

Fission Uranium Corp.

FCU-TSXV

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Mining | Uranium

World's Top Uranium Exploration Asset Now Under One Roof

Event

Following the acquisition of Alpha Minerals, we are upgrading Fission to a Strong Buy and increasing our target to \$2.00.

Recommendation

We urge investors to buy shares of Fission. Not only do we view the company's now wholly-owned Patterson Lake South (PLS) as the most exciting and 'mineable' junior-controlled uranium asset globally, but the company is well-run, cashed-up (WC: ~C\$24 mln) and poised to take advantage of the project's superb exploration upside with resumption of drilling early-January.

Analysis

Summer Success. A third straight highly successful drill program saw 44 of 53 holes drilled on-trend cut uranium, strike extended to 1.78 km (from 840 m) and four new zones discovered. We now calculate contained metal (based on assays thus far and 0.1% cut-off) of 30 Mlbs U3O8 at a grade of 2.2%. However, this estimate is likely to rise by year-end – perhaps as much as 5–10 Mlbs – as assays are released from the 31 remaining holes confirmed by preliminary scintillometer readings to have cut radioactivity, especially at R390E and R780E.

Staying Aggressive, Substantial Upside Remains. Based on recent guidance, we expect a C\$12 mln program this winter, utilizing up to five rigs, with over 100 holes to be drilled (~90 on the main trend, remainder exploring off-trend). In light of recent drilling, EM, resistivity and radon, we see many areas to build pounds within and between the existing seven zones (we still believe they are more or less linked, locally pinching/swelling), as well as at new areas. Accordingly, over the next 6–12 months, we believe results will provide visibility on 80 Mlbs in contained metal. In the longer-term, we believe >100 Mlbs is likely; however, we estimate the market is currently ascribing nil exploration upside.

Takeout Potential High...and Climbing. PLS is the last known high-grade, easily open-pit uranium asset left unmined in the world; has potential to host one of the lowest cash cost uranium operations globally; is now owned by a single, more acquirable entity; and has, in our view, immense upside remaining. Such attributes make it a top prize for many suitors, including the Basin's existing major producers, miners considering a maiden Basin foothold, or even Asian nuclear utilities. Assuming exploration momentum continues, we would be surprised if a bid did not materialize in the next two years, particularly with an initial 43-101 resource, a key de-risking event, due by early-2015 and our bullish uranium price outlook 2H14E-onwards (see our Dec-03-13 Report, "Supply Cuts Pull Forward Global Shortfall and Underline Need for Higher Prices").

Valuation

We ascribe US\$8/lb to our 80 Mlbs resource target; for details, refer to page 7.

	EPS	1Q	2Q	3Q	4Q	Full	Revenues	NAV
		Sep	Dec	Mar	Jun	Year	(mln)	
2012A	C\$(0.01)	C\$(0.01)	C\$(0.01)	C\$(0.04)	C\$(0.08)		C\$0	
Old 2013E	(0.01)A	(0.01)A	(0.01)	0.00	(0.03)		0	NA
New 2013A	(0.01)	(0.01)	0.00	(0.02)	(0.05)		0	NA
Old 2014E	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)		0	C\$1.84
New 2014E	(0.01)A	0.00	0.00	0.00	(0.03)		0	C\$1.92

Source: Raymond James Ltd., Thomson One

Rating & Target

Old: Outperform 2	New: Strong Buy 1
Target Price (6-12 mos): Old: C\$1.80	New: C\$2.00
Current Price (Dec-09-13)	C\$1.06
Total Return to Target	89%
52-Week Range	C\$1.48 - C\$0.52

Suitability

Venture Risk

Market Data

Market Capitalization (mln)	C\$341
Current Net Debt (mln)	-C\$27
Enterprise Value (mln)	C\$314
Shares Outstanding (mln, basic)	321.4
10 Day Avg Daily Volume (000s)	599
Dividend/Yield	C\$0.00/0.0%

