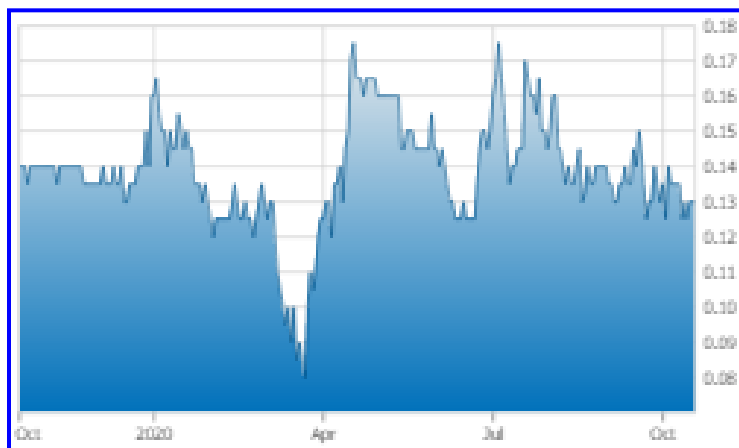


# Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

INVESTMENT ALERT – October 21, 2020

www.goviex.com



## GoviEx Uranium Inc. (C\$ 0.14)

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

H+L prices (12 months) : C\$ 0.19 – 0.08

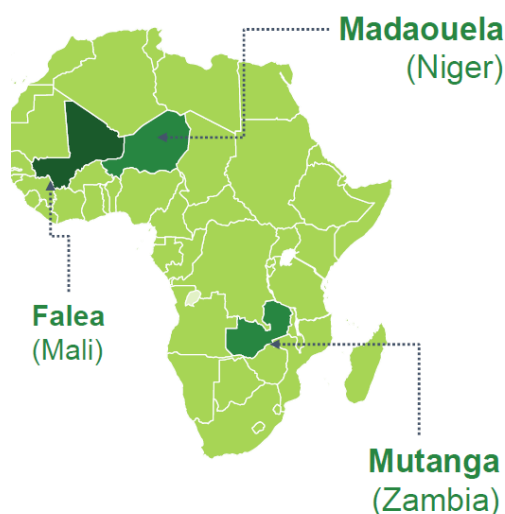
Issued shares : 474.8 million  
Fully diluted : 675.5 million

Market capitalization : C\$ 66.5 million  
(US\$ 50.5 million)

**2021 price target: C\$ 0.40**

## INVESTMENT ALERT

### GoviEx commences diamond drill program on its Falea deposit in Mali



On October 19, 2020, **GoviEx** announced that it has commenced a diamond drill core assay program on the Birimian-aged metasedimentary, volcanic and intrusive rock intervals from previous existing diamond drill core completed with the **Falea deposit** in **Western Mali**

The objective of the sampling program is to investigate the polymetallic and precious metal potential of the deposit below the uranium bearing sandstone unconformity.

On October 26, 2015, ab Technical Report on the **Falea Uranium, Silver and Copper Deposit**, Mali, West Africa was prepared by Roscoe Postle Associates for Denison Mines, which highlighted the relatively high silver and copper grade associated with the indicated Resource. The mineralization of **Falea** is controlled by the major faulting structure, similar to gold deposition.

Denison Mines holds a 13.72% equity interest in **GoviEx**.

Category	Tonnes (MT)	U3O8 (%)	Cu (%)	Ag (g/t)	U3O8 (Mlb)	Cu (Mlb)	Ag (Moz)
Indicated	6.88	0.115	0.161	72.8	17.4	24.4	16.11
Inferred	8.78	0.069	0.200	17.3	13.4	38.7	4.9

CIM definitions are followed for classification of Mineral Resources and reported above a cut-off grade of 0.03% U3O8, based on a uranium price of US\$ 75/lb.

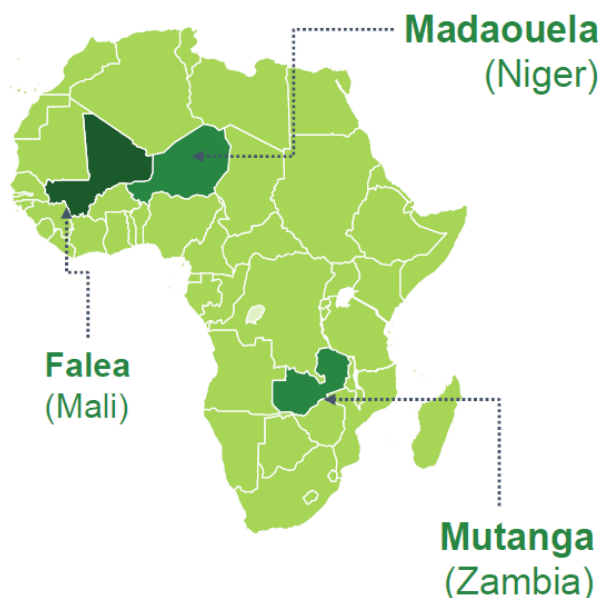
Since having completed the transaction with Denison Mines in June 2016 to combine their respective African uranium interests, GoviEx's combined asset portfolio now includes three fully-permitted uranium development projects, the flagship Madaouela Project in Niger, the Mutanga Project in Zambia and the advanced-exploration stage projects in Mali.

