashion - U-turn](#)

December 7, 2018

#### [Hitachi not given up on £12bn nuclear plant](#)

December 18, 2018

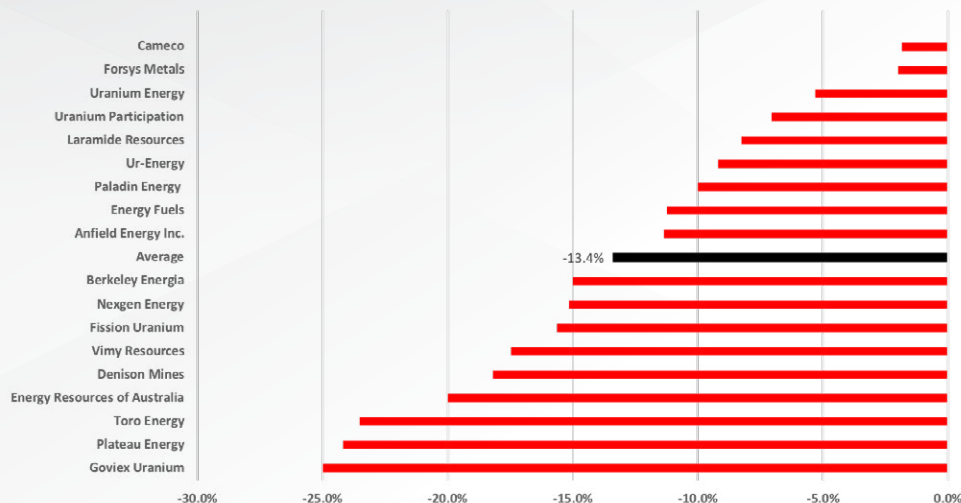
#### [Saudi Arabia on its way to become nuclear power](#)

December 21, 2018

### UEQUITIES MONTHLY PERFORMANCE

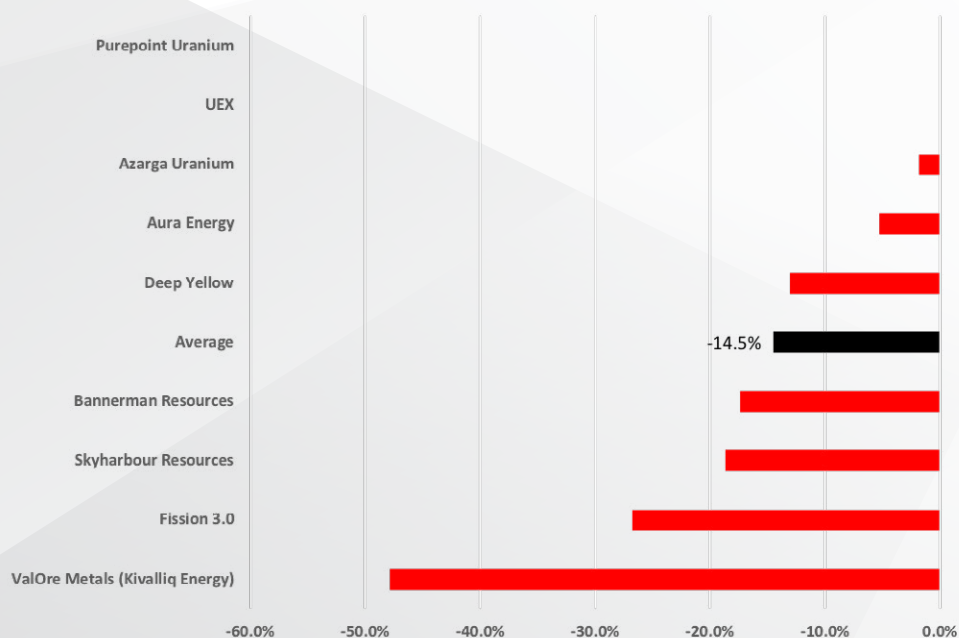
#### Producers/Developers

One-Month Return  
Production and Development Companies



#### Explorers

One-Month Return  
Exploration Companies



### URANIUM EQUITIES UNCOUPLE - ROUND 2 (CONT'D)

#### The Bigger Picture

The answer, in fact, may be the result of activities outside of our nuclear space. Consider this:

