

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

June 2016 Update



Athabasca Basin

the world's largest and richest uranium region



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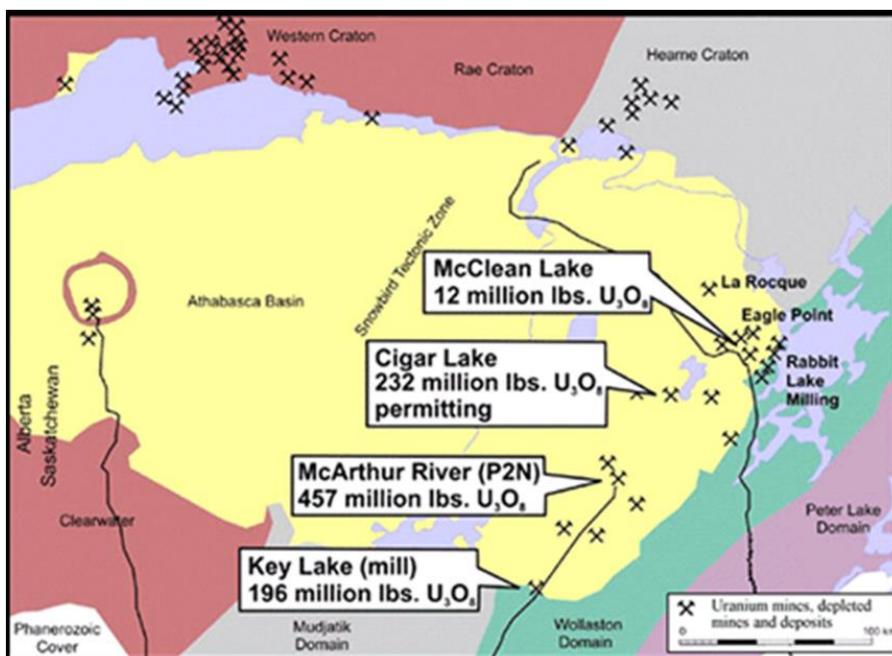
All of Canada's uranium production comes from the **Athabasca Basin**, increasing from 10,771 tonnes U₃O₈ in 2014 to 15,709 tonnes in 2015, thanks to the first full year of production from the **Cigar Lake Mine** in addition to the **McArthur River Mine**, both operated by **Cameco**, the world's largest producer.

Continuing exploration in the Athabasca Basin has resulted in the world-class discoveries of **Fission Uranium's PLS project (Triple R Deposit)** in November 2012 and **NexGen Energy's Rook I Project (Arrow Deposit)** in February 2014.

Of the uranium companies focused on the Athabasca Basin, **Cameco**, **Denison Mines**, **NexGen Energy**, **Fission Uranium** and **UEX** are included in the peer group of **Uraniumletter International's** top-20 listed uranium companies by market valuation.

Of the remaining 16 uranium exploration companies only 3 have a market valuation above Cdn\$ 10 million, followed by 3 junior companies with a market valuation ranging between Cdn\$ 5 million and Cdn\$ 10 million. This leaves 10 micro-capitalized companies valued lower than Cdn\$ 5 million, with most of these not having access to funding for ongoing exploration and as such facing the risk of a default.

On the other hand, it is encouraging that besides **NexGen Energy**, small-capitalized **CanAlaska Uranium**, **Purepoint Uranium** and **UraVan Minerals** are receiving growing recognition from the market.



The first two companies, together with **Cameco** and **Denison Mines**, are included in my 2016 Shortlist of uranium investment recommendations (see overview on page 2).

