Fission Uranium's President on why the uranium bull market starts now

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"Demand continues to grow as supply constricts"

Uranium prices continue to recover in 2020 leading to renewed hope for the uranium sector after some very tough years. The US appears to be close to finalizing a US uranium reserve and the associated $150m a year funding as well as perhaps taking a tougher stance on overseas subsidized uranium from Russia and Kazakhstan. Should these trends continue, many are wondering are we in the start of a uranium bull market.

In an exclusive interview with InvestorIntel, Fission Uranium President & COO Ross McElroy said, "**I think we are in the start of a bull market right now**. That's happened because there's been so many production shutdowns globally. All the major mines, even all the production in Canada has been shutdown. So, we know the demand is there and it continues to grow, supply is constricting and these are the things that are making the bottom of the bull market happen."

Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF)

Fission Uranium Corp. ("Fission") is 100% owner of the Patterson Lake South (PLS) property, located in Canada's Athabasca Basin, home to the world's richest uranium mines. The PLS Property comprises 17 mineral claims totaling 31,039 ha located on the southwest margin of the Athabasca Basin. The Project is host to

the award winning Triple R deposit – the most significant high-grade, near-surface project in the region. Fission has also discovered two other major, high-grade zones and has outlined the largest mineralized trend in the region.

The Triple R Deposit has 102,360,000 lbs. U_3O_8 Indicated Mineral Resource @2.10% U3O8 and 32,810,000 lbs. U_3O_8 Inferred Mineral Resource @1.22% U_3O_8.

The Triple R deposit longitudinal cross section showing the resource starting 50m underground

Source: Company presentation

The Triple R deposit remains open, and the PLS property has excellent exploration potential as ~80% of the property has yet to be explored. The deposit has substantial high-grade mineralization starting just 50m from surface.

The 2019 PFS had two scenarios. For the underground-only mine PFS scenario, the post-tax NPV8% was C$702m, post-tax IRR was 25%, and the initial CapEx was C$1,177m. Operating costs were estimated at a very low C$9.57/lb U_3O_8 (US$7.18) over a 7 year mine life.

Given the current uranium price of US$32.25 that would make the Triple R Project very profitable once established. Of course, further drilling will be required to build up the level of uranium reserves and extend the mine life. Given the success to date and the 80% yet unexplored, the odds favour of Fission achieving this over time. A higher uranium price and longer mine life could certainly help boost the Project's NPV.

Fission Uranium's Triple R Project PFS summary shows very low uranium costs of production in both scenarios



Source: Company presentation

Fission Uranium is now working on permitting, EIS, and a Feasibility Study. The company is well funded to achieve the above next steps after a recent raise.

Fission Uranium is backed by China's CGN Mining, which has invested over $82m in Fission to date. More recently legendary mining investor Eric Sprott provided Fission with a US$10 million senior secured Credit Facility at 10% pa for 4 years. This shows that Sprott has confidence in the value of the resource and/or the Company's ability to service and pay back the Facility. In connection with the Facility, Fission has agreed to issue 20,666,667 common share purchase warrants to Sprott and its affiliates.

Closing remarks

With a uranium bull market possibly in the early stages, Fission Uranium looks well placed to continue to attract funding and grow their resource, thereby boosting their NPV in subsequent Feasibility Studies. The high CapEx remains a challenge to be funded but given the pedigree of past funding, and the very high quality resource, it should ultimately be achievable. Certainly the Western world is now looking much closer to home to secure their supply chains of critical materials such as uranium.

Fission Uranium is currently trading on a market cap of C$190m. Investors will need some patience but should benefit from a tailwind or positive news flow in the uranium sector led by US developments that are expected to unfold in the near term.