Uranium Report 2017

Everything you need to know about uranium!

SRC swiss resource capital ag

Disclaimer

Dear reader,

Please read the complete disclaimer in the following pages carefully before you start reading this Swiss Resource Capital Publication. By using this Swiss Resource Capital Publication you agree that you have completely understood the following disclaimer and you agree completely with this disclaimer. If at least one of these point does not agree with you than reading and use of this publication is not allowed.

We point out the following:

Swiss Resource Capital AG and the authors of the Swiss Resource Capital AG directly own and/or indirectly own shares of following Companies which are described in this publication: Anfield Resources, Appia Energy, Denison Mines, Energy Fuels, Fission 3.0, Fission Uranium, GoviEx, Laramide Resources, Skyharbour Resources, Uranium Energy.

Swiss Resource Capital AG has closed IR consultant contracts with the following companies which are mentioned in this publication: Fission Uranium, Uranium Energy.

Swiss Resource Capital AG receives compensation expenses from the following companies mentioned in this publication: Anfield Resources, Appia Energy, Denison Mines, Energy Fuels, Fission 3.0, Fission Uranium, GoviEx, Laramide Resources, Skyharbour Resources, Uranium Energy.

Therefore, all mentioned companies are sponsors of this publication.

Risk Disclosure and Liability

Swiss Resource Capital AG is not a securities service provider according to WpHG (Germany) and BörseG (Austria) as well as Art. 620 to 771 obligations law (Switzerland) and is not a finance company according to § 1 Abs. 3 Nr. 6 KWG. All publications of the Swiss Resource Capital AG are explicitly (including all the publications published on the website http://www.resource-capital.ch and all sub-websites (like http://www.resource-capital.ch/de) and the website http://www.resource-capital.ch itself and its sub-websites) neither financial analysis nor are they equal to a professional financial analysis. Instead, all publications of Swiss Resource Capital AG are exclusively for information purposes only and are expressively not trading recommendations regarding the buying or selling of securities. All publications of Swiss Resource Capital AG represent only the opinion of the respective author. They are neither explicitly nor implicitly to be understood as guarantee of a particular price development of the mentioned financial instruments or as a trading invitation. Every investment in securities mentioned in publications of Swiss Resource Capital AG involve risks which could lead to total a loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. In general, purchase and sell orders should always be limited for your own protection.

This applies especially to all second-line-stocks in the small and micro cap sector and especially to exploration and resource companies which are discussed in the publications of Swiss Resource Capital AG and are exclusively suitable for speculative and risk aware investors. But it applies to all other securities as well. Every exchange participant trades at his own risk. The information in the publications of Swiss Resource Capital AG do not replace an on individual needs geared professional investment advice. In spite of careful research, neither the respective author nor Swiss Resource Capital AG will neither guarantee nor assume liability for actuality, correctness, mistakes, accuracy, completeness, adequacy or quality of the presented information. For pecuniary losses resulting from investments in securities for which information was available in all publications of Swiss Resource Capital AG liability will be assumed neither by Swiss Capital Resource AG nor by the respective author neither explicitly nor implicitly.

Any investment in securities involves risks. Political, economical or other changes can lead to significant stock price losses and in the worst case to a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. Especially investments in (foreign) second-line-stocks, in the small and micro cap sector, and especially in the exploration and resource companies are all, in general, associated with an outstandingly high risk. This market segment is characterized by a high volatility and harbours danger of a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. As well, small and micro caps are often very illiquid and every order should be strictly limited and, due to an often better pricing at the respective domestic exchange, should be traded there. An investment in securities with low liquidity and small market cap is extremely speculative as well as a high risk and can lead to, in the worst case, a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. Engagements in the publications of the shares and products presented in all publications of Swiss Resource Capital AG have in part foreign exchange risks. The deposit portion of single shares of small and micro cap companies and low capitalized securities like derivatives and leveraged products should only be as high that, in case of a possible total loss, the deposit will only marginally lose in value.

All publications of Swiss Resource Capital AG are exclusively for information purposes only. All information and data in all publications of Swiss Resource Capital AG are obtained from sources which are deemed reliable and trustworthy by Swiss Resource Capital AG and the respective authors at the time of preparation. Swiss Resource Capital AG and all Swiss Resource Capital AG employed or engaged persons have worked for the preparation of all of the published contents with the greatest possible diligence to guarantee that the used and underlying data as well as facts are complete and accurate and the used estimates and made forecasts are realistic. Therefore, liability is categorically precluded for pecuniary losses which could potentially result from use of the information for one's own investment decision.

All information published in publications of Swiss Resource Capital AG reflects the opinion of the respective author or third parties at the time of reparation of the publication. Neither Swiss Resource Capital AG nor the respective authors can be held responsible for any resulting pecuniary losses. All information is subject to change. Swiss Resource Capital AG as well as the respective authors assures that only sources which are deemed reliable and trustworthy by Swiss Resource Capital AG and the respective authors at the time of preparation are used. Although the assessments and statements in all publications of Swiss Resource Capital AG were prepared with due diligence, neither Swiss Resource Capital AG nor the respective authors take any responsibility or liability for the actuality, correctness, mistakes, accuracy, completeness, adequacy or quality of the presented facts or for omissions or incorrect information. The same shall apply for all presentations, numbers, designs and assessments expressed in interviews and videos.

Swiss Resource Capital AG and the respective authors are not obliged to update information in publications. Swiss Resource Capital AG and the respective authors explicitly point out that changes in the used and underlying data, facts, as well as in the estimates could have an impact on the forecasted share price development or the overall estimate of the discussed security. The statements and opinions of Swiss Capital Resource AG as well as the respective author are not recommendations to buy or sell a security.

Neither by subscription nor by use of any publication of Swiss Resource Capital AG or by expressed recommendations or reproduced opinions in such a publication will result in an investment advice contract or investment brokerage contract between Swiss Resource Capital AG or the respective author and the subscriber of this publication.

Investments in securities with low liquidity and small market cap are extremely speculative as well as a high risk. Due to the speculative nature of the presented companies their securities or other financial products it is quite possible that investments can lead to a capital reduction or to a total loss and – depending on the investment – to further obligations for example additional payment liabilities. Any investment in warrants, leveraged certificates or other financial products bears an extremely high risk. Due to political, economical or other changes significant stock price losses can arise and in the worst case a total loss of the invested capital and – depending on the investment – to further obligations for example additional payment liabilities. Any liability claim for foreign share recommendations, derivatives and fund recommendations are in principle ruled out by Swiss Resource Capital AG and the respective authors. Between the readers as well as the subscribers and the authors as well as Swiss Resource Capital AG no consultancy agreement is closed by subscription of a publication of Swiss Resource Capital AG because all information contained in such a publication refer to the respective company but not to the investment decision. Publications of Swiss Resource Capital AG are neither, direct or indirect an offer to buy or for the sale of the discussed security (securities), nor an invitation for the purchase or sale of securities in general. An investment decision regarding any security should not be based on any publication of Swiss Resource Capital AG.

Publications of Swiss Resource Capital AG must not, either in whole or in part be used as a base for a binding contract of all kinds or used as reliable in such a context. Swiss Resource Capital AG is not responsible for consequences especially losses, which arise or could arise by the use or the failure of the application of the views and conclusions in the publications. Swiss Resource Capital AG and the respective authors do not guarantee that the expected profits or mentioned share prices will be achieved.

The reader is strongly encouraged to examine all assertions him/herself. An investment, presented by Swiss Resource Capital AG and the respective authors in partly very speculative shares and financial products should not be made without reading the most current balance sheets as well as assets and liabilities reports of the companies at the Securities and Exchange Commission (SEC) under www.sec.gov or other regulatory authorities or carrying out other company evaluations. Neither Swiss Resource Capital AG nor the respective authors will guarantee that the expected profits or mentioned share prices will be achieved. Neither Swiss Resource Capital AG nor the respective authors are professional investment or financial advisors. The reader should take advice (e. g. from the principle bank or a trusted advisor) before any investment decision. To reduce risk investors should largely diversify their investments.