Overview of uranium companies focused on the Athabasca Basin, Saskatchewan

June 21, 2016	Trade symbol		Share price		Change in %	12 months		Shares total million	Market cap. million
			Current 2016	Year-end 2015		H	L		
Producers (2)	Euronext Paris		Euro	Euro		Euro	Euro		Euro
AREVA 1)	FR0011027143			5.420	-100	8.880	3.260	383.2	0.0
			Cdn\$	Cdn\$		Cdn\$	Cdn\$		Cdn\$
Cameco	CCO	TSX	14.320	17.070	-16	19.320	14.160	395.8	5.668
Exploration / Development (22)			Cdn\$	Cdn\$		Cdn\$	Cdn\$		Cdn\$
NexGen Energy	NXE	TSX.V	2.700	0.720	275	2.860	0.560	302.0	815.4
Denison Mines 2)	DML	TSX	0.740	0.700	6	0.990	0.475	533.6	394.9
Fission Uranium 3)	FCU	TSX	0.700	0.820	-15	1.100	0.530	483.9	338.7
UEX	UEX	TSX	0.235	0.150	57	0.290	0.105	296.5	69.7
CanAlaska Uranium	CVV	TSX	0.750	0.110	582	0.800	0.085	23.1	17.3
Fission 3.0	FUU	TSX.V	0.095	0.120	-21	0.130	0.055	178.1	16.9
Purepoint Uranium Group	PTU	TSX.V	0.075	0.035	114	0.125	0.020	183.6	13.8
Uravan Minerals	UVN	TSX.V	0.220	0.100	120	0.220	0.045	41.2	9.1
Forum Uranium	FDC	TSX.V	0.120	0.070	71	0.195	0.040	53.3	6.4
ALX Uranium 4)	AL	TSX.V	0.105	0.060	75	0.150	0.055	56.3	5.9
Skyharbour Resources 5)	SYH	TSX.V	0.050	0.030	67	0.060	0.020	89.0	4.5
Aldrin Resource	ALN	TSX.V	0.140	0.110	27	0.160	0.080	31.1	4.4
Noka Resources	NX	TSX.V	0.110	0.040	175	0.210	0.025	33.0	3.6
Makena Resources	MKN	TSX.V	0.035	0.015	133	0.035	0.010	94.9	3.3
Northern Uranium	UNO	TSX.V	0.020	0.020	0	0.050	0.010	162.4	3.2
Roughrider Exploration	REL	TSX.V	0.110	0.070	57	0.140	0.045	24.1	2.7
Rojo Resources 6)	RJ	TSX.V	0.105	0.040	163	0.150	0.035	18.3	1.9
Declan Resources	LAN	CNSX	0.005	0.005	0	0.005	0.005	177.1	0.9
Azincourt Uranium 7)	AAZ	TSX.V	0.060	0.045	33	0.090	0.040	10.0	0.6
Canex Energy	CSC	TSX.V	0.015	0.035	-57	0.160	0.010	32.7	0.5

1) fully integrated uranium company (share of Areva Resources estimated at 25% equal to € 402 million or US\$ 453 million

2) sold all U.S. uranium mining assets to Energy Fuels; announced combination with Fission Uranium on July 5, 2015; terminated on October 13, 2015; announced to sell African assets in Zambia, Mali and Namibia to GoviEx, focused in Niger for consideration of 25% of GoviEx' shares; transaction to close on or about June 10, 2016

3) acquired Alpha Minerals' 50% interest in PLS joint venture for a total 100% holding; completed in December 2013; acquired 12% interest in Fission 3.0; announced combination with Denison Mines on July 5, 2015; terminated on October 13, 2015

4) formerly Lakeland Resources; share consolidation of 3 for 1 shares prior to strategic merger with Alpha Minerals completed

5) 50% partner in Western Athabasca Syndicate

6) formerly Lucky Strike Resources; stock split 1 for 8

7) sold uranium properties in Peru to Macusani Yellowcake (now Plateau Uranium) for a 26.3% equity interest in Macusani; 1 for 4 consolidation

2016 SHORTLIST OF URANIUM INVESTMENT RECOMMENDATIONS as at May 31, 2016

Company	Focus	Trading symbol		Share price		Change in %	Market	Market	Change in %
				May 31 2016	Year-end 2015		Capitalization May 31, 2016	Capitalization year-end 2015	
Producers (4)									
				Cdn\$	Cdn\$		US\$ mln.	US\$ mln.	
Cameco	Canada	ABX	TSX	15.280	17.070	-10	4.627	4864.5	-5
				US\$	US\$				
Ur-Energy	United States	URG	NYSE	0.468	0.650	-28	67	84.6	-21
				A\$	A\$				
Paladin Energy	Namibia	PDN	ASX	0.220	0.240	-8	270	300.1	-10
Energy Resources of Australia	Australia	ERA	ASX	0.360	0.360	0	142	136.1	4
Advanced development companies (5)									
				A\$	A\$				
Toro Energy	Australia	TOE	ASX	0.060	0.070 1)	-14	91.0	102.5	-11
Denison Mines	Canada	DML	ASX	0.630	0.630 2)	0	257	- 2)	-
Berkeley Energia	Spain	BKY	ASX	0.660	0.490	35	97	65.0	49
Vimy Resources	Australia	VMY	ASX	0.320	0.360	-11	56	60.0	-7
				Cdn\$	Cdn\$				
UEX	Canada	UEX	TSX	0.220	0.150	47	50	26.6	88
Exploration/development companies (9)									
				Cdn\$	Cdn\$				
Laramide Resources	Australia/US	LAM	TSX	0.240	0.285	-16	17	17.4	-2
GoviEx	Niger	GXU	CNSX	0.080	0.045	78	10	4.8	108
Forsys Metals	Namibia	FSY	TSX	0.065	0.080	-19	7	7.8	-10
CanAlaska Uranium	Canada	CVV	TSX	0.570	0.420 3)	36	10	7.5 1)	33
Purepoint Uranium	Canada	PTU	TSX.V	0.075	0.075 2)	0	10	- 2)	-
				US\$	US\$				
Uranium Resources	US / Turkey	URRE	NASDAQ	1.990	6.240	-68	10.3	28.2	-63
				A\$	A\$				
Cauldron Energy	Australia/US	CXU	ASX	0.080	0.120	-33	18	23.7	-24
Deep Yellow	Namibia	DYL	ASX	0.010	0.010	0	15	14.0	5
Bannerman Resources	Namibia	BMN	ASX	0.030	0.030	0	16	8.7	84
Others - special situations(2)									
				Cdn\$	Cdn\$				
Khan Resources	Mongolia	KRI	CNSX	0.860	0.440	95	57	26.7	113
Mega Uranium	Australia	MGA	TSX	0.140	0.070	100	30	14.2	111
1) removed as per June 1, 2016									
2) included as per June 1, 2016									
3) included as per May 1, 2016									
Shortlist average performance 2016:						10.2%			



