

Uranium market heats up with Biden win, and Ross McElroy takes the Triple R Project reins

Yesterday the US uranium industry received some exciting news. The U.S. Senate Committee on Appropriations released drafts of FY 2021 funding measures and subcommittee allocations which included \$150M for the U.S. Uranium Reserve. If passed, this will enable the Department of Energy to begin the funding required to stimulate growth in the US domestic uranium mining industry. This has been long expected but looks to be finally happening. If passed, it will give a boost to the US uranium producers and lift sentiment generally across the uranium sector.

Meanwhile President elect Joe Biden plans regarding nuclear include developing small modular nuclear reactors; that are smaller, safer, and cost about half the construction cost of current reactors. It looks like safer and smaller nuclear is part of the future and for that we will continue to need uranium.

As the uranium price hovers around US\$30/lb, one company continues to advance their high grade uranium project in North America with a goal of reaching production. That company is Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF) ('Fission'). Fission is a resource company specializing in the strategic exploration and development of the Patterson Lake South (PLS) uranium property, located in Canada's Athabasca Basin, home to the world's richest uranium mines known for uranium grades 10-20 times the global average. The Project is currently in the stage of working on environmental permitting, overseen by Fission's Special Adviser Mark Wittrup.

Fission also has a new CEO, Ross McElroy, to take the Company to the next stage of development. Mr. McElroy is a professional geologist with over 30 years of experience in the mining industry. He is the winner of the PDAC 2014 Bill Dennis award for exploration success and the Northern Miner 'Mining Person of the Year 2013'. He has comprehensive experience with managing and advancing many types of mineral projects from grass roots exploration to feasibility and production.

Fission CEO, Ross McElroy stated: "We are excited to further progress the world-class Triple R uranium project towards production. We are committed to the efficient and effective development of this one-of-a-kind deposit so that it may help ease the upcoming global uranium supply deficit."

Patterson Lake South Property (PLS) which includes the Triple R uranium deposit



Source

The 31,039 hectare Patterson Lake South Property (PLS) project is 100% owned and operated by Fission. It is accessible by road with primary access from all-weather Highway 955. Within the PLS Project sits the high-grade, and near-surface Triple R

uranium deposit.

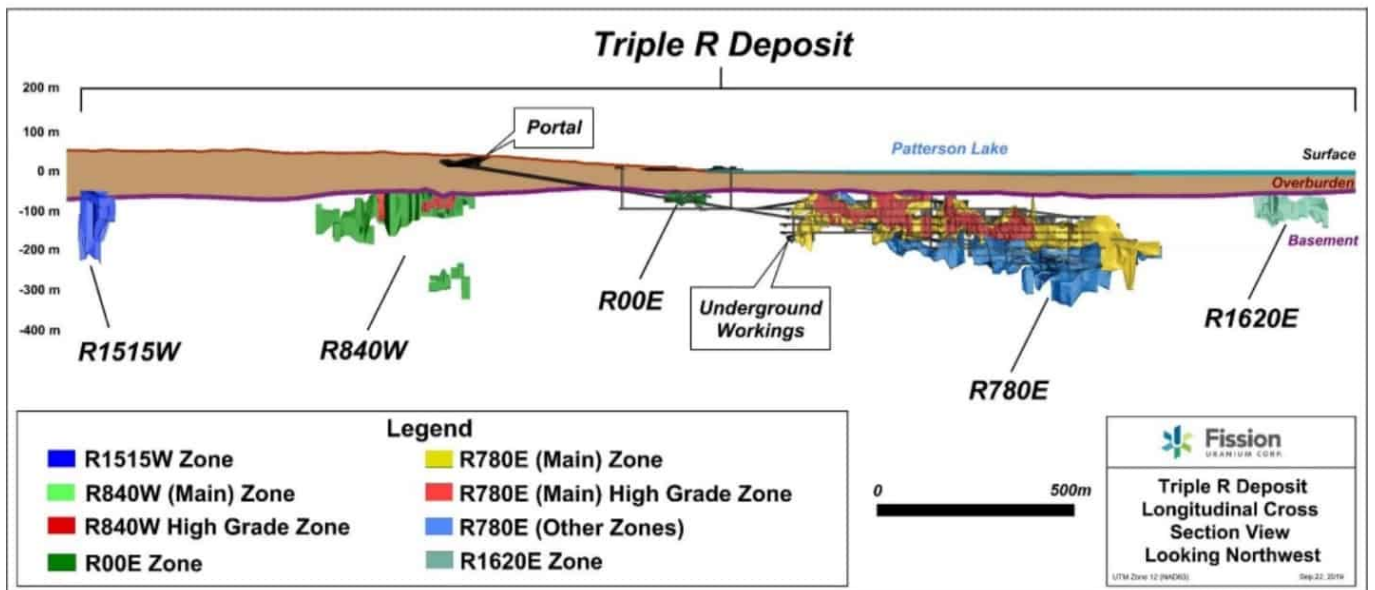
In 2019, the Company released results of two PFS studies. The underground option is looking more favorable than the hybrid open pit/underground option due to a lower CapEx (C\$320M less), 25% quicker construction time, 90% reduced surface footprint (potentially helps lessen the environmental impact), favored by locals, and has a lower OpEx and higher IRR.

