

| URANIUM PRICES ¹ | As of 05/31/2020 | MoM | YTD | YoY |
|---|------------------|-------|-------|-------|
| Spot Price US\$/lb U ₃ O ₈ | \$33.95 | -0.5% | 36.2% | 41.8% |
| Long-Term Price US\$/lb U ₃ O ₈ | \$32.00 | -3.0% | 0% | 0% |

| GLOBAL REACTOR ² | COUNT | GWe | MoM | YTD | YoY |
|-----------------------------|-------|-----|-------|-------|-------|
| Operable | 440 | 391 | 0% | -05% | -1.6% |
| Under Construction | 55 | 63 | 0% | 1.9% | -1.8% |
| Planned | 109 | 118 | -0.9% | 0% | -1.8% |
| Proposed | 329 | 360 | 0.3% | -0.3% | 0.3% |

| SLU ₃ O ₈ UEQUITIES PERFORMANCE | As of 05/31/2020 | MoM | YTD | YoY |
|---|-------------------------------------|-------|------|--------|
| SLU ₃ O ₈ Equity Index ³ | 551.81 | -0.9% | 14% | -5.2% |
| UProducers Average ⁴ | MoM Top Performer: A.PDN: +20.0% | -1.7% | 5.5% | -18.1% |
| UDevelopers Average ⁴ | MoM Top Performer: L.BKL: +42.7% | 0.6% | 9.6% | -21.6% |
| UExplorers Average ⁴ | MoM Top Performer: V.ISO: +41.8% | -0.6% | 4.9% | -15.4% |

1. Price as per UxC, LLC.
 2. As per World Nuclear Association; MoM, YTD and YoY percentages based on Global Reactor Count
 3. SLU₃O₈ Equity Index Performance based on CCO, DML, EFR, UEX, URE, UEC & U
 4. Performance Averages from the SLU₃O₈ UEquity list of companies;

Updated on June 1, 2020

MONTH IN REVIEW

May appeared to settle down after a raucous April. The Spot price sat even throughout May to close at \$33.95 after jumping 25% the previous month. All eyes are now on the Term price to make its move which barely quivered on the news of massive uranium mine shut downs around the world closing May at a familiar \$32.00.

There was an excellent update to the Uranium Production Cost Curve circulated in May showing the recent effects of the COVID-19 induced mine shut downs. You can watch that two minute video [here](#).

There were a number of adjustments to equity prices as investors evaluated their expectations but overall, they averaged fairly flat on the month with our UEquity Index closing at 551.81, down less than 1%.

Comments or questions?

Ask us on Twitter ([@SightlineU3O8](#)) or email us at editor@sightlineu3o8.com.

HOW THE URANIUM MARKET WILL EVOLVE FOR THE POST-PANDEMIC ENERGY WORLD



Source: [Forbes](#)

The Uranium Committee of the Energy Minerals Division of the American Association of Petroleum Geologists just released their draft 2020 Annual Report last week and the prices and supplies of U look pretty good.

The Uranium Committee monitors the global uranium industry activities, rare earth metals, and the production of electricity from nuclear power, because these drive uranium exploration and development in the United States and overseas. [Full Disclosure - I am a member of the Committee's Advisory Group]

HOW THE URANIUM MARKET WILL EVOLVE FOR THE POST-PANDEMIC ENERGY WORLD (CONT'D)

Modern technological societies require a lot of rare metals, such as lithium, cobalt, vanadium and neodymium, and uranium if you have nuclear power. In fact, there are 35 minerals that are critical to our society. Unfortunately, we don't produce many of them in the United States, but are dependent on other countries like China for our supply.

This has been a recognized problem for years, but has become especially worrisome after this pandemic has shown the flimsiness of our supply chains.

Senator Lisa Murkowski (R-AK) re-introduced her American Mineral Security Act specifically to strengthen those efforts. The bill, which was somewhat bipartisan, attempts to rebuild the domestic mineral supply chain through geological surveying, forecasting, workforce training, research and development, recycling, and a more efficient permitting process.

But uranium seems to be doing pretty well. The United States has more nuclear power plants than anyone else, and is the world's largest producer of nuclear power, accounting for more than 30% of worldwide nuclear generation of electricity.

