

Premier American Uranium (PUR)

Expecting Big Things From Cebolleta in 2025

Event

Premier American Uranium announced the receipt of an additional Part 3 drilling permit for the Cebolleta Project, located in New Mexico. The permit allows for drilling of up to 25 boreholes utilizing 25 drill pad surface areas for further exploration on the property. We maintain our C\$3.00 per share target which equates to upside of +104% from the most recent close.

Details

- **Targeting a PEA for Mid-2025** – The newly received permit (application submitted in March 2024) was initially designed to aide with the additional confirmation drilling anticipated to be required to validate the historic drilling for inclusion into a Mineral Resource Estimate (MRE). Recall that in June 2024, the company completed a MRE relying on confirmation drilling completed in 2023. As such, the company expects to realize cost savings over its original confirmation drilling budget. Up to five technical confirmation drilling holes in Area 3 are being considered, as are permit amendments, possibly for expansion drilling. Goals for 2025 include the continuation of cultural, archeological and biological studies to support a Part 4 permit application, drill work under the newly issued Part 3 permit, and update to the Cebolleta MRE and eventually materially de-risk the project with the completion of a Preliminary Economic Assessment (PEA) in mid-2025.
- **Fast Progress at Cebolleta** – Included in the portfolio given the acquisition close of American Future Fuel in June 2024, the announced MRE from last summer was built upon nearly 3,600 historical holes (569,000m) and \$75.0M in historical expenditure. Relatively shallow sandstone hosted uranium deposits are seen as amenable to both underground and open-pit scenarios. The MRE estimated 18.6M lbs contained in the Indicated category (6.6M tons at 0.14% U3O8), along with 4.9M lbs in the inferred category (2.6M tons at 0.10% U3O8). Mineralization remains open on trend with certain prospective areas (Willie P) not included yet in the current MRE.
- **Compelling Valuation for Exploration Upside** – Given the work expected to be undertaking this year at Cebolleta along with a second drill campaign at the Cyclone ISR Project (Wyoming), we continue to see compelling, exploration based potential. Shares of Premier American Uranium currently trade at a P/NAV of 0.30x. This multiple is on par with peers in Wyoming, despite having an exploration target at Cyclone (7.9M-12.6M lbs U3O8) and the established resource at Cebolleta.

Conclusion

Factoring corporate adjustments and using a per lb valuation for both Cyclone and Cebolleta, we derive a C\$4.95 per share valuation. Applying a 0.60x NAV multiple, we maintain our C\$3.00 per share (rounded), 12-month price objective. This equates to upside of +104% from the most recent close. Shares of Premier American Uranium currently trade at a P/NAV of 0.30x. The full details can be found [here](#):

Company Profile

Sector	Mining - Inventory
Sub-Sector	Uranium
Company	Premier American Uranium
Ticker	PUR
Current Price (C\$)	C\$1.47
12-Mth Price Objective (C\$)	C\$3.00
Potential Upside	104%
Mkt Cap, Basic (C\$M)	\$67.4
EV (C\$M)	\$63.8
Shares O/S Basic (M)	45.9
1-Mth Return	-26.5%
3-Mth Return	-31.3%
YTD Return	+2.1%

Measured & Indicated	Grade U3O8	Attrib. lbs
Cebolleta	0.142%	18.6
Cyclone	n/a	n/a
Atkinson Mesa	n/a	n/a
Monogram Mesa	n/a	n/a

Inferred Resources	Grade U3O8	Attrib. lbs
Cebolleta	0.096%	4.9
Cyclone	n/a	n/a
Atkinson Mesa	n/a	n/a
Monogram Mesa	n/a	n/a

Company Description

Premier American Uranium is a TSX-V listed exploration company active with the development and acquisition of properties in the US. The current asset base encompasses property leases located in both Wyoming (Great Divide Basin), New Mexico (Grants Mineral Belt) and Colorado (Uravan Mineral Belt).

