

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

INVESTMENT ALERT – April 6, 2018

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GoviEx Uranium Inc. (C\$ 0.205)

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

H+L prices (12 months) : C\$ 0.33 – 0.165

Issued shares : 351.15 million
Fully diluted : 507.14 million

Market capitalization : C\$ 72.0 million
(US\$ 56.4 million)

2018 price target: C\$ 0.40

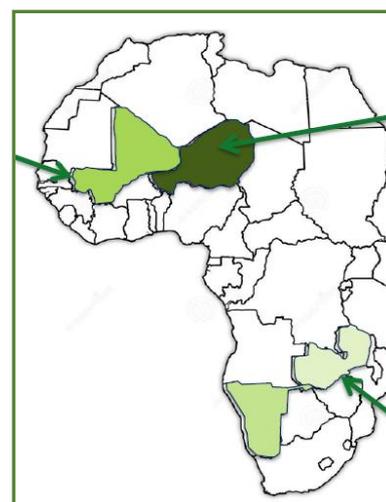
INVESTMENT ALERT

Review study highlights significant cost reduction potential of membrane separation at GoviEx Uranium's Madaouela Project in Niger

On April 5, 2018, **GoviEx Uranium** (“**GoviEx**”) announce the results of a review study (“**Review**”) by SynexUS to identify and assess opportunities to use membrane separation technologies to reduce the capital and operating expenses, as well as increase efficiency in the recovery of uranium and molybdenum, at the Company’s fully-permitted **Madaouela Project** in Niger.

The potential operating and capital savings highlighted by the Review, while preliminary in nature, are very encouraging and support the Company’s decision to undertake this assessment. This work underlines **GoviEx**’s strategy to focus on the optimization of the Madaouela Project.

The results of the Review indicate that the inclusion of membrane separation in the Madaouela Project process design, as set out in the Technical Report, could potentially reduce operating and capital costs and hence improve project economics.



The Review considered five options whereby membrane separation could be potentially utilize the process plant design as set out in an independent NI 43-101 technical report titled “The Upgraded Integrated Development Plan for the Madaouela Project, Niger” with an effective date of August 11, 2015, and a revision date of August 20, 2015, published on SEDAR.

The five options described by the Review are as follows:

- **Option 1** – to concentrate uranium and molybdenum, and recover sulfuric acid from the pregnant leach solution.
- **Option 2** – to recover ammonium carbonate, ammonium hydroxide and carry-over molybdenum from the molybdenum solvent extraction circuit strip solution.
- **Option 3** – to recover sulfuric acid and carry-over molybdenum from the molybdenum oxide filter filtrate.
- **Option 4** – to concentrate uranium and recover phosphoric acid from the loaded strip solution.
- **Option 5** – to recover sodium hydroxide and carry-over uranium from the sodium diuranate precipitation filter filtrate (or from the precipitation thickener overflow).

With exploring potential mine design and process optimization opportunities for the **Madaouela Project** in Niger, **GoviEx** will explore the possibility of applying them at the Company's other fully-permitted project: the **Mutanga Project** in Zambia.

The results in the Review, while based on the Technical Report inputs, are preliminary in nature and require further technical studies; however, the initial results are of a significant enough scale as to support the inclusion of membrane separation in the next-stage feasibility study for the **Madaouela Project**.

The Review sets out a series of recommendation for **GoviEx** to consider in determining the possible inclusion of membrane separation in the Madaouela Project's process design.

Investment comments:

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 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 settled the **Uranium Bond** with **Toshiba**, with the US\$ 4.5 million to be paid to Toshiba and financed by Denison Mines exercising up to 22.42 million warrants it holds in **GoviEx**, for proceeds of up to US\$ 3.36 million, the Company will be essentially debt free.

I expect the settlement to feed expressions of interest from project lenders to arrange US\$ 220 million debt financing, which 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.

