

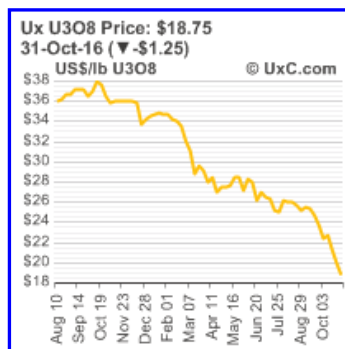
November 2016

Uranium Market Outlook



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► Paris Climate Agreement not feasible without a prominent role for nuclear energy



It is not only very frustrating that the U3O8 spot price has shown a further decline to a 2 ½-year low of \$ 18.75 per pound but is threatening the existence of the western uranium industry with Cameco, the world's largest producer, the only exception.

While only a few producers are still able to avoid operational losses thanks to long-term contracts closed on economically viable premiums compared to the market price, as a result of the fall of 45% compared to the end of 2015, margins under current long-term contracts are now negative.

This has already resulted in an overall fall of uranium share prices in the second half of this year compared with the 2016 highs, as can be seen from the overview on page 5.

OVERVIEW OF U3O8 PRICES					
	Spot	Long-term		Spot	Long-term
2016					
October 31	18.75 *	35.50	Year-end 2015	34.25	44.00
September 26	23.75	38.00	May 31, 2015 (year high)	39.50	50.00
August 29	25.25	38.00	Year-end 2014	35.50	49.00
July 25	25.00	40.50	May 14, 2014 (year low)	28.25	49.00
June 27	27.00	40.50	Year-end 2013	34.50	50.00
June 20	26.15	41.00	Year-end 2012	43.50	56.50
May 30	27.25	41.00	Year-end 2011	61.75	64.00
April 25	27.50	43.50			
March 28	29.15	43.50	Pre-Fukushima accident		
February 29	33.50	44.00	March 11, 2011	67.75	73.00
January 31	34.75	44.00			
* spot price 2 ½-year low					

With the Paris Climate Agreement having entered into force on 4 November 2016, committing governments to limiting global warming to 2 degree Celsius, if possible 1.5 degree Celsius, the International Atomic Energy Agency (IAEA) has started to "Coordinate assessment of the potential role of nuclear in their climate change mitigation strategies".

Separately, the World Nuclear Association (WNA), made clear the industry's readiness to work for the Paris goals, in which respect it has to be recognized that "The world's 450 nuclear power plants generate enough electricity to avoid the emissions of two and a half billion tonnes of carbon dioxide each year to the coal-fired base load generation that nuclear typically displaces".

WNA said that the nuclear industry has endorsed a goal of supply 25% of the world's electricity with nuclear generation by 2050, a target that will require the construction of 1,000 GWe of new nuclear capacity.

► Paris Climate Agreement on avoiding dangerous climate changes out of reach

Implications of Donald Trump campaign's position paper on energy promised to make "American energy independent, create millions of new jobs and protect clear air and clean water" includes accessing the country's untapped shale oil, and natural gas reserves, as well as "hundreds of years in clean coal reserves", encouraging onshore and offshore leasing of federal lands and opening shale energy deposits for development.

Donald Trump in a campaign speech has outlined an action plan that would see him rescind the USA's Climate Action Plan, cancel the Paris Climate Agreement and stop all payments of US tax dollars to United Nations global warming programs" within the first days in office. Backing away from the Paris Climate Agreement, it is notable that China has warned Donald Trump against abandoning the deal by saying that he would be defying the wishes of the entire planet as China are by far the world's largest CO2 emitting country.

Based on the EDGAR database created by the European Commission and Netherland's Environmental Assessment Agency, the 2014 CO2 emission estimates in thousands tonnes (kt) for China and the United States were 10,540,000 kt and 5,334,000 kt, respectively, representing 29.5% and 14.8%, respectively of the world's total CO2 emission of 35,669,000 tonnes.

These figures demonstrate that based on the current electricity generation in the United States, with approximately 67% to come from fossil fuels, of which 39% from coal-fired plants and in addition 28% from nuclear, a required transition to renewables to satisfy the requirements set by the Paris Climate Agreement is not realizable and this to a larger extent applies to China, which is for 73% of its electricity production dependent on fossil fuels, predominantly in coal..

As part of the 13th-Five Year Plan, in China's Premier in November 2014 announced that the country intended about 20% of its primary energy consumption to be from non-fuels by 2030, at which time it intended its peak of CO2 emissions to occur. This target was reiterated in the Paris Climate Conference, along with reducing CO2 emissions by 60% to 65% from 2005 levels by 2030.

By 2030 nuclear capacity in China is expected to be 120 to 150 GWe, and nuclear to provide 8% to 10% of electricity. This leaves a 10% to 12% share of renewables.

► Nuclear energy is the key to decarbonized European Union

On 4 October 2016, FORATOM the European Atomic Forum, the Brussels-based trade association for the nuclear energy industry in Europe with membership of up to 16 national nuclear associations, published a Positive Paper entitled "Nuclear power a key contributor to decarbonized EU", that positions nuclear energy as a key part of the European energy mix and of the global transition to a decarbonized electricity required to comply with COP21 Paris commitments.

Nuclear energy generates in 14 of the 28 EU member States and currently provides 27% of Europe's electricity and 50% of its low carbon electricity. It contributes significantly to reducing dependence upon imported fossil fuels as a mature technology with high availability; nuclear is well positioned to strengthen Europe's energy security.

However, the current unsustainable design of the electricity market and the lower prices of fossil fuels and of wholesale electricity means the EU is facing a challenge to reach its 2030 climate policy objectives and COP21 Paris commitments.

Nuclear was identified as the main source of low carbon electricity in the Energy Roadmap 2050's scenario showing a low carbon electricity generation in the Energy Roadmap 2050's showing the lowest total energy costs. Variable renewable production cannot satisfy all the needs alone.