Cameco (CCO – TSX)

suspends production at Rabbit Lake due to depressed market conditions

On April 21, 2016, **Cameco** announce the suspension of production at the Rabbit Lake operation and curtailment of Cameco resources' US operations. In the context of continued depressed market conditions in the near term, these decisions will position the Company to come to its lower-cost operations.

In addition, **Cameco** has continued to secure uranium at favourable market prices for delivery into its contract portfolio. As a result, at this time, it does not make economic sense to run its higher-cost operations purely to meet its sales commitments.

In 2016, as a result of the operation changes:

- **Cameco expects to produce 25.7 million pounds U3O8** (previously 30.0 million pounds U3O8).
- **Capital expenditures of approximately Cdn\$ 275 million** (previously Cdn\$ 320 million)
- Severance costs of about Cdn\$ 19 million
- Care and maintenance costs of about Cdn\$ 35 million at Rabbit Lake

Additionally, as long as Rabbit Lake's production is suspended, **Cameco** will incur annual care and maintenance costs. The Company's preliminary estimate for these costs range between Cdn\$ 40 million and Cdn\$ 45 million for the first few years.

Cameco is also evaluating how the value of the assets will be impacted as a result of the changes. The carrying value of the assets in the US cash generating unit, net of provisions for reclamation, is approximately Cdn\$ 62 million (US\$ 48 million), while the carrying value of the Rabbit Lake mill and Eagle Point mill is approximately Cdn\$ 108 million.

Cameco's 2016 uranium production plan

McArthur River/Key Lake	12.6
Cigar Lake	8.0
Inkai	3.0
Rabbit Lake	1.0
Smith Ranch-Highland	0.9
Crown Butte	0.2
Total	25.7

Going forward, **Cameco** plans to:

- ensure continued safe, reliable, low-cost production at Cigar Lake
- prudently seek to expand production capacity at McArthur River/Key Lake
- continue to evaluate the position of the other sources of supply un its portfolio, including Rabbit lake and the US operations

Overview of exploration and development spending (Cdn\$ million)

2011 : 85	2014 : 47
2012 : 97	2015 : 40
2013 : 73	2016E : 46 – 48

In 2015, **Cameco** spent Cdn\$ 2 million on 4 brownfield exploration projects, Cdn\$ 4 million on its projects under evaluation in Australia, and Cdn\$ 2 million at Inkai and its US operations. Brownfield exploration is uranium exploration near the Company's existing operations, and include expenses for advanced exploration projects where uranium mineralization s being defined.

The Company spent about Cdn\$ 32 million on regional exploration programs (including support costs), primarily in the Athabasca Basin and Australia.

Cameco plans to maintain an active uranium exploration program and continue to focus on its core projects in the Athabasca Basin under its long-term exploration strategy.

In 2016, the Company plans to send approximately Cdn\$ 5 million on brownfield exploration and Cdn\$ 4 million on projects under evaluation.

On regional exploration, the Company plans to send about Cdn\$ 3 million on 24 projects in Canada and Australia, the majority of which at drill target stage.

