

# Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

INVESTMENT ALERT – 13 October 2017

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## GoviEx Uranium Inc. (C\$ 0.19)

TSX.V : GXU  
OTCQB : GVXXF  
Frankfurt : 7GU

H+L prices (12 months) : C\$ 0.44 – 0.085

Issued shares : 323.4 million  
Fully diluted : 466.3 million

Market capitalization : C\$ 61.4 million  
(US\$ 49.3 million)

**12 month price target: C\$ 0.40**

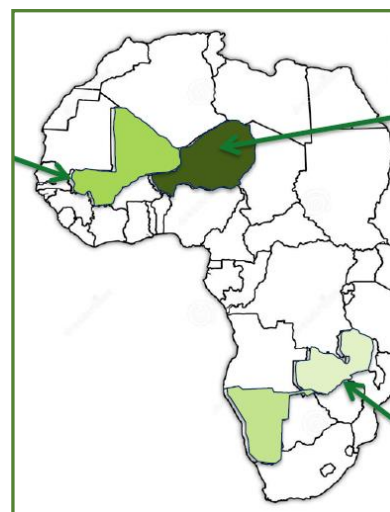
## INVESTMENT ALERT

### Madaouela Uranium Project, Niger receives expressions of interest from project lenders to arrange US\$ 220 million of senior debt financing

On September 27, 2017, **GoviEx** announced that further to its news release dated September 12, 2016 announcing the appointment of **Media Capital Partners** as Project Debt Advisor, expressions of interest have now been received from Export Credit Agencies and project finance banks to arrange US\$ 220 million of senior debt financing for the construction of the **Madaouela Uranium Project** in **Niger**.

Key conditions from potential lenders include, as is standard for project debt financing, the following:

- Release of **Bankable Feasibility Study** for the Madaouela Project, following **GoviEx**'s continued optimization work;
- Long-term off-take contracts in place from creditworthy nuclear utility counterparties, with **Houlihan Lokey EMEM LPP** appointed as a financial advisor for this purpose, as announced February 15, 2017 and
- Export Credit Agency insurance cover being in place based on the nationality of either the off-take and/or procurement counterparties



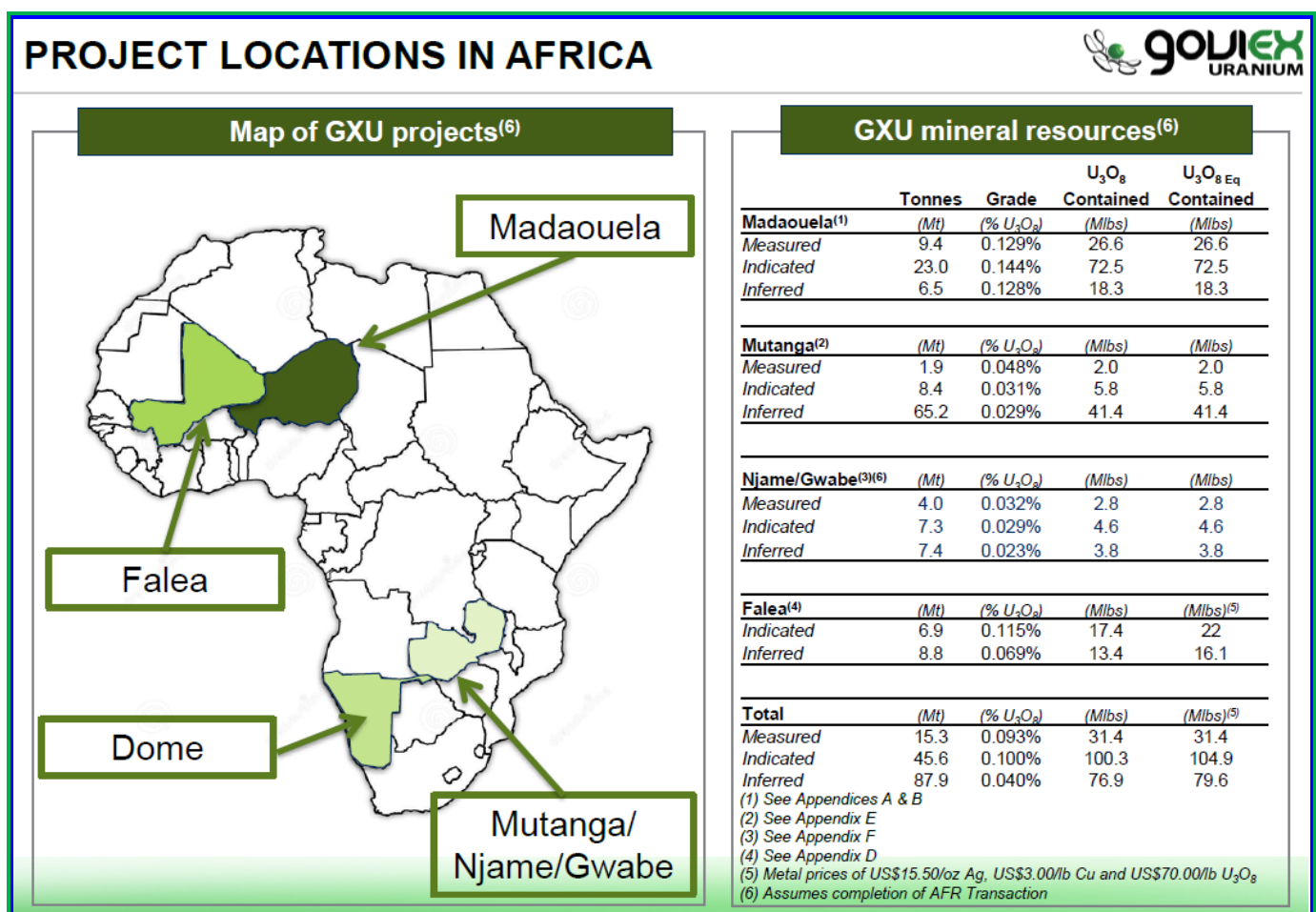
The engagement of Houlihan Lokey represents part of an integrated four-part strategy developed by **GoviEx** to advance the Madaouela Project and follows the previously announced appointment of **Media Capital Partners** as a project debt advisor, currently engaged with Export Credit Agencies and commercial banks.

