



# **Small Uranium Wonders**

**By Sean Brodrick**

The following is an excerpt from the report "Small Uranium Wonders."  
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### Pick #5 — The Greatest Story Never Told

#### Uranium Energy Corp (URME on the OTCBB)

"You know what the most precious thing is in the mining industry today?" asked Amir Adnani as we sat down to lunch. "It's people."

Amir is the CEO of Uranium Energy Corp, or UEC for short. He explained how, in the heyday of the first uranium boom, over 20,000 people worked in uranium mining in the US. Now, the number has shrunk to about 400 people — even as America's uranium appetite was waking up again.

"Do we want to import our uranium from Russia? To be dependent on them as suppliers?" Amir continued. "How is that any better than being dependent on the Saudis to supply us with oil? No, if we want energy independence, we have to develop America's own uranium resources."

Amir thinks the supply/demand crunch in trained geologists and mining engineers is a big advantage for his company — because he's put together a team of the top talent in the industry. They are not only engineers and geologists, but engineers and geologists with expertise in uranium.

Added together, the team has about 280 years of uranium expertise.

Other companies are lining up to hire Amir's company as consultants or take them on as partners just to get his people's expertise. (Indeed, Uranerz hires UEC's team as consultants). In the meantime, Amir and his crew are pushing forward with their plan to develop their own mine — with a timetable of bringing it into production in two years.

Another strength that UEC has is a HUGE database of drilling and survey data compiled in the 1970s and 1980s, by the oil companies that were exploring for uranium all over the Western US at the time. UEC's library of uranium exploration and development databases contains over 4.6 million feet of drilling data on properties in 17 US states.

UEC Reserves & Resources (by state)		
State	Historic (million pounds U3O8)	Potential (million pounds U3O8)
Texas	6.4	9.8
New Mexico	1.5	
Arizona	2	10.0
Wyoming	0.5	4.8
Colorado	2	
Utah	0.5	
<b>Total</b>	<b>12.9</b>	<b>24.6</b>

Amir says the geologists on his team are combing through the database constantly, seeing which properties would be a good fit for UEC. The company is aggressive in acquisitions of what it sees as undervalued properties.

Our lunch conversation was interrupted as another miner stopped by our table to say hi. After the other guy left, Amir smiled and said: "Our companies have comparably sized resources, in the same part of the country, with similar mining costs. And we're both bringing mines into production in two years. Yet his company is valued way more than mine (I checked later — more than four times as much). Do you know why?"

Amir leaned forward and answered his own question: "Publicity. His company has it. My company doesn't ... yet."

So what kind of projects does UEC have? Its main project is Goliad in South Texas, an advanced ISR project. It has other projects in Wyoming to Utah, Colorado, Arizona and New Mexico, but Goliad will come online first. It's a historic resource of about 5.2 million pounds, but Amir says Goliad has the potential for 15 million pounds. And they are constantly drilling to expand that resource. The next round of drilling starts in 60 days.

Adding in the resources from its other projects in Texas and other states, the company has 12.9 million pounds of historic resources.

Historic resources aren't proven resources, of course. But I think with the experienced team that UEC has on its side, adding to those resources shouldn't be a problem. Goliad is coming into production in late 2009. Meanwhile, a company with historic resources of 12.9 million pounds of uranium — after ISR mining costs of \$25 per pound, about \$606 million worth — has a market cap of just \$162 million. And when you start to price in its intellectual property — its 4.6 million feet of drilling data and 280 years of uranium expertise — it looks like a screaming bargain.

I expect this stock to move to the AMEX this year. That should open up a whole new market of investors for it.

This stock is on the move, but it's worth adding to your portfolio now. I recommend you buy 800 shares of **Uranium Energy Corp (URME on the OTCBB)**. If your broker requires larger trades for bulletin-board stocks, you'll have to make your own decision on that.