2-Year Stock Chart

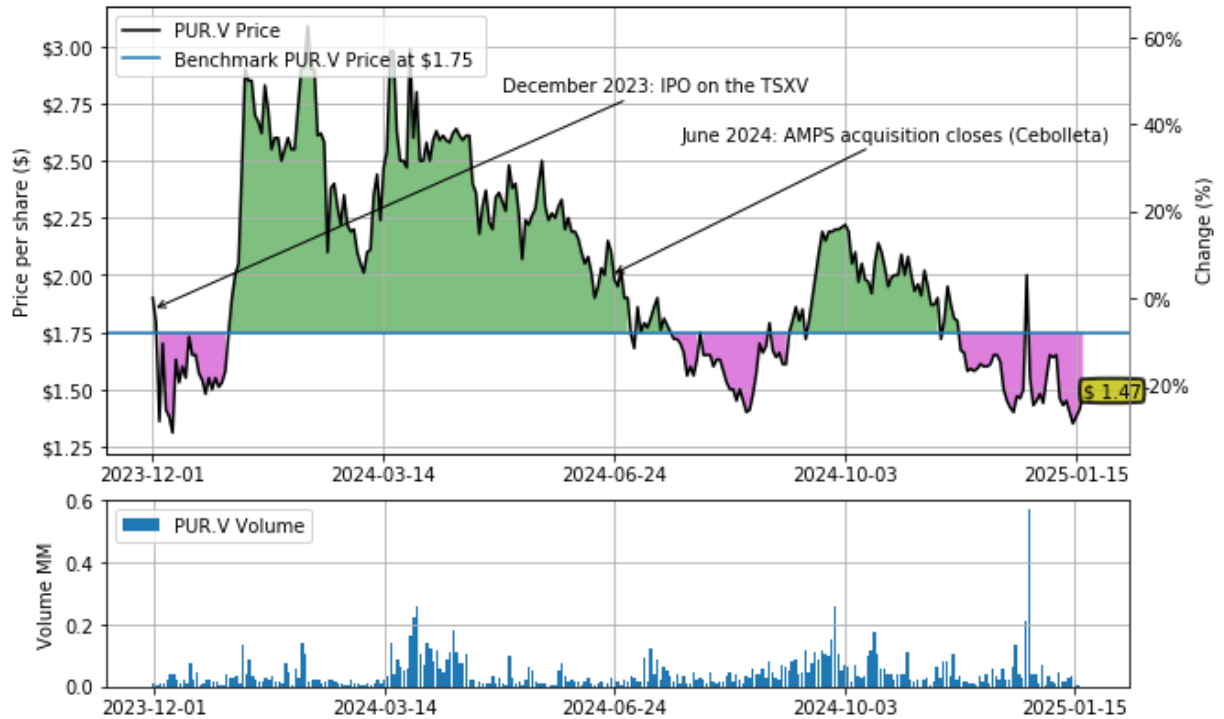


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Late last week, Premier American Uranium announced the receipt of an additional Part 3 drilling permit for the Cebolleta Project, located in New Mexico. The permit allows for drilling of up to 25 boreholes utilizing 25 drill pad surface areas for further exploration on the property. As the project continues to de-risk, additional drilling this year will lead to an update to the MRE along with a project PEA targeted for mid-2025. We maintain our C\$3.00 per share target which equates to upside of +104% from the most recent close.

Exhibit 1. Price Chart Since IPO



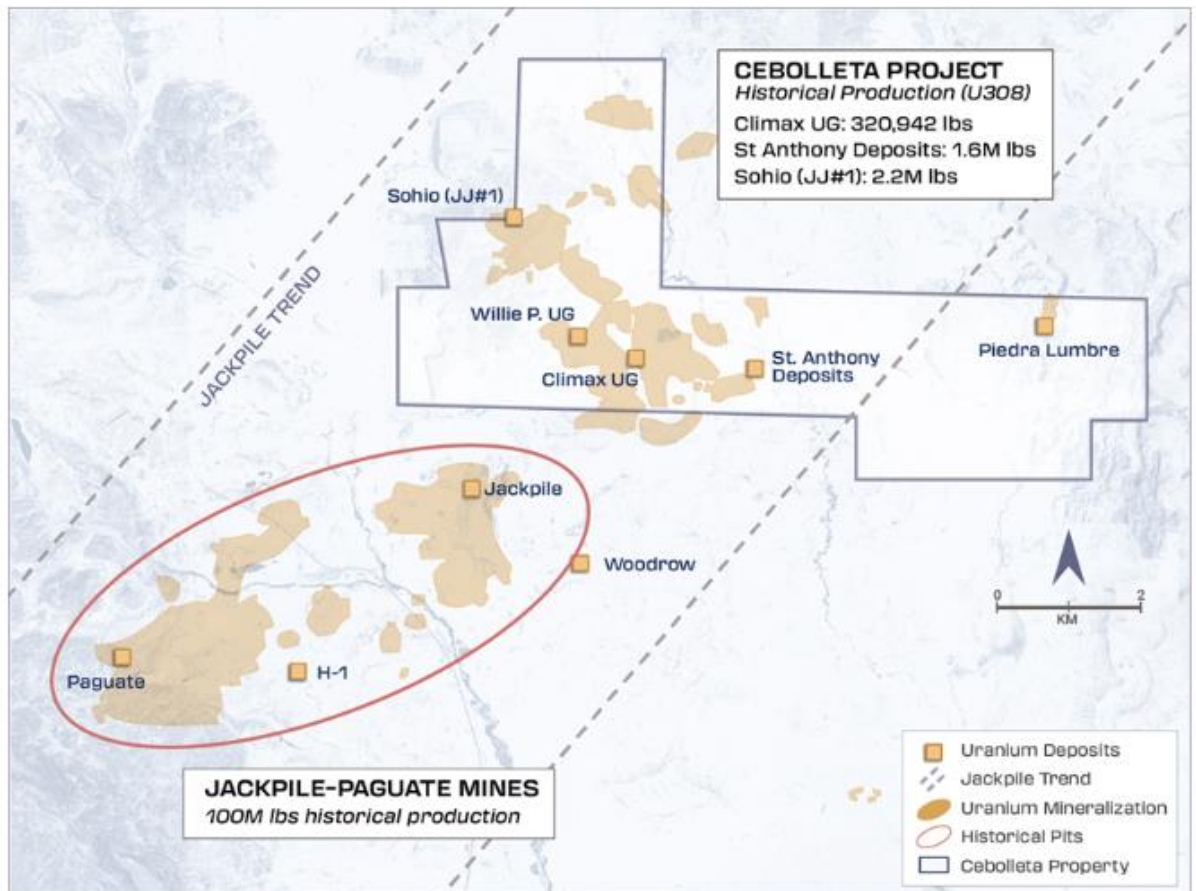
Source: HoldCo Markets Inc.