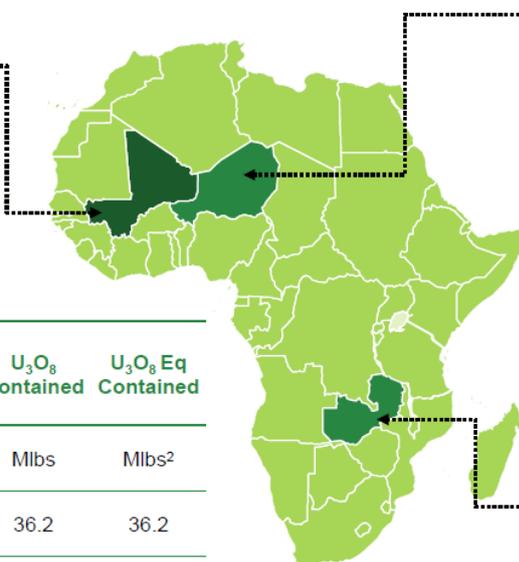
Based on its depressed market valuation of US\$ 56 million, I consider **GoviEx** to be one of the most attractive uranium investment opportunities offering a high leverage potential.

My 2018 price target remains C\$ 0.40.

Project Locations in Africa

Falea
(Mali)

Madaouela
(Niger)



Mutanga
(Zambia)

Resources	Tonnes	Grade	U ₃ O ₈ Contained	U ₃ O ₈ Eq Contained
Total¹	Mt	% U ₃ O ₈	Mlbs	Mlbs ²
Measured	17.66	0.093%	36.2	36.2
Indicated	47.83	0.102%	107.3	111.9
Inferred	92.84	0.042%	86.0	88.7

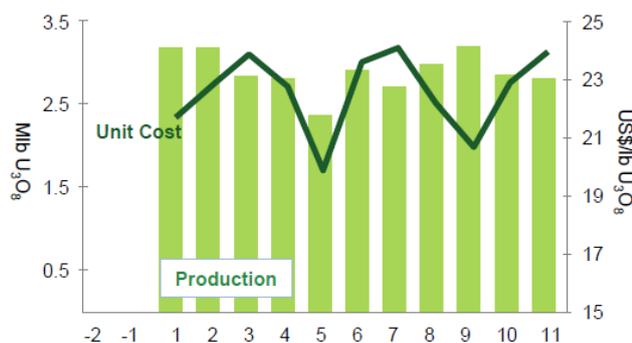
¹ See Appendices A, B, E, and D for detailed breakdown of Mineral Resources by project. ² Metal prices of US\$15.50/oz Ag, US\$3.00/lb Cu and US\$70.00/lb U₃O₈.

Madaouela Project, Niger

Project Parameters

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

- ✓ Located ~10 km south of Areva's mining operations at Cominak and Somaïr, in north-central Niger.
- ✓ Infrastructure: road access, skilled mine labour, ground water and grid power.
- ✓ Sandstone hosted deposits in Tim Mersoï Basin.
- ✓ Probable mineral reserves¹ are 60.54 Mlbs U₃O₈.
- ✓ Environmental Permit approved July 2015.
- ✓ Madaouela I Mine Permit approved January 2016.
- ✓ Integrated Development Plan updated August 2015.



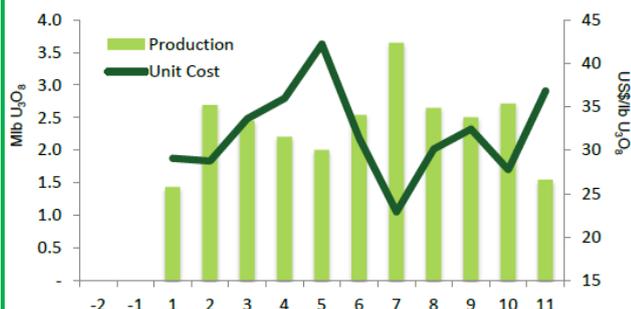
¹ See Appendix A. ² Including by-product revenue.

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

Mutanga Project, Zambia

Project Parameters

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



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.

¹ See Appendix E.