Key Financial Metrics

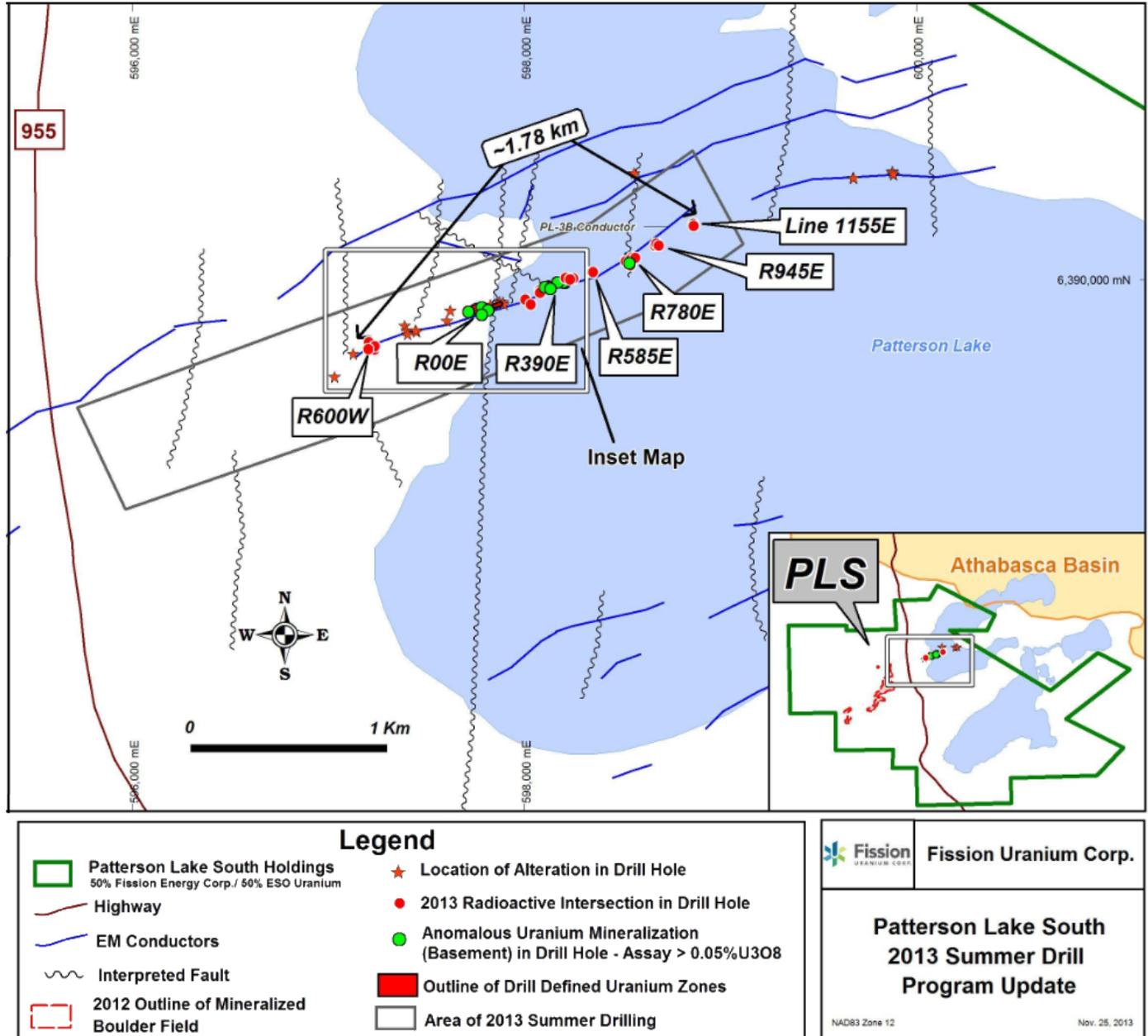
	2012A	2013A	2014E
P/E	NM	NM	NM
P/NAV		NA	0.6x
CFPS			
Old	C\$(0.03)	C\$(0.02)	C\$(0.02)
New	C\$(0.03)	C\$(0.02)	C\$(0.03)
Cash & Equivalents (C\$ mln)			
Old	C\$14.90	C\$16.00	C\$2.70
New	C\$14.90	C\$16.00	C\$1.90
Working Capital (mln)			
Old	C\$14.7	C\$15.8	C\$2.4
New	C\$14.7	C\$15.8	C\$(1.4)
Exploration Expense (C\$ mln)			
Old	C\$(12.7)	C\$(5.5)	C\$(10.0)
New	C\$(12.7)	C\$(5.5)	C\$(25.0)
Total Debt (C\$ mln)			
	C\$0.0	C\$0.0	C\$0.0
Production (Mlbs U3O8)			
	0.0	0.0	0.0
Shares Outstanding (mln, f.d.)			356.8
Attributable RJL Target Resource (Mlbs U3O8)			80.0

Company Description

Fission Uranium is a junior uranium exploration company. The company's flagship asset is its 100%-owned Patterson Lake South project in Saskatchewan, Canada

Summer Program Summary. By all accounts, the summer exploration program at Patterson Lake South was a historic success. A total of 53 holes were completed on or proximal to the PL-3B conductive trend, with a mineralized hit rate of 83%. From west to east, the program uncovered four new zones: one on-land (R600W) and three beneath the lake (R585E, R945E, R1150E). Mineralized strike length was extended by nearly a kilometer to 1.78 km and lateral extent is now on-par with some of the world’s great high-grade deposits, including Cigar Lake (1.95 km) and McArthur River (1.70 km, 2P reserves) – an outstanding accomplishment after only 2.5 field seasons, which speaks to the strength and scope of the system, the value of radon surveys and geophysics as exploration vectoring tools and the operator’s ability to effectively delineate the trend.

Exhibit 1: Plan Map Showing Expanded Mineralized Strike Length of 1.78 km at PLS



Note: Fission does not yet refer to mineralization on Line 1155E as ‘R1155E Zone’, as high grades have not yet been encountered; for simplicity’s sake, we have given it ‘zone’ status in this text

Source: Fission Uranium Corp.

Exhibit 2: Summary of Last Three Drill Programs at Patterson Lake South by Zone, Showing Metres, Holes Drilled and Mineralized Hit Rate

Zone	Summer/Fall 2012 (1,632m)			Winter 2013 (10,183m)			Summer 2013 (16,485m)			Total (31,312m)		
	Holes	Cut U3O8	Hit Rate	Holes	Cut U3O8	Hit Rate	Holes	Cut U3O8	Hit Rate	Holes	Cut U3O8	Hit Rate
R600W <i>new!</i>							6	6	100%	6	6	100%
R00E	4	4	100%	28	24	86%	4	4	100%	36	32	89%
R390E				11	11	100%	17	17	100%	28	28	100%
R585E <i>new!</i>							2	2	100%	2	2	100%
R780E				3	3	100%	9	9	100%	12	12	100%
R945E <i>new!</i>							4	4	100%	4	4	100%
R1155E <i>new!</i>							2	2	100%	2	2	100%
Exploration (missed)	5	0	0%	4	0	0%	9	0	0%	41	0	0%
Total	9	4	44%	46	38	83%	53	44	83%	131	86	66%

Note: New discoveries from the Summer 2013 program are highlighted in blue

Source: Raymond James Ltd., Fission Uranium Corp.

