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## **GoviEx Uranium announces positive results of Preliminary Economic Assessment of mine planned at company's Madaouela Project in Niger**

### **Goal set to double current resource through ongoing exploration**

### **Miriam discovery helps boost Inferred resources 182% since March 2010**

NIAMEY, NIGER – Govind Friedland, founder and Chief Executive Officer of GoviEx Uranium, announced today that a recently completed, independent, Preliminary Economic Assessment has outlined a course for the development of the company's 100%-owned Madaouela uranium project in the heart of one of the world's most productive uranium districts.

The assessment, completed in September by SRK Consulting (US) Inc., a leading international firm with offices in Tucson, Arizona, and Denver, Colorado, USA, was based on SRK's independently-prepared estimate that the Madaouela Project contained 51.63 million pounds of uranium in Indicated resources and an additional 17.04 million pounds of Inferred resources, as of mid-February, 2010. Resource estimates comply with Canadian Institute of Mining and Metallurgy (CIM) definitions of mineral resource classification sufficient for National Instrument 43-101 standards of reporting.

Ongoing exploration drilling subsequently has increased the Madaouela Project's Inferred resources to 48.18 million pounds of uranium, as detailed in the updated Table 2 on page 3, below. The project is comprised of five tenements – Madaouela I-IV and Anou Melle – covering a total of 2,266 square kilometres, but definition drilling to date has been concentrated just on the Madaouela I tenement.

"The technical economic results are sufficiently positive to justify continued pursuit of the project toward feasibility-level study and project development," SRK concluded in its assessment report.

Mr. Friedland said the conclusions of the SRK assessment confirmed GoviEx's confidence in committing to advance work on the Madaouela Project, in north-central Niger.

"This is an extremely positive and encouraging look at the project as it stands, and points to some obvious exploration directions that we expect will greatly enhance the scale and economics of the development," Mr. Friedland added.

#### **Highlights of SRK's assessment of the Madaouela Project include:**

- **A conceptual mine plan that projects production of yellowcake (U<sub>3</sub>O<sub>8</sub>) at a nominal rate of 2.7 million pounds a year for 15 years, consisting of total mined production of 42 million pounds of uranium and 36 million pounds recovered through processing.**
- **Average daily extraction of 4,200 tonnes of ore through room-and-pillar mining.**
- **An after-tax net present value of US\$237 million at an 8% discount rate, with an IRR of 22%, based on a uranium price of US\$65 per pound.**

- **Cash operating costs are projected to be US\$22.43 per pound, with an initial capital cost for the mine estimated at US\$218 million. Payback would be achieved after approximately 39 months of production.**

SRK found that the uranium mineralization at the Marianne-Marilyn deposits, which form the bulk of the Madaouela Project, have similar mineralogy to existing mines in the Arlit district. Therefore, the GoviEx deposits likely would be amenable to processing and uranium recovery through facilities currently in use in the district or in similar facilities on Madaouela I tenements. Initial results of metallurgical testing indicate that recoveries of 85% are achievable for the mineralization discovered to date, using radiometric sorting and two-stage agitation acid leaching.

**"GoviEx geologists are confident that the exploration potential on all tenements has the possibility to more than double the current resources of the Madaouela Uranium Project," SRK reported.**

**"SRK concurs that the entire property position warrants the added exploration effort, can easily justify the magnitude of the proposed drilling program and does indeed have the potential to more than double the current project resources and thus significantly improve the potential economic viability of the Madaouela Uranium Project."**

**Table 1: Madaouela Uranium Project, SRK estimate of mineral resources, February 2010**

<b>Classification</b>	<b>Tonnes (Mt)</b>	<b>Grade (% eU<sub>3</sub>O<sub>8</sub>)</b>	<b>eU<sub>3</sub>O<sub>8</sub> (t)</b>	<b>eU<sub>3</sub>O<sub>8</sub> (lb)</b>
<b>Marianne/Marilyn</b>				
Indicated	10.75	0.16%	17,311	38,160,000
Inferred	1.62	0.14%	2,276	5,020,000
<b>Madaouela South</b>				
Indicated - MSNE	3.94	0.16%	6,112	13,470,000
Inferred - MSNE	1.94	0.13%	2,505	5,520,000
Inferred - MSCE	1.46	0.18%	2,544	5,610,000
Inferred - MSSE	0.31	0.13%	405	890,000
Total Madaouela South Inferred	3.72	0.15%	5,454	12,020,000

Resources calculated at a 0.05% eU<sub>3</sub>O<sub>8</sub> (0.04% eU) cut-off grade and a minimum thickness of 0.4 m.

Mr. Friedland said GoviEx already was implementing key recommendations of the Preliminary Economic Assessment.