Nuclear power high availability, diversity from other sources, high energy density and low sensitivity to uranium price variations contributes to the EU's security of supply. It therefore contributed to the EU's key policy objectives. In terms of economic generation of nuclear power plants is the best large-scale option for low carbon power generation.

► Lack of conformity on common nuclear energy policy jeopardizes EU contribution to Paris Climate Agreement

While it is up to each member state of the EU to decide for themselves how much the role of nuclear is going to be, it has to be recognized that with the industry having endorsed a goal of supplying 25% of the world's electricity by 2050, this percentage is strongly exceeded by France, which in 2015 generated 419 billion kWh or 76% of the country's total energy consumption, representing 51% of total EU consumption but followed by the UK having generated 64 billion kWh or 19% of the country's total energy consumption in 2015.

Germany, having decided in 2011 to phase-out all nuclear energy in return for renewable energy, with 8 reactors having shut down immediately and the remaining 8 reactors to be definitely offline in 2025, which means that it is still dependent on nuclear energy by having generated 868 billion kWh or 14% of the country's total energy consumption.

► Support from government bodies required to save Western uranium industry

Recognizing the prominent role of nuclear energy to satisfy the Paris Climate Agreement due to the fall of the spot U3O8 price to under \$ 20, resulting in growing operational deficits, will put the existence of the Western uranium industry at stake.

To solve this alarming situation, which has become out of control to deal with by existing and near-term uranium producers to secure continuous uranium supply, active intervention of government bodies is required by taking off supply from utilities to stabilize the market.

The easiest way to get the U3O8 spot price back at a first target level of at least \$ 40 is to buy uranium through the Uranium Participation Corporation, a publicly listed company managed by Denison Mines.



Uranium Participation Corporation (TSX – U)

Current share price : Cdn\$ 3.75
52 week H + L : Cdn\$ 5.51 – 3.65
Outstanding shares : 120.84 million

Uranium Participation Corporation (UPC) is a TSX-listed company since May 10, 2005 which invests at least 85% of the proceeds of its equity offerings in uranium, with the primary objective of achieving appreciation in the value of its uranium holdings. The Corporation also lends its uranium (uranium oxide) in concentrates (“U3O8”) to third parties from time to time and uranium hexafluoride (“UF6”).

Since incorporation to the end of the 2015 fiscal year **UPC** has completed 9 public offerings with aggregate gross proceeds of Cdn\$ 704.6 million. The Corporation received a further Cdn\$ 31.2 million from the exercise of warrants issued under the public offerings and approximately Cdn\$ 8.0 million from the exercise of options assumed by UPC.

Upon its formation, **UPC** appointed Denison Mines to manage UPC pursuant to a management services agreement.

On October 5, 2016, **UPC** reported an estimated net asset value at September 30, 2016 of Cdn\$ 468.3 million or Cdn\$ 4.05 per share, consisting of the following:

- 9.47 million pounds U3O8 at a fair value* of Cdn\$ 295.0 million
- 1.90 kgU UF6 at a fair value* of Cdn\$ 169.8 million

* Fair values are month-end spot prices published by UX Consulting translated at the month-end noon exchange rate of \$ 1.31

On September 30, 2016, the common share of **UPC** closed at a value of Cdn\$ 3.92, which represents a 3.21% discount to the net asset value per share of Cdn\$ 4.05.

On October 27, 2016, **UPC** announced the closing of its bought deal offering of 5.2 million common shares of the Company at a price of Cdn\$ 3.82 per common share for gross proceeds of Cdn\$ 20 million.

The proceeds of the offering will be used by **UPC** to fund future purchases of U3O8 and/or UF6 for general corporate purposes.



USA - world's largest producer of nuclear power

The USA is the world's largest producer of nuclear power, accounting for more than 30% of worldwide nuclear generation of electricity.

The country's 100 nuclear reactors produced 789 billion kWh in 2015, over 19% of total electricity output.

Following a 30-year period in which a few new reactors were built, it is expected that 4 more units will come online by 2021, these resulting from 16 licence applications made since mid-2007 to build 24 nuclear reactors.

Government policy changes since the late 1990s have helped pave the way for significant growth in nuclear capacity. However, some states have liberalized wholesale electricity markets, which makes the financing of capital-intensive power projects difficult, and coupled with significantly lower gas prices since 2009 have put the economic viability of some existing reactors and proposed projects in doubt.

In 2014, the US electricity generation was 4,094 TWh (billion kWh) net, 1,582 TWh (39%) of it from coal-fired plant 1,138 TWh (28%) from gas, 797 TWh (19.5%) from nuclear, 259 TWh (6.3%) from hydro and 279 TWh (6.8%) from other renewables (EIA data).

Given that nuclear plants generate nearly 20% of the nation's electricity overall and 63% of its carbon-free electricity, even a modest increase in electricity demand would require 13.2 GWe of new nuclear capacity by 2025, in addition to the 4 more nuclear plants currently under construction in order to maintain this share.

If today's nuclear plants retire after 50 years of operation, 22 GWe of new nuclear capacity would be needed by 2030 and 55 GWe by 2035.

Capital expenditure on existing nuclear plants peaked in 2012 due to post-Fukushima upgrades, and it declined 26% to 2015 when capital investment in operating plants was \$ 6.25 billion, according to the Nuclear Energy Institute.

Source: WNA



Canada's Athabasca Basin euphoria depressed by fall of uranium price

Recognized as the world's largest and richest uranium region, the **Athabasca Basin**, located in Saskatchewan, Canada, is hosting the biggest number of worldwide uranium companies.

With an annual production of 13,705 tonnes U3O8 in 2015, representing 33.8% of world production, Canada is the world's second largest uranium producer next to Kazakhstan, which produced 13,949 tonnes U3O8, equal to 34.4% of world production.

Canada's production comes fully from three Athabasca-based mines including McArthur River/Key Lake, Cigar Lake and Rabbit Lake.

In addition, two world-class discoveries were made since 2012, including the **Patterson Lake South Property** discovered by Fission Uranium, which is referred to as the **Triple R Uranium Deposit** announced in November 2012 and NexGen Energy's Rook I Project (Arrow Deposit) discovered in February 2014, followed by the **Bow Discovery** in March 2015.

