

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

INVESTMENT ALERT – June 7, 2018

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GoviEx Uranium Inc. (C\$ 0.24)

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

H+L prices (12 months) : C\$ 0.33 – 0.1

Issued shares : 351.15 million
Fully diluted : 507.14 million

Market capitalization : C\$ 84.3 million
(US\$ 65.0 million)

2018 price target: C\$ 0.40

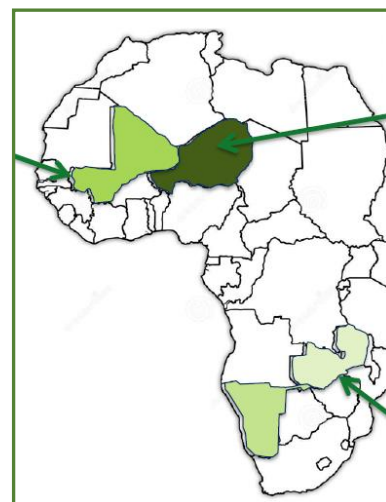
INVESTMENT ALERT

GoviEx Uranium closes C\$ 6 million private placement financing

On June 5, 2018, **GoviEx Uranium (“GoviEx”)** announced that it had closed a private placement financing of approximately 35.67 million units at a price of C\$ 0.17 per unit, with each unit consisting of one (1) Class ‘A’ common share and one (1) Class A common share purchase warrant for gross proceeds of C\$ 6 million.

Each warrant entitles the holder to purchase one Class A common share of the Company over a 36-month period at a price of US\$ 0.21 until June 5, 2019, US\$ 0.24 until June 5, 2020 and US\$ 0.28 until June 5, 2021.

The net proceeds from the private placement will be used to fund continued exploration and development activities on **GoviEx’s** projects, for working capital and for general corporate purposes. A portion of the net proceeds from the private placement also may be used by the Company to provide a short-term loan in order to facilitate the completion of the share purchase agreement (“SPM”) between Toshiba Corporation of Japan and a third-party investor, which is a subject to the previously announced Termination Agreement and Mutual Release between Toshiba and **GoviEx**.



GoviEx is a mineral resource company focused on the exploration and development of uranium properties in Africa. The Company’s principal objective is to become a significant uranium producer through the continued exploration and development of its flagship mine-permitted Madaouela Project in Niger, its mine-permitted Mutanga Project in Zambia and its other uranium properties elsewhere in Africa.

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 paid to Toshiba, financed with completing the private placement of C\$ 6 million, **GoviEx** will be completely debt free.

Expecting the settlement to feed expressions of interest from project lenders to arrange US\$ 220 million 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.

Since my previous Investment Alert report dated May 2, 2018, the market has reacted well on the financial restructuring, with the Company's share price having increased by a 26% from C\$ 0.19 to C\$ 0.24, representing a current market valuation of US\$ 65 million, I still consider **GoviEx** to be one of the most attractive uranium investment opportunities.

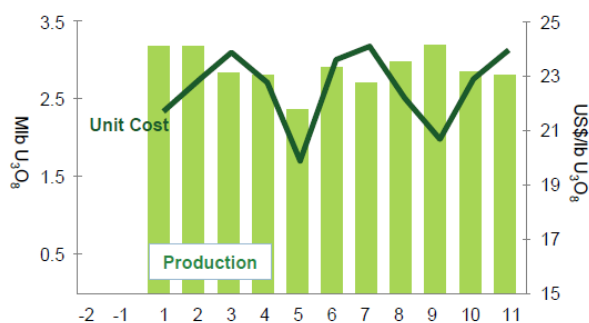
My 2018 price target remains C\$ 0.40.

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.

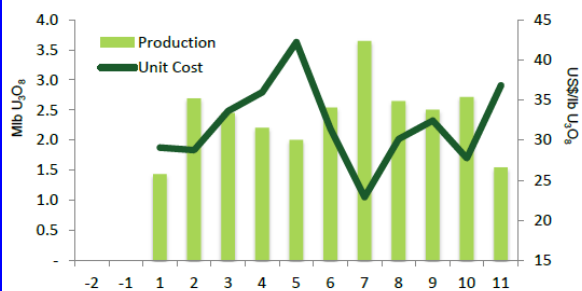
Madaouela ¹	Tonnes	Grade	U ₃ O ₈ Contained
	Mt	% U ₃ O ₈	Mlbs
Measured	11.8	0.12%	31.4
Indicated	25	0.14%	79.4
Inferred	9.5	0.13%	27.7

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%

- ✓ 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).



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.

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