

Uranium Energy Corp 2018 Letter to Shareholders

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CORPUS CHRISTI, TX, Jan. 29, 2018 /CNW/ - [Uranium Energy Corp.](#) (NYSE American: UEC, the "Company" or "UEC") pleased to provide the following letter to its shareholders from President and CEO, Amir Adnani, on the outlook for the year 2018.

Dear Shareholder,

On behalf of management and the Board of Directors, I want to thank you for your support as a shareholder. We very much appreciate your confidence in our 2017 accomplishments and strategy moving forward.

Last year we noted the uranium market was beginning to turn a corner and, indeed, the developments in 2017 proved to be extraordinary! The highlights included several very positive events that have and will continue to have significant impact on the uranium market.

The video link below is a good place to start with a recent presentation addressing the latest positive developments in the market fundamentals as well as UEC's activities and strategic path going forward:

<http://www.uraniumenergy.com/news/video/>

Recent announcements of major production cuts from the world's largest producers are expected to contribute to a notable decrease in uranium supply in 2018 and beyond.

These production cuts will lower expected 2018 global production to below 140 million pounds - a stark contrast to the 200 million pounds of projected use. Inventory and other secondary market sources will mitigate this gap over the near term, but these supplies are finite and in the process of being drawn down. Furthermore, while recent production cuts will go a long way toward rebalancing the market, we continue to expect additional cuts in global output, absent a material and sustainable price increase.

The need for highly reliable, base-load, emission-free energy remains a key driver for nuclear power and uranium demand in the U.S., but across the globe. There are currently more operable reactors (447), and more reactors planned, proposed or under construction (566), than there were in March 2011, pre-Fukushima. China and India continue to provide the largest markets for clean-air nuclear energy, with 26 reactors under construction and another 247 now planned and proposed as they attempt to combat severe air quality conditions. Operational reactors, new builds and planned reactors demonstrate a robust commitment to nuclear power, indicating steady growth in global uranium demand for decades to come.

U.S. Energy Security and the Opportunity for Domestic Production Growth

In the U.S., nuclear power accounts for about 20% of the country's electricity and about 60% of its carbon-free electricity. Among other "green" power sources, nuclear energy also provides stability and resilience to the nation's electric grid with its reliable base-load attributes. As such, preserving the fleet of reactors has become a high priority for the federal government and individual states as well as for industry.

In 2017, the U.S. continued to show a heavy dependence on foreign uranium to fuel domestic reactors. Mined production from the U.S. uranium industry was less than 5% of the nation's uranium requirements - about 50 million pounds per year. In 2018, uranium production is expected to fall to approximately 0.7 million pounds, the lowest production since 1949. At this level, domestic production will account for less than 2% of the uranium required to power U.S. reactors.

This extreme dependence on foreign uranium is a serious national security concern. Uranium is a strategic mineral for the U.S. as well as a source of economic development and jobs. At its peak, the uranium industry employed more than 20,000 Americans, now the number is less than 560 and continues to decline. Since 2012, investment in uranium exploration is down more than 50%.

As an independent, 100% unhedged U.S. uranium company, UEC has assembled a portfolio of low-cost, fully permitted uranium recovery (ISR) projects in South Texas and the Powder River Basin of Wyoming that will be the building blocks to lead the U.S. uranium production higher.

The bedrock of the Company is a solid senior management team, possessing a wealth of experience in both U.S. and international uranium mining and government policy. Spencer Abraham, our Chairman, served as the tenth U.S. Energy Secretary in

George W. Bush Administration, devising and successfully implementing the first national energy policy in the U.S. since the 1980's. Our Executive VP, Scott Melbye, is past President of the Uranium Producers of America and has over three decades of industry experience with uranium majors.

In summary, global market fundamentals for uranium are improving through a combination of reduced supply from ongoing foreign-producer cutbacks and heightened demand spurred by growing international recognition of the need for zero-emission base-load electricity. Concurrently, fundamentals for uranium production here in the U.S. are improving because the extreme dependence on foreign supply raises the kinds of strategic security issues that are gaining the attention of top congressional and executive branch decision makers. These are game-changers!

2018 Growth Plans in Texas, Wyoming and Paraguay

We will advance our growth plans in 2018 within the framework of our corporate strategy: 1) remain 100% unhedged to avoid exposure to a turn-around in uranium prices; 2) make accretive acquisitions near the bottom of the cycle; and 3) grow our low-cost ISR portfolio in Texas, Wyoming and Paraguay. There is also one new objective for 2018: to maximize the value of our Alto Paraná titanium project for the benefit of UEC shareholders. While we remain 100%-focused on our core uranium business, the acquisition of Alto Paraná, a world-class titanium project, is an important value driver for shareholders in the long term beyond.

In 2017, we made an accretive acquisition of the fully licensed Reno Creek ISR Project in Wyoming's prolific Powder River Basin. This premier project strengthens our U.S. ISR portfolio by adding Measured & Indicated resources of 22 million pounds and a U.S. Nuclear Regulatory Commission (NRC) production license of 2 million pounds per year. This, combined with the 2 million pound capacity of 2 million pounds per year at our Hobson Processing Facility in South Texas, positions UEC with a baseline production profile of 4 million pounds per year, with room to grow.