- ✓ Located ~200 km south of Lusaka, north of Lake Kariba.
- ✓ Uranium deposits hosted within sandstones of the Escarpment Grit Formation of the Karoo Super Group.
- ✓ Preliminary Economic Assessment (PEA) completed July 2017.
- ✓ Three contiguous Mining Permits, and two prospecting licenses, for a total strike length of approximately 140 km.
- ✓ Infrastructure includes: road access via 39 km gravel road, ground water and available grid power (~60 km away).

Mutanga ¹	Tonnes	Grade	U ₃ O ₈ Contained
	Mt	% U ₃ O ₈	Mlbs
Measured	5.9	0.04%	4.8
Indicated	15.7	0.03%	10.4
Inferred	74.6	0.03%	44.9

Falea

Falea (100% interest – Mali)

- ✓ Located within the Falea – North Guinea-Senegal Neoproterozoic Basin, ~80 km from Areva's Saraya East uranium deposit.
- ✓ Three exploration licences: Bala, Madini, and Falea.
- ✓ Acquired through the acquisition of Rockgate (Rockgate completed a 5,900 metre drill program in 2013).
- ✓ In addition, Falea contains 63 Mlbs copper and 21 Moz silver (Indicated and Inferred Resources).
- ✓ Only 5% of the 225 km² land package has been explored.
- ✓ Most known zones remain open.
- ✓ Considerable technical and environmental work completed to date.
- ✓ Proposed underground mining operation.
- ✓ Proposed process route includes recovery of copper and silver.
- ✓ Road and air access, including a gravel airstrip on-site.

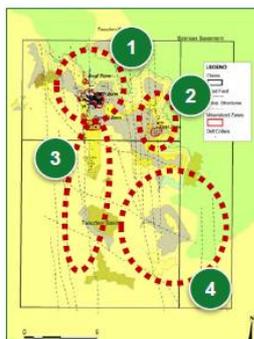
NI 43-101 Resources⁽¹⁾

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

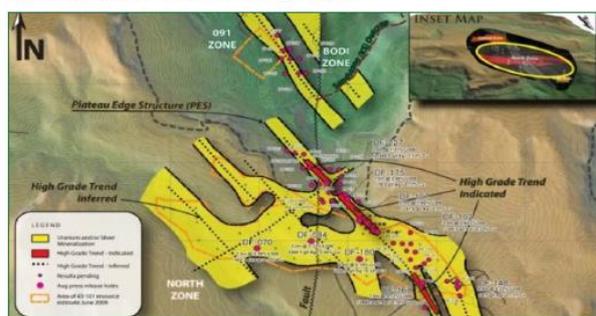
¹ See Appendix D. ² Metal prices of US\$15.50/lb Ag, US\$3.00/lb Cu and US\$70.00/lb U₃O₈.

Geology Potential

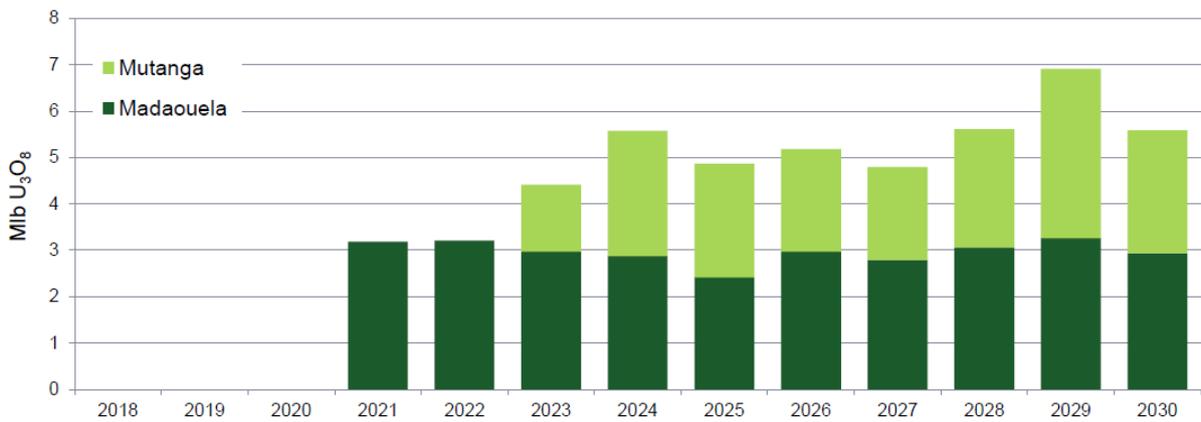
- 1 Extensions to existing resources
- 2 Further exploration of East Zone
- 3 Southern extension of Road Fault
- 4 Exploration in areas of shallower cover sediments