Investing activities		
Cameco's share (in Cdn\$ million)		
	2016 plan	Q1 update
► Sustaining capital		
McArthur River/ Key Lake	30	30
Cigar Lake	25	20
Rabbit Lake	25	5
US ISR	5	5
Inkai (Kazakhstan)	5	5
Fuel services	20	20
Other	5	5
Total sustaining capital	115	90
► Capacity replacement capital		
McArthur River/ Key Lake	55	60
Cigar Lake	20	25
Rabbit Lake	10	-
US ISR	20	5
Inkai (Kazakhstan)	15	15
Total capacity replacement capital	120	105
► Growth capital		
McArthur River/ Key Lake	40	35
Cigar Lake	30	30
Inkai (Kazakhstan)	10	10
Fuel services	5	5
Total growth capital	85	80
Total uranium & fuel services	320	275

Among the larger expenditures is Cdn\$ 7 million on the Red Lake Project, which is adjacent to McArthur River, which shows Inferred resources of 68.1 million pounds U3O8 (26,194 tU) for the Fox Lake Deposit, at an average grade of 7.99% U3O8, with Cameco's 78% share equivalent to 53.3 million pounds U3O8 (20,386 tU).

On February 5, 2016, **Cameco** entered into an option agreement with CanAlaska Uranium for exploration of Can-Alaska's **West McArthur Uranium Project**. The agreement enables Cameco to earn up to a 60% interest in the Project through total expenditures of Cdn\$ 12.5 million, consisting of an initial payment in cash of Cdn\$ 725,000 to have the right to earn a first stage 30% interest for a Cdn\$ 5 million exploration program within 3 years on two separate target assets, grid 1 and grid 5.

► Reserves and Resources

Cameco's share of Proven and Probable Mineral reserves decreased from 429 million pounds U3O8 at the end of 2014 to 410 million pounds U3O8 at the end of 2015. The change was primarily the result of production which removed 30 million pounds 3O8 from the Company's mineral inventory.

Measured and Indicated resources decreased from 379 million pounds U3O8 at the end of 2014 to 377 million pounds U3O8 at the end of 2015.

The share of Inferred mineral resources is 380 million pounds U3O8, an increase of 68 million pounds U3O8 from the end of 2014.

The variance in mineral resources was mainly the result of first time reporting for the **Fox Lake Deposit**, on the **Red Lake Property**, adding 52 million pounds U3O8 to Inferred resources.

An addition of 13 million pounds U3O8 of Inferred resources came from the **Gryphon Deposit** on the Wheeler River Project.

► **Cameco loses majority ownership in JV Inkai to Kazatomprom of Kazakhstan**

On May 27, 2016, **Cameco** announced that it had signed an agreement with government owned Kazatomprom of Kazakhstan and Joint Venture Inkai to restructure and enhance JV Inkai.

The new agreement replaces the memorandum of agreement signed by Cameco and Kazatomprom in September 2012. The agreement is subject to obtaining all required government approvals, including certain amendments to JV Inkai's existing Resource Use Contract, which is expected to take 18 to 24 months.

The Inkai operation is an in-situ recovery uranium mine in south Kazakhstan that is owned and operated by JV Inkai which in turn is currently owned by **Cameco** (60%) and Kazatomprom (40%). Cameco's current interest in production is 57.5% based on previous agreements with Kazatomprom.

JV Inkai will have the right to produce 4,000 tonnes of uranium (10.4 million tonnes of U3O8 per year – Cameco's share 4.2 million pounds) as increase from the current 5.2 million pounds U3O8 (Cameco's share 3.0 million pounds).

The agreement provides for annual production at the Inkai operation to be ramped up to 1.4 million pounds U3O8 over 3 years following receipt of required approvals.

Subject to further adjustments tied to the refining as described below, Cameco's ownership interest in JV Inkai will be adjusted to 40% and Kazatomprom's ownership interest in JV Inkai will be adjusted to 60%.

Cameco and Kazatomprom will complete a feasibility study for the purpose of evaluating the design, construction and operation of a uranium refinery in Kazakhstan, with the capacity to produce 6,000 tonnes U annually as uranium trioxide (UO3).

The agreement includes provisions that would make **Cameco's** proprietary uranium refining technology available to Kazatomprom on a royalty-free basis and grants Kazatomprom a 5-year option to licence Cameco's proprietary uranium conversion technology for purpose of constructing and operating a UF6 conversion facility in Kazakhstan.

If **Cameco** and Kazatomprom decide to build the refinery, the agreement also provides that Cameco's and Kazatomprom's respective ownership interests in the limited liability partnership that will own refining will be 71.67% for Kazatomprom and 28.33% for Cameco. Kazatomprom will have the option to obtain UF6 conversion services at **Cameco's** Port Hope facility for a period of 10 years and receive other commercial support.

Cameco's ownership interest in JV Inkai is increased to 42.5% upon commissioning of the refinery.