1. In Q4 2018, our seven uranium development companies saw their stock prices reduced by 18%, however the TSX only lost 11% in value;
2. Over the full year 2018, however, the TSX lost approximately 12% in value while the stock prices of our seven uranium developers remained absolutely flat (despite some up's and down's during the year);
3. In Q4 2018, our seven uranium exploration companies saw their stock prices reduced by 13%, while the TSX Venture lost 21% in value; and
4. Over the course of 2018, our seven uranium exploration companies saw their stock prices reduced by 25%, while the TSX Venture lost 35% in value.

During 2018, it would appear that uranium equities outperformed the markets in general. Throughout 2018, uranium equities were rising despite the markets ongoing downturn.

During the last quarter, this divergence was rationalized, but the result was still an outperform.

**CONTINUED ON PG 4**

#### TOP SUPPLY NEWS

[Russia and now China eye control of the global nuclear industry](#)  
December 4, 2018

[The lights could go out this winter if we close more coal and nuclear power plants](#)  
December 5, 2018

[Orano commissions new conversion facility](#)  
December 21, 2018

### URANIUM EQUITIES UNCOUPLE - ROUND 2 (CONT'D)

#### The Entry Point Just Got Cheaper

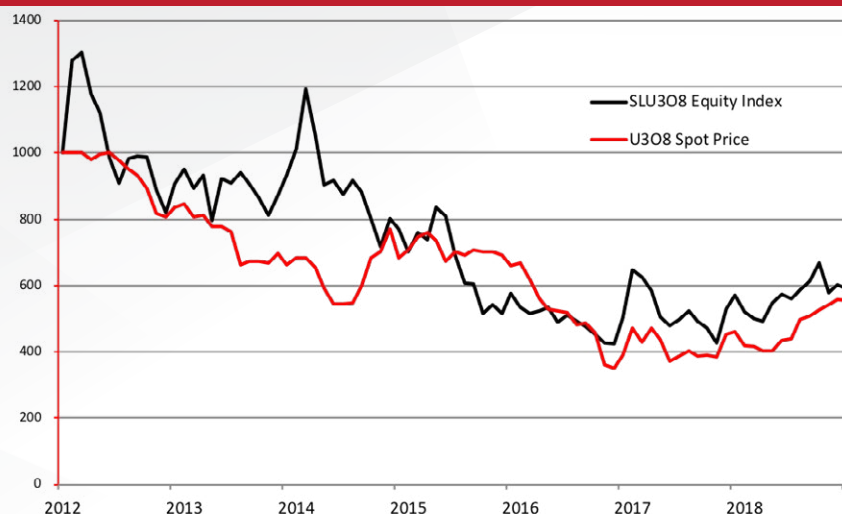
As pointed out last month, the timing of an anticipated “spring” in Long Term uranium prices will be driven by the depletion of excess uranium inventory.

Long-term demand is represented primarily by utilities’ “uncovered” or “uncontracted” requirements. In recent years, many expired contracts have not been renewed in favor of cheaper spot purchases. A rising Spot price, however, is certainly indicative of inventory reduction and as the Spot price reaches and exceeds the current Long Term price pressure to sign contracts is renewed. It is felt that there is a pending tipping point at which time the Long Term price of uranium will quickly move up by anywhere from 30% to 100%.

This value proposition remains intact! It appears that macro market conditions have caused the appearance of an uncoupling of equities from the commodity price. The underlying reality, however, is that uranium equities have outperformed the general market and (as also pointed out last month) the spot price of uranium is outperforming most other commodities. For diehard uranium bugs, the price of admission just got cheaper. •

<sup>1</sup> Month end share prices were tracked from the following companies:  
Developers/Producers - Cameco Corp, NexGen Energy Ltd., Fission Uranium Corp, Denison Mines Corp, Energy Fuels Inc, Ur-Energy Inc and Uranium Energy Corp |  
Explorers - CanAlaska Uranium Ltd, Blue Sky Uranium Corp, Fission 3.0 Corp, Plateau Energy Metals Inc., Purepoint Uranium Group Inc., Skyharbour Resources Ltd and UEX Corp.

