



January 23, 2019

## GoviEx Market Update & Letter to Stakeholders

VANCOUVER, CANADA – GoviEx Uranium Inc. (TSX-V: GXU; OTCQB: GVXXF) (“**GoviEx**” or “**Company**”) today provides a Market Update & Letter to Stakeholders from the Executive Chairman, Govind Friedland and the Chief Executive Officer, Daniel Major.

To Our Fellow Stakeholders,

Thank you for placing your trust in our team during a turbulent 2018 and continuing to support our efforts to build GoviEx into a significant uranium company. We wish to reaffirm our belief in the fundamentals of nuclear power and to state clearly our resolve to play a leading role in the development of clean energy solutions for years to come.

We appreciate this opportunity to present our perspective of the sector as we advance into 2019. We do so with increased confidence in the overall uranium and nuclear industries, and our positioning to respond to improving market conditions and underlying sector fundamentals.

As a uranium exploration and development company, GoviEx has one of the largest undeveloped mineral resources in the industry and two mine-permitted projects, which includes our flagship project located in Niger (the “**Madaouela Project**”) that has key infrastructure (road access, skilled mine labor, ground water and grid power) already in place.<sup>1</sup> Our team has been operating in Niger for more than 10 years, taking the Madaouela Project from early exploration to mine permitted project in that time frame, and we are grateful for the work completed by our predominately local team, the strong support from the local communities and all levels of government as we focus on the next phase of development.

When we reflect on market dynamics, the spot uranium price<sup>2</sup> was US\$22.32/lb U3O8 at the beginning of 2018 and had risen to US\$29.10/lb U3O8 by the end of the year. Global nuclear energy generation has returned to the levels last seen in 2011. The rate of global reactor construction is now at the highest level in the past 25 years.<sup>5</sup> With the announcement recently of six new power reactor construction starts in China and the restart of nuclear reactors in Japan, we should expect the level of nuclear energy generation to continue its rise.

The supply constraint shouldered by the major uranium producers, combined with the increase in uranium inventories shifting to investment funds, has resulted in the supply of the yellow metal being in a deficit with forecasts now indicating that the uranium price will continue to rise through 2019.

From a corporate finance perspective, in 2018 the Company successfully resolved, at a substantial discount, the 6 year old Toshiba B Bond that removed not only a leveraged loan from the balance sheet but also the related loan security, an important steps towards securing project finance for the Madaouela Project.

Responding to an expected improvement in uranium price the Company appointed SRK Consulting (UK) Ltd (“**SRK**”) and SGS Bateman (Pty) Ltd (“**SGS**”) as the consultants for the completion of a feasibility study for the Madaouela Project. SRK and SGS have considerable experience in uranium and African project development. Together, our teams are focused on

options that have the potential to improve the feasibility of the Madaouela Project. Some of these include<sup>3</sup>:

- Negotiations with the Government of Niger to include in the Madaouela Mining Permit the mineral resources associated with the Miriam deposit situated on Agaliouk Exploration Permit. The Miriam deposit on the Agaliouk Permit includes 5.96 million pounds (Mlb) U<sub>3</sub>O<sub>8</sub> in the Measured and Indicated categories.<sup>1</sup>
- Analysis of contractor mining operations vs owner operator mining (as currently forecast in the current pre-feasibility study<sup>1</sup>), which has the potential to significantly reduce up front capital costs.
- The inclusion of membrane separation in the Madaouela Project process design could potentially reduce operating and capital costs.
- Potential of stand-alone solar hybrid power supply to reduce power supply risks and reduce power costs.

The funds from the recent C\$1m private placement closed at the end of 2018, and the commitment from Linkwood Holdings Pte Ltd. to repay GoviEx US\$2.95m (loan plus interest) by the end of June 2019<sup>4</sup>, are planned to be utilized to fund the advancement of key aspects of the Madaouela Project including, continued engineering and project optimization as well as the advancement of primary corporate objectives related to project finance, long-term offtake and for working capital and general corporate purposes.

GoviEx anticipates the uranium price to continue to improve through 2019, and will continue to advance our projects with discretionary spending commensurate with improving market fundamentals.

Thank you for your support and encouragement.

Sincerely,

Govind Friedland, Executive Chairman

Daniel Major, CEO

Notes:

1. See: An independent NI 43-101 technical report was prepared for the Madaouela Project in 2015 to a prefeasibility level of confidence. The report titled "An Updated Integrated Development Plan for the Madaouela Project, Niger" has an effective date of August 11, 2015, and a revision date of August 20, 2015, and is available at GoviEx's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

2. Source: <https://www.cameco.com/invest/markets/uranium-price>

3. See: News release dated September 19, 2018

4. See: News release dated December 31, 2018

5. Source: World Nuclear Association

*Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.*

## **About GoviEx Uranium**

GoviEx is a mineral resource company focused on the exploration and development of uranium properties in Africa. GoviEx's principal objective is to become a significant uranium producer through the continued exploration and development of its flagship mine-permitted Madaouela Project in Niger, its mine-permitted Mutanga Project in Zambia, and its other

uranium properties in Africa.

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## Cautionary Statement Regarding Forward-Looking Statements

This news release may contain forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of current or historical facts contained in this news release are forward-looking information.

Forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in GoviEx's periodic filings with Canadian securities regulators. When used in this news release, words such as "will", "could", "plan", "estimate", "expect", "intend", "may", "potential", "should," and similar expressions, are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Forward-looking statements include those with respect to the expected ability for the Company to play a leading role in the development of clean energy solutions and continue to position itself to respond to improving market conditions and underlying sector fundamentals; the expectation that the level of nuclear energy generation to continue its rise; the expectation that the uranium price will continue to rise through 2019; the expectation that the implementation of certain options may potentially improve the feasibility of the Madaouela Project; and the proposed use of the proceeds of the Linkwood Holdings Pte Ltd. ("**Linkwood**") loan repayment and C\$1m private placement closed at the end of 2018; and that Linkwood is scheduled to repay GoviEx all outstanding loan principal and interest amounts by June 2019.

Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurances that its expectations will be achieved. Such assumptions, which may prove incorrect, include the following: (i) Linkwood will repay the GoviEx loan on the agreed schedule; and (iii) the price of uranium will remain sufficiently high and the costs of advancing the Company's mining projects will remain sufficiently low so as to permit GoviEx to implement its business plans in a profitable manner.

Factors that could cause actual results to differ materially from expectations include (i) the failure of the Company's projects, for technical, logistical, labour-relations, or other reasons; (ii) the failure of Linkwood to repay the GoviEx loan on the agreed schedule; (iii) a decrease in the price of uranium below what is necessary to sustain the Company's operations; (iv) an increase in the Company's operating costs above what is necessary to sustain its operations; (v) accidents, labour disputes, or the materialization of similar risks; (vi) a deterioration in capital market conditions that prevents the Company from raising the funds it requires on a timely basis; and (vii) generally, the Company's inability to develop and implement a successful business plan for any reason.

In addition, the factors described or referred to in the section entitled "Financial Risks and Management Objectives" in the MD&A for the year ended December 31, 2017, of GoviEx,

which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com), should be reviewed in conjunction with the information found in this news release.

Although GoviEx has attempted to identify important factors that could cause actual results, performance, or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance, or achievements not to be as anticipated, estimated, or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances, or results will materialize. As a result of these risks and uncertainties, no assurance can be given that any events anticipated by the forward-looking information in this news release will transpire or occur, or if any of them do so, what benefits that GoviEx will derive therefrom. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and GoviEx disclaims any intention or obligation to update or revise such information, except as required by applicable law.