Euro Pacific Capital Inc. member FINRA, SIPC

Company Update
January 15, 2014
Canada
Metals and Mining

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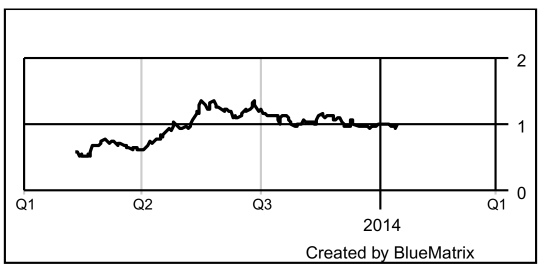
Sales & Trading 888-543-4448

Price	$1.01
52 Week Range	($0.44 - $1.27)
Price Target	**$2.00**
Market Cap (mil)	$316.35
Shares out (mil)	313.22
3-Mo Avg Vol	100,704
Cash per share	$0.06
Total Debt (mil)	$0.00
Debt/Equity	0%

EPS C$					
Yr Dec	**2012A**	**2013E**		**2014E**	
	Actual	**Curr**	**Prev**	**Curr**	**Prev**
YEAR	–	(0.02)E	–	(0.03)E	–
P/E		NM		NM	

FCF C$					
Yr Dec	**2012A**	**2013E**		**2014E**	
	Actual	**Curr**	**Prev**	**Curr**	**Prev**
YEAR	–	(8.00)E	–	(11.00)E	–



Fission Uranium (Ticker: FCUUF — $1.01)

Buy
Volatility: 4

Strong Assay Results For R390E and R780E Zones

On January 15, 2014, Fission Uranium announced assay results from two holes at the R390E Zone, in addition to four holes within the R780E Zone at its Patterson Lake South (PLS) project. Highlights from the release include:

- **Fission once again confirmed strong progress at its R390E and R780E zones, both of which include sizable high grade intervals at shallow depth.** All six holes intersected high grade intervals of mineralization. Both the R390E zone and the R780E zone remain open in all directions.

- **PLS 13-104 (line 465E) intersected an interval of 4.97% U3O8 over 13.0 meters (99.0m – 112.0m).** Included in this interval was a sample of 13.20% U3O8 over 4.5 meters at 103.5m – 108.0m.

- **PLS 13-082 (line 795E) intersected an interval of 1.25% U3O8 over 41.0 meters (141.m – 182.0m).** We highlight that this includes 9.0 meters of 4.94% U3O8 from 167.5m – 176.5m.

- **PLS 13-097 (line 795E) intersected an interval of 0.99% U3O8 over 48.0 meters (119.0m – 167.0m).** Included in the section, is a 3.50 meter interval (160.5m – 164.0m) with 6.00% U3O8.

- **Other assay results include:**
  - **PLS 13-102** (line 300E) intersected multiple intervals with various widths ranging from 0.5 meters to 17.0 meters, including a stronger interval containing 4.5m (103.5m – 108.0m) of 13.2% U3O8.
  - **PLS 13-089** (line 765E) intersected multiple intervals within a 258.0m (97.5m – 355.5m) range, with width ranging from 0.5 meters to 16.0 meters.
  - **PLS 13-101** (line 810E) intersected multiple intervals with various widths ranging from 0.5 meters to 34.5 meters, including a higher grade interval containing 3.5m (179.0m – 182.5m) of 2.44% U3O8.

- **We maintain our increasingly conservative looking estimate of 85 million pounds uranium for the Patterson Lake South project, given continued development at the site.** The full potential of the asset remains hard to assess given the size of the project coupled with the potential for future drilling.

- **We expect to secure a deeper understanding of the recent progress at the site in addition to seeing new core samples during our site visit next week.** We will be touring PLS on Tuesday, January 21, 2013.

- **We maintain our BUY recommendation on Fission Uranium shares, which are trading at a 49.5% discount to our post-AMW transaction price target of $2.00 per share.** We highlight that we remain optimistic on the future potential of the asset, as management continues to exceed expectations at PLS.

