

# Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

INVESTMENT ALERT – May 26, 2021

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## GoviEx Uranium Inc. (C\$ 0.29)

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

H+L prices (12 months) : C\$ 0.39 – 0.12

Issued shares : 530.9 million  
Fully diluted : 743.5 million

Market capitalization : C\$ 147.0 million  
(US\$ 122.0 million)

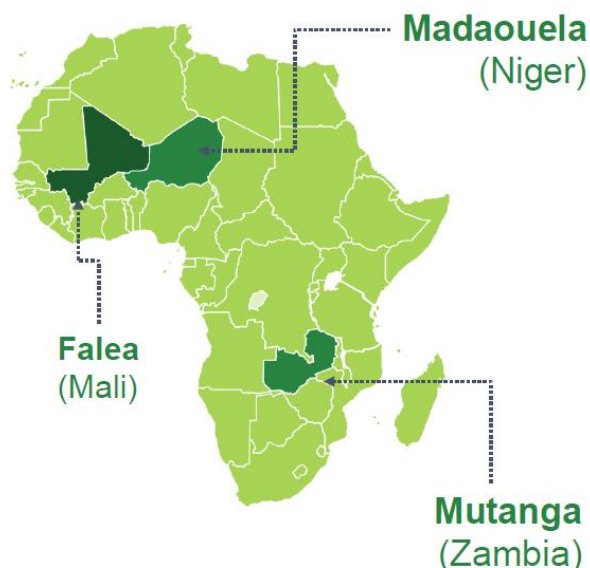
**2021 price target: C\$ 0.70**

## INVESTMENT ALERT

### Drilling program for Feasibility Study Madaouela Project in Niger well underway

On May 25, 2021, **GoviEx Uranium (“GoviEx”)** announced that further to its news release of April 13, 2021, Nigerian drilling companies **ESAFOR** and **FORACO** have commenced the planned drilling program on the Company’s **Madaouela Uranium Project** in **Niger**.

The 5-month program is designed to also cover infrastructure, tailings, geotechnical studies and reconfirmation of water supply from the recently published **updated Pre-Feasibility Study (“PFS”)** of the Project. The Company has already shipped a one tonne metallurgical sample that is currently on route to South Africa for further confirmatory Feasibility Study level metallurgical test work. “With the continually improving uranium price and two already Mine Permitted projects at **Madaouela** in **Niger** and **Matunga** in **Zambia**, it is a very exciting time to be moving **GoviEx’** projects forward” stated Daniel Major, Chief Executive Officer.



The 13,000 metre drilling program combines rotary mud and diamond core drilling to an average depth of 100 metres. This phase of drilling program is focused at the **Miriam deposit** and has three main objectives:

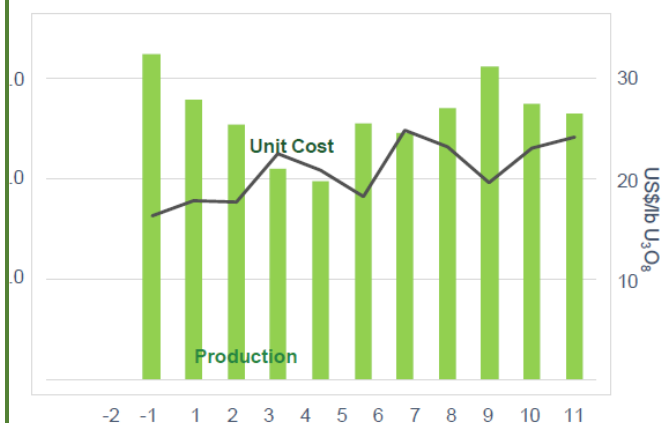
1. Drilling to a 50 meter grid spacing within the planned open pit shape to confirm an indicated mineral resource for molybdenum mineralisation. The process flowsheet has been designed to recover molybdenum as a by-product based on the molybdenum content reported in the previous test work.
2. Final corroboration of the geotechnical slope design for Miriam, which was steepened from 51 degrees to 53 degrees in the Updated PFS.
3. Verification of whether Miriam dewatering is sufficient to support process water requirements rather than developing a standalone well field, as is currently assumed given the reduced water usage defined in the Updated PFS. Positive results, if achieved, could potentially reduce operating and capital costs associated with water usage, and could also potentially reduce environmental impact.