These two companies, together with Denison Mines, are the only mature uranium companies by market capitalization. Based on their current status of exploration and development became strongly overbought after the announcement of their discoveries.

In this respect, referring to the earlier fall of the share price of Fission Uranium after the discovery of the **Triple R Deposit**, for which I warned, I consider NexGen Energy at a market capitalization of Cdn\$ 489 million, despite a correction of 44% compared to its 12-month high, still overbought.

Market valuation of Athabasca Basin focused listed uranium exploration/development companies as at October 31,2016			
<i>(in Cdn\$ million)</i>			
Highest valued companies:		Lowest valued companies:	
NexGen Energy	489.3	ALX Uranium	5.2
Denison Mines	288.0	Forum Uranium	5.1
Fission Uranium	266.2	Uravan Minerals	3.2
UEX	59.3	Aldrin Resources	2.8
IsoEnergy *	44.0	Makena Resources	2.1
Purepoint Uranium	17.4	Rojo Resources	2.1
CanAlaska Uranium	14.1	Roughrider Exploration	1.8
Skyharbour Resources	12.6	Declan Resources	1.8
Fission 3.0	12.5	Northern Uranium	1.6
Uracan Resources	6.8	Canex Energy	1.5
		Azincourt Uranium	0.6
* as at 31/10/2016			

Correction compared to 12-months high of highest valued exploration/development companies (market cap. >Cdn\$ 5 million)				
<i>in Cdn\$</i>	Market cap. (million)	Current price	12-month high	Correction in %
NexGen Energy	489.3	1.610	2.860	-44
Denison Mines	288.0	0.540	0.850	-36
Fission Uranium	266.2	0.550	0.820	-33
UEX	59.3	0.200	0.290	-31
IsoEnergy x	44.0	1.130	1.500 x	-25
Purepoint Uranium	17.4	0.095	0.150	-37
CanAlaska Uranium	14.1	0.520	1.550	-66
Skyharbour Resources	12.6	0.285	0.420	-32
Fission 3.0	12.5	0.070	0.120	-42
Uracan Resources	6.8	0.065	0.095	-32
ALX Uranium	5.2	0.080	0.140	-43
Forum Uranium	5.1	0.095	0.195	-51
x spin-off from <u>NexGen Energy</u> (75.6% equity interest) publicly listed on October 29, 2016				

Overview of uranium companies focused on the Athabasca Basin, Saskatchewan

31 October 2016	Trade symbol		Share price		Change	12 months		Shares	Market
			Current	Year-end	in %	H	L	total	cap.
			2016	2015				million	million
Producers (2)	Euronext Paris		Euro	Euro		Euro	Euro		Euro
AREVA 1)	FR0011027143		4.780	5.420	-12	7.950	3.050	383.2	458
			Cdn\$	Cdn\$		Cdn\$	Cdn\$		Cdn\$
Cameco	CCO	TSX		17.070	-100	19.110	11.050	395.8	0
Exploration / Development (22)			Cdn\$	Cdn\$		Cdn\$	Cdn\$		Cdn\$
NexGen Energy	TSX.V	NXE	1.610	0.720	124	2.860	0.560	303.9	489.3
Denison Mines 2)	TSX	DML	0.540	0.700	-23	0.850	0.475	533.4	288.0
Fission Uranium 3)	TSX	FCU	0.550	0.820	-33	0.820	0.530	484.0	266.2
UEX	TSX	UEX	0.200	0.150	33	0.290	0.110	296.5	59.3
IsoEnergy 4)	TSX.V	ISO	1.130	1.500	-25	1.500	69.000	38.9	44.0
Purepoint Uranium Group	TSX.V	PTU	0.095	0.035	171	0.150	0.020	183.6	17.4
CanAlaska Uranium	TSX	CVV	0.520	0.110	373	1.550	0.085	27.1	14.1
Skyharbour Resources 5)	TSX.V	SYH	0.285	0.120	138	0.420	0.080	44.1	12.6
Fission 3.0	TSX.V	FUU	0.070	0.120	-42	0.120	0.055	178.1	12.5
ALX Uranium 6)	TSX.V	AL	0.080	0.060	33	0.140	0.055	65.2	5.2
Forum Uranium	TSX.V	FDC	0.095	0.070	36	0.195	0.040	53.3	5.1
Uravan Minerals	TSX.V	UVN	0.075	0.100	-25	0.420	0.045	42.3	3.2
Aldrin Resource	TSX.V	ALN	0.090	0.110	-18	0.150	0.080	31.1	2.8
Rojo Resources 7)	TSX.V	RJ	0.110	0.040	175	0.150	0.035	19.5	2.1
Makena Resources	TSX.V	MKN	0.015	0.015	0	0.045	0.010	141.9	2.1
Roughrider Exploration	TSX.V	REL	0.070	0.070	0	0.150	0.045	26.1	1.8
Declan Resources	CNSX	LAN	0.010	0.005	100	0.015	0.005	177.1	1.8
Northern Uranium	TSX.V	UNO	0.010	0.020	-50	0.030	0.010	162.4	1.6
Canex Energy 8)	TSX.V	CSC	0.135	0.105	29	0.150	0.030	10.9	1.5
Atom Energy	TSX.V	AGY.H	0.275	0.410	-33	0.638	0.160	0.9	0.2

1) fully integrated uranium company (share of [Areva Resources](#) estimated at 25% equal to € 311million or US\$ 346 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 completed on June 13, 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) listed as at October 19, 2016; 75.6 % owned by [NexGen Energy](#) from sin-off

5) 50% partner in [Western Athabasca Syndicate](#); 1 for 4 share consolidation as at July 20, 2016

6) formerly [Lakeland Resources](#)

7) formerly [Lucky Strike Resources](#); stock split 1 for 8

8) share consolidation 1 for 3



Cameco (TSX – CCO) forced to follow defensive market strategy to cope with ongoing fall of uranium price to 12-year low

Reporting its Q3 2016 financial results on November 2, 2016, **Cameco**, which is responsible for full Canadian production, said that it is maintaining annual delivery guidance at better-than market prices and has optimized its contract portfolio to extract value and reduce future uncertainty. Continued actions are taken to reduce costs and remain competitive.