Summer Assays Released thus Far. Of 53 holes drilled during the summer, 44 hit mineralization and of those, 13 holes have had chemical assay results released – four from R00E, eight from R390E and one from R780E. A summary of those holes is provided below, ranked by grade-thickness.

Exhibit 3: Summary Highlights from All 13 Holes with Assays Reported thus Far from the Summer Program

Release Date	Zone	Hole #	Grid Line	From (m)	To (m)	Interval (m)	Grade (%U3O8)	Grade x Thickness (% x m)	Rock Value per Tonne	
									@ Spot US\$35/lb	@ LT US\$50/lb
Sep-04-2013	R390E	75	330E	61.0	115.5	54.5	9.08%	494.9	\$7,006	\$10,009
Oct-17-2013	R780E	80	780E	130.0	173.0	43.0	6.93%	298.0	\$5,347	\$7,639
Sep-25-2013	R390E	72	345E	61.0	95.5	34.5	8.15%	281.2	\$6,289	\$8,984
Oct-29-2013	R00E	79	015E	83.0	100.5	17.5	5.98%	104.7	\$4,614	\$6,592
Nov-14-2013	R390E	86	360E	81.5	124.5	43.0	1.93%	83.0	\$1,489	\$2,127
Nov-14-2013	R390E	85	330E	82.5	104.5	22.0	0.93%	20.5	\$718	\$1,025
Nov-14-2013	R390E	78	435E	85.0	115.0	30.0	0.66%	19.8	\$509	\$728
Nov-14-2013	R390E	87A*	315E	45.5	82.5	37.0	0.14%	5.1	\$106	\$151
Sep-25-2013	R390E	73	435E	102.0	121.5	19.5	0.25%	4.9	\$193	\$276
Oct-29-2013	R00E	77	00W	59.0	70.5	11.5	0.39%	4.5	\$301	\$430
Nov-14-2013	R390E	81	405E	106.0	124.5	18.5	0.19%	3.5	\$147	\$209
Oct-29-2013	R00E	76	015W	186.5	191.0	4.5	0.16%	0.7	\$123	\$176
Oct-29-2013	R00E	74	075W	65.0	67.5	2.5	0.13%	0.3	\$100	\$143

Note*: The interval for Hole 87A is a RJL composite (assumes nil mineralization for gaps between reported intervals)

Source: Raymond James Ltd., Fission Uranium Corp.

Revised RJL Resource Now 30 Mlbs. We have incorporated chemical assay data from these 13 holes into our model and now calculate a total resource of 600 kt at an average grade of 2.2% for 30 Mlbs U3O8 in contained metal.

Exhibit 4: Updated RJL-Calculated Resource for PLS

	Units	R00E	Gap	R390E	Gap	R780E	Total
Avg. Depth from Surface	m	60		70		110	72
E-W Strike Length	m	130	285	135	330	10	890
Avg. Width	m	29		18		50	25
Avg. Thickness	m	17		44		71	30
Avg. Grade	%U3O8	1.8%		3.0%		1.3%	2.2%
Contained Metal	Mlbs U3O8	10		17		3	30

Note: We assume a notional cut-off grade of 0.1% U3O8 (US\$150/t in-situ rock value at RJL long-term price of US\$70/lb), constant specific gravity, no grade capping, no mining dilution, a 5.0–7.5 m radius of influence on assay data (lower on highest-grade intervals) and we exclude zones outside of R00E, R390E and R780E given minimal data points.

Source: Raymond James Ltd.

Remaining Assays Poised to Grow RJL Resource Further. As of December 8, assays from 40 holes remain outstanding, including 31 which were confirmed by previously released scintillometer results to host mineralization. The majority of these outstanding assays are from R390E, R780E and R600W. After correlating earlier assayed intervals with scintillometer readings, our analysis of these remaining holes suggests potential to add 5 to 10 Mlbs to our current 30 Mlbs resource estimate. These remaining assays are expected over the next several weeks.

