



February 12, 2025

Ur-Energy (URE-CN, URG)

Lost Creek Production Ramping; Shirley Basin Next in Focus

Event

Ur-Energy released its Q4/2024 production results which were highlighted by the on-going developments at Lost Creek. Though ISR production continues to ramp higher on a sequential basis, the latest 81,767 lbs captured represents the highest quarterly figure since the restart of operations in mid-2023. With the Lost Creek operations ramping (and most importantly, stabilizing), development initiatives at Shirley Basin are now in full swing with an expected commissioning date seen in early 2026. Factoring in the latest corporate adjustments, our 1.10x NAV_{8%} valuation methodology equates to a price objective representing +140% from the most recent close.

Details

- **Lost Creek Operations Stabilizing Higher** – Lost Creek production continues to ramp higher as the latest print of 81,767 lbs captured in the Q4/2024 represents the highest quarterly level since the return to commercial production, as announced in May 2023. With six header houses coming online over the course of 2024 along with header house 2-12 coming online in late January, production has smoothed over the past few quarters and has become more consistent (Q4/2023 head grades amounted to 66.2 mg/L). We note that since the May 2023 restart of Lost Creek commercial production, a total of ~365,000 lbs has been captured until Q4/2024. This brings Lost Creek's life-of-mine production to ~3.1M lbs since 2013 when ISR production initially began.
- **Shirley Basin Next in Line** – Following the installation of 120 monitor wells for the first mine unit (SB MU1) which yielded excellent hydrologic results, the installation of downhole pumps in the monitor wells (using 6 drill rigs) is expected to begin in the coming weeks. Baseline sampling is subsequently expected to be completed in the spring. Though management expects flow rates to vary throughout the project, note that production rates within the test patters have been held within the range of 70-80 gpm which is consistent the documented historic inflow from the early 1960s. Construction at Shirley Basin is expected to be completed in late 2025 with commissioning expected to begin in early 2026.
- **Strongest Internal Fundamentals Among Peers** – We continue to highlight Ur-Energy's strong fundamentals which set it apart from peers. These fundamentals not only include the current contract book (5.7M lbs covering the 2024-2030 period) but also includes a current cash war chest which we estimate to equal ~22% of current market capitalization. Recall the \$60M, July 29 share offering consisting of 57.15M shares priced at \$1.05 per share. In addition to the current cash balance, at Q3/2024, in-process uranium inventory amounted to ~90,140 lbs and finished inventory at the conversion facility totaled 40,713 lbs U3O8. The year-end figures will be released in March.

Conclusion

Our valuation methodology continues to be underpinned by a \$120 per lb LT uranium price while our NAV_{8%} multiple remains at 1.10x. Factoring in the latest corporate adjustments, our 1.10x NAV_{8%} valuation methodology equates to a price objective representing +140% from the most recent close. Full details can be found [here](#):

Company Profile

Sector	Mining
Sub-Sector	Uranium
Ticker	URG
Ticker	URE-CN

Current Price (\$)	\$1.02
12-Mth Price Objective (\$)	\$2.45
Potential Upside	140%
Mkt Cap, Basic (\$M)	\$363.6M
Mkt Cap, FD (\$M)	\$366.2M
EV (\$M)	\$247.1M
Shares O/S Basic (M)	341.42
1-Mth Return	-11.3%
3-Mth Return	-12.8%
YTD Return	-11.3%

	2024	2025e	2026e
U3O8 Production lbs	265,742	530,000	1,050,000

LOM Production lbs	15,600,490
LOM avg. Cash Cost\$/lb	\$19.85
LOM avg. AIC\$/lb	\$44.46

Measured & Indicated	PPM U3O8	Attrib. lbs
Lost Creek	460	11.9M

Inferred Resources	PPM U3O8	Attrib. lbs
Lost Creek	440	6.6M
Shirley Basin	275	8.8M

Company Description

Ur-Energy is a NYSE and TSX listed in-situ recovery (ISR) uranium company maintaining the Wyoming based Lost Creek Project in a state of operational readiness. Lost Creek began production in 2013 however owing to sustained uranium price weakness, a decision was taken to curtail production beginning in 2017. Production was restarted in 2023.

2-Year Stock Chart



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