However, **Cameco**, as the world’s largest uranium producer, has made clear at the same time that the conditions in the market are out of control due to the nuclear accident at Fukushima in March 2011 – 5½ years ago - the uranium industry has faced considerable market challenges, with the uranium spot price down 70% and long-term price down 45%.

Consequently, **Cameco** has been forced to follow a defensive market strategy as demonstrated by having announced the suspension of production at the Rabbit Lake operation, and a curtailment of Cameco Resources’ US operations. In addition, the Company has continued to secure uranium at favourable market prices for delivery in 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 and terminated long-term supply contracts with two of its utility customers where future uranium requirements were uncertain. In both instances the Company was able to harvest that uncertain future value to improve earnings and cash flow in the near-term.

The first had product deliveries from 2016 through 2021 and resulted in a gain on contract settlement of \$ 46.7 million. The second had product deliveries from 2016 through 2020 and resulted in a contract settlement of \$ 12.3 million. These gains have been reflected in Cameco’s financial results for Q3 as other income.

Cameco's share in uranium production			
	9 months		
	ended September 30		
<i>(million pounds U3O8)</i>	2016	2015	2016 plan
McArthur River/Key Lake	8.8	9.5	12.6
Cigar Lake	6.2	3.3	8.0
Inkai	2.8	2.2	3.0
Rabbit Lake	1.1	1.2	1.1
Smith Ranch-Highland	0.8	0.3	0.9
Crown Butte	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
Total	19.9	16.7	25.8

Already in Q2, **Cameco** announced that it has signed an agreement with government owned Kazatomprom of Kazakhstan and Joint Venture Inkai to restructure and advance JV Inkai.

As part of the agreement **Cameco**’s ownership in the JV decreased from a majority of 60% to 40% and Kazatomprom acquiring a controlling position of 60%.

In the first 9 months of 2016, **Cameco**’s revenues decreased 4% from \$ 1.18 billion in the corresponding period of 2015 due to a 6% lower sales volume of 19.9 million pounds U3O8 (2015: 21.2 million pounds U3O8) at an average unit cost of sales (including D&A).

The average realized price per pound sU3O8 decreased by 4% from US\$ 44.57 to US\$ 42.92, but

increased 2% in Cdn\$ from \$ 55.65 to \$ 56.77, compared to an average spot price of US\$ 27.86 per pounds U3O8, which was 25% lower than the average spot price of US\$ 36.81 in the first nine months of 2015.

Cigar Lake is the world’s highest grade uranium mine with grades that are 100 times the world average and is one of **Cameco**’s three material operating uranium properties, also including McArthur River/Key Lake Mine and Rabbit Lake Mine. Cameco owns 50.25% of Cigar Lake’s underground mine; **Key Lake** is the world’s largest uranium mill.

Cameco began developing Cigar Lake in 2005, but development was delayed due to water inflows. In October 2014, the McClean Lake mill produced first uranium concentrate (U3O8) from ore mined at the Cigar Lake operation. Commercial production was declared in May 2015.

Total 2015 production was 11.3 million pounds U3O8 on a 100% basis (Cameco’s share 5.7 million pounds). Production outlook for 2016 is 16.0 million pounds on a 100% basis (Cameco’s share 8.0 million pounds).

In 2017, Cigar Lake is expected to reach full production of 18 million pounds U3O8.

Estimated reserves are 220 million pounds U3O8 (Cameco’s share 110.9 million pounds).

Cigar Lake has an estimated time life unto 2028.

The **Millennium Deposit** being under evaluation was discovered in 2000 and was defined through geophysical survey and drilling work between 2000 and 2013. In 2012, **Cameco** paid \$ 150 million to acquire AREVA's 27.94% interest in the Project, bringing its interest in the project to 69.9%.

The partners are: Cameco (70%), JCU (30%). Cameco is the operator.

The potential mine type is underground. **Cameco's** share in estimated resources is 53.0 million pounds U3O8 (Indicated) at an average grade of 23.9% U3O8.

Further progress towards a development decision is not expected until market conditions improve.

In northern Saskatchewan alone, **Cameco** has direct interests in 600,000 hectares (1.5 million acres) of land covering many of the most prospective exploration areas of the Athabasca Basin. Many of its projects are located close to the Company's operations where it has established infrastructure and capacity to expand.

In 2015, **Cameco** continued its exploration of focusing on the most prospective projects in its portfolio. Exploration is key to ensuring the Company's long-term growth. The Company spent \$ 2 million on four exploration projects and about \$ 32 million on regional exploration programs (including support costs), primarily in Saskatchewan (Athabasca Basin) and Australia.

For 2016, **Cameco** planned to spend approximately \$ 5 million on brown field exploration on projects under evaluation and about \$ 36 million on 24 projects in Canada and Australia, the majority of which are at drill stage.

Among the larger expenditures planned is \$ 7 million on the **Read Lake Project**, which is adjacent to McArthur River in the Athabasca Basin.

In February 2016, Cameco reported on the FDox Lake Deposit 30,000 tonnes U3O8 grading 8% as Inferred resources.

Due to the market conditions further weakening in the second half of this year, exploration spending has probably curtailed in the second half of the year.



NexGen Energy's Rook I (Arrow Deposit) in February 2014 followed by the **Bow Discovery** in March 2015 are located in the prolific Paterson Lake Corridor.

The Arrow Deposit's maiden Inferred mineral resource estimate is 201.9 million pounds U3O8 contained in 3.48 million tonnes grading 2.63% U3O8.