Mineralization and Geology Map



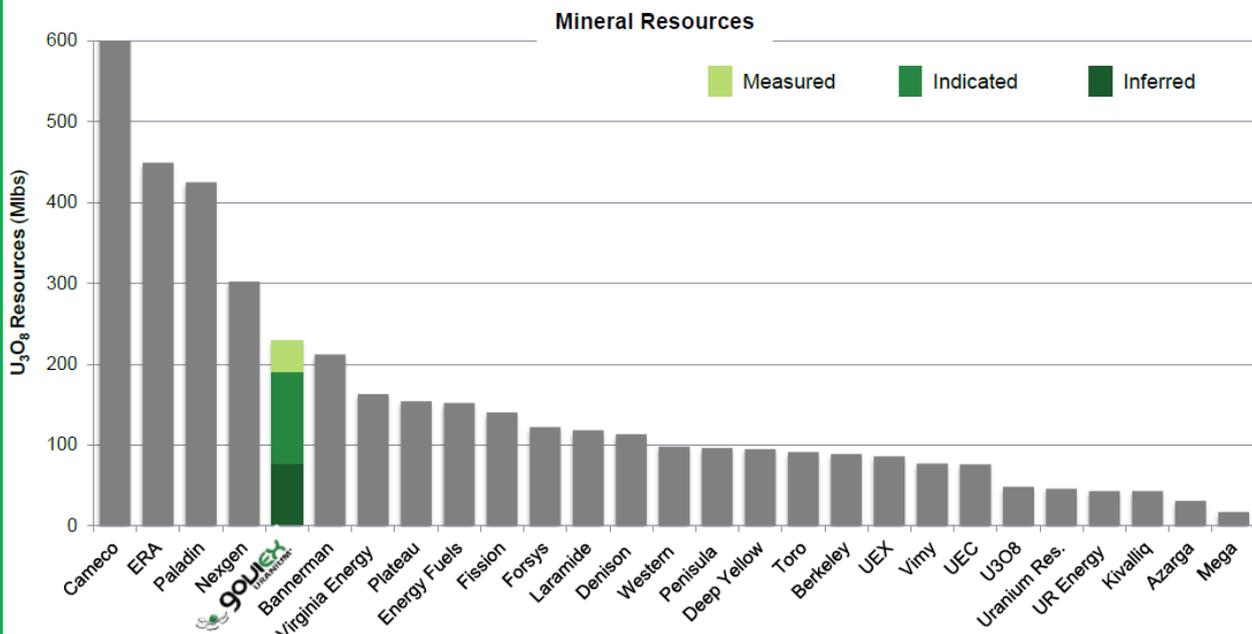
GoviEx Proposed Development Strategy



	PEA	Pre-feasibility	Mining Permit	Definitive Feasibility	Development	Production
Madaouela	✓	✓	✓	2017-18	2018-19	2020
Mutanga	✓		✓	2019	2021-22	2023
Falea		2020+				

Resource Comparison and Accretion

One of the largest global uranium resources with Measured Resources of 36.2 million pounds (Mlbs) U₃O₈, Indicated Resources of 107.3 Mlbs U₃O₈, and Inferred Resources of 86.0 Mlbs U₃O₈, estimated in accordance with NI 43-101 ¹.



Note: Mineral Resources estimated in accordance with NI 43-101.
Source: Eight Capital as at February 15, 2018.
¹ See appendices for details of Mineral Resources.