Depending on the level of commercial support **Cameco** provides, Cameco's interest in JV Inkai may be increased to 44% and its ownership stake in the refinery would also be adjusted from 28.33% to 29.33% U.



Denison Mines (DML – TSX)

On May 20, 2016, **Denison** announced that it had completed a bought deal offering of approximately 15.1 million flow-through shares at a price of Cdn\$ 0.82 per flow through share for aggregate gross proceeds of Cdn\$ 12.4 million.

The proceeds will be used for expenses related to the Company's uranium mining exploration projects in the Athabasca Basin – including the Company's 60% ownership of the **Wheeler River Project**. Within the meaning of the Income Tax Act (Canada) the exploration expenses have an effective date of no later than December 31, 2016.

On May 26, 2016, **Denison** reported receipt of uranium assay results from the winter 2016 exploration drilling program on its 60%-owned Wheeler River Property, located in the infrastructure rich eastern portion of the Athabasca Basin.

In most cases the financial assay results have resulted in an increase of the grade of the previously reported down hole radiometric probe results.

The winter drilling program included 32 drill holes totalling 21,761 metres and was primarily designed to test targets in the vicinity of the Gryphon deposit.

Assay assets from D-series lenses located immediately north of the Gryphon deposit include: 5.3% U3O8 over 11 metres (drill hole WR-641), including 2.6% I3O8 over 4.5 metres; 11.9% U3O8 over 1.5 metres (WR-651) and 6.2% U3O8 over 2.5 metres.

Having only finished drilling on one section in the new area north of Gryphon, and given that the assay results rank among the best received since Gryphon was discovered in 2014, **Denison** is enthusiastic about the potential to add significantly to the estimated resources for the Gryphon deposit with its summer 2016 drilling.

Summary of PEA assumptions and financial highlights		
	Base Case	Production Case
Uranium price per lb U3O8	US\$ 43.60	US\$ 62.60
Exchange rate (Cdn\$/US\$)	1.35	1.35
Net Saskatchewan royalties	7.25%	7.25%
Discount rate	8.00%	8.00%
Initial capital costs	Cdn\$ 560 million	
Sustaining capital costs	Cdn\$ 543 million	
Average operating costs per lb U3O8	Cdn\$ 25.67 / US\$ 19.01	
Pre-tax IRR *	20.4%	34.1%
Pre Tax NPV * @ 100%	Cdn\$ 513 million	Cdn\$ 1.42 million
Payback period **	~ 3 years	~ 18 months
* IRR and NPV are calculated to the start of pre-production activities in 2021		
** Payback period is stated as number of years to pay-back from the start of commercial production		

This follows the completion of a successful Preliminary Economic Assessment for the Wheeler River Project which was released on May 12, 2016 and studied the co-development of the high-grade Gryphon and Phoenix deposits.

With Gryphon expected to be mined first in the PEA plan, growth in the resource at Gryphon is expected to have a significant impact on the overall projects economics as it could extend the life of the low cost Gryphon deposit and defer the capital required to develop Phoenix.

On May 30, 2016, GoviEx announced that the Zambian Competition of Consumer Protection Commission has reviewed and provided its approval to complete the transaction that will see GoviEx acquire Denison's wholly-owned subsidiary Rockgate Capital Corp., which holds all of Denison's Africa-based uranium

interests in exchange for approximately 56.1 million shares of GoviEx, plus approximately 22.4 million common share purchase warrants of GoviEx.

Upon completion of the transaction, Denison will hold 25% of GoviEx' shares outstanding and 28% of GoviEx' shares on a fully diluted basis.

► Pre Economic Assessments can be misleading to investors

To get insight in the Net Present Value of advanced exploration companies, investors can be easily misled by Preliminary Economic Investment Studies using production case U3O8 prices which are 50% and more higher than today's long-term price of US\$ 41.00/lb.

In this respect, **Denison Mines**, is the only advanced- stage uranium company that calculates two distinct pricing scenarios as a result of the long-term lead to production of its Gryphon and Phoenix deposits and the current uranium market 1) a base case scenario using the long-term contract price as quoted by UxC Consulting Company (UxC) as of March 28, 2016, and 2) a Production case scenario using the mid-case projected long-term prices for the year 2026 per UxC's Uranium Outlook for Q1, 2016.

Denison's **Gryphon Deposit** is expected to produce **40.7 million pounds U3O8** over a 7-year mine life, at a cash operating cost of US\$ 14.28/lb U3O8.

The **Phoenix Deposit** is expected to produce **64.0 million pounds U3O8** over a 9-year mine life at a cash operating cost of US\$ 22.15/lb U3O8.