On June 2, 2016, **NexGen** announced that it has 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 billionaire Mr. Li Kashing, and 50% by Canada Imperial Bank of Commerce, to issue and sell to CEF and/or affiliates of its shareholders US\$ 60 million as an aggregate principal amount of unsecured convertible debentures of **NexGen** carrying a 7.5% coupon over a 5-year term. The debentures will be convertible at the holder's option into common shares of **NexGen** at a conversion price of S\$ 2.33 (Cdn\$ 3.05) at an exchange rate of 1.31, equal to a 40% premium to the 20-day volume-weighted average trading price calculated in US dollars at the time the agreement was entered into.

On November 2, 2016, **NexGen** reported assay results for 14 holes from its summer drilling program on the Rook I Property. Assays continue to confirm that holes drilled at the Arrow Deposit are strongly mineralized, inside and outside the A2 high-grade domain as well as in other shears at Arrow including the A1.

Of key importance scissor hole AR-16-98-c2 returned 73.5 metres U3O8 including 26.5 metres at high-grade domain. Additionally, hole AR-16-95-c2 returned 57.5 metres at 40.17% U3O8 including 10 metres at 15.73% U3O8, which was also intersected inside and outside the A2 high-grade domain.

The summer 2016 program is nearing completion and the winter program will commence early 2017.

The Company has cash on hand of approximately \$ 75 million.

On October 17, 2016, **NexGen** completed the amalgamation of **IsoEnergy**, a wholly-owned subsidiary of NexGen, for the purpose of acquiring a portfolio of early-stage mineral properties. IsoEnergy is focused primarily on the exploration of its **Radon Project** and its 100%-owned **Thorburn Lake Project**, in each case located in the Athabasca Basin. The Company also holds a 100% interest in each of the Madison, 2Z, Carlson Creek and the **Thorburn North Property**.

IsoEnergy was listed on the TSX.V on October 19, 2016. Of the approximately 38.94 million common shares outstanding, 29.45 million shares are held by **NexGen** equal to an equity holding of 75.6%. IsoEnergy has Cdn\$ 8 million in cash and is well funded to complete anticipated programs.



► **Patterson Lake South (PLS) Property – Triple R Deposit**

The discovery hole within the Patterson Lake Conductive Corridor, which is referred to as the **Triple R Uranium Deposit**, was announced on November 5, 2012 with drill hole PLS12-022. From what is considered part of the ROOE Zone on the western side and the much larger R780E Zone farther on strike to the east.

Within the Deposit, the ROOE and R780E zones have an overall combined strike length validated by a resource estimate of approximately 1.05 kilometres within the ROOE Zone measuring approximately 105 metres in strike length and the R780E Zone measuring approximately 945 metres in strike length.

The R780E Zone is located beneath Patterson Lake, which is approximately 6 metres deep in the area of the deposit. The entire **Triple R Deposit** is covered by approximately 50 to 60 metres of overburden.

PLS is accessible by road with primary access from all-weather Highway 955, which runs north to the former Cluff Lake Mine and passes through the nearby UEX-Areva Shea Creek discoveries located 50 kilometres to the north, (currently) under active exploration and development.

Uranium mineralization at PLS occurs within the Patterson Lake conductive corridor and has been traced by ore drilling approximately 2.63 kilometres of east-west strike length in 4 separated mineralised zones. From west to east, these zoned are: R840W, R11E, R780E and R1620E.

Only the ROOE and R780E zones have been included in the Triple R Deposit estimate, whereas the R840W and R1720E zones fall outside of the initial independent resource estimate for the Triple R Deposit on its PLS Property resource estimate reported on January 9, 2015.

The resource is estimated to contain a 79.6 million pounds U3O8 Indicated Mineral resource at an average grade of 1.58% U3O8, including a high-grade zone of 44.3 million pounds U3O8 at a grade of 18.21% U3O8, and a 25.9 million pounds U3O8 Inferred Mineral resource at a grade of 1.30% U3O8, including a high-grade zone of 13.9 million pounds U3O8 at a grade of 26.35% U3O8.

On May 7, 2016, **Fission** announced assay results from the final 9 drill holes from the winter 2016 drill program. Assays confirmed further high-grade mineralization expanding the western strike extent at the R840W Zone and the eastern extent of the R780E Zone on the 2.58 kilometres long strike length of the Patterson Lake Corridor 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 (“PEA”) of the Patterson 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.

Fission also 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.

On January 11, 2016 **Fission Uranium (“Fission”)** announced that it had executed a Subscription Agreement and an Off-take 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 Off-take 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.

On October 12, 2016, **Fission** announced that it has hit the highest grade to date at the R1620E Zone, including 9.5 metres grading 13.56% U3O8 and further high-grade holes of the R840W Zone. Both zones are presently outside of the Triple R deposit area.

The high-grade mineralization encountered at both zones continues to highlight the strength and prospectivity of the 1.63-kilometre mineralised trends at PLS – the largest footprint in the Athabasca Basin.

On October 24, 2016, **Fission** announced that its final summer 2016 assay results confirmed new high-grade mineralization at the R840W Zone presently outside of the Triple R resource area and also at the R780E Zone, beneath the Triple R deposit. The assay results include hole PLS 16-504 on Zone R840W with 25.95% triuranium octoxide over 4 metres and 10.50 metres at 2.65% U3O8, including 4 metres at 6.62% U3O8.

The wide high-grade mineralization encountered at the western end of the .63-kilometre mineralised trend at PLS highlights the strong expansion potential, on land, toward the high-grade boulder field approximately 2,7 kilometres west of the T830W Zone, which lies 495 metres west of the Triple R Deposit and was successfully merged with R600W during summer drilling.

Major prospective uranium projects

► Patterson Uranium District

The Patterson Uranium District is located in the south western edge of the Athabasca Basin. Since 2012, 8 related deposits and showings have been discovered along the **Patterson Lake Structural Corridor** including:

- Triple R Deposit, R 1620 E, R 600 W and R 840 W Zones, discovered and owned by **Fission Uranium**
- Arrow Deposit, Vow Zone and Harpoon, discovered and owned by **NexGen Energy**
- Spitfire Zone owned by **Cameco**, **AREVA Resources of Canada** and **Purepoint Uranium Group**

► Wheeler River Property

The **Wheeler River Property** is a joint venture between **Denison Mines** (60% and operator), **Cameco** (30%) and **JCU (Canada) Exploration** (10%) and is host to the high-grade **Gryphon** and **Phoenix Uranium Deposits** discovered by Denison in 2014 and 2008, respectively.