Investment Summary:

We continue to believe Patterson Lake South has the potential to become one of the largest uranium projects in the Athabasca region over the next several years. Given the recent drilling results, in addition to the potential for additional exploration success, we currently utilize a base case scenario of 85 million pounds of uranium at a value of $7.50 per pound.

We therefore calculate a NAV of $1.95 per share, rounded to the nearest $0.10 for a final price target of $2.00 per share. This valuation accounts for the 100% ownership (post-transaction) of the PLS project, which we adjust for working capital, cash and other exploratory assets and divide by the current total of 357.8 million shares outstanding. We reiterate our price target of **$2.00** per share and our **BUY** recommendation on Fission.

Valuation:

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Assumptions: 100% JV ownership, 357.8m diluted shares, $22.2 million for cash & WC, plus $36.3 million received from exercised options and warrants

	Price per pound of uranium in the ground												
Millions of pounds in the ground	$ 4.00	$ 4.50	$ 5.00	$ 5.50	$ 6.00	$ 6.50	$ 7.00	$ 7.50	$ 8.00	$ 8.50	$ 9.00	$ 9.50	$ 10.00
30	$ 0.50	$ 0.50	$ 0.60	$ 0.60	$ 0.70	$ 0.70	$ 0.80	$ 0.80	$ 0.80	$ 0.90	$ 0.90	$ 1.00	$ 1.00
40	$ 0.60	$ 0.70	$ 0.70	$ 0.80	$ 0.80	$ 0.90	$ 1.00	$ 1.00	$ 1.10	$ 1.10	$ 1.20	$ 1.20	$ 1.30
50	$ 0.70	$ 0.80	$ 0.90	$ 0.90	$ 1.00	$ 1.10	$ 1.20	$ 1.20	$ 1.30	$ 1.40	$ 1.40	$ 1.50	$ 1.60
60	$ 0.80	$ 0.90	$ 1.00	$ 1.10	$ 1.20	$ 1.30	$ 1.30	$ 1.40	$ 1.50	$ 1.60	$ 1.70	$ 1.80	$ 1.80
70	$ 1.00	$ 1.10	$ 1.20	$ 1.20	$ 1.30	$ 1.40	$ 1.50	$ 1.60	$ 1.70	$ 1.80	$ 1.90	$ 2.00	$ 2.10
80	$ 1.10	$ 1.20	$ 1.30	$ 1.40	$ 1.50	$ 1.60	$ 1.70	$ 1.80	$ 2.00	$ 2.10	$ 2.20	$ 2.30	$ 2.40
85	$ 1.10	$ 1.20	$ 1.40	$ 1.50	$ 1.60	$ 1.70	$ 1.80	$ 2.00	$ 2.10	$ 2.20	$ 2.30	$ 2.40	$ 2.50
90	$ 1.20	$ 1.30	$ 1.40	$ 1.60	$ 1.70	$ 1.80	$ 1.90	$ 2.10	$ 2.20	$ 2.30	$ 2.40	$ 2.60	$ 2.70
100	$ 1.30	$ 1.40	$ 1.60	$ 1.70	$ 1.80	$ 2.00	$ 2.10	$ 2.30	$ 2.40	$ 2.50	$ 2.70	$ 2.80	$ 3.00
150	$ 1.80	$ 2.10	$ 2.30	$ 2.50	$ 2.70	$ 2.90	$ 3.10	$ 3.30	$ 3.50	$ 3.70	$ 3.90	$ 4.20	$ 4.40
200	$ 2.40	$ 2.70	$ 3.00	$ 3.20	$ 3.50	$ 3.80	$ 4.10	$ 4.40	$ 4.60	$ 4.90	$ 5.20	$ 5.50	$ 5.80
250	$ 3.00	$ 3.30	$ 3.70	$ 4.00	$ 4.40	$ 4.70	$ 5.10	$ 5.40	$ 5.80	$ 6.10	$ 6.50	$ 6.80	$ 7.20
300	$ 3.50	$ 3.90	$ 4.40	$ 4.80	$ 5.20	$ 5.60	$ 6.00	$ 6.50	$ 6.90	$ 7.30	$ 7.70	$ 8.10	$ 8.60