Our 96 reactors produce 20% of our own nation's electricity, and requires about 25,000 tons of U each year to do so. In contrast, 624,000,000 tons of natural gas is used to generate 34% of our electricity, and 750,000,000 tons of coal for 30%. 1,000,000,000 tons of petroleum (7,200,000,000 barrels) fuels our transportation sector, the energy equivalent of 1,500,000,000 tons of coal.

But do we have enough U in North America to fuel our own nuclear future until that happens?

Fortunately for us and our northern neighbor and closest ally, the highest-grade U deposits in the world are found in the Athabasca Basin of Saskatchewan in Canada, often referred to as the "Saudi Arabia of Uranium". And new deposits in this basin keep being discovered.

But a new U.S. uranium district has been identified in the eastern Seward Peninsula of Alaska on the eastern margins of McCarthy Basin. Thorium and rare-earth elements have been discovered in the surrounding igneous rocks, making it key to loosening China's grip on our technological future.

Even Virginia has a huge untapped U deposit. Uranium supplies have not been a major issue since Canada and Australia have great sources and are close allies.

Uranium is leached from the original ore, either from crushed ore rock at an above-ground facility or directly underground by in situ leaching, to form U₃O₈ yellowcake (see figure above).

According to the United States Energy Information Administration, the USA produced a total of 170,000 lbs of U₃O₈ (65.4 tU) of uranium concentrate from all domestic sources in 2019, 89% less than on 2018, which itself was 33% less than in 2017. 2018 production was primarily from six facilities: five in-situ leach plants in Nebraska and Wyoming (Crow Butte Operation, Lost Creek Project, Ross CPP, North Butte, and Smith Ranch-Highland Operation) and one underground mine.

At the beginning of 2020, two conventional uranium mills - Shootaring Canyon Uranium Mill in Utah and Sweetwater Uranium Project in Wyoming - were on standby, and the White Mesa Mill in Utah was no longer producing uranium.

There's lots and lots of U in the world, and more keeps being discovered. U resources increased about 25% over the last decade, which has kept prices low. We get most of our U from other countries, a diversity that serves us well in most things. But the sudden sight of our supply chains vulnerabilities in this pandemic has made some think that we should secure uranium from domestic sources.

TOP SUPPLY NEWS

[Producers announce pre-COVID uranium output](#)
May 4, 2020

[Why Uranium Markets Are Gaining Interest](#)
May 4, 2020

[Building a Uranium Reserve: The First Step in Preserving the U.S. Nuclear Fuel Cycle](#)
May 12, 2020

[Covid-19 Has Slammed the Energy Sector. Here's a Hot Commodity That Could Keep Rising](#)
May 15, 2020

[2020 Uranium Cost Curve](#)
May 15, 2020

[US uranium output shrinks 89% in 2019](#)
May 22, 2020

[How The Uranium Market Will Evolve For The Post-Pandemic Energy World](#)
May 22, 2020

TOP DEMAND NEWS

[Kazatomprom tips uranium deficit](#)
May 4, 2020

[Looking for a Glowing Commodity? Try Uranium](#)
May 6, 2020

[Egypt's Nuclear Plant Project Continues Despite Virus Restrictions](#)
May 6, 2020