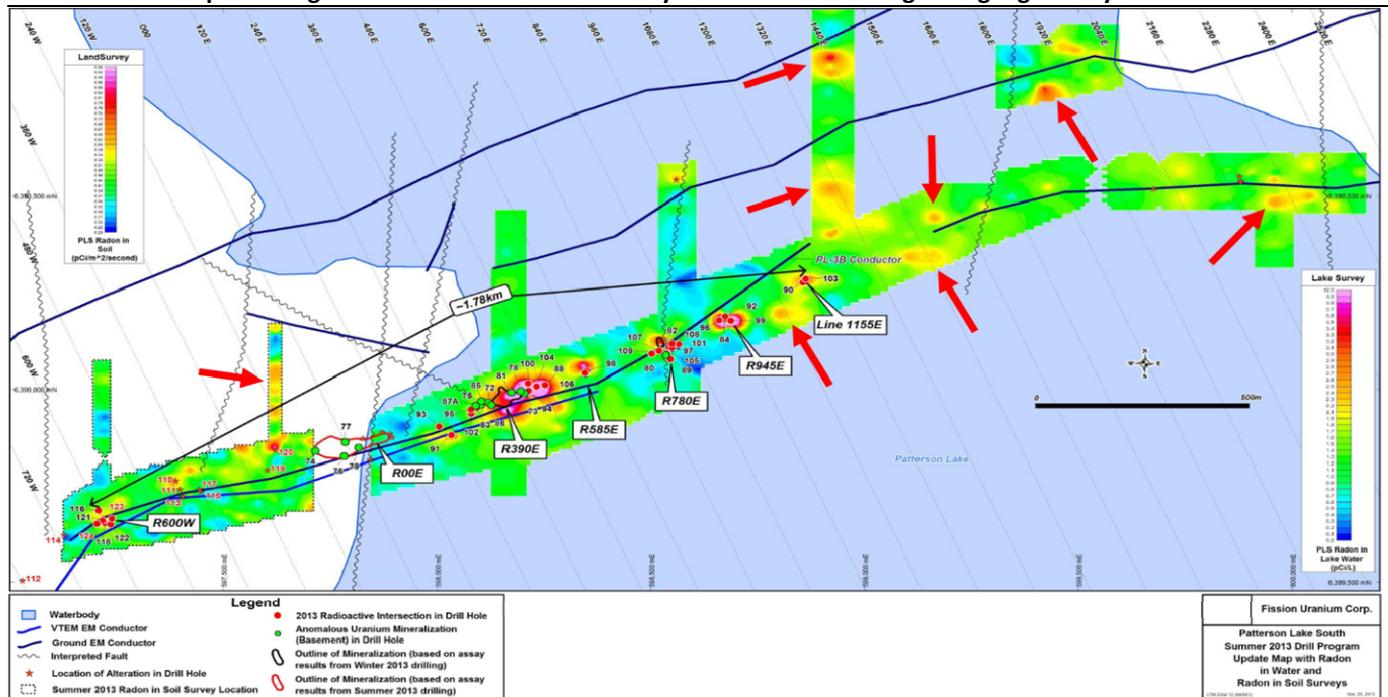
Exhibit 5: Summary of Remaining Holes with Mineralized Assays Outstanding from the Summer Exploration Program at PLS

Zone	# Holes with Assays Still Outstanding	Highlight Hole
R600W	6	Hole 124 cut 37 m of total composite mineralization
R00E	0	All four holes have had assays already released
R390E	9	Hole 104 cut 70 m total composite mineralization (3 m off-scale)
R585E	2	Hole 98 cut 76 m total composite mineralization (8 m off-scale)
R780E	8	Hole 109 cut 100 m total composite mineralization (7 m off-scale)
R945E	4	Hole 99 cut 144 m total composite mineralization (8 m off-scale)
R1155E	2	Both holes cut weak, narrow mineralization
<i>Total</i>	31	

Source: Raymond James Ltd.

Compelling Exploration Upside Underpins our 80 Mlbs Resource Target. Looking ahead, we see many areas where additional drilling can build upon existing contained metal:

- ♦ **Existing zones.** All seven zones remain open along-strike in both the east and west directions – minimal structural or lithological constraints have been observed and no unmineralized holes have yet denoted a definitive edge to the system. Also, many section lines remain open to the north and south. For example, at R390E, which hosts the bulk of contained metal defined thus far, more than half of section lines have been tested by only one or two holes. This is particularly pertinent given mineralization has been demonstrated to locally jog north and south along trend (both the footwall and hanging wall can be mineralized) and in some areas to widen to up to 50 m north-south; this potential has not yet been tested on lines where only one or two holes have been drilled. Furthermore, the four zones discovered this summer are highly embryonic, but already, R945E looks to us as promising as R780E.
- ♦ **Between existing zones.** As aforementioned, it is our view that further drilling will show that mineralization is not confined to discrete zones, but rather that it pinches and swells along strike, with thicker, higher-grade pods separated by lower grade areas. Accordingly, we see significant contained metal potential in the gaps between what we currently characterize as the seven separate zones. This rationale is supported by (i) strong mineralization and alteration at the edges of existing zones; (ii) as above, minimal E-W geological/structural constraints encountered along strike; (iii) sub-horizontal orientation of mineralization, suggesting a predominantly lateral (i.e., along-strike, fluid flow); (iv) anomalously intense, multi-phase mineralizing fluid system, as demonstrated by uranium concentrations, scope of uranium distribution laterally (1.78 km E-W) and vertically (>300 m), and consistently high (>80%) mineralized hit rate on the trend; and, (v) untested coincident radon/EM anomalies.
- ♦ **New zones off-trend.** There are numerous areas with anomalously high radon readings on the PL-3B and other parallel conductors to the north (blue VTEM lines; see Exhibit 6) that remain untested with drilling. Recall, radon has been a very accurate tool for vectoring in on high-grade uranium at the project. Several of these targets will be drilled in the upcoming winter program. Another radon survey (C\$0.5 mln) is also planned this winter, which should extend coverage to the north, as well as the prospective Forest Lake area to the south.