## Madaouela Project, Niger (GXU 80%)

### Project Parameters

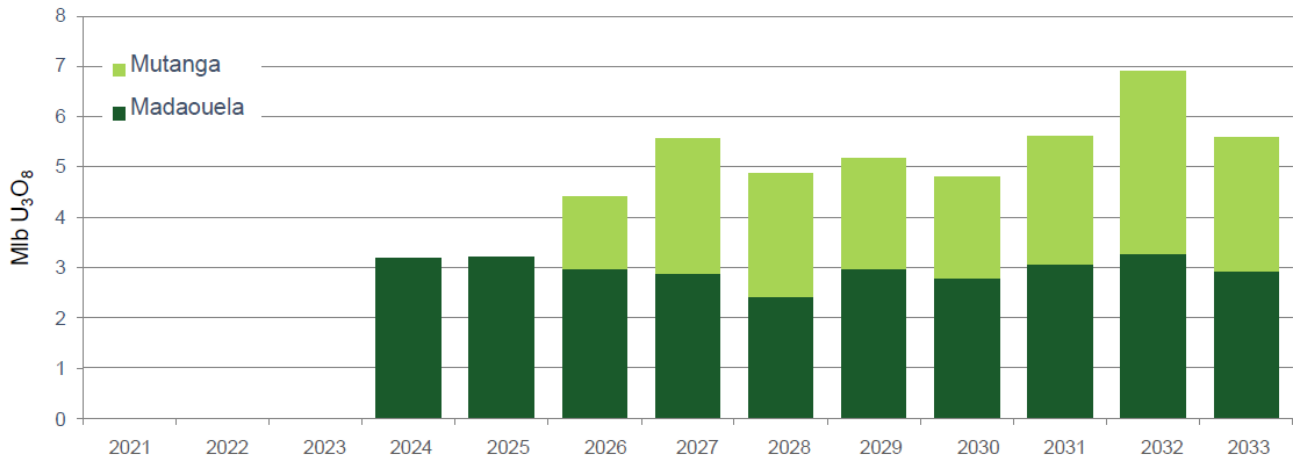
Initial Mine Life	20 years
Pre-production Capital	US\$347 million
LoM Operating Cost <sup>2</sup>	US\$22.2/lb U <sub>3</sub> O <sub>8</sub>
Total LoM cost (Opex and Capex) <sup>2</sup>	US\$35.2/lb U <sub>3</sub> O <sub>8</sub>
Steady-state Production	2.48 Mlbs U <sub>3</sub> O <sub>8</sub>
Uranium Recovery	94.5% O/P 92.5 U/G

- ✓ Madaouela Mining Company (COMIMA) held:
  - ✓ Republic of Niger: 20%, GoviEx: 80%
- ✓ Captive water source, consumption reduced by 66%
- ✓ Prioritize local skilled labour and local vendors
- ✓ Straightforward industry standard process design - reducing construction and operational risks
- ✓ Mining Permit and Environmental Certificate already secured
- ✓ Potential to service debt of USD 150-180 million
- ✓ Ability to fast track feasibility study in 2021 to target rapid development
- ✓ Next steps to accelerate project financing and offtake options