In addition, Swiss Resource Capital AG welcomes and supports the journalistic principles of conduct and recommendations of the German press council for the economic and financial market reporting and within the scope of its responsibility will look out that these principles and recommendations are respected by employees, authors and editors.

Forward-looking Information

Information and statements in all publications of Swiss Resource Capital AG especially in (translated) press releases that are not historical facts are forward-looking information within the meaning of applicable securities laws. They contain risks and uncertainties but not limited to current expectations of the company concerned, the stock concerned or the respective security as well as intentions, plans and opinions. Forward-looking information can often contain words like "expect", "believe", "assume", "goal", "plan", "objective", "intent", "estimate", "can", "should", "may" and "will" or the negative forms of these expressions or similar words suggesting future events or expectations, ideas, plans, objectives, intentions or statements of future events or performances. Examples for forward-looking information in all publications of Swiss Resource Capital AG include: production guidelines, estimates of future/targeted production rates as well as plans and timing regarding further exploration, drill and development activities. This forward-looking information is based in part on assumption and factors that can change or turn out to be incorrect and therefore may cause actual results, performances or successes to differ materially from those stated or postulated in such forward-looking statements. Such factors and assumption include but are not limited to: failure of preparation of resource and reserve estimates, grade, ore recovery that differs from the estimates, the success of future exploration and drill programs, the reliability of the drill, sample and analytical data, the assumptions regarding the accuracy of the representativeness of the mineralization, the success of the planned metallurgical test work, the significant deviation of capital and operating costs from the estimates, failure to receive necessary government approval and environmental permits or other project permits, changes of foreign exchange rates, fluctuations of commodity prices, delays by project developments and other factors.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual events to differ materially from those indicated in the forward-looking statements. Such factors include but are not limited to the following: risks regarding the inaccuracy of the mineral reserve and mineral resource estimates, fluctuations of the gold price, risks and dangers in connection with mineral exploration, development and mining, risks regarding the creditworthiness or the financial situation of the supplier, the refineries and other parties that are doing business with the company; the insufficient insurance coverage or the failure to receive insurance coverage to cover these risks and dangers, the relationship with employees; relationships with and the demands from the local communities and the indigenous population; political risks; the availability and rising costs in connection with the mining contributions and workforce; the speculative nature of mineral exploration and development including risks of receiving and maintaining the necessary licences and permits, the decreasing quantities and grades of mineral reserves during mining; the global financial situation, current results of the current exploration activities, changes in the final results of the economic assessments and changes of the project parameter to include unexpected economic factors and other factors, risks of increased capital and operating costs, environmental, security and authority risks, expropriation, the tenure of the company to properties including their ownership, increase in competition in the mining industry for properties, equipment, qualified personal and its costs, risks regarding the uncertainty of the timing of events including the increase of the targeted production rates and fluctuations in foreign exchange rates. The shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Neither Swiss Resource Capital AG nor the referred to company, referred to stock or referred to security undertake no obligation to update publicly otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

48f Abs. 5 BörseG (Austria) and Art. 620 to 771 obligations law (Switzerland)

Swiss Resource Capital AG as well as the respective authors of all publications of Swiss Resource Capital AG could have been hired and compensated by the respective company or related third party for the preparation, the electronic distribution and publication of the respective publication and for other services. Therefore the possibility exists for a conflict of interests.

At any time Swiss Resource Capital AG as well as the respective authors of all publications of Swiss Resource Capital AG could hold long and short positions in the described securities and options, futures and other derivatives based on theses securities. Furthermore Swiss Resource Capital AG as well as the respective authors of all publications of Swiss Resource Capital AG reserve the right to buy or sell at

any time presented securities and options, futures and other derivatives based on theses securities. Therefore the possibility exists for a conflict of interests.

Single statements to financial instruments made by publications of Swiss Resource Capital AG and the respective authors within the scope of the respective offered charts are not trading recommendations and are not equivalent to a financial analysis.

A disclosure of the security holdings of Swiss Resource Capital AG as well as the respective authors and/or compensations of Swiss Resource Capital AG as well as the respective authors by the company or third parties related to the respective publication will be properly declared in the publication or in the appendix.

The share prices of the discussed financial instruments in the respective publications are, if not clarified, the closing prices of the preceding trading day or more recent prices before the respective publication.

It cannot be ruled out that the interviews and estimates published in all publications of Swiss Resource Capital AG were commissioned and paid for by the respective company or related third parties. Swiss Resource Capital AG as well as the respective authors are receiving from the discussed companies and related third parties directly or indirectly expense allowances for the preparation and the electronic distribution of the publication as well as for other services.

Exploitation and distribution rights

Publications of Swiss Resource Capital AG may neither directly or indirectly be transmitted to Great Britain, Japan, USA or Canada or to an US citizen or a person with place of residence in the USA, Japan, Canada or Great Britain nor brought or distributed in their territory. The publications and their contained information can only be distributed or published in such states where it is legal by applicable law. US citizens are subject to regulation S of the U.S. Securities Act of 1933 and cannot have access. In Great Britain the publications can only be accessible to a person who in terms of the Financial Services Act 1986 is authorized or exempt. If these restrictions are not respected this can be perceived as a violation against the respective state laws of the mentioned countries and possibly of non mentioned countries. Possible resulting legal and liability claims shall be incumbent upon that person, but not Swiss Resource Capital, who has published the publications of Swiss Resource Capital AG in the mentioned countries and regions or has made available the publications of Swiss Resource Capital AG to persons from these countries and regions.

The use of any publication of Swiss Resource Capital AG is intended for private use only. Swiss Resource Capital AG shall be notified in advance or asked for permission if the publications will be used professionally which will be charged.

All information from third parties especially the estimates provided by external user does not reflect the opinion of Swiss Resource Capital AG. Consequently, Swiss Resource Capital AG does not guarantee the actuality, correctness, mistakes, accuracy, completeness, adequacy or quality of the information.

Note to symmetrical information and opinion generation

Swiss Resource Capital AG can not rule out that other market letters, media or research companies are discussing concurrently the shares, companies and financial products which are presented in all publications of Swiss Resource Capital AG. This can lead to symmetrical information and opinion generation during that time period.

No guarantee for share price forecasts

In all critical diligence regarding the compilation and review of the sources used by Swiss Resource Capital AG like SEC Filings, official company news or interview statements of the respective management neither Swiss Resource Capital AG nor the respective authors can guarantee the correctness, accuracy and completeness of the facts presented in the sources. Neither Swiss Resource Capital AG nor the respective authors will guarantee or be liable for that all assumed share price and profit developments of the respective companies and financial products respectively in all publications of Swiss Resource Capital AG will be achieved.

No guarantee for share price data

No guarantee is given for the accuracy of charts and data to the commodity, currency and stock markets presented in all publications of Swiss Resource Capital AG.

Copyright

The copyrights of the single articles are with the respective author. Reprint and/or commercial dissemination and the entry in commercial databases is only permitted with the explicit approval of the respective author or Swiss Resource Capital AG.

All contents published by Swiss Resource Capital AG or under http://www.resource-capital.ch – website and relevant sub-websites or within http://www.resource-capital.ch – newsletters and by Swiss Resource Capital AG in other media (e.g. Twitter, Facebook, RSS-Feed) are subject to German, Austrian and Swiss copyright and ancillary copyright. Any use which is not approved by German, Austrian and Swiss copyright and ancillary copyright needs first the written consent of the provider or the respective rights owner. This applies especially for reproduction, processing, translation, saving, processing and reproduction of contents in databases or other electronic media or systems. Contents and rights of third parties are marked as such. The unauthorised reproduction or dissemination of single contents and complete pages is not permitted and punishable. Only copies and downloads for personal, private and non commercial use is permitted.