### SLU308 EQUITY INDEX



### UEQUITIES

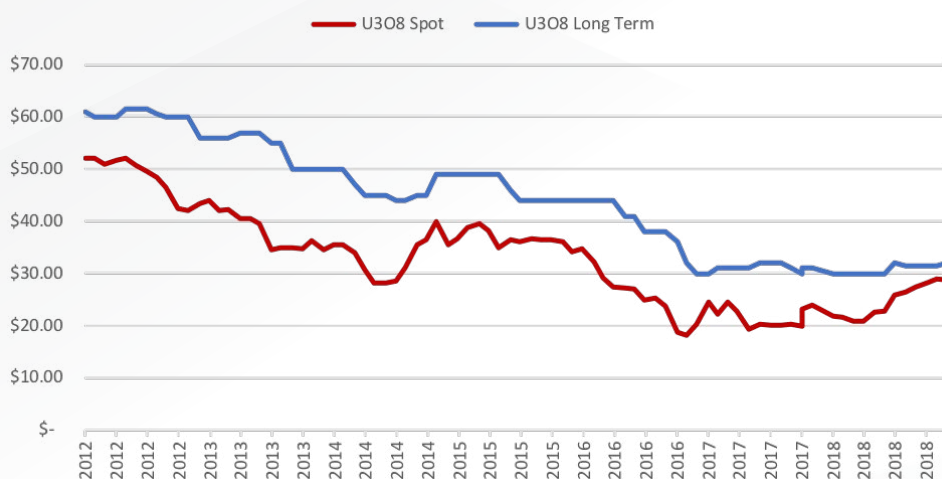
PRODUCING COMPANIES		COUNTRY FOCUS	PRICE AS OF 12/31/2018	52 WEEK HIGH	52 WEEK LOW	MARKET CAP (MILLIONS)
T.CCO	Cameco Corp	Canada	\$15.48	\$16.70	\$10.55	\$6,126.87
T.DML	Denison Mines Corp	Canada	\$0.63	\$0.89	\$0.54	371.18
T.EFR	Energy Fuels Inc.	United States	\$3.87	\$5.38	\$1.82	\$346.56
A.ERA	Energy Resources of Australia Limited	Australia	\$0.24	\$0.98	\$0.26	\$126.84
U.UEC	Uranium Energy Corp	United States	\$1.25	\$2.00	\$1.12	\$221.75
A.PDN	Paladin Energy Ltd	Namibia	\$0.18	\$0.26	\$0.10	\$314.52
T.URE	Ur-Energy Inc	United States	\$0.89	\$1.19	\$0.74	\$141.64
DEVELOPMENT COMPANIES						
V.AEC	Anfield Energy Inc	United States	\$0.195	\$0.59	\$0.175	\$8.73
A.BKY	Berkeley Energia Ltd	Spain	\$0.17	\$1.05	\$0.14	\$43.93
T.FCU	Fission Uranium Corp	Canada	\$0.54	\$0.89	\$0.57	\$262.34
T.FSY	Forsys Metals Corp	Namibia	\$0.245	\$0.32	\$0.09	\$38.44
V.GXU	Govix Uranium Inc	Niger	\$0.15	\$0.29	\$0.145	\$59.28
T.LAM	Laramide Resources Ltd	United States	\$0.445	\$0.52	\$0.24	\$59.12
T.NXE	NexGen Energy Ltd	Canada	\$2.41	\$3.53	\$2.11	\$844.01
V.PLU	Plateau Energy Metals Inc	Peru	\$0.69	\$1.69	\$0.55	\$76.89
A.TOE	Toro Energy Limited	Australia	\$0.026	\$0.048	\$0.024	\$56.19
AVMY	Vimy Resources Ltd	Australia	\$0.052	\$0.18	\$0.046	\$25.24
EXPLORATION COMPANIES						
A.AEE	Aura Energy Limited	Sweden, Maritania	\$0.018	\$0.035	\$0.017	\$19.33
T.AZZ	Azarga Uranium Corp	United States	\$0.265	\$0.34	\$0.18	\$45.01
A.BMN	Bannerman Resources Limited	Namibia	\$0.038	\$0.077	\$0.034	\$39.58
A.DYL	Deep Yellow Limited	Namibia	\$0.40	\$0.58	\$0.21	\$76.41
V.FUU	Fission 3.0 Corp	Canada	\$0.205	\$0.295	\$0.08	\$29.08
V.VO	ValOre Metals Corp	Canada	\$0.12	\$1.05	\$0.12	\$2.96
V.PTU	Purepoint Uranium Group Inc	Canada	\$0.07	\$0.10	\$0.055	\$14.34
V.SYH	Skyharbour Resources Ltd	Canada	\$0.37	\$0.57	\$0.35	\$23.66
T.UEX	UEX Corporation	Canada	\$0.175	\$0.37	\$0.14	\$66.74
OTHERS						
T.U	Uranium Participation Corp	Canada	\$4.48	\$5.09	\$3.70	\$618.51
LGCL	Geiger Counter Ltd	UK	\$20.40	\$25.10	\$18.00	\$16,927.49
U.URA	Global X Uranium ETF	US	11.67	\$15.91	\$11.00	\$223.78
LYCA	Yellow Cake Plc	UK	\$229.00	\$260.00	\$193.00	\$173,682.72