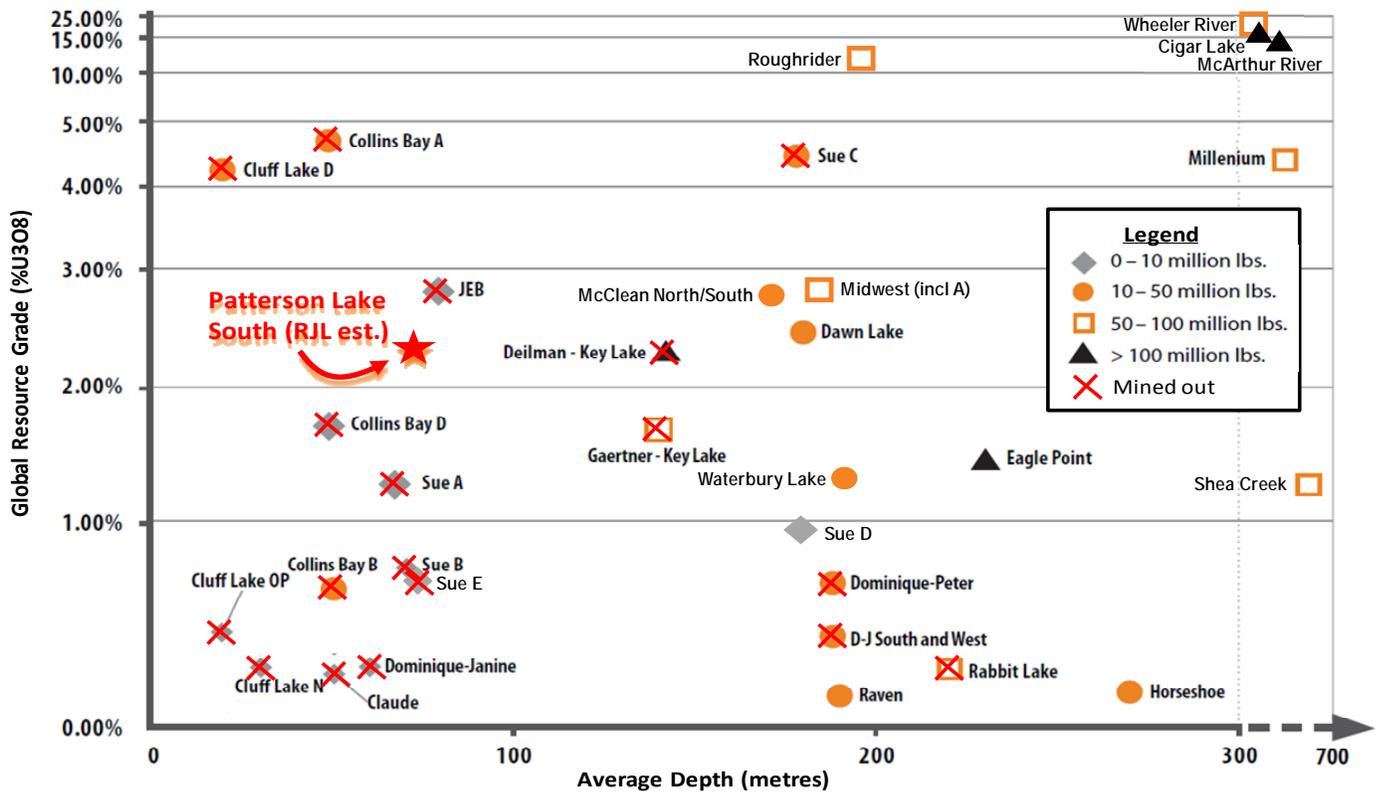
Exhibit 6: Plan Map Showing Radon in Water and Soil Surveys – Potential Drill Targets Highlighted by RJL

Source: Raymond James Ltd., Fission Uranium Corp.

Upcoming Winter Program is Most Aggressive Yet. With C\$24 mln in working capital, Fission has sufficient financial resources to aggressively drill test the above targets in 2014. Drilling is slated to resume in early January as part of a C\$12 mln winter program – the largest budget at the project to date. The program considers over 100 holes (effectively doubling the number drilled at PLS since discovery), with roughly 90 to test targets within and around existing zones on the main mineralized trend and a further 10 to 15 holes on regional exploration. Up to five rigs will be utilized. We view the five westernmost zones (R390E through R1155E) as the highest priority targets. A maiden 43-101 resource estimate is most likely to be released by early-2015E, in our view, following the 2014 winter and summer drilling campaigns. Though naturally difficult to time, the study could be the de-risking milestone that sparks a formal takeout bid. Recall, Cameco made its initial bid for Hathor Exploration a few months after the second resource update on Roughrider and prior to release of the project’s maiden PEA; but we also highlight the potential of a bid in advance of the resource – particularly if exploration success continues at a strong pace in 2014 and the environment for uranium improves as we expect in 2H14.

High Takeout Potential. We believe Fission will be acquired primarily for two reasons: (i) the scarcity value of PLS as a junior-owned, high-grade, open-pittable asset in a safe jurisdiction and (ii) contained metal potential that increasingly appears to be in excess of 100 Mlbs – far above the threshold we calculate is required to support a mine at PLS, even in the currently depressed uranium environment. In this respect, scarcity value cannot be understated. While other existing deposits may be shallower or higher grade, no other significant, unmined uranium asset of which we are aware features average uranium grades in excess of 1% U₃O₈ and is definitively within open pit range (see Exhibit 7). For a more detailed discussion on our view that PLS is the centerpiece of the re-emerging Western Athabasca Basin district, refer to our Jul-02-13 *Report*, “Patterson Lake South - Nothing Else Like it”.

Exhibit 7: Significant Uranium Deposits of the Athabasca Basin – Grade versus Average Depth



Source: Raymond James Ltd., Purepoint Uranium, Company Reports

Current Market Valuation Arguably Implies No Exploration Upside. We estimate the market is currently ascribing 37 Mlbs contained metal at PLS, assuming a US\$8/lb multiple; this is roughly in-line with what we believe has already been delineated at the project: 30 Mlbs (RJL-calculated based on assays released through December 8) plus 5 to 10 Mlbs (our expectation for assays remaining to be released over the coming weeks).

Exhibit 8: Resource Implied by Fission’s Current Enterprise Value at Varying US\$/lb Assumptions

Attributable Resource (Mlbs), Value (US\$/lb) Implied by Current EV	US\$EV/lb						
	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	\$11.00
Implied PLS Resource (Mlbs)	58.9	49.1	42.1	36.8	32.7	29.5	26.8

Source: Raymond James Ltd.