Links to the website of the provider are always welcome and don't need the approval from the website provider. The presentation of this website in external frames is permitted with authorization only. In case of an infringement regarding copyrights Swiss Resource Capital AG will initiate criminal procedure.

Notes from Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority)

You will find in brochures of BaFin (see links) additional notes that should contribute to protect against dubious offers:
Investment – how to recognize dubious sellers:
http://www.bafin.de/SharedDocs/Downloads/DE/Broschuere/dl_b_geldanlage.pdf?__blob=publicationFile
Security transactions – what to watch out for as an investor:
https://www.bafin.de/SharedDocs/Downloads/DE/Broschuere/dl_b_wertpapiergeschaeft.pdf?__blob=-publicationFile
Further legal texts of BaFin:
http://www.bafin.de/DE/DatenDokumente/Dokumentlisten/ListeGesetze/liste_gesetze_node.html

Liability limitation for links

The http://www.resource-capital.ch – website and all sub-websites and the http://www.resource-capital.ch – newsletter and all publications of Swiss Resource Capital AG contain links to websites of third parties ("external links"). These websites are subject to liability of the respective operator. Swiss Resource Capital AG has reviewed the foreign contents at the initial linking with the external links if any statutory violations were present. At that time no statutory violations were evident. Swiss Resource capital AG has no influence on the current and future design and the contents of the linked websites. The placement of external links does not mean that Swiss Resource Capital AG takes ownership of the contents behind the reference or the link. A constant control of these links is not reasonable for Swiss Resource Capital AG without concrete indication of statutory violations. In case of known statutory violations such links will be immediately deleted from the websites of Swiss Resource Capital AG. If you encounter a website of which the content violates applicable law (in any manner) or the content (topics) insults or discriminates individuals or groups of individuals, please contact us immediately.

In its judgement of May 12th, 1998 the Landgericht (district court) Hamburg has ruled that by placing a link one is responsible for the contents of the linked websites. This can only be prevented by explicit dissociation of this content. For all links on the homepage http://www.resource-capital.ch and its sub-websites and in all publications of Swiss Resource Capital AG applies: Swiss Resource Capital AG is dissociating itself explicitly from all contents of all linked websites on http://www.resource-capital.ch – website and its sub-websites and in the http://www.resource-capital.ch – newsletter as well as all publications of Swiss Resource Capital AG and will not take ownership of these contents."

Liability limitation for contents of this website

The contents of the website http://www.resource-capital.ch and its sub-websites are compiled with utmost diligence. Swiss Resource Capital AG however does not guarantee the accuracy, completeness and actuality of the provided contents. The use of the contents of website http://www.resource-capital.ch and its sub-websites is at the user's risk. Specially marked articles reflect the opinion of the respective author but not always the opinion of Swiss Resource Capital AG.

Liability limitation for availability of website

Swiss Resource Capital AG will endeavour to offer the service as uninterrupted as possible. Even with due care downtimes can not be excluded. Swiss Resource Capital AG reserves the right to change or discontinue its service any time.

Liability limitation for advertisements

The respective author and the advertiser are exclusively responsible for the content of advertisements in http://www.resource-capital.ch – website and its sub-websites or in the http://www.resource-capital.ch – newsletter as well as in all publications of Swiss Resource Capital AG and also for the content of the advertised website and the advertised products and services. The presentation of the advertisement does not constitute the acceptance by Swiss Resource Capital AG.

No contractual relationship

Use of the website http://www.resource-capital.ch and its sub-websites and http://www.resource-capital.ch – newsletter as well as in all publications of Swiss Resource Capital AG no contractual relationship is entered between the user and Swiss Resource Capital AG. In this respect there are no contractual or quasi-contractual claims against Swiss Resource Capital AG.

Protection of personal data

The personalized data (e.g. mail address of contact) will only be used by Swiss Resource Capital AG or from the respective company for news and information transmission in general or used for the respective company.

Data protection

If within the internet there exists the possibility for entry of personal or business data (email addresses, names, addresses), this data will be disclosed only if the user explicitly volunteers. The use and payment for all offered services is permitted – if technical possible and reasonable – without disclosure of these data or by entry of anonymized data or pseudonyms. Swiss Resource Capital AG points out that the data transmission in the internet (e.g. communication by email) can have security breaches. A complete data protection from unauthorized third party access is not possible. Accordingly no liability is assumed for the unintentional transmission of data. The use of contact data like postal addresses, telephone and fax numbers as well as email addresses published in the imprint or similar information by third parties for transmission of not explicitly requested information is not permitted. Legal action against the senders of spam mails are expressly reserved by infringement of this prohibition.

By registering in http://www.resource-capital.ch – website and its sub-websites or in the http://www.resource-capital.ch – newsletter you give us permission to contact you by email. Swiss Resource Capital AG receives and stores automatically via server logs information from your browser including cookie information, IP address and the accessed websites. Reading and accepting our terms of use and privacy statement are a prerequisite for permission to read, use and interact with our website(s).

Preface

Dear Readers,

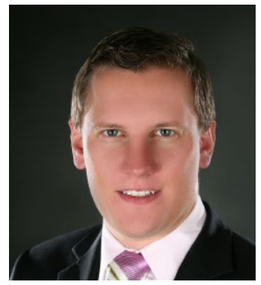
On the following pages, we present to you with pleasure our first Uranium Report. Of course uranium is a "hot" theme and many people at least don´t like it. Anyway without Uranium we would have a major problem in the base load energy supply in the world and e-mobility would be still a dream of the future. Swiss Resource Capital AG has made it its business to topically and comprehensively inform metals and commodity investors, interested parties and the individual who wants to become an investor in various commodities and mining companies. On our website www.resource-capital.ch you will find 21 companies from many different commodity sectors plus lots of information and articles about the topic commodities. Our series of special reports started with lithium and silver. Now we move on with Uranium as it is the energy metal of this century whether we like it or not. Wind and solar energy are very often not cost effective nor really energy efficient considering the complete energy balance including the amount of energy used to build it. This report shall give the reader an idea about the real facts of Uranium energy supply in the world and why China needs those nuclear power plants really to solve their carbon emission problems. Today around 450 nuclear power plants are producing energy in the world and 69 are under construction. Over 165 are planned until 2040 and if we all want to drive with emission free e-cars, bikes or motorcycles we need those nuclear power plants as we cannot derive the necessary power from wind and solar. We have also expert interviews with Scott Melbye and Dr. Christian Schärer about the uranium markets and the outlook for it. Also we found interesting companies which are presented with fact sheets in the Uranium Report as there are only a few in the sector. The combined market cap of all uranium companies is only around US$9 billion world wide. Crazy small market but with an interesting future outlook. Climate Change and clean air require nuclear energy involvement "There's really only one technology that we know of that supplies carbon-free power at the scale modern civilization requires, and that is nuclear power" – Ken Caldeira of Stanford University's Department of Global Ecology.

Commodities are the base of our whole life. Without commodities there are no products, no technical innovations and no real economic life. We need a reliable and constant base load energy supply in our industrialized world. With our special reports we would like to give you the necessary insights and inform you comprehensively.

In addition, our two Commodity IPTV channels www.Commodity-TV.net and www.Rohstoff-TV.net are available to you free of charge. On the go we recommend our new Commodity-TV App for iPhone and Android, which also provides real-time charts, share prices and the latest videos. My team and I hope you will enjoy reading this edition of the special reports and hope that we can provide you with much new information, impressions and ideas. Only the one who gets broadly informed and takes matters relating to investments in his own hand will be in the winners and preserve his wealth during these difficult times.