CEBOLLETA PRELIMINARY ECONOMIC ASSESSMENT (PEA) TARGETED FOR MID-2025

The newly received permit (application submitted in March 2024) was initially designed to aid with the additional confirmation drilling anticipated to be required to validate the historic drilling for inclusion into a Mineral Resource Estimate (MRE). Recall that in June 2024, the company completed a MRE relying on confirmation drilling completed in 2023. As such, the company expects to realize cost savings over its original confirmation drilling budget. Up to five technical confirmation drilling holes in Area 3 are being considered, as are permit amendments, possibly for expansion drilling. Goals for 2025 include the continuation of cultural, archeological and biological studies to support a Part 4 permit application, drill work under the newly issued Part 3 permit, and update to the Cebolleta MRE and eventually materially de-risk the project with the completion of a Preliminary Economic Assessment (PEA) in mid-2025.

The aggressive timeline for the year comprises the following:

- Continuation of cultural, archeological and biological studies to support a Part 4 permit application.
- Drill work under the newly issued Part 3 permit.
- Update to the Cebolleta MRE and a Preliminary Economic Assessment targeted for mid-2025.

Exhibit 2. Cebolleta Project Targets


Source: Premier American Uranium

Included in the portfolio given the acquisition of American Future Fuel (AMPS) in June 2024, the announced MRE from last summer was built upon nearly 3,600 historical holes (569,000m) and \$75.0M in historical expenditure. Relatively shallow sandstone hosted uranium deposits are seen as amenable to both underground and open-pit scenarios. The MRE estimated 18.6M lbs contained in the Indicated category (6.6M tons at 0.14% U3O8), along with 4.9M lbs in the Inferred category (2.6M tons at 0.10% U3O8). Mineralization remains open on trend with certain prospective areas (Willie P) not included yet in the current MRE.

Uranium mineralization at the Project are the northern extension of the Jackpile-Paguete trend of uranium deposits, which is one of the largest sandstone-hosted uranium endowments in the world. Collectively, the mines of the Laguna mining district produced more than 100M lbs of U3O8 from the Jackpile-Paguete trend during the period from 1951-1983, as documented by geologists of the New Mexico Bureau of Geology and Mineral Resources and the US Department of Energy.

The northern continuation of the Jackpile-Paguete trend of uranium deposits onto the southern part of the Project property is well established, however the extent of mineralization has not yet been fully defined. Herein lies the identified growth opportunity for the company.

Exhibit 3. Cebolleta Mineral Resource Estimate (MRE)

Cebolleta Project Area	Cut-Off eU3O8 %	Tons 000s	Grade eU3O8 %	Contained M lbs
Underground- Indicated	0.07%	3,200	0.208%	13.4
Underground- Inferred	0.07%	1,000	0.135%	2.6
Open pit - Indicated	0.02%	3,300	0.078%	5.2
Open pit - Inferred	0.02%	1,600	0.072%	2.3
Totals		9,100	0.129%	23.5

NI 43-101 Technical Report dated April 30, 2024

Source: Premier American Uranium, HoldCo Markets Inc.

VALUATION

Given the work expected to be undertaking this year at Cebolleta along with a second drill campaign at the Cyclone ISR Project (Wyoming), we continue to see compelling, exploration based potential. This multiple is on par with peers in Wyoming, despite having an exploration target at Cyclone (7.9M-12.6M lbs U3O8) and the established resource at Cebolleta.

Exhibit 4. Net Asset Value

		Value (C\$M)	\$ Per Share	% of NAV
Cyclone - exploration tgt	\$5.00/lb	\$67.0	\$1.46	30%
Cebolleta	\$7.50/lb	\$156.0	\$3.40	70%
Total Mining Assets		\$67.0	\$4.86	100%
Cash & ST Investments	Q3/2024	\$4.3	\$0.09	
Corporate/G&A/Other	Q3/2024	-\$0.6	-\$0.01	
Current Debt	Q3/2024	\$0.5	\$0.01	
		-\$0.5	\$0.09	
Net Asset Value		\$66.5	\$4.95	
P/NAV			0.30x	

Source: HoldCo Markets Inc.

Factoring corporate adjustments and using a per lb valuation for both Cyclone and Cebolleta, we derive a C\$4.95 per share valuation. Applying a 0.60x NAV multiple, we maintain our C\$3.00 per share (rounded), 12-month price objective. This equates to upside of +104% from the most recent close. Shares of Premier American Uranium currently trade at a P/NAV of 0.30x.

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