Assessing PLS’ Value. We ascribe US\$8/lb to our resource target of 80 Mlbs to generate a total project value of US\$640 mln (C\$667 mln). Our multiple reflects the last 3 major transactions of high-grade Canadian projects in the uranium space, including US\$8/lb for Millennium, US\$9/lb for Waterbury Lake, and US\$10/lb for Roughrider. These three transactions were conducted during a period of higher uranium prices relative to the current environment and the projects are located on the more infrastructure-blessed eastern side of the Athabasca Basin (PLS is on the west side), however, we feel these attributes are more than offset by PLS’ unique potential to host a low risk, open pit mining operation with sub-US\$15/lb cash costs (RJL estimate via preliminary DCF). Project value sensitivity to varying resource and US\$/lb assumptions are outlined in Exhibit 9.

Exhibit 9: Patterson Lake South Project Value Matrix (C\$ mln) – Assumed Contained Metal (Mlbs) vs. In-situ Metric (US\$/lb)

		Valuation (US\$/lb U3O8)									
		\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	\$11.00	\$12.00	
Contained Metal (Mlbs U3O8)	30	125	156	188	219	250	281	313	344	375	
	40	167	208	250	292	333	375	417	458	500	
	50	208	260	313	365	417	469	521	573	625	
	60	250	313	375	438	500	563	625	688	750	
	80	333	417	500	583	667	750	833	917	1,000	
	100	417	521	625	729	833	938	1,042	1,146	1,250	
	125	521	651	781	911	1,042	1,172	1,302	1,432	1,563	
	150	625	781	938	1,094	1,250	1,406	1,563	1,719	1,875	
175	729	911	1,094	1,276	1,458	1,641	1,823	2,005	2,188		

We calculate ~30 Mlbs based on assays results thus far (albeit, we estimate 5-10 Mlbs could be added by year-end as remaining summer assays are released)

We see potential for exploration to provide visibility on 80 Mlbs over the next 6-12 months

In the long-term, there is district-scale potential

The last three comparable Athabasca transactions were in the US\$8-US\$10/lb U3O8 range; we assume US\$8/lb to value the project

Source: Raymond James Ltd.

NAVPS/Target Generation. We value Fission on an un-funded, sum-of-the-parts basis, including C\$667 mln ascribed to Patterson Lake South (US\$8/lb U3O8 multiple, 80 Mlbs resource target, converted to Canadian dollars using our US\$0.96 FX assumption) and adjustments for corporate items. Our NAV per diluted share is C\$1.92.

Exhibit 10: New Valuation and Target

Unfunded Valuation	C\$mIn	C\$/share	% of NAV
Patterson Lake South - 100% (\$/lb)	\$667	\$1.87	97.1%
Other Assets - various (notional)	\$0	\$0.00	0.0%
Working Capital (F2Q14E)	\$24	\$0.07	3.5%
Options/warrants	\$20	\$0.06	2.9%
Future Equity Issue	\$0	\$0.00	0.0%
SG&A (NPV, 8%)	-\$24	(\$0.07)	-3.5%
NAV (and NAV/diluted sh)	\$686	\$1.92	100.0%
	Implied Target	Current	
Valuation Measures	Multiple	Multiple	
Price/ NAVPS (x)	1.0x	0.6x	
Target Price C\$:	C\$ 2.00		

Source: Fission Uranium, Raymond James Ltd.

Exhibit 11: Sensitivity of our NAVPS (C\$) to Changing US\$/lb and Target Resource Assumptions at PLS

NAVPS Sensitivity (C\$/sh)		US\$EV/lb									
		\$4.00	\$5.00	\$6.00	\$7.00	\$8.00	\$9.00	\$10.00	\$11.00	\$12.00	
Target PLS Resource (Mlbs U3O8)	30	0.41	0.49	0.58	0.67	0.76	0.84	0.93	1.02	1.11	
	50	0.64	0.79	0.93	1.08	1.22	1.37	1.52	1.66	1.81	
	65	0.81	1.00	1.19	1.38	1.57	1.76	1.95	2.14	2.33	
	80	0.99	1.22	1.46	1.69	1.92	2.16	2.39	2.62	2.86	
	100	1.22	1.52	1.81	2.10	2.39	2.68	2.97	3.27	3.56	
	125	1.52	1.88	2.24	2.61	2.97	3.34	3.70	4.07	4.43	
150	1.81	2.24	2.68	3.12	3.56	4.00	4.43	4.87	5.31		

Source: Raymond James Ltd.

Additions to Fission Board. Per the terms of the Plan of Arrangement, Alpha Minerals was permitted to nominate two individuals to Fission’s Board of Directors. Warren Stanyer and Kurt Bordian were selected. Messrs. Stanyer and Bordian will join Chairman Dev Randhawa, and Directors Ross McElroy, Frank Estergaard, William Marsh, and Jeremy Ross on Fission Uranium’s pro-forma Board.

Liquidity. Incorporating all fees stemming from the transaction and spinco's (C\$3 mln to each of Alpha Exploration and Fission 3.0), plus the recent bought deal financing, etc., we calculate year-end Fission cash of C\$26 mln – more than sufficient to continue aggressive exploration through the C\$12 mln 2014 winter program and to commence work in the summer. On top of this, Fission has inherited a great number of options and warrants from Alpha Minerals (see Exhibit 12). We estimate Fission would receive C\$20 mln in additional funds, assuming exercise of all units that are currently in the money.