Jochen Staiger

Jochen Staiger is founder and CEO of Swiss Resource Capital AG, located in Herisau, Switzerland. As chief-editor and founder of the first two resource IP-TV-channels Commodity-TV and its German counterpart Rohstoff-TV, he reports about companies, experts, fund managers and various themes around the international mining business and the correspondent metals.



Tim Roedel is chief-editorial- and chief-communications-manager at SRC AG. He has been active in the commodity sector since 2007 and held several editor- and chief-editor-positions, e.g. at the publications Rohstoff-Spiegel, Rohstoff-Woche, Rohstoffraketen, Wahrer Wohlstand and First Mover. He owns an enormous commodity expertise and a wide-spread network within the whole resource sector.

Satisfying the Hunger for Energy and improving the Carbon Footprint at the same time? – Nuclear Energy can combine both!

The global energy demand has multiplied since the end of the 1980s, especially due to the emerging countries and in particular the BRIC countries Brazil, Russia, India and China. About 11.5% of the total energy demand is met by nuclear energy. Fossil fuels like coal and oil are still burned for energy production. The difference in the situation of 25 years ago is the increasing demand for reduction of CO_2 emissions and the more noticeable phenomenon of "global warming". In particular, the energy consuming industrial nations and the emerging countries must increase their energy efficiency and improve their carbon footprint in the coming years. This cannot be achieved by burning coal and oil. The alternatives are renewable energies – which need tremendous time and cost expenditures – or nuclear energy which can provide lot of energy CO_2 neutral. This possibility of the fast and almost clean energy generation has long been recognized by some countries who are increasing the construction of new nuclear power plants.

Supply Gap inevitable in the future

Today only 90% of the global uranium demand can be satisfied by producing mines. The number of nuclear reactors will double in the coming 10 to 20 years. The previous main supplier of uranium – Russia's nuclear weapons arsenal – doesn't exist anymore. Where will the needed uranium come from? The existing mines can be expanded and new mines opened but not at the current uranium spot price of around US$ 20 per pound. An enormous supply gap seems to be inevitable at least at the current market price. That is the situation investors should be aware of – a sharply rising uranium spot price and an inevitable connected second uranium boom.

What is Uranium?

One of only two elements that can sustain nuclear fission chain reactions

Now for some information about the element uranium itself. Uranium was named after the planet Uranus and is a chemical element with the element symbol U and the atomic number 92. Uranium is a metal whose isotopes are radioactive. Naturally occurring uranium in minerals is comprised of the isotope 238U (99.3%) and 235U (0.7%).

The uranium isotope 235U is fissile by thermic neutrons and besides the very rare plutonium isotope 239Pu, the only known natural occurring nuclide that is suitable for nuclear fission chain reactions. Therefore, it is used as a primary energy source in nuclear power plants and nuclear weapons.

Source: www.periodictable.com

Occurrence

Uranium does not occur pure in nature but always in form of oxides in minerals. There are some 230 uranium minerals that could locally be of economic importance.
There is a large range of uranium deposits from magmatic hydrothermal to sedimentary types.

The highest uranium grades are encountered in unconformity-type deposits with average uranium grades of 0.3 to 20%. These deposits are mined by the two largest uranium producers. The largest single uranium resource in the world is Olympic Dam with a proven uranium content of more than 2 million tonnes at an average uranium grade of 0.03%. The first industrial scale uranium mine in the world is in Jachymov (Czech Republic) produced from hydrothermal veins.
According to the International Atomic Energy Agency (IAEA) the largest uranium reserves are in the USA, Niger, Australia, Kazakhstan, Namibia, South Africa, Canada, Brazil, Russia, Ukraine and Uzbekistan.

Short outline of the history of the commercial uranium industry

From the beginnings to the first atomic bomb

Uranium was produced for the first time as a by-product in Saxon and English mines at the beginning of the 19th century. Until the 1930s there was little use for the radioactive raw material. It was used for coloring glass and ceramics as well as in photography. The shadowy existence of the uranium changed suddenly as Hitler came into power in Germany, and an unprecedented spiral of armament and testing of new weapons technologies began. Above all the "Third Reich" accelerated the expedited mining of uranium. These mining activities were exclusively in the region of Jachymov (the German name is Sankt Joachimstal) in today's Czech Republic. The German supply submarine U-234, that was seized by two U.S. destroyers two days after the end of the war and towed to the USA had uranium ore from Jachymov on board. According to leading U.S. scientists, parts of this uranium ore were used to build the Hiroshima atomic bomb.

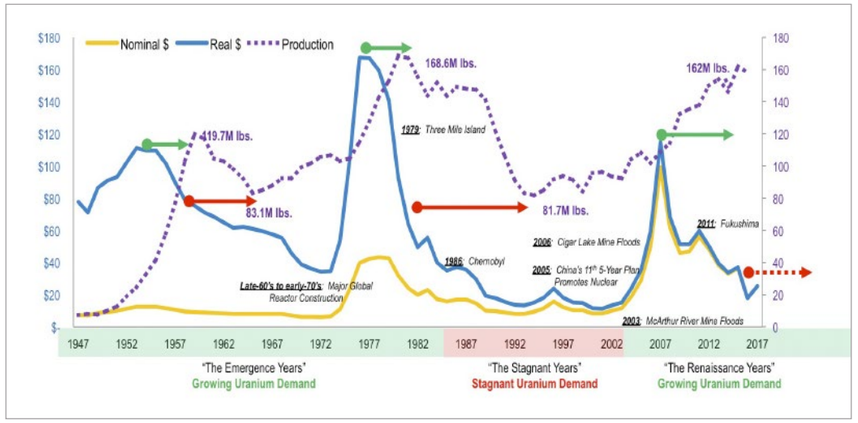
The Cold War makes Uranium acceptable

The newly created uranium sector had its biggest boost after the Second World War due to the beginning of the Cold war. The victorious powers of the Second Wold War, which rivaled for global dominance, now needed the highest possible number of nuclear weapons and also vast quantities of uranium. This resulted in a systematic exploration for useable uranium occurrences in all states of the USA. The previous Atomic Energy Commission (AEC) had the exclusive right to buy all of the produced uranium in the USA for over three decades. The greed for more and more nuclear armament led to extreme high prices per pound of uranium for those days. As a result, the search for uranium was conducted in all U.S. states in the 1950s and 1960s. The USA had a strong uranium industry at the end of the 1960s that was a global leader from mining to enrichment.
The Soviet Union initially expanded existing uranium mines in East Germany and Czechoslovakia. This was necessary because Russia had no knowledge of uranium occurrences in its own country until the end of the Second World War. In the 1950s and 1960s Russia began with a uranium exploration which led to large discoveries in Siberia and Kazakhstan.

Rise and temporary slump of civilian use of uranium

Already in 1953 the former U.S. president Eisenhower conceived a program for the civilian use of uranium. "Atoms for Peace" should find their way in the energy generation, medicine, traffic and agriculture and resulted in the demand for addi-

Historical development of the uranium prices, the uranium production and important events. (Source: Energy Fuels)



tional amounts of uranium. The civilian nuclear power had its beginning and was quickly advanced by other nations.
After a 25 year long uranium boom concerns have been increasingly voiced warning of the appearing lack of security in many nuclear power plants. After the almost Maximum Credible Accident in the American nuclear power plant Three Mile Island and the Super Maximum Credible Accident in Chernobyl, the general public turned its back more and more to nuclear power. In addition, the collapse of the Soviet Union resulted in a building stop of nuclear weapons and therefore no further uranium was needed.
Many nations decided not to install new nuclear reactors and some countries switched off existing reactors. Almost 90% of all uranium mines were closed because the market price for uranium had fallen to US$ 5 per pound in the meantime. The uranium for the operation of the still existing reactors came from old stockpiles or Russia's disarmament program.

