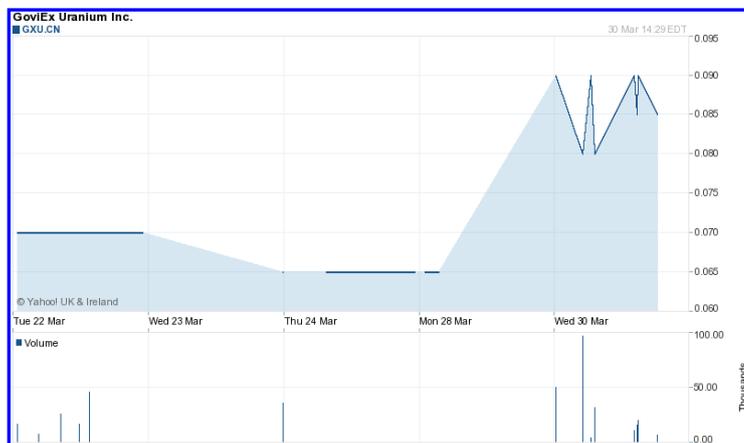


# Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

INVESTMENT ALERT – March 31, 2016

www.goviex.com



**GoviEx Uranium (Cdn\$ 0.08 )**

CNSX : GXU  
H+L prices (12 months) : Cdn\$ 0.19 – 0.03  
Issued shares : 146.2 million  
Market capitalization : Cdn\$ 11.7 million

## INVESTMENT ALERT

### **GoviEx Uranium and Denison Mines to combine African uranium assets to create the leading Africa-focused uranium development company**

On March 30, 2016, **GoviEx Uranium** and **Denison Mines** announced the execution of a Definitive Share Purchase Agreement to combine their respective African uranium mineral interests to create a leading Africa-focused uranium development company.

Under the terms of the transaction **GoviEx** will acquire Denison's wholly-owned subsidiary, Rockgate Capital, which holds all of Denison's Africa-based uranium interests (DML Africa) in exchange for 56.05 million shares of GoviEx, plus approximately 22.42 million common share purchase warrants of the Company being 0.4 of a warrant for each share to be issued. One warrant will be convertible into one common share of GoviEx at a price of US\$ 0.15 per share for a period of 3 years.

Upon completion of the transaction, expected to close on or about May 17, 2016, Denison will hold 25% of GoviEx shares outstanding and 28% of GoviEx shares on a fully diluted basis.

The asset portfolio upon completion of the transaction will include two permitted uranium development projects, including **GoviEx' Madaouela project** in Niger, one of the world's most advanced uranium development assets, and Denison's Mutanga project in Zambia. It will also include Denison's **Falea project**, an advanced exploration-stage asset project in Mali and the exploration-stage **Dome project** in Namibia.

The transaction completes Denison's transition to fully focus on becoming an Athabasca Basin, Saskatchewan, Canada uranium producer

Following completion of the transaction, **GoviEx** will control one of the largest uranium resource bases among publicly listed companies with combined Measured and Indicated resources of 124.29 million pounds U3O8, plus Inferred resources of 73.11 million pounds U3O8.

Mining permits are approved or granted in Niger and Zambia, both recognized mining countries with good infrastructure and mining history.

Significant metallurgical test work and engineering studies are already completed on its three prominent development assets, providing **GoviEx** with an opportunity to continue with optimization work.

At the time of the closing of the transaction Denison will ensure that DML Africa is capitalized with a minimum of working capital of US\$ 700,000, which is equivalent to the forecasted annual budget for the assets of DML Africa.

#### Investment comments:

**GoviEx Uranium** is included in UU's 2016 Shortlist of uranium investment recommendations.  
([http://www.metalcommodities-ip.com/wp-content/uploads/2015/10/URANIUM\\_SHORTLIST\\_29Feb2016.pdf](http://www.metalcommodities-ip.com/wp-content/uploads/2015/10/URANIUM_SHORTLIST_29Feb2016.pdf))

Considering the permitted development projects of **GoviEx** and Denison Mines, showing combined Measured and Indicated resources of **124.29 million pounds U3O8** plus Inferred Resources of **73.11 million pounds U3O8**, the transaction significantly upgrades GoviEx's investment merits.

With the current number of issued shares as a result of the transaction to increase from 146.2 million to approximately 198.3 million, this would represent a market valuation of approximately Cdn\$ 18 million (currently Cdn\$ 11.7 million), based on which I consider the shares of **GoviEx** strongly undervalued.

In this respect, it is noteworthy that in addition to Denison to acquire a 25% equity interest in the Company, **GoviEx** is also supported by renowned international nuclear and mining industry companies Cameco, Ivanhoe Industries and Toshiba.

My first 12-months price target is Cdn\$ 0.20.

## Creation of a growth Africa-focused uranium company

Combining three exploration and development projects

**Mali**

- Pre-feasibility Study
- Exploration



**Niger**

- Mining Permit
- Project Development
- Exploration

**Zambia**

- Mining Permit
- Project Development
- Exploration

Supported by four nuclear and mining industry companies