Fission Uranium (FCU – TSX.V)

On May 17, 2016, **Fission** announced assay results from the final 9 drill holes from the winter 2016 drill program. Assays confirm further high-grade mineralization expanding the western strike extent at its R840W zone and the eastern extent of the R780E zone on the 2.58 kilometres mineralised trend.

The final assay results show an increasing potential to connect the shallow, high-grade Triple R Deposit to the shallow, high-grade R600W and R1620E zones. In addition, high-grade mineralization at the westernmost lone of the R840W zone, which remains open along strike to the west.

In addition, mineralization in hole PLS 16-472 (line 435W) has been confirmed by assays which confirms the potential to find further mineralization between the R600W zone and the R00E zone.

These holes highlight the potential of growth within the 2.58 kilometres long strike length of the Patterson lake Corridor trend and the potential to expand this strike length.

On June 15, 2016, **Fission** announced the highlights from the NI 43-101 technical report on the Preliminary Economic Assessment of the Patters Lake South (PLS) Property, including:

- Base case post-tax net Present Value (“NPV”) of Cdn\$ 1.02 billion (10% discount rate)
- Mine life of 14 years producing an estimated 100.8 million pounds of U3O8 at a metallurgical recovery of 95% with 77.5 million pounds of U3O8 recovered in the first 6 years of production.
- **Average annual production of 7.2 million pounds U3O8 over the life of mine**
- Base case post-tax net cash flow of Cdn\$ 2.53 billion.
- Base case post-tax Internal Rate of Return (“IRR”) of 34.2%.
- Pay back post-tax estimate of 1.7 years.
- **Estimated initial capital cost of Cdn\$ 1.1 billion.**
- **Average operation costs (“OPEX”) of US\$ 14.20/lb U3O8 over the life of mine.**

The base case is using US\$ 65/lb and an exchange rate of US\$ 0.85:Cdn\$ 1.00.

On June 15, 2016, **Fission** announced that preparations have begun for a Cdn\$ 13.3 million summer program at the PLS Property that will include a 52-hole, 15,200 metres drill program focused primarily on zone expansion and exploration targets.

In addition, other activities, including geotechnical and metallurgical work will be carried out towards a Pre-Feasibility Study (“PFS”) for the Triple R Deposit.

The summer program follows the success of the Company’s winter drilling, which opened up new areas of shallow, high-grade mineralization and delivered the largest mineralised zone trend in the Athabasca Basin region – a trend that is still wide open.

On January 11, 2016 **Fission Uranium** (“**Fission**”) announced that it had executed a Subscription Agreement and an Offtake Agreement with **CGN Mining of China** pursuant to which CGN Mining purchased approximately 96,73 common shares at Cdn\$ 0.85 per share, equal to 19.99% of the issued and outstanding common shares of Fission, for gross proceeds of approximately Cdn\$ 82.26 million.

Under the terms of the Offtake Agreement, CGN Mining will purchase 20% of annual U3O8 production and will have an option to purchase up to an additional 15% U3O8 production from Fission’s PLS property after commencement of commercial production.



NexGen Energy (NXE – TSX.V)

NexGen owns a portfolio of highly prospective uranium exploration assets in the Athabasca Basin, including a 100% ownership of a portfolio of highly prospective uranium exploration assets in the Athabasca Basin, including a 100% ownership of Rook I location of the Arrow discovery in February 2014.

On March 3, 2016, NexGen announced a maiden Inferred mineral resource estimate for the Arrow Deposit of 201.9 million pounds U3O8 contained in 3.48 million tonnes grading 2.63% U3O8.

Rook I also hosts the Bow discovery which is 3.7 kilometres along trend and northwest of Arrow and was made in March 2015.

On June 2, 2016, **NexGen** announced that it had entered into a binding term sheet agreement with CEF Holdings of Hong Kong, 50% owned by Cheung Kong Holdings of Hong Kong, the flagship company of Mr. Li Ka-shing (Asia's richest person), and 50% by Canadian Imperial Bank of Commerce, **to issue and sell to CEF and/or affiliates of its shareholders US\$ 60 million an aggregate principal amount of unsecured convertible debentures of NexGen.**

The debentures will carry a 7.5% coupon over a 5-year term and will be convertible at the holder's option into common shares of **NexGen** at a conversion price of US\$ 2.33 (Cdn\$ 3.05 at current exchange rate of 1.31), equal to a 30% premium to the 20-day volume-weighted average trading price calculated in US dollars.