Uranium Production

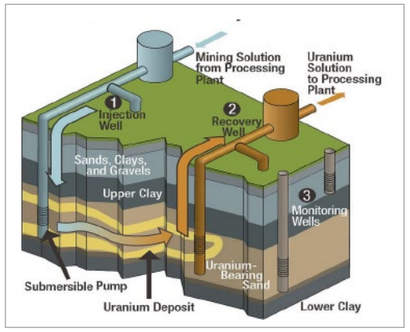
Basically, there are two uranium production methods: the conventional production and the production via in-situ leaching or rather in-situ recovery (ISR). The exact mining method depends on the properties of the ore body, (like depth, shape, ore content, tectonic) and the type of country rock as well as other factors.

Conventional Production

The majority of the uranium is mined in underground mines. The deposits are developed via shafts, drifts, ramps or spiral declines. Ingressing groundwater and the ventilation of the mine often pose problems. The exact production method is chosen according to the characteristics of the deposit. The form of the orebody and the distribution of the uranium in it are especially pivotal. An orebody can be specifically mined by underground methods where less waste material is produced as by open pit methods.
Ore bodies near the surface and very large ore bodies are primarily mined by open pit mining methods. This enables the use of low cost large equipment. Modern open pit mines can have a depth from a few to over 1,000 m and a diameter of several kilometers. Open pit mines often produce large amounts of waste material. Like in underground mines, large amounts of water have to be drained from the open pit however the ventilation is less problematic.

ISR Mining

The ISR method uses injection wells to pump water and small amounts of CO_2 and oxygen into the sandstone horizons to leach out the uranium. From recovery wells, the pregnant solution is pumped to the surface for processing. The whole method takes place completely underground. The advantages of this method are obvious: there are no large earth movements like in open pit mines, no waste rock stockpiles or tailings ponds for heavy metals and cyanide. At the surface only the wells are visible and the area around the wells can be used without constraints for farming. With the ISR method low grade deposits can be economically mined, the capital costs for the mine development is significantly reduced. The whole method can be implemented with a minimum of manpower which reduces drastically the operating costs. According to a study of the World Nuclear Association, 25% of the produced uranium outside of Kazakhstan comes from ISR mines.



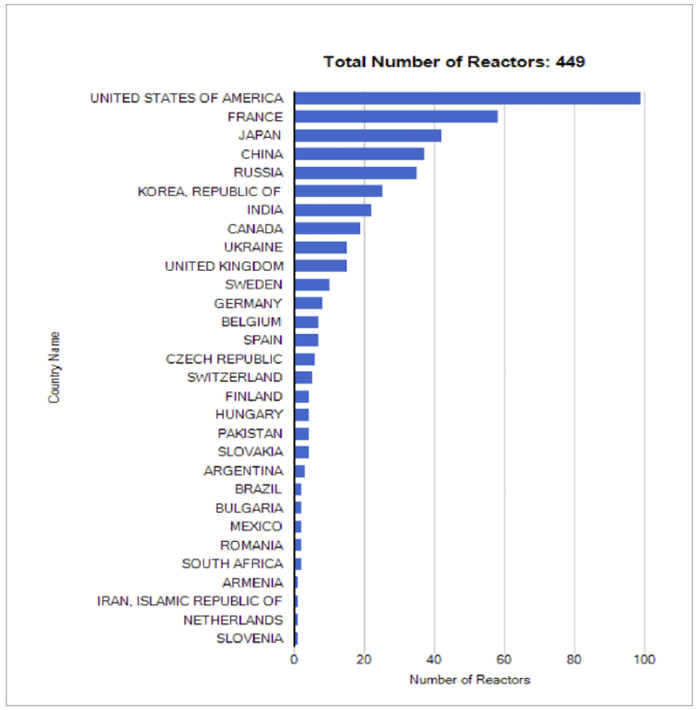
In-situ recovery process (Source: U.S. Nuclear Regulatory Commission)

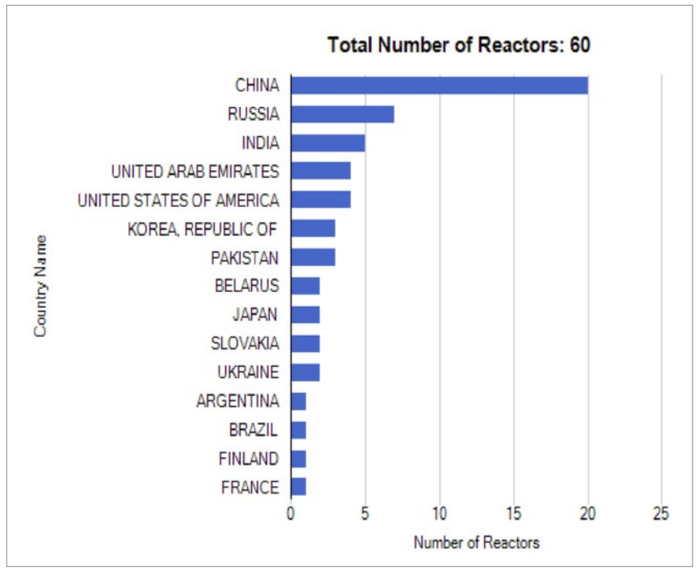
The current status of the Uranium Market

But how does today's uranium market look like? It is certain that the lack of investments into the procurement structure of the past 40 years – in the infrastructure of mines and processing plants – will very likely prove to be a windfall for the uranium investors in the future!
Nevertheless, despite opposition against nuclear energy since the catastrophe in Chernobyl and even more after the events in the nuclear plants in Fukushima (Japan) the number of plants worldwide is at a record high. Only 31 countries currently operate (as of May 1st, 2017) 449 nuclear reactors with a total electrical net output of around 392 gigawatts.

Most of these reactors (99) are located in the USA. But this is only half the truth because emerging countries like China and India need more and more energy and have been focusing on a massive expansion of their nuclear power capacities for some time. It is of no surprise that currently 60 additional nuclear reactors are under construction. The planning was comple-

Overview of currently operating reactors per country (Source: www.iaea.org/PRIS)





Overview of reactors currently under construction per country (Source: www.iaea.org/PRIS)

ted for an additional 170 reactors and 372 reactors are in the planning phase.
After a 20 year stop a renaissance of the uranium sector is pending – especially in China.