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

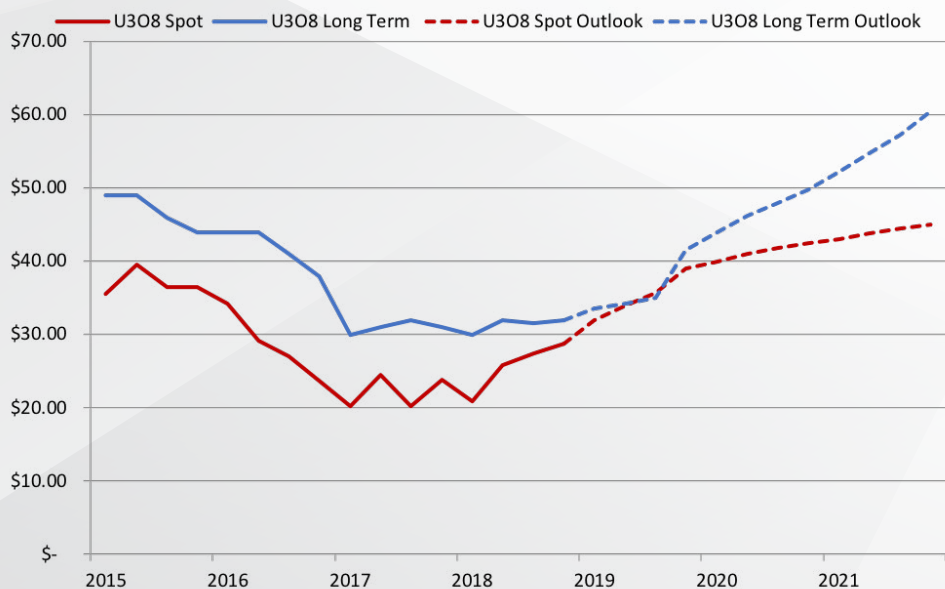


URANIUM PRICES	SPOT PRICE US\$/lb U <sub>3</sub> O <sub>8</sub>	LONG TERM PRICE US\$/lb U <sub>3</sub> O <sub>8</sub>
<b>UC PRICES</b>		
December 31, 2018	\$28.82 ↓	\$32.00 ↑
<b>SLU3O8 PRICE OUTLOOK</b>		
March 31, 2019	\$32.00 ↑	\$33.50 ↑

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



### SLU3O8 PRICE OUTLOOK



### SLU3O8

#### MOST READ NEWS OF 2018

[The Global X Uranium ETF resets their expectations](#)

