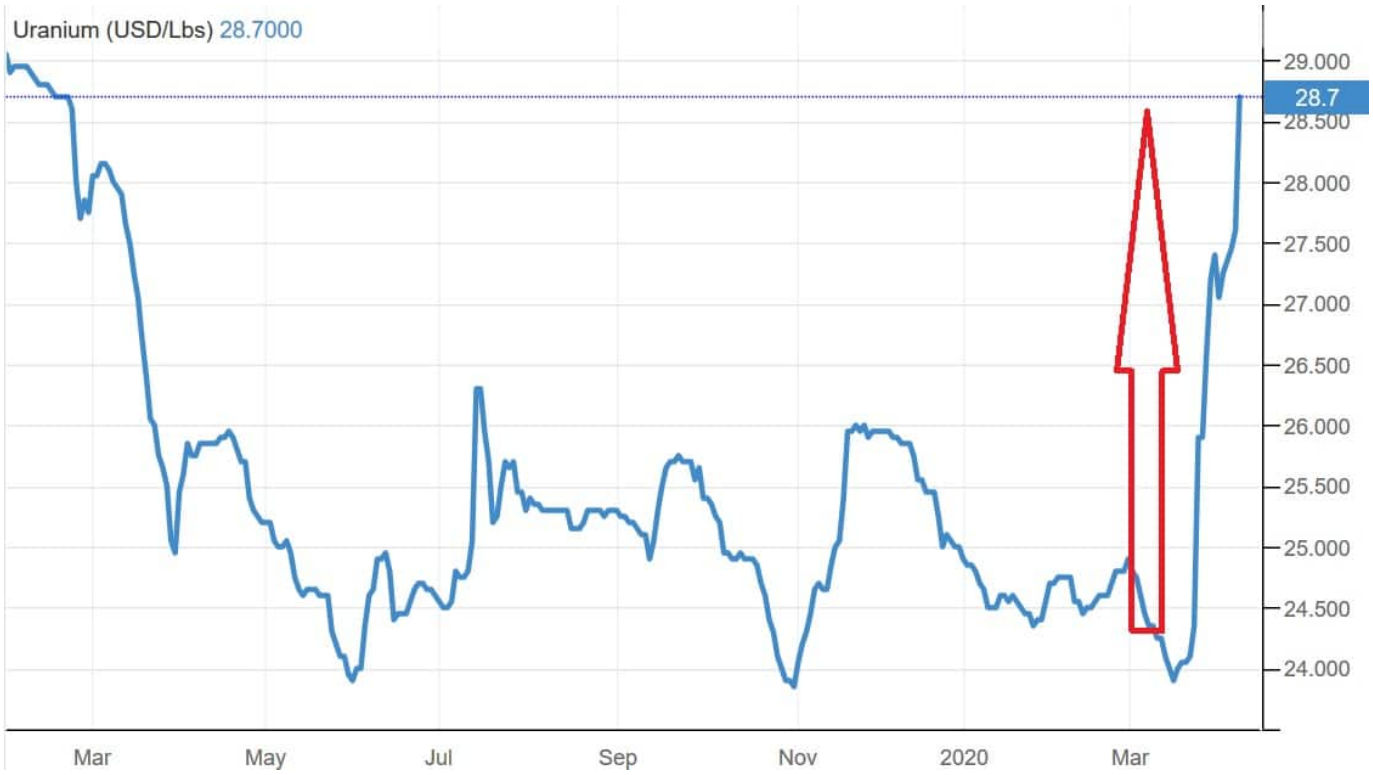
Fission Uranium stock climbs 78% as uranium prices skyrocket the past 3 weeks

written by Investor News Writer | April 8, 2020

With all the media attention focused on COVID-19 (coronavirus), it is easy to have missed what has happened to uranium. The uranium price has skyrocketed the past 3 weeks up about 20% from the mid-March lows, Dev Randhawa commented that perhaps we may credit the interest to the fact that 54% of the U.S. monthly uranium supply has gone off line due to the COVID-19 crisis.