Demand situation

China is only at the beginning of the nuclear age

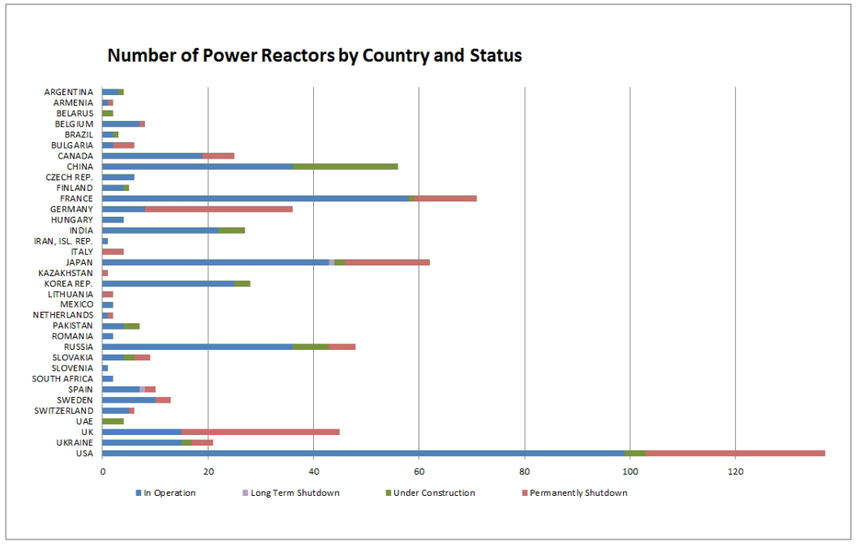
While many self-appointed experts have predicted the end of the nuclear age, it is only in the development phase in the most populous country in the world. China is operating 36 reactors where most of the electricity is generated by coal power plants. In 2016, 5 new nuclear reactors were put into service. Since 2010, 25 new reactors were put into service. The expansion of the nuclear energy sector in China is enormous and occurs with breathtaking speed! Over two thirds of the Chinese energy consumption is still met by coal power plants. Although China is mining its own coal deposits on a large scale, it is, besides India, one of the biggest coal importer of the world. 30% of the globally produced coal is imported by these two countries. A certain dependency from these coal imports is obvious. This is the point China's leadership wants to avoid. The obligation to implement climate friendly and clean possibilities for energy generation is only secondary matter.
In the fall of 2015 the state-owned power plant manufacturer Power Construction Corporation of China (Beijing) predicted the rise of its country among the biggest user of nuclear energy worldwide the Chinese government is planning the construction of more than 80 nuclear reactors in the coming 15 years and more than 230 new nuclear reactors until 2050. According to information from China Power the new five-year-plan for the energy sector whose approval by the National People's Congress has been planned in March 2016 provides for a faster expansion of the nuclear capacity: to date the capacity was to increase to 58 gigawatts during the coming 5 years, but now over 90 gigawatts are under discussion. In the year 2005 the planning was 40 gigawatts until 2020. Until 2030 110 reactors should be in operation. In the year 2016 alone China started the construction of 6 new reactors. In total 21 nuclear reactors are in the construction phase. According to concepts for the energy sector initial US$ 75 billion are budgeted for the nuclear expansion. In a second step China's nuclear power generation should be expanded to 120 – 160 gigawatts by 2030!
While in Germany the elimination of electricity generation from nuclear energy was decided after the events in Fukushima, China has decided the opposite and will do everything possible to produce electricity by nuclear fission. In light of the rising energy demand – due to the increasing prosperity – and a catastrophic carbon footprint China's approach seems only logical.

India expands civil nuclear program massively

Besides China, India is the second of the so called "BRIC-Countries" which is pursuing a similar course. The second most populous country in the world plans to expand its nuclear energy capacity by 70 gigawatts. In contrast, India's current total electrical net output is only around 6.2 gigawatts.
But India has slept through the entry into the nuclear energy and is now desperately trying to search for mineable deposits but has to expand its overloaded power grid at the same time. A tenfold increase of the nuclear energy capacities not only seems to be reasonable but also very necessary.
India doesn't have significant uranium deposits. A tenfold expansion of their own nuclear energy capacities would mean an increase of the total global nuclear electricity generation by 10%.
But where will the additionally needed uranium come from? Currently, only a few of the 22 Indian nuclear reactors are operating with full power. While Japan, China, Russia and South Korea could secure uranium resources worldwide, India missed out completely. Only recently has India entered into offtake agreements with companies from the USA, Canada, Namibia, Kazakhstan, Russia, Great Britain und South Korea.
Currently 5 nuclear reactors are under construction in India and 20 additional will follow until 2030.

Russia and Brazil with increasing nuclear capacity

The two remaining BRIC-Countries, Russia and Brazil have also announced a massive expansion of their nuclear power plants. Currently Russia operates 35 nuclear reactors with around 27 gigawatts. 7 reactors are in the construction phase and 2 were connected to the power grid in 2016. Furthermore, Russia plans the construction of an additional 26 nuclear power plants which should increase the percentage of the nuclear energy in the Russian energy mix from currently 16% to 19%. In a second step Russia wants to increase this quota to 25%. By the year 2030 Russia wants to build 26 reactors.



Overview of currently operating reactors (blue), currently shutdown reactors (grey), reactors under construction (green) and permanently shutdown reactors (red). China, India, South Korea, Russia, the United Arab Emirates and the USA are currently working increased at the expansion of their reactor fleet. (Source: www.iaea.org/PRIS)

Currently Brazil is operating only one nuclear power plant with two reactors. A third reactor is under construction and is expected to be connected to the power grid in 2018. The construction of 4 additional reactors is expected until 2030.

Rising global expansion of nuclear energy

Besides the 30 nations with operating nuclear reactors, 17 additional countries are planning to install nuclear power plants. Among those countries are Egypt, the United Arab Emirates (four reactors under construction), Jordan, Turkey and Indonesia.

The USA is close to an energy collapse

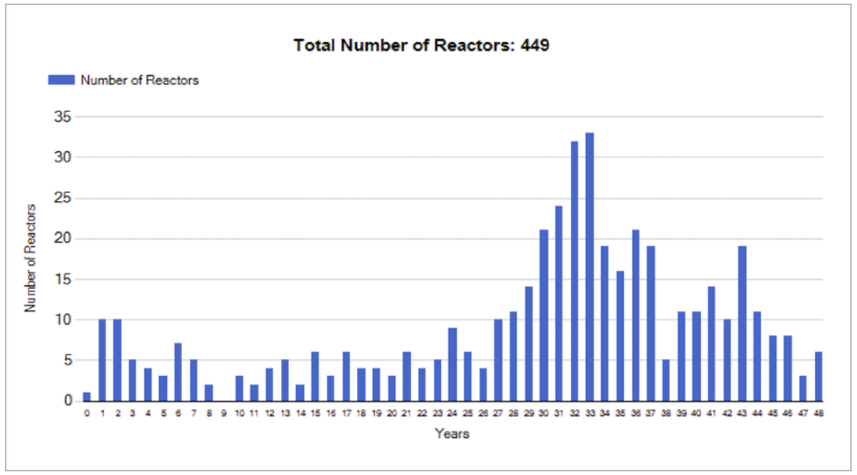
The USA has a special status. With 99 reactors, they have by far the biggest nuclear power plant fleet in the world. Nevertheless, the USA is threatened by a collapse of the energy supply. The USA is still the country with the highest electricity consumption per capita. And the hunger for energy of the Americans is increasing. In addition, the USA is facing the question how to fulfil the CO_2-reductions which were agreed to in Kyoto and Paris. Because many of the coal power plants were built in the 1950s and 1960s, they are working inefficiently and uneconomically. They have to be shut down sooner rather than later. The electricity consumption is rising continuously. The USA has no choice but to increase the number of its nuclear reactors during the coming years. Of course, photovoltaic plants, wind farms, hydroelectric power plants or geothermic energy provide climate friendly energy but these energy producers can offer only a partial solution for the pressing energy problems. They are very expensive and their performance is dependent on the time of day and weather. Nuclear energy is therefore the only climate friendly energy generating possibility. In light of the amount of additional electricity demand during the coming two to three decades regenerative energies can only be an addition to the total energy mix.

Therefore, a law for expansion and funding of the energy generation by nuclear energy was created within the “Clean Energy Act of 2009” a program to provide carbon free energy. Both U.S. governing parties worked on a US$ 18.5 billion plan for doubling of the nuclear power capacities until 2030. At the beginning of 2010 President Obama announced that the U.S. government will provide in the 2011 federal budget additional funds of US$ 36 billion of government guarantees for the construction of a new generation of nuclear power plants. This would be a tripling of the originally planned budget.

During the past years an application for lifetime extension of 60 years total operating time was made for over 60 U.S. nuclear reactors. In addition, there are 40 applications for the construction of new nuclear power plants that should be connected to the power grid by 2025. Until now only 4 plants are under construction and additional 16 are in a concrete planning phase.