The **Gryphon Deposit** is hosted in basement rock and is currently estimated to contain Inferred resources of 43.0 million pounds U3O8 (above a cut-off grade of 0.2% U3O8) based on 834,000 tonnes of mineralization at an average grade of 2.3% U3O8).

The **Phoenix Deposit** is located approximately 3 kilometres to the southeast of Gryphon and is estimated to include Indicated resources of 70.2 million pounds U3O8 (above a cut-off grade of 0.8% U3O8) based on 166,000 tonnes of mineralization at an average grade of 19.1% U3O8 and is the highest grade undeveloped uranium deposit in the world.

In April 2016, **Denison** announced the results of a Preliminary Economic Assessment (“PEA”) for the Wheeler River Project, which considers the potential economic merit of co-developing the high-grade Gryphon and Phoenix deposits as a single underground mining operation.

The PEA returned an indicative base case post-tax Internal Rate of Return (“IRR”) of 17.8%, based on a long-term contract price of US\$ 44.00 per pound U3O8, and Denison’s share of estimated initial capital expenditures (“CAPEX”) of Cdn\$ 336 million (Cdn\$ 560 million on a 100% ownership basis).

Project development field work completed during 2016 at Wheeler River has been focused on initiating the environmental and engineering data collecting programs required for the FS and Environmental Assessment Process.

An initial set of infill and delineation holes on the **Gryphon Deposit** as reported on October 6, 2016 reinforced the high-grade nature of the Deposit and included highlight results of 1.5% eU3O8 over 14.4 metres (including 2.3% eU3O8 over 7.9 metres and 1.5% eU3O8 over 1.0 metre) in drill hole WR-668D2, and 0.93% eU3O8 over 14.1 metres (including 2.1% eU3O8 over 3.7 metres and 1.4% eU3O8 over 1.3 metres) and 24% over 7.3 metres (including 3.7% eU3O8 over 4.5 metres) in drill hole WR-668.

► Christie Lake Project

The **Christie Lake Project** is 90% owned by **JCU (Canada) Exploration Company** and 10% by **UEX Corporation**. On January 16, 2016, **UEX** signed a definitive option agreement with JCU under which UEX earned its 10% interest in the Christie Lake Project by making a Cdn\$ 250,000 payment upon the signing of the LOI and making a Cdn\$ 1.75 million payment on January 22, 2016.

UEX signed a Letter of Intent (“LOI”) on October 26, 2015 to earn up to a 70% interest in the Christie Lake Project by making cash payments of Cdn\$ 7.0 million and funding Cdn\$ 15 million in exploration work commitments over 5 years.

JCU is actively engaged in the exploration and development in Canada and is owned by Japanese companies. Amongst these, Overseas Uranium Resources Development (“OURD”) acts as the manager of JCU. JCU has partnerships with UEX, AREVA, Cameco, Denison and others on uranium exploration and development projects in the Athabasca Basin, including Millennium and Wheeler River and the Kiggavik Project in the Thelon Basin in Nunavut.

The **Christie Lake Project** that hosts the **Paul Bay** and **Ken Pen deposits** is located approximately 9 kilometres northeast and along strike of Cameco’s McArthur Mine, the world’s largest uranium producer. **UEX** believes that the **P2Fault**, the controlling structure for all of the McArthur River deposits, may continue onto the Christie Lake Project.

The Paul Bay and Ken Pen deposits are estimated to host a combined NI 43-101 compliant resource 20.87 million pounds of U3O8 at an average grade of 3.22% U3O8 and were discovered in 1989 and 1993, respectively.

► Objectives of 2016 exploration program

- Increase the total uranium resources defined at the Paul Bay and Ken Pen deposits by growing the size of both deposits by extending the deposits in the down-dip direction. Having defined the size and continuity of the high-grade zones at the Paul Bay Deposit, UEX’s attention has now turned to testing the down-dip extension of the Paul Bay Deposit.
- Complete an NI 43-101 uranium resource estimate for the Paul Bay and Ken Pen deposits, with the view of incorporating the historical results along with 2016 program results, it is the intention to have a maiden resource estimate before the second quarter of 2017.
- Determine the prospectivity of and develop and exploration plan to test the remaining 1.5 kilometre long mineralised trend that extends northeast of and including the Paul and Ken Pen deposits for the presence of new uranium zones for future exploration programs.

The second phase of the 2016 program commenced in June and three additional holes were completed by the end of the second quarter, All three tested for extensions to the Paul Bay high-grade zone. Hole CB-092-1 intersected 38.2% eU3O8 over 2.6 metres that included a subinterval of 8.09% eU3O8 over 1.0 metre. Hole CB-093-3 encountered 1.17% eU3O8 over 1.5 metres. Hole CB-093-3 averaged 1.16% eU3O8 over 5.9 metres, including a subinterval of 3.45% eU3O8 over 1.3 metres.

On September 7, 2016, **UEX** announced assay results from the first holes of the summer 2016 drilling program and radiometric results from five new holes completed on the Christie Lake Project.

Based upon the results, UEX has elected to expand the budget of the 2016 drill program from Cdn\$ 2.75 million to Cdn\$ 4 million.

Assay results from CB-093 from the high-grade Paul Bay Zone far exceeded the Company's expectations. The assays returned a composite grade interval of 14.74% U3O8 over 5.5 metres, including a subinterval of 31.7% U3O8 over 2.5 metres, which in turn included a subinterval of 57.83% U3O8 over 1.2 metres.

On October 14, 2016, **UEX** announced radiometric probe results from five holes completed on the Paul Bay deposit. Radiometric equivalent grades ("REGs") from CB-102 included 4.23% eU3O8 over 11.90 metres, including three high-grade subintervals with up to 15.26% eU3O8 over 1.5 metres.