Uranium prices have skyrocketed higher the past 3 weeks – Uranium – US$ 28.70/lb



Source

One uranium miner that has spiked ~78% higher the past two weeks

is Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF). Fission is a Canadian company with an exciting uranium project in the Athabasca Basin of Saskatchewan, Canada.

The Athabasca Basin is a region in the Canadian Shield of northern Saskatchewan and Alberta Canada. It is best known as the world's leading source of high-grade uranium and currently supplies about 20% of the world's uranium.

Fission Uranium Corp.

Fission Uranium Corp. owns the award winning, high-grade, and near-surface Triple R uranium deposit on its 100% owned Patterson Lake South (PLS) property, located in Canada's Athabasca Basin, home to the world's richest uranium mines.

The Company has the strategic backing of China's CGN Mining, which has invested over $82 million in Fission, at a substantial premium, in early 2016.

Patterson Lake South (PLS) property

The PLS property comprises 17 mineral claims totaling 31,039 ha located on the southwest margin of the Athabasca Basin. The property is accessible by all-weather Highway 955 which runs right through the middle of the property.

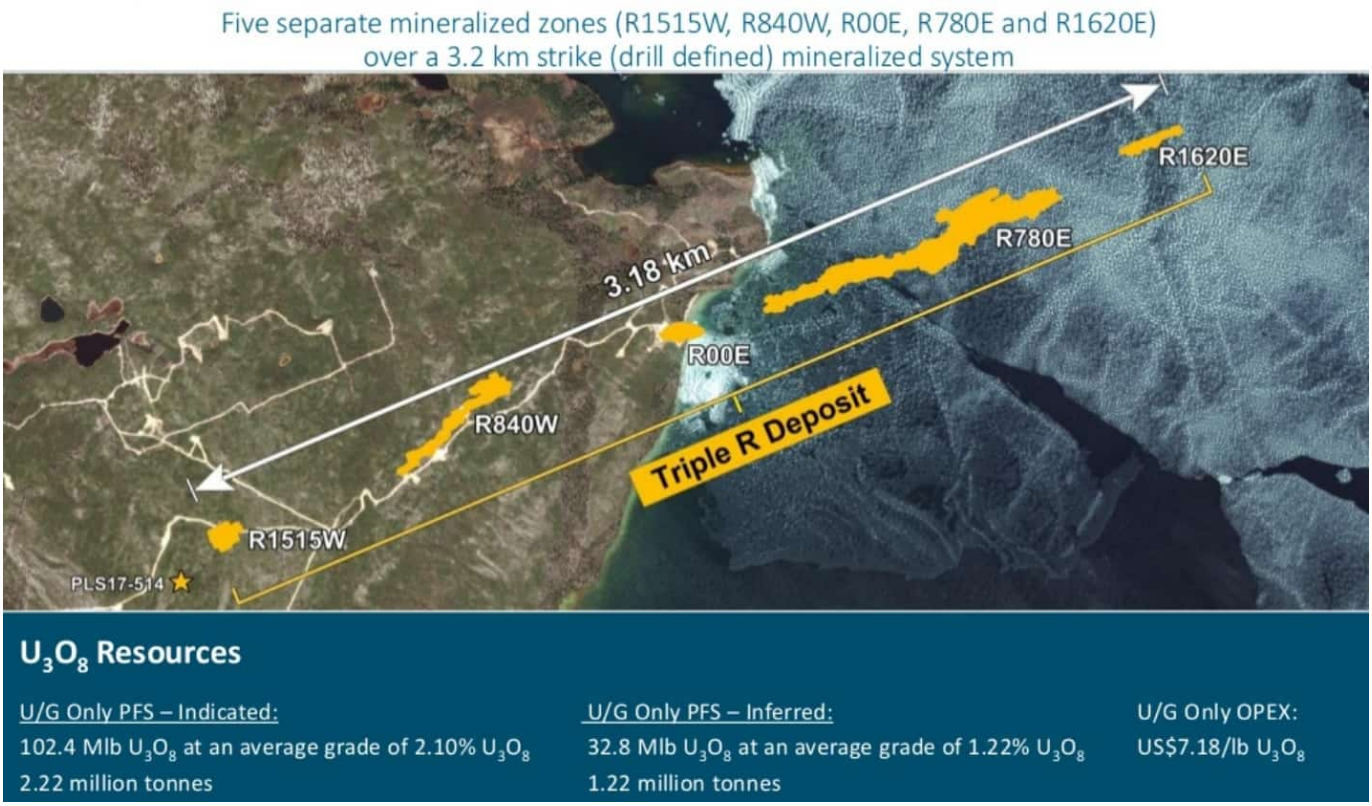
The Patterson Lake South (PLS) property is situated in the high uranium grade Athabasca Basin region in Canada