Two-thirds of the interest (equal to 5% per annum) is payable in cash. One-third of the interest (equal to 2.5% per annum) is payable in common shares at a price equal to the 20-day VWAP ending in the day prior to the date on which such interest payment is due.

Including the proceeds from the sale of the debentures, **NexGen** will have cash reserves of approximately Cdn\$ 100 million. Proceeds from the debentures will be used to fund the continuing exploration and development of the Company's SW2 properties (which include the Rook I project and the Arrow Deposit).

On June 13, 2016, **NexGen** announced further results from its on-going spring drilling program on its Rook I Property. Drilling at the area 180 metres southwest of Arrow has intersected significant off-scale radioactivity associated with extensive visible uranium mineralization.

A total of 11 holes have now encountered mineralization in this area, which remains open in all directions and has currently established a strike length of 76 metres.

Further drilling will be directed to determine whether this area is connected to Arrow to the northwest, and the extent of this area further to the southwest,

Hole AR-16-90c3 has intersected 8.05 metres of total composite off-scale radioactivity (> 10,000 to > 61,000 cps).

In addition, a highly prospective alteration zone that is host to locally anomalous radioactivity has been identified 230 metres below surface at this new area 180 metres southwest of Arrow, which represents a new target for further drilling.

On June 21, 2016, **NexGen** reported assay results for 8 angled holes from its winter 2015 drilling program on Rook I. Assay results from the higher grade A2 Sub-zone have yet again confirmed strong uranium grades over significant intervals at the Arrow deposit.

Hole AR-16-78c4m which was drilled 59 metres up-dip and north-east of hole AR-15-44b, has returned 37.5 metres at 17.65% U3O8 including 5.5 metres at 60.14% U3O8 and 1.5 metres at 71.93% U3O8.

The assay results continue to exceed **NexGen's** objectives of infill drilling by delivering broader and higher grade intervals.

Preparations for the summer drill season are in their final stages which will continue to focus on the known area of mineralization, the new area 180 metres southwest of Arrow, and along trend to the northeast and southwest along the Patterson corridor.

Investment comments:

After having hardly responded to the Arrow discovery in February 2014, it was not earlier than March 3, 2016 when **NexGen** announced an Inferred mineral resource estimate for the Arrow Deposit of 201.89 million pounds U3O8 contained in 3.48 million tonnes grading 2.63% U3O8 that the Company's share price exploded from Cdn\$ 0.72 at year-end 2015 to a current level of Cdn\$ 2.70 or 275%, representing market valuations of Cdn\$ 207 million and Cdn\$ 815 million, respectively.

Having passed **Fission Uranium**, presently valued at Cdn\$ 339 million, as Athabasca Basin's top ranked exploration company by market valuation, it is to be observed that Fission Uranium being in a further development stage than **NexGen** by having announced a Preliminary Economic Assessment on its PLS Property in September 2015, the market did not respond anymore to the good news, as demonstrated by a negative performance of 15% this year to date.

Both companies have a progressive funding policy, with **NexGen** having recently secured a US\$ 60 million funding with CEE Holdings of Hong Kong and **Fission Uranium** having already entered into a strategic partnership in January 2016 executing a subscription agreement and off-take agreement with CGN Mining of China, pursuant to which CGN Mining purchased approximately 96.73 million shares at Cdn\$ 0.85 per share or 19.99% of Fission's outstanding shares, for gross proceeds of approximately Cdn\$ 82 million and will purchase 20% of annual U3O8 production from Fission's PLS Property after commencement of commercial production.

With **NexGen** and **Fission Uranium** presently valued at Cdn\$ 815 million and Cdn\$ 207 million, respectively, today's euphoria on **NexGen** is strongly overstated as in 2014 happened with **Fission Uranium** when its share price exploded from a low of Cdn\$ 0.52 to a high of Cdn\$ 1.48, representing a market valuation of US\$ 68 million and US\$ 432 million, respectively.

Having reached an all-time high of Cdn\$ 1.68 at the end of March 2014, **Fission** took the opportunity to complete four private placements in the period of December 2013 to May 2015 at an average price of Cdn\$ 1.536 – 1.60 per share for gross proceeds of Cdn\$ 76 million.

Since then, **Fission's** share price collapsed to a low of Cdn\$ 0.53 on February 2, 2015.

With the number of issued shares having increased from 140.9 million as at June 30, 2015 to 483.9 million at present, including 159.8 million shares issued for the acquisition of With the number of issued shares increased from 140.9 million as at June 30, 2015 to the 483.9 million at present, including 159.8 million shares issued for the acquisition of **Alpha Minerals'** 50% interest in the PLS Property in September 2013 the collapse of Fission's share price is mostly to be accounted for by the significant increase in the number of shares.