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

# GoviEx Proposed Development Strategy



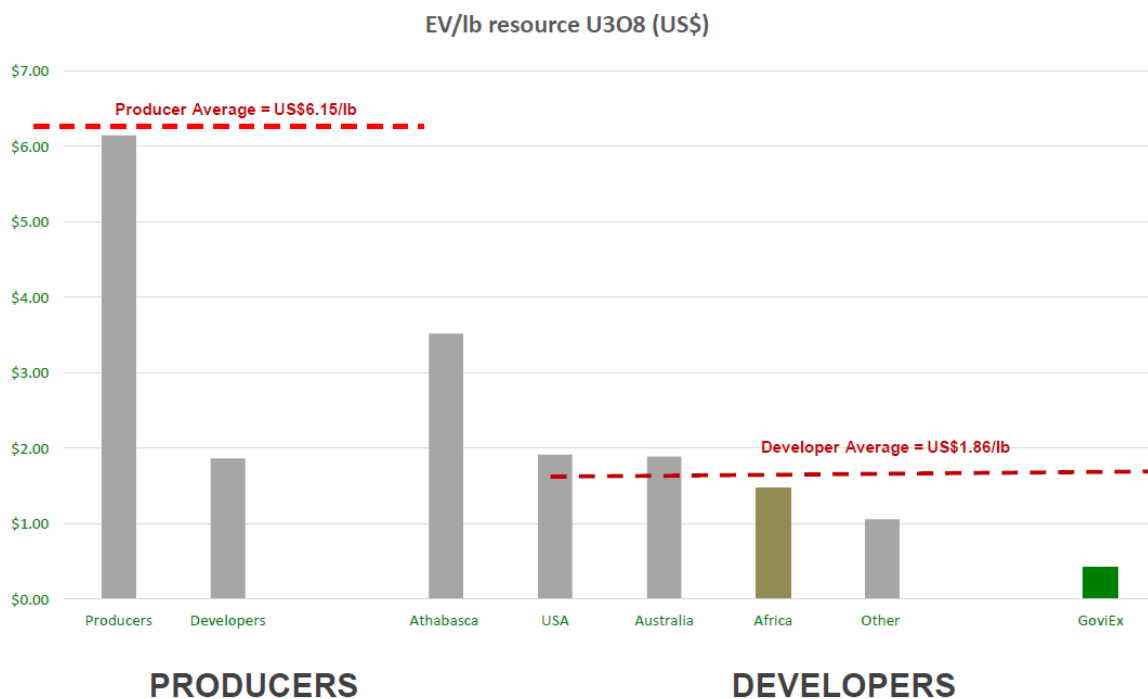
	PEA	Pre-feasibility	Mining Permit	Definitive Feasibility	Development	Production
Madaouela	✓	✓	✓	2022	2022-2023	2024
Mutanga	✓	N/A <sup>1</sup>	✓	2023	2024-2025	2026

Falea: Strategy under review given precious metal exploration

## Peer Group Comparison

TSX-V: GXU  
OTCQB: GVXXF

### Enterprise Value per pound total resource U<sub>3</sub>O<sub>8</sub> (US\$)



## 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 on the production targets for **Madaouela** and **Mutanga** set at 2024 and 2026, respectively, **GoviEx** can be considered as one of the most prolific listed uranium exploration/development company focused on Africa, including **Niger** ranked 5<sup>th</sup> among the world's largest uranium producing countries.

Compared to its C\$ 0.12 12-months low, **GoviEx**'s share price has more than tripled, thereby benefitting from the substantial discovery of depressed valuations of uranium equity markets, enhanced by its prominent position in Africa, a favourite destination for investing in uranium exploration and development companies, the Company at a current market valuation of US\$ 147.0 million, in my view, remains significantly undervalued.

**I have increased my 2021 price target to C\$ 0.70 from C\$ 0.50.**

## World's top 10 listed uranium exploration/development companies

focused on **emerging countries** (by market valuation)

	Country focus	Trade symbol	Share price May 21 2021	Share price Year-end 2020	Change to Year-end 2020 in %	Market valuation (US\$ million)
Global Atomic *	1) Niger	TSX V GLO	C\$ 3.12	C\$ 1.59	96	403.1
Deep Yellow *	Namibia	ASX DYL	A\$ 0.84	A\$ 0.47	79	215.7
Bannerman Resources	Namibia	ASX BMN	A\$ 0.21	A\$ 0.09	133	185.5
Lotus Resources	2) Malawi	ASX LOT	A\$ 0.20	A\$ 0.13	54	148.6
Forsys Metals	Namibia	TSX FSY	C\$ 0.88	C\$ 0.30	193	140.9
GoviEx *	Niger/other African countries	TSX V GXU	C\$ 0.29	C\$ 0.23	26	127.8
Berkeley Energia	Spain	ASX BKY	A\$ 0.59	A\$ 0.72	-18	105.1
Plateau Energy Metals	3) Peru	TSX V PLU	C\$ 0.65	C\$ 0.37	76	68.6
Marenica Energy	Namibia	ASX MEY	A\$ 0.31	A\$ 0.16	94	50.2
Blue Sky Uranium *	4) Argentina	TSX BSK	C\$ 0.22	C\$ 0.19	13	29.0
<b>Total market capitalization</b>						<b>1,474.5</b>

\* featured as a **Special Situation** and included in the **2021 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; to be acquired by American Lithium

representing a 72% premium.

4) uranium-vanadium project