Note 1: Price target above is NAV rounded to the nearest $0.10

Source: Company reports and Euro Pacific Capital estimates

Risks to achievement of target price:

- **Fission lacks a reserve and resource statement.** Fission Uranium has not yet filed a NI 43-101 report for its Patterson Lake South project. While current drill results are overwhelmingly positive, the lack of a NI43-101 precludes some investors from investing in the name and lowers the value for each pound of uranium in the ground. Further, there is a small chance that PLS may not have enough uranium to make economic exploration of the site feasible.

- **The firm is exposed to increased regulations of the uranium sector.** As a radioactive element used for fuel in nuclear power, uranium is quite sensitive to government regulation. Canadian Nuclear Safety Commission staff conducts an average of five inspections at each uranium mining and milling site each year and fourteen sites have been closed or decommissioned in Canada. Given the early-stage nature of the firm, we consider these risks remote.

- **The company might face headwinds from a new nuclear disaster.** Given the prolonged drop in the price of uranium after Fukushima, some Governments including Japan and Germany are attempting to cut-down or eliminate nuclear power. We believe that given strong growth in nuclear energy, especially in China, overall demand levels should remain favorable.

- **Fission might face funding issues.** The firm currently derives no cash-flow from its exploratory properties. Therefore, management has to either raise funds or sell assets to fund operations. Notably, given current cash levels, we do not expect any imminent cash issues for the company.

- **Fission is exposed to indirect commodity price risk.** Most uranium is sold directly under long-term supply contracts between buyers and sellers while other metals are traded on an organized commodity exchange. While the PLS project should be profitable even at current prices, prolonged depressed prices will lower acquisition prices for properties such as PLS since the majors may not be able to build a mill in a profitable fashion.

Company description:

Fission Uranium Corp. is a Canadian based resource company specializing in the strategic acquisition, exploration and development of uranium properties and is headquartered in Kelowna, British Columbia. Common Shares are listed on the TSX Venture Exchange under the symbol “FCU” and trade on the OTCQX marketplace in the U.S. under the symbol “FCUUF.”

Exhibit 1: Total value of Patterson Lake South

	Price per pound of uranium in the ground												
	$ 4.00	$ 4.50	$ 5.00	$ 5.50	$ 6.00	$ 6.50	$ 7.00	$ 7.50	$ 8.00	$ 8.50	$ 9.00	$ 9.50	$ 10.00
Millions of pounds in the ground													
30	$ 120	$ 135	$ 150	$ 165	$ 180	$ 195	$ 210	**$ 225**	$ 240	$ 255	$ 270	$ 285	$ 300
40	$ 160	$ 180	$ 200	$ 220	$ 240	$ 260	$ 280	**$ 300**	$ 320	$ 340	$ 360	$ 380	$ 400
50	$ 200	$ 225	$ 250	$ 275	$ 300	$ 325	$ 350	**$ 375**	$ 400	$ 425	$ 450	$ 475	$ 500
60	$ 240	$ 270	$ 300	$ 330	$ 360	$ 390	$ 420	**$ 450**	$ 480	$ 510	$ 540	$ 570	$ 600
70	$ 280	$ 315	$ 350	$ 385	$ 420	$ 455	$ 490	**$ 525**	$ 560	$ 595	$ 630	$ 665	$ 700
80	$ 320	$ 360	$ 400	$ 440	$ 480	$ 520	$ 560	**$ 600**	$ 640	$ 680	$ 720	$ 760	$ 800
85	**$ 340**	**$ 383**	**$ 425**	**$ 468**	**$ 510**	**$ 553**	**$ 595**	**$ 638**	**$ 680**	**$ 723**	**$ 765**	**$ 808**	**$ 850**
90	$ 360	$ 405	$ 450	$ 495	$ 540	$ 585	$ 630	**$ 675**	$ 720	$ 765	$ 810	$ 855	$ 900
100	$ 400	$ 450	$ 500	$ 550	$ 600	$ 650	$ 700	**$ 750**	$ 800	$ 850	$ 900	$ 950	$ 1,000
150	$ 600	$ 675	$ 750	$ 825	$ 900	$ 975	$ 1,050	**$ 1,125**	$ 1,200	$ 1,275	$ 1,350	$ 1,425	$ 1,500
200	$ 800	$ 900	$ 1,000	$ 1,100	$ 1,200	$ 1,300	$ 1,400	**$ 1,500**	$ 1,600	$ 1,700	$ 1,800	$ 1,900	$ 2,000
250	$ 1,000	$ 1,125	$ 1,250	$ 1,375	$ 1,500	$ 1,625	$ 1,750	**$ 1,875**	$ 2,000	$ 2,125	$ 2,250	$ 2,375	$ 2,500
300	$ 1,200	$ 1,350	$ 1,500	$ 1,650	$ 1,800	$ 1,950	$ 2,100	**$ 2,250**	$ 2,400	$ 2,550	$ 2,700	$ 2,850	$ 3,000

