



Exit Strategy Considerations for the Uranium Investor

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Lack of Exit Strategy...

- ▶ **Many talk about uranium thesis, fundamentals, favorite vehicles, and entry.**
- ▶ **Buying should be the hardest. Selling the easiest.**
- ▶ **Next to no discussion of exit planning. This is part of the entry checklist most disregarded.**
- ▶ **Exit is often a trade secret for those that actually have a plan in place.**

The Setup Required For Exit

Term Contracting Round is Required, & Results In:

- ▶ **Prices rise to the level in which sector recapitalization occurs as a result of restocking the shelves.**
- ▶ **Existing production capacity resumes.**
- ▶ **Notable new projects are financed and built.**
- ▶ **Production outpaces consumption.**
- ▶ **Exploration ramps up on price & increased speculation.**

Primary Exit Considerations

- 1. Two to three consecutive years of term contract volume in excess of 170mlbs annually.**
- 2. Spot price exceeds term price by \$20/lb or more during the excess of the ~\$50/lb incentive price.**
- 3. Spot price exceeds \$90/lb.**
- 4. Market listings reach ~150 aspiring hopefuls.**
- 5. Spot & SWU price high level convergence or spot exceeds.**

Secondary Exit Considerations

- 1. Annual production + near term (2-3 yrs) in-construction buildout is confirmed to match current consumption at incentive price or higher.**
- 2. Nuclear reactor accident at anytime during the cycle.**
- 3. Broad stock market crash during mid-late \$50+/lb uptrend.**

Exit: Checks & Balances

- ▶ **At least 3 conditions exist at the same time across both primary & secondary considerations.**
- ▶ **Exemptions: Broad market crash during mid-late uranium stage or nuclear reactor accident. Only one is required for exit.**
- ▶ **The SmithWeekly Override: Our discretion.**
- ▶ **Want more safety factor? Use 2 primary, same time conditions as exit.**

Exit Strategy

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Thank You

- ▶ **More in-depth details & continuing market coverage at SmithWeekly.**
- ▶ **Attendees: Contact us for special access to our comprehensive highly detailed sector report: bit.ly/Contact-SWR**

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