As a result of the rise and fall of **Fission's** share price, I warn investors for being engaged in the euphoria on **NexGen's** Rook I discovery.



Fission 3.0 (FUU – TSX.V) - “Project generator” model does not work

Fission 3.0 was incorporated in September 2013 in connection with a court approval plan of arrangement to reorganize **Fission Uranium** which was completed on December 6, 2013. The Company's primary objective is to locate, evaluate and acquire properties with the potential to host high-grade properties in the Athabasca Basin, Saskatchewan and Alberta, as well as Peru (Macusani Property).

Fission 3.0 currently has 27 uranium exploration projects covering approximately 343,116 ha of exploration properties with uranium potential of which 282,851 ha (82%) are located in and around the Athabasca Basin.

By embracing the “Project Generator” model, with a particular focus on property option agreements, **Fission 3.0** has attracted financial partners to advance the initial stages of its **Clearwater West property (“CWW”)**, **Patterson Lake North Property (“PLN”)**, and **Key Lake Property Package**. **CWW** and **PLN** are adjacent to or in close proximity to **Fission Uranium's** **PLS Triple R** high-grade, world-class uranium discoveries.

The Company's 27 uranium exploration properties consisting of 264 mineral claims/permits/concessions have a carrying value of Cdn\$ 7.7 million as at December 31, 2015.

With **Fission 3.0** own exploration in a prospective stage with limited exploration expenditures, exploration progress has been in particular focused on the Company's above mentioned property agreements, embraced by its "Project generator" model, supported by reference to the available direct access to the "award-winning technical team and operators" of the Fission Uranium Group, which all did not work out successfully to date.

Fission Uranium has funded **Fission 3.0** through a Cdn\$ 3 million private placement consisting of 22 million common shares at Cdn\$ 0.14 per share to earn a 12% equity interest in **Fission 3.0**.

The Clearwater West Property, adjacent to Fission Uranium's PLS property, considered to be **Fission 3.0's** premier asset, this property was optioned in January 2014 to Canex Energy, which could earn up to a 50% interest for a total exploration expenditure obligation of Cdn\$ 5.0 million by October 2016, split over a period of 3 years with Fission 3.0 the operator.

However, after having spent approximately Cdn\$ 1.27 million of the Cdn\$ 1.7 million required of the amended joint venture agreement to earn a 15% interest (originally 20%) in Clearwater West, which was not met by Canex. Fission 3.0 terminated the property option agreement and retained a 100% interest in the property, not allowing Canex a free carried interest for its expenditure.

Fission 3.0 owns approximately 19.2% of Canex.

The Canex-case does not stand on itself as also the joint venture agreements with Aldrin Resources on the Key Lake Property and with Azincourt Uranium on the PLN Property failed to be successful, but Azincourt in contrast to Canex at least having secured a 10% interest in the joint ventured property.

On May 30, 2016, **Fission 3.0** announced the commencement of a Cdn\$ 500,000 summer exploration drill program at its Macusani Project in Peru, to consist of 1,200 metres in 12 holes of diamond core drilling and with focus on an anomalous mineralised 8 kilometres northeast orientated corridor containing numerous uranium in out-crop trenches valuing assays >2% U3O8 including a maximum of 24.48% U3O8.

On June 21, 2016, preliminary drill results from the first 6 holes were announced, with 4 holes intersecting anomalous radioactivity of up to 3,100 cps.

► **Zadar Ventures and Athabasca Nuclear change primary focus from uranium to lithium**

On March 3, 2016, **Zadar Ventures** announced that it had entered into an option agreement with Geoxplor to acquire a 100% in two lithium project in Nevada, USA. Since then, the market valuation of the Company exploded from Cdn\$ 3.6 million to Cdn\$ 12 million, thereby benefiting from the favourable investment sentiment for lithium focused companies, supported by booming lithium prices.

Zadar is still holding five uranium assets in the Athabasca Basin on which Cdn\$ 12 million in exploration data and work was completed by Triex Minerals during the 2000's but did not result in encouraging results to follow up on.

Effective June 10, 2016, **Athabasca Nuclear** commenced trading under its new name **Clean Commodities** and new symbol CLE – TSX, after having changed its focus on lithium exploration with the Company having acquired a 100% position in the Spodumene Lake and Dumont Lithium projects in Nevada, USA.

Clean Commodities still holds 50% interest in the district-scale Preston Uranium Project in the western Athabasca Basin, which is adjacent to NexGen Energy's Arrow Deposit.

Having changed their primary focus from uranium to lithium, both companies have been removed from our overview of uranium companies focused on the Athabasca Basin.