Source: Company reports and Euro Pacific Capital estimates

Exhibit 2: Value per share of Fission (post-Alpha Minerals transaction)
Assumptions: 100% JV ownership, 357.8m diluted shares, $22.2 million for cash & WC, plus $36.3 million received from exercised options and warrants

	Price per pound of uranium in the ground												
	$ 4.00	$ 4.50	$ 5.00	$ 5.50	$ 6.00	$ 6.50	$ 7.00	$ 7.50	$ 8.00	$ 8.50	$ 9.00	$ 9.50	$ 10.00
Millions of pounds in the ground													
30	$ 0.51	$ 0.55	$ 0.59	$ 0.63	$ 0.68	$ 0.72	$ 0.76	**$ 0.80**	$ 0.84	$ 0.88	$ 0.93	$ 0.97	$ 1.01
40	$ 0.62	$ 0.68	$ 0.73	$ 0.79	$ 0.84	$ 0.90	$ 0.95	**$ 1.01**	$ 1.07	$ 1.12	$ 1.18	$ 1.23	$ 1.29
50	$ 0.73	$ 0.80	$ 0.87	$ 0.94	$ 1.01	$ 1.08	$ 1.15	**$ 1.22**	$ 1.29	$ 1.36	$ 1.43	$ 1.50	$ 1.57
60	$ 0.84	$ 0.93	$ 1.01	$ 1.09	$ 1.18	$ 1.26	$ 1.35	**$ 1.43**	$ 1.51	$ 1.60	$ 1.68	$ 1.77	$ 1.85
70	$ 0.95	$ 1.05	$ 1.15	$ 1.25	$ 1.35	$ 1.44	$ 1.54	**$ 1.64**	$ 1.74	$ 1.84	$ 1.93	$ 2.03	$ 2.13
80	$ 1.07	$ 1.18	$ 1.29	$ 1.40	$ 1.51	$ 1.63	$ 1.74	**$ 1.85**	$ 1.96	$ 2.07	$ 2.18	$ 2.30	$ 2.41
85	**$ 1.12**	**$ 1.24**	**$ 1.36**	**$ 1.48**	**$ 1.60**	**$ 1.72**	**$ 1.84**	**$ 1.95**	**$ 2.07**	**$ 2.19**	**$ 2.31**	**$ 2.43**	**$ 2.55**
90	$ 1.18	$ 1.30	$ 1.43	$ 1.56	$ 1.68	$ 1.81	$ 1.93	**$ 2.06**	$ 2.18	$ 2.31	$ 2.44	$ 2.56	$ 2.69
100	$ 1.29	$ 1.43	$ 1.57	$ 1.71	$ 1.85	$ 1.99	$ 2.13	**$ 2.27**	$ 2.41	$ 2.55	$ 2.69	$ 2.83	$ 2.97
150	$ 1.85	$ 2.06	$ 2.27	$ 2.48	$ 2.69	$ 2.90	$ 3.11	**$ 3.32**	$ 3.53	$ 3.74	$ 3.95	$ 4.16	$ 4.36
200	$ 2.41	$ 2.69	$ 2.97	$ 3.25	$ 3.53	$ 3.81	$ 4.09	**$ 4.36**	$ 4.64	$ 4.92	$ 5.20	$ 5.48	$ 5.76
250	$ 2.97	$ 3.32	$ 3.67	$ 4.02	$ 4.36	$ 4.71	$ 5.06	**$ 5.41**	$ 5.76	$ 6.11	$ 6.46	$ 6.81	$ 7.16
300	$ 3.53	$ 3.95	$ 4.36	$ 4.78	$ 5.20	$ 5.62	$ 6.04	**$ 6.46**	$ 6.88	$ 7.30	$ 7.72	$ 8.14	$ 8.56