Under the Integrated Development Plan (IDP) for the 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 controls one of the largest uranium resource bases among publicly listed companies with NI 43-101 compliant Measured and Indicated resources of 143 million pounds U3O8, plus Inferred resources of 86 million pounds U3O8.

## Project Locations in Africa

- ✓ Diversified mining jurisdictions
- ✓ Niger 60-70% annual exports U<sub>3</sub>O<sub>8</sub>
- ✓ Niger produced ±140,000tU since 1971
- ✓ Niger mining code not changed since 2006
- ✓ OHADA and ECOWAS cover Mali and Niger
- ✓ Stable governments
- ✓ Zambia seeking to diversify mining industry

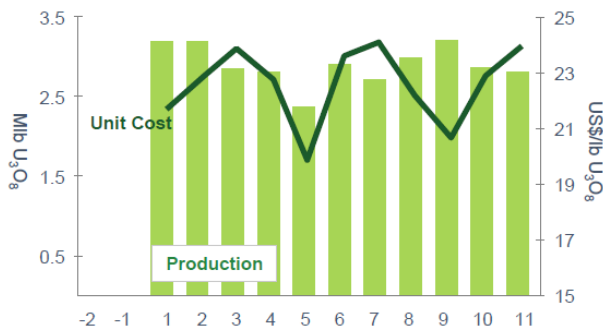


Resources <sup>1</sup>	Tonnes	Grade	U <sub>3</sub> O <sub>8</sub> Contained	U <sub>3</sub> O <sub>8</sub> Eq <sup>2</sup> Contained
<b>Total</b>	Mt	% U <sub>3</sub> O <sub>8</sub>	Mlbs	Mlbs
<b>Measured</b>	17.66	0.093%	36.2	36.2
<b>Indicated</b>	47.83	0.102%	107.3	111.9
<b>Inferred</b>	92.84	0.042%	86.0	88.7

# Madaouela Project, Niger (GXU 80%)

## Project Parameters

Initial Mine Life	21 years
Pre-production Capital	US\$359 million
Operating Cost <sup>2</sup>	US\$24.5/lb U <sub>3</sub> O <sub>8</sub>
Total LoM cost (Opex and Capex) <sup>2</sup>	US\$36.4/lb U <sub>3</sub> O <sub>8</sub>
Breakeven U <sub>3</sub> O <sub>8</sub> price on NPV <sub>8%</sub>	US\$48/lb U <sub>3</sub> O <sub>8</sub>
Steady-state Production	2.69 Mlbs U <sub>3</sub> O <sub>8</sub>
Uranium Recovery	93.7%



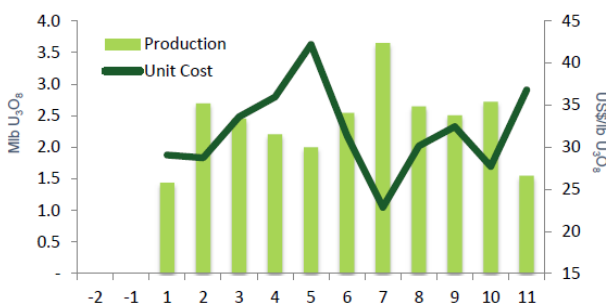
- ✓ Feasibility study commenced with SGS & SRK.
  - ✓ Initial stage focused on optimization of operating and capital costs and reducing technical risk.
  - ✓ Open Pit mine converting to Underground.
- ✓ Appointed project finance debt advisors. Expressions of Interest received from Export Credit Agencies and commercial banks.
- ✓ Initial offtake discussions with a focus on contracts to cover the debt period.
- ✓ Madaouela Mining Company held:
  - ✓ Republic of Niger: 10% fee carried plus 10% for US\$14.5 million
  - ✓ GoviEx: 80%

Madaouela <sup>1</sup>	Tonnes	Grade	U <sub>3</sub> O <sub>8</sub> Contained
	Mt	% U <sub>3</sub> O <sub>8</sub>	Mlbs
<b>Measured</b>	11.8	0.12%	31.4
<b>Indicated</b>	25	0.14%	79.4
<b>Inferred</b>	9.5	0.13%	27.7