Early in 2018, we plan to expand the resources at Reno Creek with the pending acquisition of the advanced-stage North Reno Creek project located adjacent to and within UEC's existing permitted boundary. This purchase adds further scale and creates a single combined project, increasing the Measured & Indicated resource by 20%, with the addition of another 4.3 million pounds. After the closing of the North Reno Creek acquisition, we anticipate completing a new NI 43-101 report and promptly updating our prefeasibility study.

In South Texas, we will extend last year's successful drilling campaign at our Burke Hollow ISR project with additional drilling and resource expansion. Our 2017 drilling campaign resulted in a 38.5% increase to Inferred resources from 5.5 million pounds* and the goal is to further expand these resources in 2018. We will also continue to de-risk this exciting project through the advancement of environmental permitting. The last major production permit required at Burke Hollow, a Radioactive Materials License, is expected to be approved in 2018.

In Paraguay, we exercised a strategic option for 100% control of the Alto Paraná Titanium Project, an exceptional opportunity generated by our in-country presence and relationships. We subsequently advanced the project through completion of a NI 43-101 mineral resource estimate* in September, which positions Alto Paraná as one of the highest-grade and largest undeveloped Ferro-Titanium deposits in the world. This project represents significant value for our shareholders, however our focus remains on uranium mining and exploration projects; as a result, the Company will look for opportunities to monetize Alto Paraná.

Titanium has enjoyed a continuation of robust demand and corresponding price growth since the start of 2017. New production will be required by 2019 to avoid a supply deficit, with demand growth forecast to outpace supply for the next few years.

Positioned and Prepared

Our South Texas hub-and-spoke strategy has a pipeline of five ISR projects positioned to supply our state-of-the-art Hobson processing facility. We are well prepared to ramp up operations when justified by reasonable uranium prices. Burke Hollow is close to joining Goliad to achieve fully licensed status, and the ability to re-start operations at the Palangana project should be within only months. Coupled with a solid balance sheet and our newly acquired and fully licensed Reno Creek project, the Company is well positioned to become the preeminent low-cost ISR producer in the U.S.

UEC is unique in being a 100% unhedged developer, as we have intentionally avoided restrictive contracting with associated price ceilings during the bottom of this price cycle. This will allow maximum leverage and reward to our shareholders as uranium prices recover.

move higher.

Thank you again for your confidence in management's strategy. We encourage and appreciate your ongoing support. Feel free to call me directly, or our Investor Relations department, with any questions or comments that you might have as the company develops at 1-866-748-1030 or email info@uraniumenergy.com. Visit our website at <http://www.UraniumEnergy.com/> or follow us on Twitter @UraniumEnergy to keep current on all our activities and be sure to register your email to receive breaking news.

Yours truly,

"Amir Adnani"

President & CEO

About Uranium Energy Corp

[Uranium Energy Corp.](#) is a U.S.-based uranium mining and exploration company. The Company's fully-licensed Hobson Processing Facility is central to all of its projects in South Texas, including the Palangana ISR mine, the permitted Goliad project and the development-stage Burke Hollow ISR project. In Wyoming, UEC controls the permitted Reno Creek ISR project. Additionally, the Company controls a pipeline of advanced-stage uranium projects in Arizona, Colorado, New Mexico and Paraguay, and a large, high-grade titanium project in Paraguay. The Company's operations are managed by professional operators with a recognized profile for excellence in their industry, a profile based on many decades of hands-on experience in the key fields of uranium exploration, development and mining.

Stock Exchange Information:

NYSE American: UEC

Frankfurt Stock Exchange Symbol: U6Z

WKN: AØJDRR

ISIN: US916896103

Safe Harbor Statement

* The mineral resources referred to herein have been estimated in accordance with the definition standards on mineral resources of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101 and are not compliant with U.S. Securities and Exchange Commission (the "SEC") Industry Guide 7 guidelines. In addition, measured mineral resources, indicated mineral resources and inferred mineral resources, while recognized and required by Canadian regulations, are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Accordingly, we have not reported them in the United States. Investors are cautioned not to assume that any part or all of the mineral resources in these categories will ever be converted into mineral reserves. These terms have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. In particular, it should be noted that mineral resources which are not mineral reserves do not have demonstrated economic viability. It cannot be assumed that all of the measured mineral resources, indicated mineral resources or inferred mineral resources will ever be upgraded to a high grade. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported measured mineral resources, indicated mineral resources or inferred mineral resources referred to herein are economically or legally mineable.

- Reno Creek, Wyoming Resource - Measured and Indicated Resources total 27.59 million tons grading 0.041% U₃O₈ containing 21.98 million pounds. Inferred Resources total 1.36 million tons grading 0.036% U₃O₈ containing 0.93 million pounds
- North Reno Creek, Wyoming Resource - Measured and Indicated Resources total 3.8 million tons grading 0.056% U₃O₈ containing 4.3 million pounds
- Burke Hollow, Texas Resource - Inferred Resource total of 4.06 million tons grading 0.088% U₃O₈ containing 7.0 million pounds
- Alto Parana, Paraguay Resource - Inferred Resource total of 4.94 billion tonnes grading 7.41% TiO₂ and 23.6% Fe₂O₃

Except for the statements of historical fact contained herein, the information presented in this letter constitutes "forward-looking statements" as such term is used in applicable United States and Canadian laws. These statements relate to analyses and information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any other statements that express or involve discussions with respect to predictions, expectations, beliefs

projections, objectives, assumptions or future events or performance are not statements of historical fact and should be "forward-looking statements". Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those contained in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this letter.

SOURCE [Uranium Energy Corp.](#)

Contact

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