Long-term supply contracts expire soon

The previous cycle of contract conclusions which was dominated by the uranium price peaks of the years 2007 and 2010 was the reason that the plant operators signed contracts at higher price levels and very long durations of 8 to 10 years. On the one hand, these old contracts are ending and on the other hand the plant operators didn’t look for a replacement of such deliveries. The forward contracts of the plant operators are declining and therefore the required quantities for which there are no contractual obligations are increasing and have to be contractually secured in the future. As expected the unmet demand will be just less than one billion pounds of U_3O_8 in the coming 10 years. At the same time, over 70% of the expected reactor demands are not contractually secured until 2025. For a little traded commodity like uranium this return to more “normal” long term contracts could put tremendous pressure on the long-term prices as well as on the spot prices. The international plant operators are showing more and more buying signals which are encouraging.



Overview, age of currently operating reactors. Many will be (have to be) replaced by more powerful ones. (Source: www.iaea.org/PRIS)

Conclusion

Fact is that currently 449 reactors are in operation and an additional 300 reactors will be added until 2030. 59 plants are already under construction and 170 additional plants are in the concrete planning phase. Even if half of the old reactors should be shut down until then 600 to 700 reactors would be in operation in 2030.
Furthermore, 90% of the long-term delivery contracts between the uranium producers and the energy generating companies are expiring by the end of 2019 which could get the established nuclear energy nations like the USA into trouble especially.

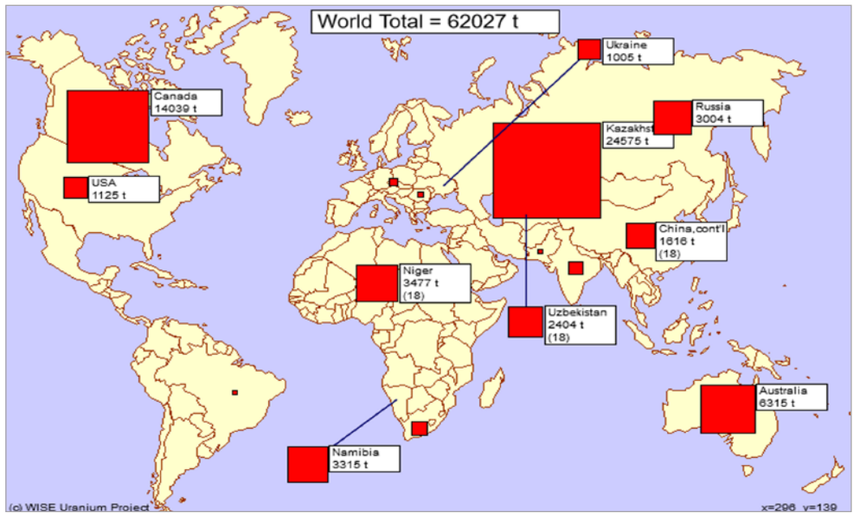
Supply Situation

The established producers are running out of air

The established uranium producing nations Australia, Canada, Russia and Niger have problems to expand their production further. All four countries produced in total just 26.835 tons uranium in 2016. In 2009, they produced 28.000 tons uranium. Australia has problems with BHP Billiton’s Olympic Dam Mine, the by far most profitable uranium mine in this country. In Canada, the production start in Cameco’s MacArthur River Mine had to be postponed many times due to repeated groundwater ingresses. In Niger planned mine openings also had to be postponed.

The uranium production in the USA has hit rock bottom

The situation in the USA is even worse. Although the Obama government has approved a US$ 54 billion program for the funding of the nuclear energy industry, it is not clear from where the necessary uranium



Annual uranium production 2016 (conversion factor tonnes uranium (tU) to tonnes U_3O_8 is 1:1.18) (Source: http://www.wise-uranium.org/)

will be derived. The uranium industry in the USA is only a shadow of the past. During the past 40 years there have been no investments in development of new deposits and almost 95% of the needed uranium was derived from the disarmament programs. The US-American nuclear reactors consume 18.000 tons uranium per year. An expansion of the capacities would also be an increase of the needed amount of uranium. The World Nuclear Association (WNA) estimates that 40,000 tons uranium per year will be needed in the USA alone by 2025. Even at the peak of the US-American uranium production during the 1960s and 1970s, such an amount could not have been produced by the mines in the USA. The US-American uranium production reached its previous peak in 1980. During that year 29,000 tons uranium were produced. After the end of the Cold War disarmed nuclear weapons became the most important source for the US-American uranium demand. This resulted in a decline of the American uranium production from 23,400 to currently 1,125 tons uranium per year. As a direct result, the majority of the infrastructure and the permitted production facilities were closed or completely dismantled. Currently there are only a few mines in Texas, Arizona and Wyoming.

Kazakhstan – the new uranium superpower

Almost all established uranium producers are having difficulties with the rebuilding or the expansion of their uranium production but one region has climbed to the top of the uranium production: Central Asia. Kazakhstan especially could multiply its uranium production during the past 10 years. The uranium production of the previous Soviet Republic increased from 2000 to 2016 from 1,870 to over 24,500 tons. Kazakhstan surpassed the previous leader Canada in 2009 and is responsible for close to 40% of the global uranium production.

Massive production cuts were already initiated

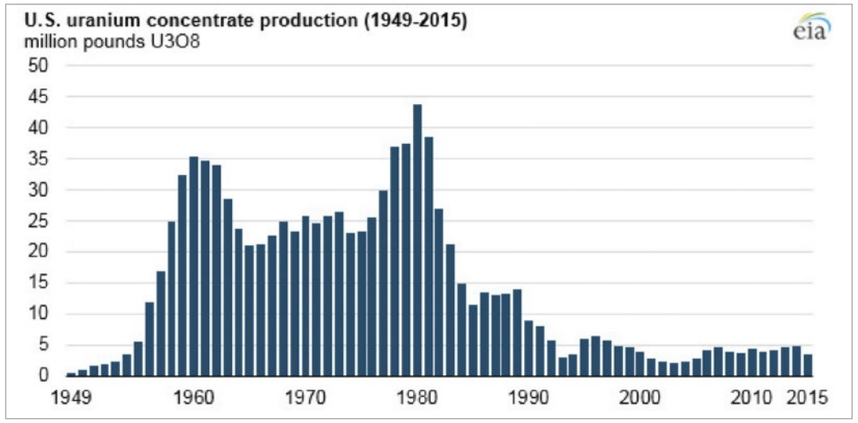
Kazakhstan is part of the nations which can mine uranium at the lowest costs. The country is however not willing to give away its uranium resources to absolute low prices anymore. At the beginning of 2017 the state-owned group Kazatomprom announced that the uranium production will be cut by at least 10% in 2017. This would take around 2,500 tons uranium off the market.
But Kazatomprom is not the only uranium producer which opts for production cuts in light of the ridiculous uranium price. The uranium–major Cameco also announced production cuts. These are specifically 4 million pounds of U_3O_8 for the Rabbit Lake Mine and 2 million pounds of U_3O_8 for the MacArthur River Mine which rank among the 10 largest uranium mines globally. From the Husab Mine in Niger 5 million pounds of U_3O_8 per year are missing and from the Langer Heinrich Mine in Namibia 1.5 million pounds of U_3O_8.