May 2, 2018

[Uranium Demand: Is it coming or going?](#)

February 6, 2018

[UComps: Uranium Development Stage Projects: Show me the money?](#)

October 4, 2018

[Turbocharging your uranium portfolio](#)

November 8, 2017

[Uranium Underfeeding: Big Price Factor? \(Part 1\)](#)

December 7, 2017

[Uranium's time is now?](#)

November 6, 2017

[Uranium Underfeeding: Big Price Factor? \(Part 2\)](#)

January 5, 2018

[Uranium Prices - KazAtomProm takes control](#)

November 6, 2017

[Uranium equities uncouple!](#)

December 3, 2018

[The Uranium bull market is beginning now as global production plummets](#)

November 27, 2018

[Largest uranium producing countries in the world](#)

September 8, 2017

[Insight into Cameco's strategy & discussion on the recent \(and very bullish\) developments](#)

April 5, 2018

[Catalysts for upside in uranium](#)

May 3, 2018

[Dissecting the SLU3O8 uranium price outlook](#)

April 3, 2018

[The best risk/reward setup I've ever seen](#)

April 5, 2018

[UComps: Uranium Developer's stage](#)

June 8, 2018

We have assembled the UComps results up-to-date at a high level. For simplicity sake, we have identified those companies in the top quartile of any particular metric with a green dot. For those in the bottom quartile we have indicated that with a black dot. The rest, falling within a safe margin of the average, are noted with a yellow dot. Feel free to click on any of the dots to get more information. Again, we must stress that investors need to take care in evaluating any information pertaining to their investments and that this information is being provided only as a starting point to that evaluation. We will continue to add new comparable categories and update these as necessary. Any comments or questions pertaining to the information provided or companies we may have missed can be sent to [info@sightlineu3o8.com](mailto:info@sightlineu3o8.com).

### UCOMPS: URANIUM DEVELOPMENT COMPANIES

DEVELOPMENT COMPANIES		MANAGEMENT			FINANCIAL HEALTH		PROJECT INFORMATION			
		MONTHLY OVERHEAD COSTS	EXPLORATION PER \$1 OVERHEAD	CXO COMPENSATION/ MARKET CAP	ANNUAL CHURN OUTSTANDING SHARES	FINANCING STRATEGY	JURIS-DICTION	MINING METHOD	RESOURCES	
									SIZE (M&I) (million lbs)	GRADE U <sub>3</sub> O <sub>8</sub>
T.NXE	NexGen Energy Ltd	●	●	●	●	●	●	●	●	●
T.FCU	Fission Uranium Corp	●	●	●	●	●	●	●	●	●
V.PLU	Plateau Energy Metals Inc	●	●	●	●	●	●	●	●	●
A.TOE	Toro Energy Limited	●	●	●	●	●	●	●	●	●
A.BKU	Berkeley Energia Ltd	●	●	●	●	●	●	●	●	●
T.FSY	Forsys Metals Corp	●	●	●	●	●	●	●	●	●
V.GXU	GoviEx Uranium Inc	●	●	●	●	●	●	●	●	●
A.AEE	Aura Energy Limited	●	●	●	●	●	●	●	●	●
A.VMY	Vimy Resources Ltd	●	●	●	●	●	●	●	●	●
A.ACB	A-Cap Resources Limited	●	●	●	●	●	●	●	●	●
V.AEC	Anfield Energy Inc	●	●	●	●	●	●	●	●	●
T.AZZ	Azarga Uranium Corp	●	●	●	●	●	●	●	●	●
U.WUC	Western Uranium Corp	●	●	●	●	●	●	●	●	●
T.LAM	Laramide Resources Ltd	●	●	●	●	●	●	●	●	●
A.BMN	Bannerman Resources Limited	●	●	●	●	●	●	●	●	●
AVERAGE		\$253,520	1.47	1.50%	1.52		71.64		62.7	0.66%