# Mutanga Project, Zambia (GXU 100%)

## Project Parameters

Initial Mine Life	11 years
Pre-production Capital	US\$121 million
Operating Cost	US\$31.1/lb U <sub>3</sub> O <sub>8</sub>
Total LoM cost (Opex and Capex)	US\$37.9/lb U <sub>3</sub> O <sub>8</sub>
Breakeven U <sub>3</sub> O <sub>8</sub> price on NPV <sub>8%</sub>	US\$46/lb U <sub>3</sub> O <sub>8</sub>
Steady-state Production	2.60 Mlbs U <sub>3</sub> O <sub>8</sub>
Uranium Recovery	88%



- ✓ Preliminary Economic Assessment (PEA) completed November 2017.
- ✓ Exploration upside with drill targets identified, and limited work to date undertaken on two prospecting licenses.
- ✓ Project planned to be open pit mining and heap leaching.
- ✓ Benefits from low stripping ratio (3.4:1) and low H<sub>2</sub>SO<sub>4</sub> acid consumption (3-9kg/tonne ore).

Mutanga <sup>1</sup>	Tonnes	Grade	U <sub>3</sub> O <sub>8</sub> Contained
	Mt	% U <sub>3</sub> O <sub>8</sub>	Mlbs
<b>Measured</b>	5.9	0.04%	4.8
<b>Indicated</b>	15.7	0.03%	10.4
<b>Inferred</b>	74.6	0.03%	44.9

The PEA is considered preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Mineral Resources that are not Mineral Reserves have not yet demonstrated economic viability. Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration or Mineral Reserves once economic considerations are applied; therefore, there is no certainty that the production profile concluded in the PEA will be realized.

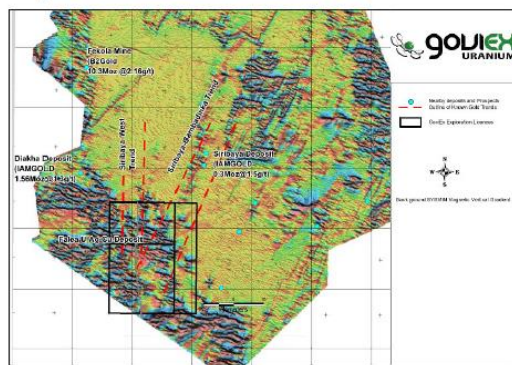
# Falea Project, Mali (GXU 100%)

- ✓ Located within the Falea – North Guinea-Senegal Neoproterozoic Basin, ~80 km from Areva’s Saraya East uranium deposit.
- ✓ In addition, Falea contains 63 Mlbs copper and 21 Moz silver (Indicated and Inferred Resources).
- ✓ Considerable technical and environmental work completed to date.

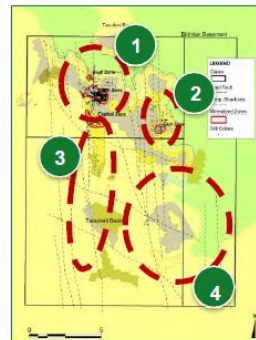
## NI 43-101 Resources<sup>(1)</sup>

Falea (0.03% cut-off)	Tonnes	Grade	Contained	U <sub>3</sub> O <sub>8</sub> Eq Contained <sup>2</sup>
	Mt	% U <sub>3</sub> O <sub>8</sub>	Mlbs	Mlbs
Indicated	6.9	0.115%	17.4	22.0
Inferred	8.8	0.069%	13.4	16.1