The PFS was based on an Indicated Resource of 2.2 million pounds of contained uranium with an average grade of 2.2%.

The underground-only mine PFS resulted in a post-tax NPV8% of C\$702M, post-tax IRR of 25%, initial CapEx of C\$1,177M. Operating costs were estimated at C\$9.57/lb (US\$7.18) U₃O₈ over a 7 year mine life. Usually a post-tax IRR of over 20% is seen as favorable.

The Triple R Deposit, plus the underground only PFS Indicated and Inferred Resources

Triple R Deposit – Cross Section Looking NW



U₃O₈ Resources

U/G Only PFS – Indicated:

102.4 Mlb U₃O₈ at an average grade of 2.10% U₃O₈
 2.22 million tonnes

U/G Only PFS – Inferred:

32.8 Mlb U₃O₈ at an average grade of 1.22% U₃O₈
 1.22 million tonnes

U/G Only OPEX:

US\$7.18/lb U₃O₈

Source

In recent news, Fission announced a C\$15M bought deal offering which is backed by the underwriters. The Offering is expected to close on or about November 17, 2020. Fission state that “the net proceeds of the Offering will be used to fund the further development of the Triple R deposit in Saskatchewan, to repay certain amounts owing under the credit facility among the Company, Sprott Resources Lending Corp. and Sprott Private Resource Lending II (Collector), LP, and for working capital and general corporate purposes.”

Fission’s timeline and catalysts summary



Source

Closing remarks

The US Uranium Reserve appropriations bill (if passed) and a US/Biden strategy of developing small modular nuclear reactors for base load power is a positive for the uranium sector.

Fission Uranium continues to advance their high grade Triple R Project in Canada. A recent C\$15M raise will help the Company to progress to the next stage of development including starting work on environmental permitting and the Feasibility Study.

The current market cap of Fission Uranium is C\$129M.

Further viewing

- Fission's Ross McElroy on how "we are in the early stages of a uranium bull market" (video)
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Fission's Ross McElroy on how "we are in the early stages of a uranium bull market"

InvestorIntel's Tracy Weslosky spoke with Ross McElroy, President & CEO of Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF), about the uranium market and the competitive advantages of Fission's Triple R uranium deposit.

"We do think that we are in the early stages of a uranium bull market," Ross said. "The longer we have increased demand, we will see restrictions in the supply, it will continue to drive the price of uranium up and there has been nothing but closures of uranium mines around the world."

"The recognition is there that nuclear power is a clean energy," Ross added. "Nuclear makes up over 15% of the United States' electrical needs and I think that will continue." He further commented, "Fission Uranium has the world's best large, high-grade shallow deposit that is in Saskatchewan. Saskatchewan is recognized as one of the top jurisdictions worldwide for mining investment."

To access the complete interview, [click here](#)

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Fission Uranium's Ross McElroy on the start of a uranium bull market

"We are at the start of a bull market right now. That has happened because there is so much production shutdowns globally. All the major mines, even all the production in Canada has been shutdown. 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. I think we are actually in it. It hasn't been reflected yet in the price of the commodity, but it is coming and we think our share price will follow the price of the commodity upwards." States Ross McElroy, President, COO and Chief Geologist of Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF), in an interview with InvestorIntel's Tracy Weslosky.

Ross went on to say that Fission Uranium is well financed and stated that 2020-2021 will be significant years for the company as it advances its uranium project. Ross also commented on Fission's strong management team which has a great success record. The team has made two major discoveries, the most significant of which is the Triple R deposit on the company's PLS property in Canada's Athabasca Basin. The Triple R deposit is a world leading high-grade uranium deposit.

To access the complete interview, [click here](#)

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