

# GoviEx Uranium

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## GoviEx Uranium forging ahead in bid to de-risk its large uranium resource portfolio as prices firm

- Aims to become a significant producer and supplier to the nuclear energy industry
- Two projects - flagship Madaouela project in Niger and the Mutanga project in Zambia
- The group already enjoys one of the largest NI 43-101 uranium resources compared to peer

### What GoviEx Uranium does:

GoviEx Uranium Inc (CVE:GXU) (OTCMKTS:GVXXF) is an Africa-focused group which aims to become a significant producer and supplier of the commodity used in the nuclear energy industry.

The Vancouver-based firm has two mine-permitted projects: The flagship Madaouela project in Niger - the fourth-largest uranium-producing country in the world - and the Mutanga project in Zambia. It is also advancing the Falea project in Mali.

The group already enjoys one of the largest NI 43-101 uranium resources compared to peers and over 60% of its resources is in the higher confidence measured and indicated category.

The measured resource across its assets is 36.2 million pounds of contained uranium (U3O8). The indicated resource stands at 107.3 million pounds.

At Madaouela, there are 79.4 million pounds of indicated contained uranium and 31.4 million pounds in the measured category. The project boasts good infrastructure and access to skilled labor. The Niger government has a 25% stake in the project, so they have an interest in seeing it get off the ground.

A preliminary economic assessment (PEA) pegged the initial mine life at 21 years, while pre-production capital is US\$359 million, with total life-of-mine-costs pegged at US\$36.4 per pound of uranium.

Meanwhile, at Mutanga, a PEA was completed in 2017. The initial mine life of the open pit, heap leach operation was put at 11 years, with pre-production capital required put at US\$121 million. The firm has said it aims to put Madaouela into production in 2023 and Mutanga in 2025.

Falea, a planned underground mine, consists of three licenses - Bala, Madini and Falea - and lies around 80 kilometres (km) from Areva's Saraya East uranium deposit, with only 5% of the 225 square km land package having been explored. It has 17.4 million pounds of contained indicated uranium. The firm wants to bring Falea into production by 2023 at the earliest.

The firm has pointed out that nuclear is a clean and secure energy source, with low carbon dioxide emissions, which is why several major countries are looking to replace and maintain their reactor fleet.

**Price:** 0.15

**Market Cap:** \$71.23 m

### 1 Year Share Price Graph



### Share Information

**Code:** GXU

**Listing:** TSX-V

**52 week High Low**  
0.19 0.075

**Sector:** Exploration & Production

**Website:** www.goviex.com

### Company Synopsis:

*GoviEx Uranium Inc. (TSX-V: GXU; OTCQB: GVXXF) is a mineral resource company focused on the exploration and development of its African uranium properties. GoviEx's principal objective is to become a significant uranium producer through the continued exploration and development of its mine-permitted Madaouela Project in Niger, its mine-permitted Mutanga Project in Zambia, and its exploration Falea Project in Mali.*

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The supply deficit which has been forecast for 2020 has also increased due to coronavirus (COVID-19) related mine closures. This could push uranium prices up sharply in coming years.

Cameco, one of the globe's largest uranium producers, which generates around 18% of world supply, holds nearly 3% of GoviEx shares, while Denison Mines - focused on the famous Athabasca Basin region in northern Saskatchewan, Canada - also has nearly 15% of its shares. Ivanhoe Industries holds 4.12 % of GoviEx.

### **How is it doing:**

Despite the pandemic, the year has been pretty busy for GoviEx. In August, it revealed it had closed the first tranche of a fully subscribed non-brokered private placing for gross proceeds of around \$5 million.

The funds are to be used for exploration and development on the Madaouela, Mutanga and Falea projects and for general working capital.

Govind Friedland, GoviEX executive chairman commented: "The U308 spot price is up over 30 per cent from the beginning of this year and we are delighted by the strong support received from our lead institutional investor as well as other long-term shareholders seeking exposure to our quality pipeline of mineral projects."

Although COVID-19 slightly impacted the timing for completion of the PFS for Madaouela, the group has said it remains confident it will be able to announce the results later this year.

In July, the firm had some good news, other than from uranium, as it revealed that geochemical sampling program on the company's Falea and Madini exploration licenses forming part of the Falea (uranium-silver-copper) project in Mali had highlighted significant gold-in-soil anomalies that show the potential extensions of the Sirabaya West and the Sirabaya-Bambadinka gold trends through, and potentially intersecting within, the Falea project.

Those results will be used to design an initial drill program on the property, it said.

### **Inflection points:**

- Pre-feasibility study completed on Madaouela project
- More drill assays from Falea asset
- Uranium and gold price moves

### **What the boss says:**

GoviEx chief executive Daniel Major spoke to Proactive on July 10 this year and highlighted how the pandemic had seemingly woken up the uranium market, as prices had headed from around US\$24 per pound to US\$34.

The focus continues to be very much on the Madaouela project and getting the pre-feasibility study done, which had been earmarked for June, but where progress had been hampered, he explained.

"A large part of this PFS is about making this bankable," he said. "This is all about trying to remove credit risk, technical risk from the project as well to make it as bankable as possible."

He added: "We're getting quite positive about the uranium market from here. We're going to drive forward on Madaouela and hopefully the market does what we think it's going to do, which allows us to really start pushing into the financing side of it."

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