## Regional Gold Trends

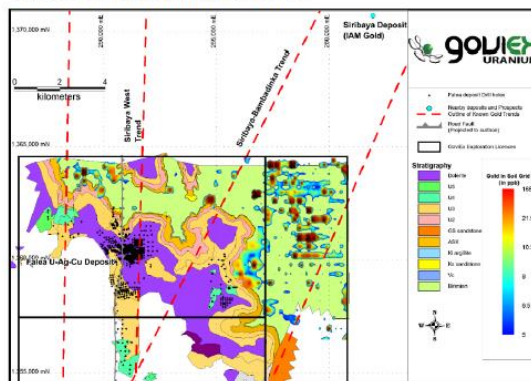


## Uranium Geology Potential

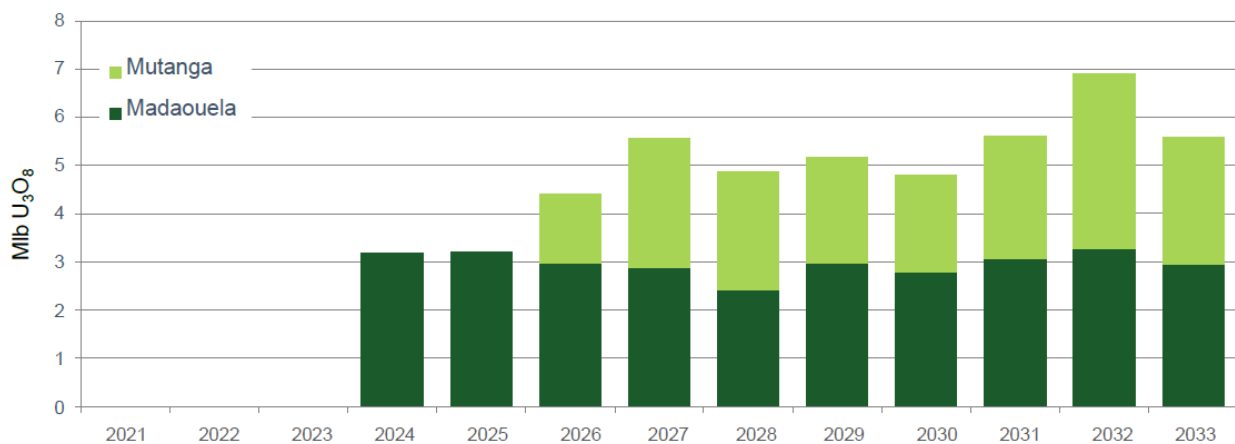


- 1 Extensions to existing resources
- 2 Further exploration of East Zone
- 3 Southern extension of Road Fault
- 4 Exploration in areas of shallower cover sediments

## Gold Soil Sampling Results



# GoviEx Proposed Development Strategy



	PEA	Pre-feasibility	Mining Permit	Definitive Feasibility	Development	Production
Madaouela	✓	✓	✓	2021	2022-2023	2024
Mutanga	✓	N/A <sup>1</sup>	✓	2023	2024-2025	2026

Falea: Strategy under review given precious metal exploration

## Investment comments:

**GoviEx** controls one of the largest uranium resource bases among publicly listed companies with NI 43-101 compliant Measured and Indicated resources of 143 million pounds U3O8, plus Inferred resources of 86 million pounds U3O8.

Under the Integrated Development Plan (IDP) for the **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.

Based upon the production targets for **Madaouela** and **Mutanga** set at 2023 and 2025, respectively, **GoviEx** can be considered as the most prolific listed uranium development company focused on Africa and specifically **Niger**, thereby referring to the overview of the world's top listed uranium exploration/development companies (see below).

In addition, considering the positive gold sampling program at the **Falea Project, Mali**, this could result in an added value to the Company's market valuation, which at US\$ 50.5 million, including a cash position of US\$ 3.7 million as at August 27, 2020, in my view, offers a high investment leverage potential.

**My 2021 price target remains C\$ 0.40.**

## World's top listed uranium exploration/development companies focused on emerging countries (by market valuation)

	Country focus	Trade symbol	Share price Sept.30 2020	Share price Year-end 2019	Change Year-end 2019 in %	Market valuation (US\$ million)
Berkeley Energia	Spain	ASX BKY	A\$ 0.45	A\$ 0.18	150	82.6
Global Atomic *	1) Niger	TSX.V GLO	C\$ 0.64	C\$ 0.56	14	73.5
Deep Yellow *	Namibia	ASX DYL	A\$ 0.32	A\$ 0.25	28	54.8
Lotus Resources	2) Malawi	ASX LOT	A\$ 0.09	A\$ 0.07	29	47.3
GoviEx *	Niger/other African countries	TSX.V GXJ	C\$ 0.13	C\$ 0.15	-13	46.8
Bannerman Resources	Namibia	ASX BMN	A\$ 0.04	A\$ 0.04	-13	26.3
Forsys Metals	Namibia	TSX FSY	C\$ 0.16	C\$ 0.15	7	20.2
Plateau Energy Metals	3) Peru	TSX.V PLU	C\$ 0.22	C\$ 0.28	-20	16.5
Blue Sky Uranium	4) Argentina	TSX BSK	C\$ 0.12	C\$ 0.16	-28	10.5
<b>Total market capitalization</b>						<b>378.5</b>

\* featured as a **Special Situation** and included in the 2020 Shortlist of investment recommendations

1) also 49% interest in operating zinc project in Turkey

2) acquired 85% stake in major uranium project in Malawi from Paladin Energy; also cobalt project in NSW Australia

3) uranium-lithium project; main focus on lithium

4) uranium-vanadium project