[Uranium futures prices rise amid COVID-19](#)
May 11, 2020

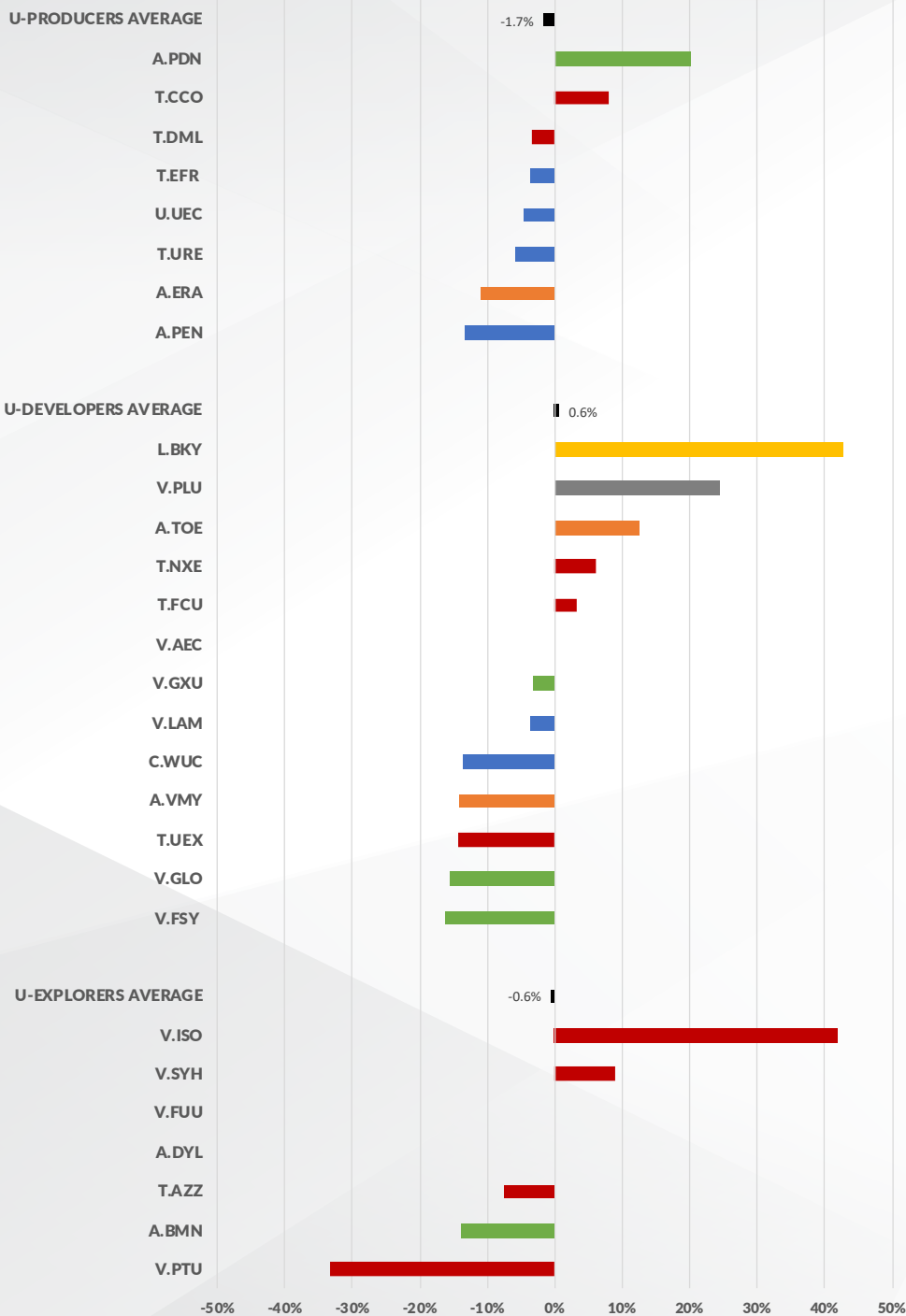
[Pandemic won't halt construction on Egypt's first nuclear power plant](#)
May 18, 2020

[Construction of Abu Dhabi nuclear plant on track despite coronavirus](#)
May 20, 2020

SLUO EQUITIES MONTHLY PERFORMANCE (MAY 31, 2020)

Project Regional Focus:

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



TOP DEMAND NEWS (Cont'd)

[Slow, Steady Progress for Two U.S. Nuclear Power Projects](#)
May 20, 2020

[Uranium Location Spreads, Seasonality and What We're Watching Now](#)
May 22, 2020

[Uranium Week: Production Reduction](#)
May 26, 2020

[Uranium Tipping Point: The Pending Price correction](#)
May 26, 2020

[Uranium Gains Momentum, Surpasses All Commodities Amid Virus](#)
May 26, 2020

[Record drop in energy investment, warns International Energy Agency](#)
May 27, 2020

TOP EQUITIES NEWS

[V.ISO stakes the Evergreen Property and Extensions to three other uranium exploration properties](#)
May 6, 2020

[T.EFR Enters into Agreement to Acquire PFN Borehole Logging Technology and Equipment](#)
May 6, 2020

[V.PTU: Hook Lake JV 2020 Exploration Program Update](#)
May 6, 2020

[T.NXE announces U\\$30mm financing with Queen's Road Capital](#)
May 11, 2020

[T.CCO Restarting Production at Ontario Operations, Cigar Lake Status Unchanged](#)
May 11, 2020