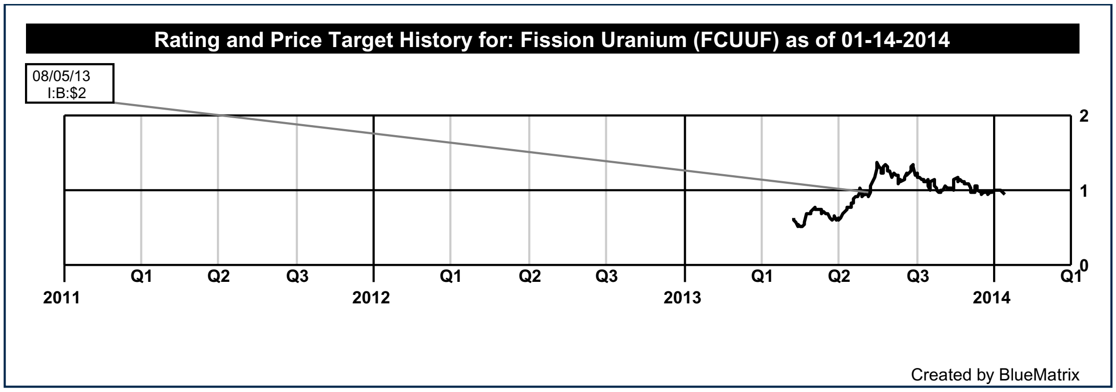
Source: Company reports and Euro Pacific Capital estimates

Exhibit 3: Rounded (nearest $0.10) price target per share of Fission (post-Alpha Minerals transaction)
Assumptions: 100% JV ownership, 357.8m diluted shares, $22.2 million for cash & WC, plus $36.3 million received from exercised options and warrants