On November 7, 2016, **UEX** announced that radiometric probe results from five of the six holes targeting the Ken Pen Deposit highlighted unconformity-style mineralization averaging 2.37% eU3O8 over 4.2 metres, including a subinterval of 4.68% eU3O8 over 2.0 metres in hole CB-104.

The unconformity mineralization remains open for expansion along strike to the northeast and along the unconformity surface to the northwest.

► **Hook Lake Project**

On October 31, 2016, **Purepoint Uranium Group** entered into a definitive joint venture agreement with Cameco and Areva Resources Canada for the on-going exploration of the Hook Lake Uranium Project in which the Company holds a 21% interest and the remaining interest of 79% is owned equally by Cameco and Areva.

Purepoint acts as the operator for the Joint Venture and charges an administration fee of 10%.

Current exploration is targeting the Patterson Lake Corridor and the Spitfire Discovery by the Hook Lake JV where hole HK 16-37 returned 9.9% U3O8 over 0.6 metres within 0.69% U3O8 over 9.9 metres.

The 2015 Hook Lake JV winter exploration program completed 21 drill holes for a total of 8,508 metres being drilled. Within the Spitfire area, 12 holes were completed totalling 5,045 metres while 9 holes tested other conductors within the Patterson Structure Corridor totalling 3,343 metres.

In 2015, Cameco and Areva advanced to the Company Cdn\$ 1.33 million each (2014: Cdn\$ 1.47 million for a total amount of Cdn\$ 2.65 million). In the 6-month period ended June 30, 2016, Cameco and Areva advanced further Cdn\$ 0.95 million (2014: Cdn\$ 1.15 million each for a total amount of Cdn\$ 1.89 million – 2015: Cdn\$ 2.29 million).

Exploration success continued at Spitfire Zone during 2016 with additional significant drill intercepts containing high-grade uranium mineralization, which were released in April 2016. A highlight of the winter drill program was hole HK 16-53 that intersected 10.0 metres of 10.3% U3O8, including 1.3 metres of 53.5% U3O8.

Drilling of the Upper Spitfire mineralization was discovered only 255 metres below surface, with hole HK 16-37 returning 0.67% U3O8 over 9.9 metres including 9.9% U3O8 over 0.6 metres.

Based on the promising drill result, the Hook lake JV partners indicated funds towards concluding additional diamond drilling. Funding for a drill program at the Spitfire Zone was approved by the JV partners to commence later this year, pending acceptance of the program plan but due to further worsening market conditions have not been followed up yet.

► **Shea Creek Project**

The **Shea Creek Project** located in the Western Athabasca Basin, 49% owned by **UEX** and 51% owned by **Areva** consists of four known deposits - Kianna, Anne, Colette and 58B, distributed along a 3 kilometre strike length at the north-end of the 33 kilometres Saskatoon Lake Conductor (“SLC”).

Shea Creek is one of the largest undeveloped resource projects in the Athabasca Basin. Resources are open almost in every direction and have excellent potential for significant expansion.

2015 drilling near SHE-02 to follow up historical uranium mineralization outlined a previously unknown hydro-thermal clay alteration zone that will require follow-up drilling in future programs.

2016 exploration drill tested electromagnetic targets on the southern Shea Creek claims. Seven holes totalling 4,099 metres were completed in 2016

Cumulative expenditures (inclusion of on-cash items) at June 30, 2016 by **UEX** of exploration and evaluation were Cdn\$ 46.3 million and Cdn\$ 7.4 million, respectively, with approximately 269,000 metres of drilling completed.

An NI 42-101 compliant independent mineral resource estimate for Shea Creek was prepared in April 2013. The total estimate of 67.66 million pounds U3O8 of Indicated resources contained in 2.07 million tonnes grading 1.484% U3O8 and 28.19 million pounds U3O8 of Inferred resources contained in 1.27 million tonnes grading 1.005% U3O8 includes resources from the Kianna, Anne, Colette and 58B deposits based on drilling information up to December 31, 2012.

In 2016, the Western Athabasca Joint Venture completed a 7-hole 4,099 metres exploration program at Shea Creek testing the Shea South (S14) conductor on the southernmost Shea Creek claims.

The approved budget for the 2016 program is Cdn\$ 1.35 million. As at June 30, 2016, UEX has funded approximately Cdn\$ 0.55 million of its Cdn\$ 0.66 million share.

► **Red Lake Property**

In February 2016, **Cameco** as the operator, disclosed the Fox Lake discovery within the Red Lake Property (Cameco 78.2%, AREVA Resources 21.8%). Fox Lake will receive the major share of Cameco's exploration funding in 2016 with a budget of Cdn\$ 7 million (Cameco's share).

► **Mann Lake Project**

The 3,473 hectare **Mann Lake Uranium Project** is strategically located on the east side of the Athabasca Basin approximately 25 kilometres southwest of **Cameco's** McArthur River Mine and 15 kilometres northeast and along strike of Cameco's Millennium Uranium Deposit.

The Property is also adjacent to the Mann Lake Joint Venture operated by **Cameco** (52.5%) with partners **Denison Mines (30%)** and **Areva Resources Canada (17.5%)**.

Mann Lake has seen over Cdn\$ 3.5 million of previous exploration expenditures.

► **West McArthur Project**

The **West McArthur Project** is located between 6 and 30 kilometres west of the producing McArthur River Uranium Mine operated by **Cameco**, and covers approximately 36,000 hectare.

The West McArthur Project, 100%-owned by **CanAlaska Uranium**, was optioned in April 2007 to Mitsubishi Development Pty, a subsidiary of Mitsubishi Corporation of Japan. Under the option agreement, Mitsubishi owned a 50% interest in the property by investing Cdn\$ 11 million. The option was exercised on February 10, 2010 and an incorporated joint venture was formed between the parties to pursue further exploration and development of the Property, with CanAlaska to be the operator.