Exhibit 12: RJL Current Estimated Options and Warrants Summary for Fission Uranium

Options	Price (C\$/sh)	Value (C\$)	Expiry	Warrants	Price (C\$/sh)	Value (C\$)	Expiry
12,022	\$0.17	\$2,100	Feb-17-2014	114,500	\$0.26	\$30,000	Feb-17-2014
14,166	\$0.43	\$6,151	Apr-18-2014	1,992,586	\$0.21	\$417,660	Feb-17-2014
193,333	\$0.30	\$57,710	Apr-25-2014	229,285	\$0.21	\$48,060	Feb-17-2014
75,000	\$0.43	\$32,565	Apr-25-2014	3,095,000	\$0.35	\$1,091,916	Jan-21-2015
146,667	\$0.43	\$63,683	Apr-25-2014	4,777,512	\$0.87	\$4,172,500	Apr-25-2015
38,000	\$0.17	\$6,395	Aug-06-2014	337,774	\$0.77	\$259,599	Apr-25-2015
13,750	\$0.43	\$5,970	Aug-06-2014	482,099	\$1.50	\$723,149	Dec-09-2015
1,145,000	\$0.68	\$776,000	Dec-06-2014	11,028,756	\$0.61	\$6,742,883	
2,919,750	\$0.70	\$2,040,000	Dec-06-2014				
286,250	\$0.31	\$88,500	Dec-06-2014				
1,517,125	\$0.26	\$397,500	Dec-06-2014				
572,500	\$0.30	\$169,000	Dec-06-2014				
1,044,813	\$0.21	\$219,000	Dec-06-2014				
930,312	\$0.21	\$195,000	Dec-06-2014				
1,345,375	\$0.17	\$235,000	Dec-06-2014				
486,625	\$0.21	\$102,000	Dec-06-2014				
27,500	\$0.43	\$11,941	Jan-12-2015				
35,000	\$0.30	\$10,448	Feb-03-2015				
950,000	\$0.43	\$412,490	Dec-30-2015				
8,595,000	\$0.73	\$6,274,350	Jun-01-2016				
450,000	\$1.34	\$603,000	Aug-15-2016				
586,666	\$0.43	\$254,730	Jan-12-2017				
429,375	\$0.21	\$90,000	Mar-01-2017				
572,500	\$0.26	\$150,000	Dec-14-2017				
925,000	\$0.30	\$276,113	Dec-31-2017				
1,001,875	\$0.70	\$700,000	Apr-12-2018				
24,313,604	\$0.54	\$13,179,645					
		Basic shares outstanding:		321,425,959			
		Total outstanding options and warrants:		35,342,360			
		Total additional capital from exercise:		\$19,922,528			

Note: exercise price on Alpha's options and warrants were converted by RJL at 5.725:1

Source: Fission Uranium, Raymond James Ltd.

Appendix: Summary of Notable Summer 2013 Events

Below, we outline developments over the course of the summer at Patterson Lake South – both with respect to the exploration program and Fission’s acquisition of Alpha Minerals. In the interest of brevity, we focus on the best holes – their off-scale intervals (high-grade zones carry the majority of pounds at PLS) and location.

- ◆ July 16 – C\$6.95 mln summer program commences: 11,000 m drilling for 44 holes (40 on-trend, 4 exploration), using two coring rigs, one RC rig and three barges
- ◆ July 18 – 1 hole at R390E. Hole 72 cuts 18.9 m of off-scale, 15 m west of previous western limit of R390E.
- ◆ July 29 – 2 holes at R390E. Hole 75 cuts 21.6 m of off-scale, 15 m west of hole 72. Hole 73 extends R390E 15 m east as well.
- ◆ August 8 – 4 holes at R00E. Hole 79 cut 4.9 m of off-scale in the central part of the zone.
- ◆ August 12 – 1 hole at R780E. Hole 80 cut 13.4 m of off-scale 10 m south of the southern extent of R780E.
- ◆ August 15 – 1 hole at R945E. Hole 84 discovers a new zone on line 945E (strike now 1.02 km), cutting 2.7 m of off-scale – the fourth zone at PLS.
- ◆ August 22 – 5 holes at R390E. Hole 86 cut 5.3 m of off-scale. Strike of R390E extended to 120 m.
- ◆ August 26 – Fission announced that it made a proposal to acquire Alpha in an all-share deal at a 5.3:1 share ratio, expiring August 25. Alpha requests more time to consider offer.
- ◆ September 3 – Fission and Alpha sign a non-binding LOI wherein Fission would acquire Alpha in an all-share deal at a 5.725:1 share ratio. Assets outside of PLS would be spun-out into an Alpha spinco and a Fission spinco.
- ◆ September 4 – 1 hole at R390E. Assays from hole 75 return 54.5 m grading 9.08% (starting at 61 m core depth), including 21.5 m grading 21.76% – best hole to date at the property.
- ◆ September 12 – 2 holes at R780E. Hole 82 cut 4.7 m of off-scale, 15 m east of the discovery grid line. Strike of R780E extended to 30 m.
- ◆ September 16 – 2 holes at R945E. Hole 96 cut 9.9 m of off-scale.
- ◆ September 18 – Definitive agreement executed for Fission’s acquisition of Alpha.
- ◆ September 23 – 1 hole at R585E. Hole 98 cut 7.6 m of off-scale between R390E and R780E, marking discovery of a fifth high-grade zone.
- ◆ September 25 – 2 holes at R390E. Assays from hole 72 return 34.5 m grading 8.15%.
- ◆ September 27 – 8 holes at R390E. Narrow intervals of off-scale cut within broad zones of less prolific radioactivity. Strike length now 255 m.
- ◆ October 7 – Summer exploration budget expanded by C\$2.25 mln to C\$9.2 mln to incorporate an additional 3,700 m of drilling. The additional drilling would utilize a land-based rig to follow-up Radon soil gas anomalies west of R00E.
- ◆ October 9 – 1 hole at R945E. Hole 99 cut 8.0 m of off-scale as discrete intervals over total composite mineralization of 144.0 m (largest accumulation to date); marks discovery of a sixth zone at the property. Strike extended to 1.035 km.