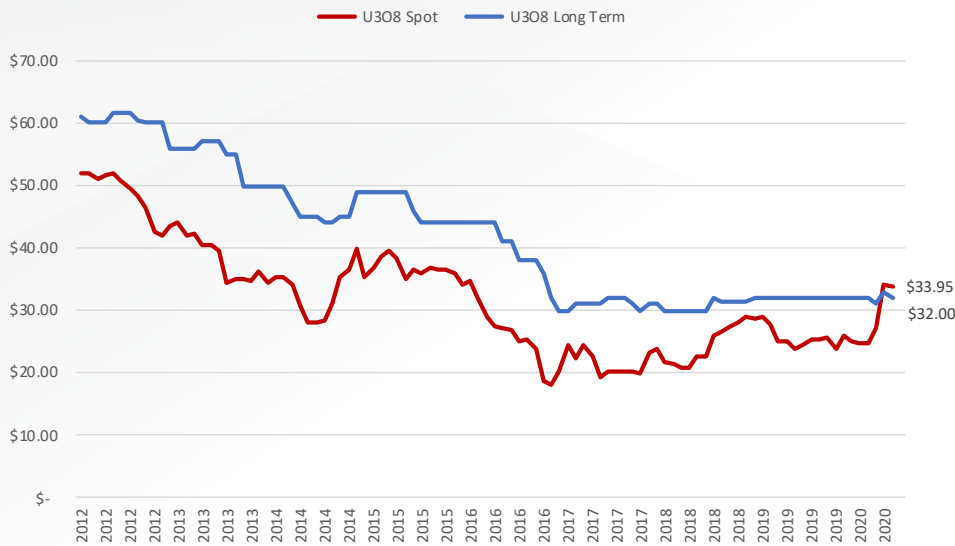
[V.ISO completes review of winter drilling at Hurricane Uranium Zone](#)
May 12, 2020

[T.FCU provides corporate update](#)
May 20, 2020

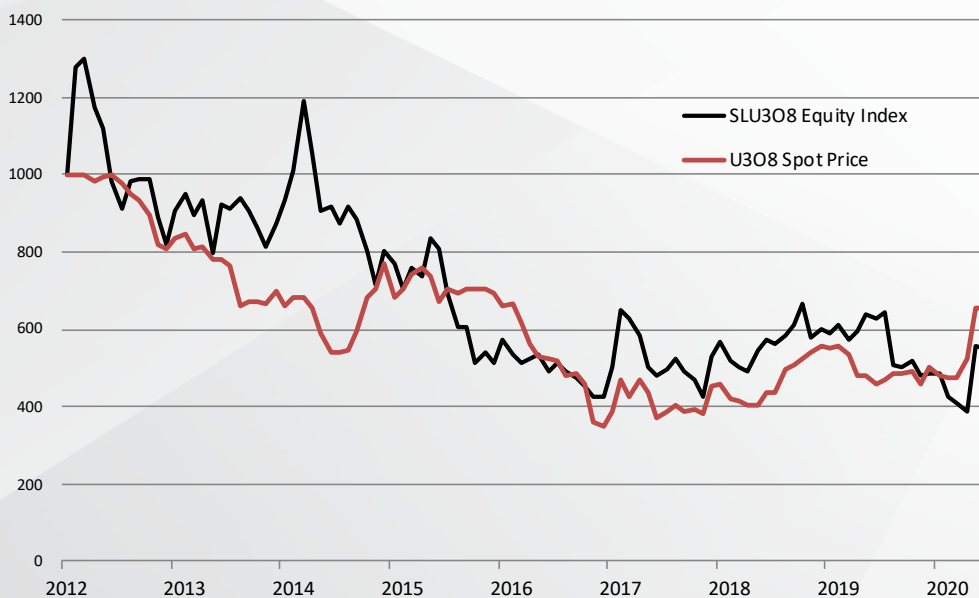
[T.GLO Publishes Dasa Project Economic Study](#)
May 20, 2020

| URANIUM PRICES | SPOT PRICE US\$/lb U ₃ O ₈ | LONG TERM PRICE US\$/lb U ₃ O ₈ |
|------------------|---|--|
| UC PRICES | | |
| April 30, 2020 | \$33.95 ↓ | \$32.00 ↓ |

U₃O₈ PRICES - HISTORIC



SLU₃O₈ EQUITY INDEX



TOP POLITICS NEWS

[Uzbekistan plans route to cleaner electricity mix](#)

May 6, 2020

[SFEN: Nuclear essential to economic recovery](#)

May 15, 2020

[Nuclear Reactors in United States](#)

May 19, 2020

[Senators Call on Commerce Department to Reduce Russian Uranium Imports](#)