The Triple R Deposit (the main deposit so far discovered on the PLS property)

The Triple R deposit is 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.

Actually the Triple R Deposit is made up of not 3, but 5, mineralized uranium deposits.

Fission Uranium's Triple R Deposit and uranium Resource estimate



The Triple R Resource estimate

The Triple R Resource estimate is as follows:

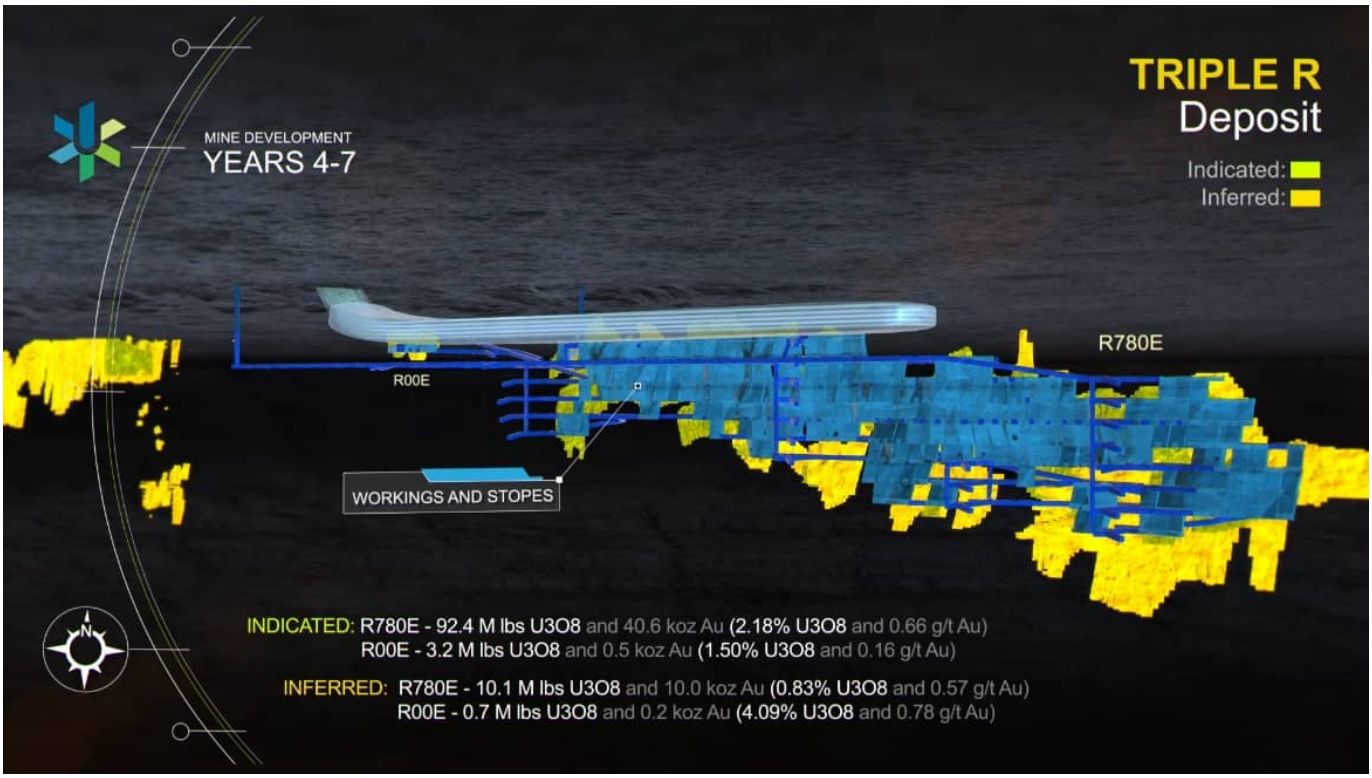
- 102,360,000 lbs. U_3O_8 Indicated Mineral Resource, based on 2,216,000 tonnes at an average grade of 2.10% U_3O_8.
- 32,810,000 lbs. U_3O_8 Inferred Mineral Resource, based on 1,221,000 tonnes at an average grade of 1.22% U_3O_8.