The four-part strategy, working towards a production decision, includes:

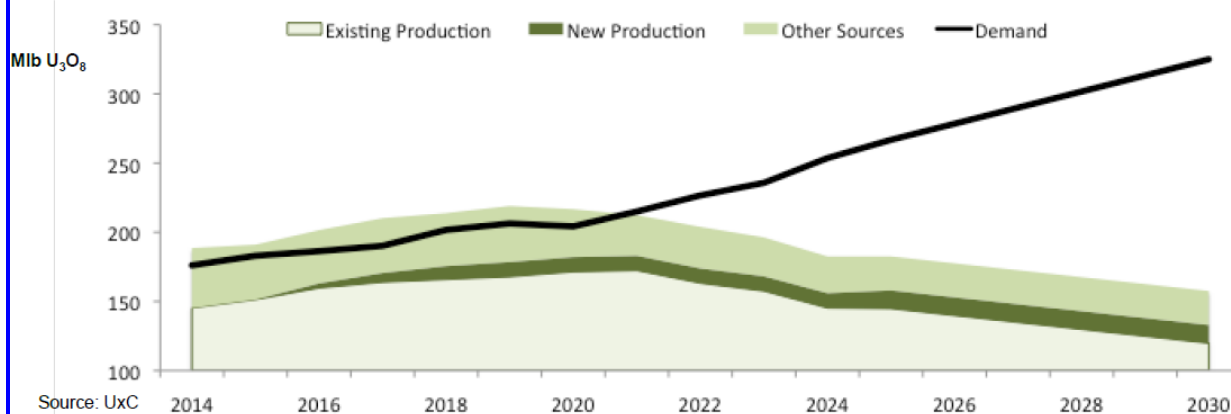
- Debt financing structuring, including engagement of various export credit agencies;
- Project optimization and completion of detailed engineering;
- Off-take structuring; and
- Project equity financing

### 2017 Exploration activities

The increase and evaluation during the 6 months ended June 30, 2017 reflects a drilling program for the **Madaouela Project** in Niger and a Radon Ex Survey for the **Falea Project** in Mali, in addition to the maintenance costs associated with Zambia and Mali operations resulting from the Rockgate acquisition that closed on June 10, 2016.



## GOVIX PROPOSED DEVELOPMENT STRATEGY



Source: UxC

	Pre-feasibility	Mining Permit	Definitive Feasibility	Development	Production
Madaouela	✓	✓	2017-18	2018-19	2020
Mutanga	✓	✓	2018-19	2020-21	2022+
Falea	2018+				

### Investment comments:

Since having completed the transaction with Denison Mines on 10 June 2016 to combine their respective African uranium interests, **GoviEx**'s combined asset portfolio now includes two permitted uranium development projects, the Madaouela Project in Niger and the Mutanga Project in Zambia, as well as the advanced-exploration stage projects in Mali and the exploration-stage Dome Project in Namibia.

In addition, the Company executed a definitive agreement with African Energy Resources, which includes the acquisition of a mining licence and two prospective licences in Zambia.

Under the Integrated Development Plan (IDP) for the flagship Madaouela Project an average 2.6 million pounds U3O8 production rate per year over a 21-year mine life is envisioned, based on Measured and Indicated Mineral resources of 110 million pounds U3O8 and 61 million pounds of Probable Mineral resources.

**GoviEx now controls one of the largest uranium resource bases among publicly listed companies with NI 43-101 compliant Measured and Indicated resources of 124.29 million pounds U3O8, plus Inferred resources of 73.11 million pounds U3O8.**

Having received expressions of interest from project lenders to arrange US\$ 220 million debt financing, this underpins Mutanga's outstanding position as one of the largest combined uranium mineral resource bases amongst its peer group and supported by a strong shareholder base.

At a current market valuation of just US\$ 49 million, I consider **GoviEx** to be one of the most attractive uranium investment opportunities offering a high leverage potential.

My 12 months price target remains C\$ 0.40.