May 20, 2020

[The folly of removing US caps on Russian nuclear fuel imports](#)

May 26, 2020

[Slovenian decision on second unit by 2027: minister](#)

May 26, 2020

[Russia looks to 2030](#)

May 27, 2020

[Keeping the World Safe From Iran's Nuclear Program](#)

May 27, 2020

TOP ALTERNATIVE NEWS

[Coming Soon: A Nuclear Reactor—With a 3D-Printed Core](#)

May 15, 2020

[Four things you didn't know about nuclear waste](#)

May 15, 2020

[Canadian partnership to provide low cost nuclear power to remote areas](#)

May 20, 2020

[Nuclear energy report shows progress is two steps forward, one step back](#)

May 20, 2020

[Russia commissions its floating nuclear plant](#)

May 25, 2020

[Nuclear Infrastructure Development to Reap the Benefits of Research Reactors](#)

May 27, 2020

[Making nuclear energy cost-competitive](#)

May 28, 2020

SLUO EQUITIES

| PRODUCING COMPANIES | | COUNTRY FOCUS | PRICE AS OF 05/31/2020 | 52 WEEK HIGH | 52 WEEK LOW | MARKET CAP (MILLIONS) |
|-----------------------|---------------------------------------|---------------|------------------------|--------------|-------------|-----------------------|
| T.CCO | Cameco Corp | Canada | \$14.96 | \$15.77 | \$7.69 | \$5,921.13 |
| T.DML | Denison Mines Corp | Canada | \$0.58 | \$0.72 | \$0.235 | \$363.06 |
| T.EFR | Energy Fuels Inc | United States | \$2.38 | \$4.38 | \$1.10 | \$273.62 |
| A.ERA | Energy Resources of Australia Limited | Australia | \$0.16 | \$0.20 | \$0.14 | \$591.16 |
| A.PDN | Paladin Energy Ltd | Namibia | \$0.12 | \$0.16 | \$0.035 | \$237.26 |
| A.PEN | Peninsula Energy Limited | United States | \$0.13 | \$0.33 | \$0.082 | \$40.96 |
| T.URE | Ur-Energy Inc | United States | \$0.80 | \$1.30 | \$0.39 | \$128.38 |
| U.UEC | Uranium Energy Corp | United States | \$1.05 | \$1.48 | \$0.35 | \$193.11 |
| DEVELOPMENT COMPANIES | | | | | | |
| V.AEC | Anfield Energy Inc | United States | \$0.10 | \$0.215 | \$0.04 | \$10.41 |
| L.BKY | Berkeley Energia Ltd | Spain | \$15.00 | \$22.30 | \$6.50 | \$27.80 |
| T.FCU | Fission Uranium Corp | Canada | \$0.325 | \$0.50 | \$0.095 | \$160.57 |
| T.FSY | Forsys Metals Corp | Namibia | \$0.155 | \$0.23 | \$0.06 | \$25.87 |
| V.GLO | Global Atomic Corporation | Niger | \$0.60 | \$0.90 | \$0.23 | \$90.71 |
| V.GXU | Goviex Uranium Inc | Niger | \$0.155 | \$0.195 | \$0.075 | \$67.99 |
| T.LAM | Laramide Resources Ltd | United States | \$0.26 | \$0.38 | \$0.10 | \$42.18 |
| T.NXE | NexGen Energy Ltd | Canada | \$1.95 | \$2.31 | \$0.76 | \$702.49 |
| V.PLU | Plateau Energy Metals Inc | Peru | \$0.28 | \$0.74 | \$0.16 | \$28.18 |
| A.TOE | Toro Energy Limited | Australia | \$0.009 | \$0.024 | \$0.003 | \$24.71 |
| T.UEX | UEX Corporation | Canada | \$0.15 | \$0.195 | \$0.065 | \$63.04 |
| A.VMY | Vimy Resources Ltd | Australia | \$0.043 | \$0.077 | \$0.019 | \$26.61 |
| C.WUC | Western Uranium and Vanadium | United States | \$0.76 | \$1.49 | \$0.245 | \$22.86 |
| EXPLORATION COMPANIES | | | | | | |
| T.AZZ | Azarga Uranium Corp | United States | \$0.19 | \$0.28 | \$0.07 | \$36.45 |
| A.BMN | Bannerman Resources Limited | Namibia | \$0.037 | \$0.056 | \$0.015 | \$39.17 |
| A.DYL | Deep Yellow Limited | Namibia | \$0.24 | \$0.40 | \$0.10 | \$60.00 |
| V.FUU | Fission 3.0 Corp | Canada | \$0.06 | \$0.115 | \$0.025 | \$7.80 |
| V.ISO | IsoEnergy Ltd | Canada | \$0.78 | \$0.79 | \$0.23 | \$64.08 |
| V.PTU | Purepoint Uranium Group Inc | Canada | \$0.04 | \$0.08 | \$0.025 | \$8.94 |
| V.SYH | Skyharbour Resources Ltd | Canada | \$0.185 | \$0.36 | \$0.08 | \$15.83 |
| OTHERS | | | | | | |
| T.U | Uranium Participation Corp | Canada | \$5.12 | \$5.35 | \$3.12 | \$706.87 |
| L.GCL | Geiger Counter Ltd | UK | \$16.00 | \$19.40 | \$9.60 | \$13.66 |
| U.URA | Global X Uranium ETF | US | \$11.20 | \$12.32 | \$6.94 | \$152.12 |
| L.YCA | Yellow Cake Plc | UK | \$220.00 | \$228.00 | \$148.20 | \$194.04 |
| T.HURA | Horizon Global Uranium ETF | Canada | \$9.84 | \$10.46 | \$5.80 | \$3.90 |
| U.URNM | North Shore Global Uranium Mining ETF | United States | \$28.44 | \$29.02 | \$15.55 | \$5.67 |
| V.URC | Uranium Royalty Corp | Canada | \$1.14 | \$1.28 | \$0.80 | \$81.89 |

