



The **U<sub>3</sub>O<sub>8</sub>**

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# Investment Report

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### 3. Uranium Energy

Symbol: UEC on the AMEX

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UEC now listed on the AMEX has been in the news quite a bit as of late. After submitting their application for permit on the Goliad Project, the company has had a steady stream of good news, including the addition of several new key board members and the acquisition of a new property in Arizona.

Uranium Energy Corp announced that it has acquired 100% interest in the New River Uranium Project, located in northern Maricopa County, Arizona, on state lands in an historic mining area. Teck Corporation, on behalf of Univex Mining, previously conducted exploration and development on the property, resulting in an historical resource estimate of 30 million tons having an average grade of 0.02% eU<sub>3</sub>O<sub>8</sub>, or approximately 12 million pounds of eU<sub>3</sub>O<sub>8</sub>.

Teck performed geologic mapping, drilling and gamma surveys on the property in 1979 for Univex Mining. In addition, limited metallurgical testing was carried out by Lakefield Research of Lakefield, Ohio. Fourteen holes were drilled in the central portion of the property. The drill logs and cuttings indicate that uranium is disseminated within tuffaceous lakebed sediments typically at depths varying from 150 to 230 feet with occurrences as shallow as 65 feet below the surface.

It is anticipated that the project would be amenable to shallow mining methods. The mineralized zone, as indicated by drilling, is approximately 60 feet thick, representing 30 million tons of material with an average grade of 0.02% eU<sub>3</sub>O<sub>8</sub>, derived from gamma-ray logs, using a cut-off grade of 0.015%. The historic resource, based on the 14 drill holes conducted in the central portion of the property, is approximately 12 million pounds of eU<sub>3</sub>O<sub>8</sub>. The mineralized trends identified by drilling are open-ended.

The foregoing historical resource estimate for New River was completed prior to the implementation of NI 43-101; however, given the quality of the historic work, the Company believes the resource estimate to be relevant. A qualified person has not completed sufficient work to classify the historic mineral resources as current mineral resources, and the estimate should not be relied upon.

The New River Project uranium occurrence is geologically similar to the Anderson Mine uranium deposit in Yavapai County, Arizona. The Anderson Mine, earlier explored by Unocal Corporation, is now owned by privately-held Concentric Energy, and has a reported historic resource estimate of approximately 50 million pounds U<sub>3</sub>O<sub>8</sub>. This estimate has not been independently verified and cannot be relied upon.

During 2008, Uranium Energy Corp plans to further investigate the property and confirm the historic data by performing core drilling and gamma surveys in areas that were previously drilled. The Company also plans to explore other areas of the property that demonstrate potential for additional mineralization based on known geologic trends.

The company continues towards its objective of becoming a near-term ISR uranium producer in the United States. The Company controls one of the largest historical uranium exploration and development databases in the US. Through the use of these databases, the Company has acquired advanced uranium properties throughout the southwestern US. The operational management is comprised of pre-eminent uranium mining and exploration professionals, whose collective experience in the uranium mining industry gives the Company ongoing uranium mine-finding and uranium mine development expertise.

Because of their low share price, UEC remains a **STRONG BUY**.

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