	Price per pound of uranium in the ground												
	$ 4.00	$ 4.50	$ 5.00	$ 5.50	$ 6.00	$ 6.50	$ 7.00	$ 7.50	$ 8.00	$ 8.50	$ 9.00	$ 9.50	$ 10.00
Millions of pounds in the ground													
30	$ 0.50	$ 0.50	$ 0.60	$ 0.60	$ 0.70	$ 0.70	$ 0.80	**$ 0.80**	$ 0.80	$ 0.90	$ 0.90	$ 1.00	$ 1.00
40	$ 0.60	$ 0.70	$ 0.70	$ 0.80	$ 0.80	$ 0.90	$ 1.00	**$ 1.00**	$ 1.10	$ 1.10	$ 1.20	$ 1.20	$ 1.30
50	$ 0.70	$ 0.80	$ 0.90	$ 0.90	$ 1.00	$ 1.10	$ 1.20	**$ 1.20**	$ 1.30	$ 1.40	$ 1.40	$ 1.50	$ 1.60
60	$ 0.80	$ 0.90	$ 1.00	$ 1.10	$ 1.20	$ 1.30	$ 1.30	**$ 1.40**	$ 1.50	$ 1.60	$ 1.70	$ 1.80	$ 1.80
70	$ 1.00	$ 1.10	$ 1.20	$ 1.20	$ 1.30	$ 1.40	$ 1.50	**$ 1.60**	$ 1.70	$ 1.80	$ 1.90	$ 2.00	$ 2.10
80	$ 1.10	$ 1.20	$ 1.30	$ 1.40	$ 1.50	$ 1.60	$ 1.70	**$ 1.80**	$ 2.00	$ 2.10	$ 2.20	$ 2.30	$ 2.40
85	**$ 1.10**	**$ 1.20**	**$ 1.40**	**$ 1.50**	**$ 1.60**	**$ 1.70**	**$ 1.80**	**$ 2.00**	**$ 2.10**	**$ 2.20**	**$ 2.30**	**$ 2.40**	**$ 2.50**
90	$ 1.20	$ 1.30	$ 1.40	$ 1.60	$ 1.70	$ 1.80	$ 1.90	**$ 2.10**	$ 2.20	$ 2.30	$ 2.40	$ 2.60	$ 2.70
100	$ 1.30	$ 1.40	$ 1.60	$ 1.70	$ 1.80	$ 2.00	$ 2.10	**$ 2.30**	$ 2.40	$ 2.50	$ 2.70	$ 2.80	$ 3.00
150	$ 1.80	$ 2.10	$ 2.30	$ 2.50	$ 2.70	$ 2.90	$ 3.10	**$ 3.30**	$ 3.50	$ 3.70	$ 3.90	$ 4.20	$ 4.40
200	$ 2.40	$ 2.70	$ 3.00	$ 3.20	$ 3.50	$ 3.80	$ 4.10	**$ 4.40**	$ 4.60	$ 4.90	$ 5.20	$ 5.50	$ 5.80
250	$ 3.00	$ 3.30	$ 3.70	$ 4.00	$ 4.40	$ 4.70	$ 5.10	**$ 5.40**	$ 5.80	$ 6.10	$ 6.50	$ 6.80	$ 7.20
300	$ 3.50	$ 3.90	$ 4.40	$ 4.80	$ 5.20	$ 5.60	$ 6.00	**$ 6.50**	$ 6.90	$ 7.30	$ 7.70	$ 8.10	$ 8.60

Note 1: Price target above is NAV rounded to the nearest $0.10

Important Research Disclosures



Distribution of Ratings/IB Services
Euro Pacific Capital

Rating	Count	Percent	IB Serv./Past 12 Mos. Count	IB Serv./Past 12 Mos. Percent
BUY [BUY]	28	70.00	9	32.14
SPECULATIVE BUY [SB]	2	5.00	1	50.00
HOLD [NEUTRAL]	9	22.50	0	0
SELL [SELL]	0	0.00	0	0
NOT RATED [NR]	1	2.50	0	0

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Buy: Expected to materially outperform sector average over 12 months and indicates total return of at least 10% over the next 12 months.

Neutral: Returns expected to be in line with sector average over 12 months and indicates total return between negative 10% and 10% over the next 12 months.

Sell: Returns expected to be materially below sector average over 12 months and indicates total price decline of at least 10% over the next 12 months.

Speculative Buy: Expected to materially outperform sector average over 12 months and indicates total return of at least 25% if certain factors materialize, with potential for high return volatility and greater than average risk for lower or negative total annual returns over this time period.

Volatility Index

1 (Low): Little to no sharp movement in stock price in a 12 month period

2 (Low to medium): Modest changes in stock price in a 12 month period

3 (Medium): Average fluctuation in stock price in a 12 month period

4 (Medium to High): Higher than average changes in stock price in a 12 month period

5 (High): Extremely sharp movements in stock price in a 12 month period

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