- ◆ October 16 – 10 holes: 1 at R390E, 1 at R585E, 6 at R780E, 2 at R1155E. All cut mineralization. R780E strike extended to 60 m. At R1155E, both holes cut only weak uranium starting at a depth ~180 m; strike extended to 1.23 km.
- ◆ October 17 – 1 hole at R780E. Assays from hole 80 return 43.0 m grading 6.93%.
- ◆ October 29 – 4 holes at R00E. Assays from hole 79 return 17.5 m grading 5.98%.
- ◆ November 4 – 2 holes at R600W. Hole 118 cut 20.0 m of mineralization, marking discovery of a seventh zone at PLS, 525 m west of the initial discovery zone, R00E. Strike extended to 1.75 km.
- ◆ November 12 – 2 holes at R600W. Hole 121 cut 16.8 m of total composite mineralization, while hole 122 cut 8.0 m, expanding strike of the zone eastwards to 15 m.
- ◆ November 14 – 5 holes at R390E. Assays from hole 86 return 43.0 m grading 1.93%, including 5.0 m of 9.91%.
- ◆ November 27 – 11 holes at R600W. Hole 123 cut 32.5 m of total composite mineralization, while hole 124 cut 37.0 m.
- ◆ November 28 – Shareholders of both Fission and Alpha approve respective plans of arrangement.
- ◆ November 29 – Fission receives court approval on spin-out of ‘Fission 3.0 Corp.’
- ◆ December 2 – Alpha receives court approval on spin-out of ‘Alpha Exploration Inc.’
- ◆ December 6 – Plan of arrangement closes successfully; Fission now owns 100% of PLS.

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Company Name	Ticker	Exchange	Currency	Closing Price	RJ Rating	RJ Entity
Cameco Corp.	CCO	TSX	C\$	21.75	2	RJ LTD.
Hathor Exploration Limited	HAT.T	TSX			NC	

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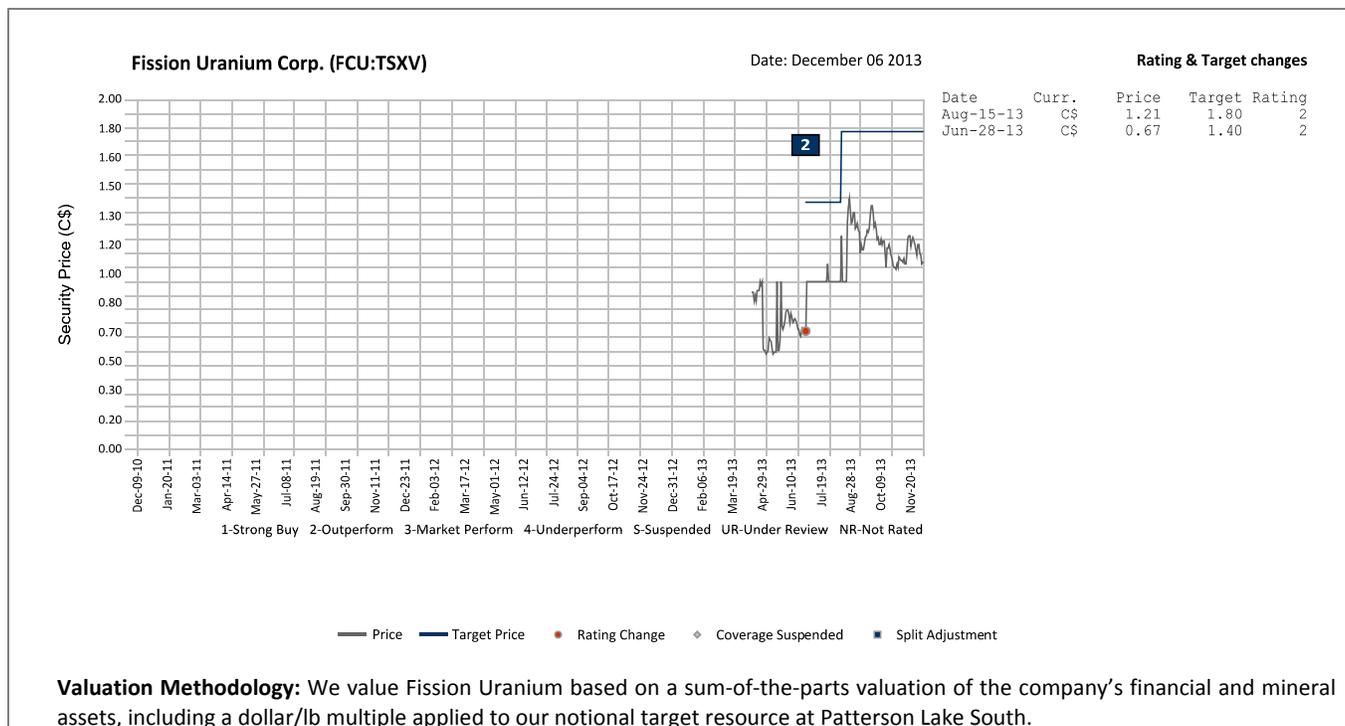
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