### UCOMPS: URANIUM EXPLORATION COMPANIES

EXPLORATION COMPANIES		MANAGEMENT			FINANCIAL HEALTH		PROJECT INFORMATION		
		MONTHLY OVERHEAD COSTS	EXPLORATION PER \$1 OVERHEAD	CXO COMPENSATION/ MARKET CAP	ANNUAL CHURN O/S SHARES	FUNDING CAPABILITY	JURIS-DICTION	# OF PROJECTS	PROJECT PARTNERS
V.PTU	Purepoint Uranium Group Inc	●	●	●	●	●	●	●	●
T.UEX	UEX Corporation	●	●	●	●	●	●	●	●
V.FUU	Fission 3.0 Corp	●	●	●	●	●	●	●	●
V.CVV	CanAlaska Uranium Ltd	●	●	●	●	●	●	●	●
V.AL	ALX Uranium Corp	●	●	●	●	●	●	●	●
A.SMM	Summit Resources Ltd (Australia)	●	●	●	●	●	●	●	●
V.SYH	Skyharbour Resources Ltd	●	●	●	●	●	●	●	●
V.FMC	Forum Energy Metals Corp	●	●	●	●	●	●	●	●
V.AAZ	Azincourt Energy Corp	●	●	●	●	●	●	●	●
V.BSK	Blue Sky Uranium Corp	●	●	●	●	●	●	●	●
V.VO	ValOre Metals Corp	●	●	●	●	●	●	●	●
V.EU	enCore Energy Corp	●	●	●	●	●	●	●	●
V.ISO	ISOEnergy Ltd	●	●	●	●	●	●	●	●
V.REL	Roughrider Exploration Ltd	●	●	●	●	●	●	●	●
V.API	Appia Energy Corp	●	●	●	●	●	●	●	●
A.DYL	Deep Yellow Limited	●	●	●	●	●	●	●	●
V.URC	Uracan Resources Ltd	●	●	●	●	●	●	●	●
AVERAGE		\$63,466	1.84	3.58%	0.99		80.39	6.3	

SIGHTLINE U<sub>3</sub>O<sub>8</sub> UCOMPARABLES

UComparables will provide metrics and data that measure the performance of management, the value of their projects and their financial health, gathered across the entire spectrum of uranium exploration companies and uranium development companies.

It is not our intention to provide analysis or opinion as to the investment potential of these companies. We would expect investors to perform their own due diligence and arrive at their own conclusions.

What we will look at are those metrics and data points, common across the companies that investors can use as input to their decision making process.

Follow-us on Twitter [@SightlineU<sub>3</sub>O<sub>8</sub>](#) or [sign-up to our News Update](#) to be notified when new data becomes available.

SIGHTLINE | U<sub>3</sub>O<sub>8</sub>[www.sightlineu3o8.com](http://www.sightlineu3o8.com)

Follow us @ [SightlineU<sub>3</sub>O<sub>8</sub>](#)

**Disclaimer information:**

The information contained on this newsletter is intended solely to provide general guidance on matters of interest for the personal use of the reader, who accepts full responsibility for its use. The application and impact of laws can vary widely based on the specific facts involved. Given the changing nature of laws, rules and regulations there may be delays, omissions or inaccuracies in information contained on this newsletter. Accordingly, the information on this article is provided with the understanding that the author(s) and publisher(s) are not herein engaged in rendering professional advice or services. As such, it should not be used as a substitute for consultation with a competent adviser. Before making any decision or taking any action, the reader should always consult a professional adviser relating to the relevant article posting.

While every attempt has been made to ensure that the information contained on this newsletter has been obtained from reliable sources, Sightline U<sub>3</sub>O<sub>8</sub> is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information on this newsletter is provided "as is", with no guarantee of completeness, accuracy, timeliness or of the results obtained from the use of this information, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. Nothing herein shall to any extent substitute for the independent investigations and the sound technical and business judgment of the reader. In no event will Sightline U<sub>3</sub>O<sub>8</sub>, or its partners, employees or agents, be liable to the reader or anyone else for any decision made or action taken in reliance on the information on this newsletter or for any consequential, special or similar damages, even if advised of the possibility of such damages.

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 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)