The Triple R deposit remains open, and the PLS property has untapped exploration potential as ~80% of the property is yet to be explored.

The Company states:

"The Triple R deposit is the only high-grade deposit in the entire Athabasca Basin region with substantial high-grade mineralization starting just 50m from surface. The deposit, which is part of a 3.18km mineralized trend at PLS, remains open in several directions."

The Triple R Deposit, underground mine plan



Source

The Triple R Pre-Feasibility Study (PFS) results

In 2019, the Company released results of two PFS studies. The results are highlighted below.

- Hybrid approach (Open pit & underground) PFS – Post-tax NPV8% of **C$693 million**, post-tax IRR of **21%**, initial CapEx of **C$1,499 million**. Operating costs were estimated at C$9.03/lb U_3O_8 over an 8.2 year mine life.
- Underground-only mine PFS – Post-tax NPV8% of **C$702 million**, post-tax IRR of **25%**, initial CapEx of **C$1,177 million**. Operating costs were estimated at C$9.57/lb U_3O_8 over a 7 year mine life.

The Company stated:

"Both studies presented strong results, including low OpEx, fast

payback and strong IRR, which highlight the potential for highly economic production at PLS. While both options remain viable, the upcoming Feasibility Study will focus on the best option, most likely the underground only scenario."

My view is that if the Company can successfully grow the resource further which appears highly likely; then the NPV can substantially improve as the mine life would be extended out towards 20 years plus. In that case, the large upfront CapEx will become less of an obstacle towards project funding.

Latest News

- Fission announces the closing of a US$10 million credit facility with **Sprott.** Fission will use the proceeds from the Facility to fund development of the Patterson Lake South uranium project (the "Project") and for general working capital purposes. In connection with the Facility, Fission has agreed to issue 20,666,667 common share purchase warrants ("Warrants") to Sprott and its affiliates at an exercise price equivalent to C$0.17. The credit facility is US$10 million at 10% for 4 years.

Next steps

Fission will soon begin work on the Environmental Assessment ("EA") phase for its' PLS property, as well as a Feasibility Study as discussed above.

Closing remarks

Fission Uranium has a high grade, shallow, and large uranium resource at the Triple R deposit on its PLS property in Northern Canada. The Indicated Resource is 102,360,000 lbs. of U_3O_8 at 2.10% U_3O_8, plus 32,810,000 lbs. of U_3O_8 Inferred at 1.22% U_3O_8. This alone is impressive; however represents less than ~80% of the

property which is yet to be explored. Meaning there is very significant exploration upside.

The 2019 PFS results were solid, but a higher NPV and a lower CapEx would make the project more appealing. Usually this is achieved as mining companies further grow their resource and progress towards funding.