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

HOW THE URANIUM MARKET WILL EVOLVE FOR THE POST-PANDEMIC ENERGY WORLD (CONT'D)

We are also working hard to make extraction of U from seawater the real future of the U supply beyond this century, although it is a decade or two away from becoming economic. At that point, U supplies would last for billions of years, in effect, making nuclear completely renewable.

Uranium has outperformed major commodities this year, even as the energy sector has suffered from the coronavirus pandemic. MarketsInsider shows that a significant rise in uranium prices has been underway since the pandemic began, up to \$34 from \$24 per pound of U₃O₈, a price that had been pretty stable for over a year.

The uranium industry was excited last year about the Administration's support of Section 232 of the Trade Expansion Act of 1962 that would protect the U.S. uranium mining industry. A White House task force is recommending that the federal government buy more uranium from domestic producers, mainly as a way to revive the U.S. uranium mining industry and in part as a way to address security concerns, although according to Sharon Squassoni at George Washington University those concerns are not warranted.

DOE might even create a new national uranium stockpile.

With these higher prices, many international companies are resuming extraction operations. Numerous discoveries of high-grade uranium deposits have been made in Canada and new low-grade deposits are under development in Argentina and Peru. The main Australian uranium mines in South Australia have resumed operations and mines in Western Australia are preparing to resume operations. An undeveloped, new uranium "roll front" district has been identified in the eastern Seward Peninsula of Alaska with thorium and rare-earth elements.

Research funding by university and industry remains low in the United States, but state geological surveys (e.g., Wyoming and New Mexico) and the U.S. Geological Survey are moving forward with robust research on uranium and rare earths.

There is general agreement that substantial uranium (and thorium) will be available to fuel the United States as the world's largest fleet of nuclear power. Although a few more reactors are scheduled for retirement on economic grounds and low-priced natural gas, the other reactors are operating even more efficiently, producing more power than before.

In addition, two new reactors are being completed in Georgia. Following a 30-year period during which no new reactors were built in the United States, it is expected that these two Vogtle units will come online soon after 2020.

Since mid-2007, there have been 16 license applications to build 24 new nuclear reactors, most of which are of the new small modular reactor (SMR) design.

So it seems that we have more uranium (U) than we need for hundreds of years of nuclear power as a big chunk of our energy generation. Which is critical, since we need to double nuclear power to address climate change and replace coal, even as we ramp up renewables.

Together with the fact that the nuclear industry has dealt with the pandemic better than most sectors, both uranium supply and nuclear power should not be much affected in the post-pandemic world.●

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ABOUT THE SLU₃O₈ OUTLOOK

The SLU₃O₈ 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 SLU₃O₈ EQUITY INDEX

The SLU₃O₈ 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 SLU₃O₈

Sightline U₃O₈ 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

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