In January 2016, **CanAlaska** entered into a buyback agreement with Mitsubishi for their 50% interest to then hold a 100% interest in the Property.

On February 5, 2016, **CanAlaska** reported that it had entered into an option agreement with **Cameco**, which enabled Cameco to earn up to a 60% interest in the West McArthur Project through expenditures of Cdn\$ 12.5 million over 3 years and an initial payment in cash of Cdn\$ 725,000 (completed) to CanAlaska and accelerating exploration programs, culminating in a joint venture.

In July 2016, **CanAlaska** reported that **Cameco's** exploration team intended to resume drilling at the West McArthur Project along the trend from Cameco's high-grade Fox Lake Uranium Discovery.

► **Preston Uranium Property**

The **Preston Uranium Property** is one of the largest individual properties proximal to Fission Uranium's Patterson Lake South (PLS) high-grade uranium discovery and the discovery made by **NexGen Energy** on the Rook I Project.

In 2014, pursuant to a series of agreements, **Skyharbour Resources** granted an option to acquire a 25% interest in several properties on the Patterson Lake area & Eastern Athabasca Basin through the establishment of the Western Athabasca Syndicate to each **Rojo Resources**, **Clean Commodities** (formerly Athabasca Nuclear) and **Noka Resources**. In order to acquire their interests, each optioned was required to incur Cdn\$ 500,000 in exploration expenditures by September 2014 (incurred), incur an additional Cdn\$ 50,000 in exploration expenditures by September 30, 2015 and make a Cdn\$ 100,000 payment each in cash and payment in 2 million shares by Rojo (received), 640,000 shares by Noka (received) and 721,313 shares by Clean Commodities (received). Concurrently, Skyharbour entered into an agreement to acquire a 25% interest in certain mineral properties from Clean Commodities.

With Rojo Resources and Noka Resources not meeting the cash call for the 2015 summer diamond drill program, Skyharbour and Clean Commodities formed a 50-50 joint venture on the **Preston Project**, in which over Cdn\$ 4.7 million in exploration has been carried out to date and many priority targets remain for further follow-up with both field work and drill testing.

In light of the encouraging results to date, the Preston NI 43-101 Report has recommended further work totalling Cdn\$ 3.21 million.

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

Company	Focus	Trading symbol		Share price		Change in %		Market Capitalization 31 Oct. 2016	Market Capitalization year-end 2015	Change in % 2016/2015
				31 Oct. 2016	Year-end 2015	local	US\$			
Producers (4)										
				<i>Cdn\$</i>	<i>Cdn\$</i>			<i>US\$ mln.</i>	<i>US\$ mln.</i>	
Cameco	Canada	ABX	TSX	10.330	17.070	-39	-42	3066	4.864.5	-37
				<i>US\$</i>	<i>US\$</i>					
Ur-Energy	United States	URG	NYSE	0.508	0.650	-22	-22	73	84.6	-14
				<i>A\$</i>	<i>A\$</i>					
Paladin Energy	Namibia	PDN	ASX	0.130	0.240	-46	-49	169	300.1	-44
Energy Resources of Australia	Australia	ERA	ASX	0.340	0.360	-6	-6	134	136.1	-2
Advanced development companies (5)										
				<i>Cdn\$</i>	<i>Cdn\$</i>					
Denison Mines	Canada	DML	TSX	0.540	0.630 1)	-14	-15	216	257 1)	-16
UEX	Canada	UEX	TSX	0.200	0.150	33	35	44	26.6	65
				<i>A\$</i>	<i>A\$</i>					
Berkeley Energia	Spain	BKY	ASX	0.740	0.490	51	54	113	65.0	74
Vimy Resources	Australia	VMY	ASX	0.240	0.360	-33	-35	47	60.0	-22
A-Cap Resources	Botswana	ACB	ASX	0.060	0.040 3)	50	53	39	7.0 3)	457
Exploration/development companies (10)										
				<i>Cdn\$</i>	<i>Cdn\$</i>					
Laramide Resources	Australia/US	LAM	TSX	0.230	0.285	-19	-20	16	17.4	-8
GoviEx	Niger	GXU	CNSX	0.100	0.045	122	130	20	4.8	317
Forsys Metals	Namibia	FSY	TSX	0.060	0.080	-25	-27	7	7.8	-10
CanAlaska Uranium	Canada	CVV	TSX	0.520	0.420 2)	24	25	10	7.5 2)	33
Purepoint Uranium	Canada	PTU	TSX.V	0.095	0.075 1)	27	28	13	10 1)	30
				<i>A\$</i>	<i>A\$</i>					
Boss Resources	Australia/US	BOE	ASX	0.050	0.050 3)	0	0	34	31.0 3)	10
Cauldron Energy	Australia/US	CXU	ASX	0.050	0.120	-58	-62	11	23.7	-54
Deep Yellow	Namibia	DYL	ASX	0.010	0.010	0	0	19	14.0	36
Bannerman Resources	Namibia	BMN	ASX	0.030	0.030	0	0	16	8.7	84
Others - special situations(2)										
				<i>Cdn\$</i>	<i>Cdn\$</i>					
Mega Uranium	Australia	MGA	TSX	0.130	0.070	86	91	27	14.2	90
1) included as at 1 June 2016										
2) included as at 1 May 2016										
3) included as at 1 August 2016										
Removed as at:										
				31/8	31/12					
1 September 2016:										
				<i>US\$</i>	<i>US\$</i>					
Uranium Resources	US / Turkey	URRE	NASDAQ	1.280	6.240		-75			-61
				<i>Cdn\$</i>	<i>Cdn\$</i>					
Khan Resources	Mongolia	KRI	CNSX	0.880	0.440		106			121
				31/5	31/12					
1 June 2016:										
				<i>A\$</i>	<i>A\$</i>					
Toro Energy	Australia	TOE	ASX	0.060	0.070		-11			-11
Market performance 2016 (in US\$) as at 31 October 2016: 7.2%										
Market capitalization increase 2016 (in US\$) as at 31 October 2016: 51.9%										