"The SRK report identified more than 20 targets that it said were worthy of continued exploration drilling – and we intend to test them all. Three additional drilling rigs have been acquired to expand exploration work on the GoviEx tenements as part of the company's program to further define and expand the resource. Interim engineering and metallurgical studies would lead into a pre-feasibility study, targeted for 2011, which would be followed by the start of project development."

The report noted that GoviEx was about to embark on an extensive, two-year program that would drill a total of more than 300,000 metres – 50% more than all previous drilling conducted by GoviEx during the past two years. GoviEx has drilled a total of 197,400 metres in 2,256 holes at Marianne-Marilyn and Madaouela South.

### **Exploration update: Miriam discovery helps expand Inferred uranium resource at Madaouela Project by 182% since February 2010**

Mr. Friedland said that a second phase of exploration drilling initiated by GoviEx, as foreshadowed in the SRK Preliminary Economic Assessment, is contributing to a large increase in the estimate of Inferred resources at the Madaouela Uranium Project.

The Inferred uranium resource defined within the Madaouela I tenement has increased by 31.14 million pounds, to a total of 48.18 million pounds – a gain of 182% since March this year. The estimated Inferred mineral resource of 27.35 million tonnes has increased 412%, or 22.01 million tonnes, since March this year.

**Table 2: GoviEx Uranium update of resources, Madaouela I tenement, October 2010.**

<b>Classification</b>	<b>Tonnage (Mt)</b>	<b>eU (%)</b>	<b>eU<sub>3</sub>O<sub>8</sub> (%)</b>	<b>eU<sub>3</sub>O<sub>8</sub> (t)</b>	<b>eU<sub>3</sub>O<sub>8</sub> (Mlb)</b>
Marianne /Marilyn - Indicated	10.75	0.14	0.16	17,310	38.16
MSNE - Indicated	3.94	0.13	0.16	6,112	13.47
<b>Indicated Total</b>	<b>14.69</b>	<b>0.14</b>	<b>0.16</b>	<b>23,421</b>	<b>51.63</b>
Marianne /Marilyn - Inferred	1.62	0.12	0.14	2,275	5.02
MSNE - Inferred	2.80	0.11	0.13	3,672	8.10
MSCE - Inferred	1.39	0.14	0.16	2,212	4.88
MSSE - Inferred	0.31	0.11	0.13	405	0.89
MSEE - Inferred	3.52	0.12	0.14	4,944	10.90
MIRIAM* - Inferred	17.20	0.04	0.05	8,263	18.23
<b>Inferred Total</b>	<b>27.35</b>	<b>0.07</b>	<b>0.08</b>	<b>21,847</b>	<b>48.18</b>

Based on a cutoff of 0.04% eU over 0.4 metres; \*Miriam cutoff of 0.02 eU%.

Mr. Friedland said the new resources at Miriam represent a significant discovery on the Madaouela I property. "The Miriam discovery highlights the potential for roll-front mineralization on the property and also introduces the potential to bring into production relatively shallow, open-pit resources, which would add considerable flexibility to future development plans."

The Miriam mineralization occurs at multiple horizons within the Gouzeman sandstone and there is a definite redox front developed, which is similar to the mineralization observed at the Akouta and Akola deposits at Areva's nearby Cominak uranium mine. While the mean grade is relatively low, at 0.05% U<sub>3</sub>O<sub>8</sub>, the mineralized zone has a significant vertical thickness that amounts to more than 20 metres in the central zone. The wide ore intercepts, combined with the relatively shallow, 90-120-metre depth to the base of the Gouzeman sandstone, make Miriam an attractive open-pit target.

During September, 65 new holes were drilled, totalling 3,366 metres, bringing the total of combined drilling for the first three quarters of 2010 to more than 70,000 metres.

Mr. Friedland said that one of the objectives of the GoviEx drilling program is to upgrade the Inferred resources to the Indicated classification, which is required as a basis for mine planning and conversion to independently verifiable reserves in a pre-feasibility study.

Mr. Friedland said GoviEx Uranium is continuing its consideration of a range of options to enhance shareholders' value and has begun preparation of a prospectus that may be utilized as part of the company's value-building strategy.

### **Qualified persons**

Resource estimates referred to in the Preliminary Economic Assessment were prepared by SRK Consulting in accordance with National Instrument 43-101 requirements. Neal Rigby, Daniel Guibal and Allan Moran are the Qualified Persons within SRK responsible for the Preliminary Economic Assessment. Preparation of the updated October 2010 Madaouela resource estimate was supervised by Henri Sanguinetti, Head of Exploration with GoviEx Uranium and a Qualified Person as defined by NI 43-101.

GoviEx Uranium is a private company focused on the exploration and development of uranium tenements in Niger.

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