Supply gap unavoidable

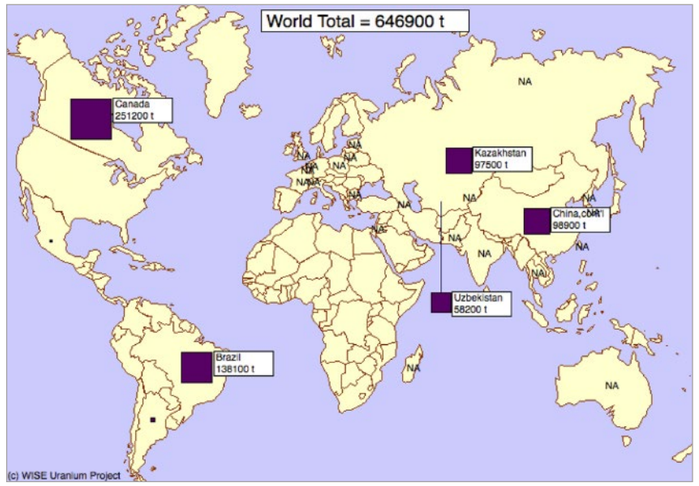
In spite of the massive production expansion in Kazakhstan during the past years a large supply gap will form in the uranium sector in the foreseeable future. There is already such a gap. Until now this gap could be closed with material from nuclear waste. But the nuclear industry consumes about 10% more uranium than is currently produced. The 449 nuclear reactors worldwide are consuming around 68,000 tons uranium per year, only approximately 62,000 tons are covered by the global uranium production. The International Atomic Energy Agency (IAEA) estimates that the global uranium demand will rise to 140.000 tons uranium by 2030 due to the construction of new nuclear power plants. The percentage of primary supply has to increase because Russia has reached the end of its nuclear disarmament.

New disarmament contracts without effect to the uranium market

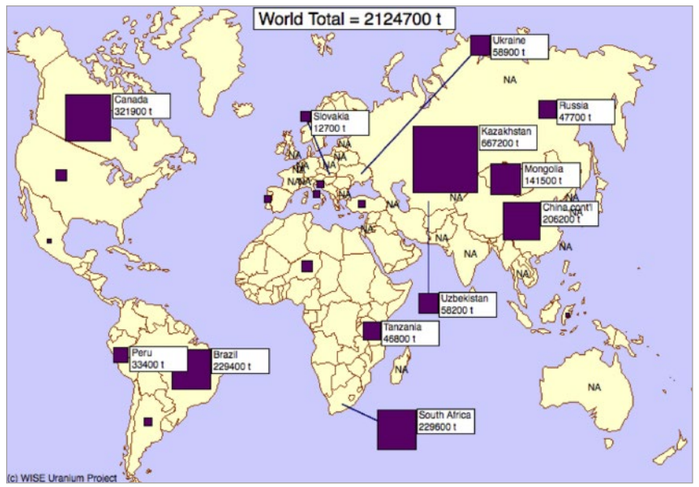
The currently existing disarmament contract between the USA and Russia, New START, will not change that. It provides for a further reduction of the nuclear weapons arsenal by 30%. These 30% don't include the total weapons arsenal at the end of the Cold War but only from 2011. Since 1990 85% of all nuclear weapons have been disarmed. The remaining 15% will be reduced by 30% meaning that from the original amount only 5% will be disarmed. According to this new contract only 5% of the original amount will be disarmed during the coming 10 years, while 85% of the original amount was disarmed in the past 20 years. This material has been already consumed in form of fuel elements. The future disarmament uranium is minimal compared to the amount of the past



US uranium production until 2015 in million pounds (Source: EIA)



Uranium resources recoverable at a uranium price of under US$ 40.
(Source: Wise Uranium Project)



Uranium resources recoverable at a uranium price of US$ 80
(Source: Wise Uranium Project)

20 years and will have no big effect on the uranium market. The secondary supply for the uranium market will fall from currently 9% to below 5% by 2030. Therefore, the whole amount of Russia's secondary supply will remain in Russia because Russia has not offer uranium from its own disarmed nuclear weapons at the free market since 2013.

Summary

The supply side in the uranium sector is going through a transition phase. The secondary supply from Russia's disarmed nuclear weapons becomes less and less important. While in 2006 37% of the demand was covered by disarmed nuclear weapons, currently it is only 9%. Concurrently the number of nuclear reactors will increase rapidly. This rapidly increase in demand will not be completely covered by the established uranium producers – at least not at the current uranium spot price of US$ 20 per pound U_3O_8. From where will the needed uranium in the future come from?
An increased production can only be achieved with a higher uranium price and associated large investments in the expansion of existing and the construction of new mines. The basic problem is still the relatively low uranium spot price, which doesn't allow producers to mine difficultly accessible and more expensive deposits.
Experts estimate that there are less than 650,000 tons of economically recoverable uranium at a market price of US$ 40 per pound uranium.

At an annual consumption of around 68,000 tons uranium, these resources would not even last for 10 years assuming a constant market price of US$ 40 as well as a constant demand. This will rise inevitably.
If the market price for uranium would increase and would justify production costs of US$ 80 per pound uranium the triple amount of 2.12 million tons uranium could be mined economically.

At a uranium price of US$ 130 per pound approximately 5.7 million tons uranium could be mined economically. At the current consumption, the known reserves would last for 83 years.

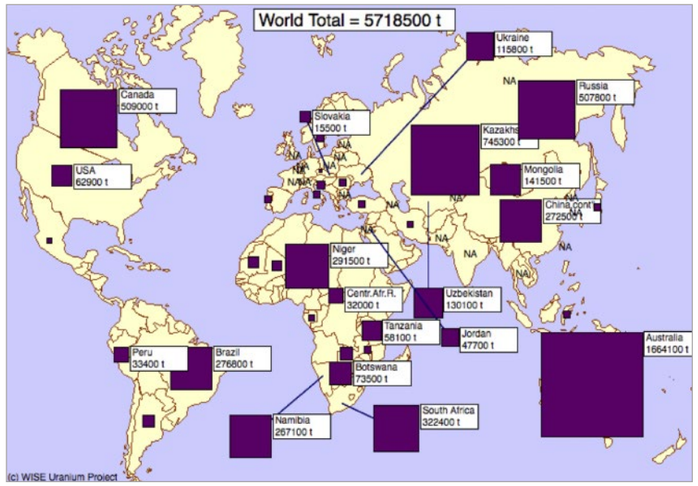
Conclusion

Doubling of demand is not faced by any expansion of the supply!

The uranium spot price is as far from the US$ 130 per pound uranium as the current demand will be from future demand. According to a conservative estimate of the International Atomic Energy Agency (IAEA) this will double during the coming years. The aforementioned range can be cut in half in 10 to 15 years.
It shows that the still – apparently cheap way of generating electricity can only be used if the market price for the starting product uranium increases again. Supply and demand determine the market price for uranium too.
If the market price doesn't allow an economical production, it will have to increase. In the case of uranium, the demand will increase sharply due to the construction of several hundred new nuclear reactors so that the market price will benefit twofold as well as the investor who has recognized that trend in time.

High demand is uncovered to date

As expected the unmet demand will be just less than one billion pounds of U_3O_8 in the coming 10 years. At the same time, over 70% of the expected reactor needs are not contractually secured until 2025. For a little traded commodity like uranium



Uranium resources recoverable at a uranium price of US$ 130.
(Source: Wise Uranium Project)

this return to more "normal" long term contracts could put tremendous pressure on the long-term prices as well as on the spot prices. The international plant operators are showing buying signals more and more.

The best uranium stocks promise multiplication potential!

We have taken the current situation of way to low and not reality reflecting uranium spot price plus the expected future supply deficit to present you a compact summary of promising uranium stocks. Our focus is especially on development companies with very promising projects because these offer, besides the actual appreciation due to a higher uranium spot price, in this connection also a high takeover chance. At the end of 2015 the merger (in fact a takeover) of Fission Uranium with (by) Denison Mines failed due to, among other things, the vote of Fission's shareholders. This example shows that the investor can act on the assumption that there will be other takeover or merger possibilities in the future. That is because the uranium sector is currently undervalued and has to be rectified first.

Interview with Dr. Christian Schärer –
Manager of the Uranium Resources Fund and partner of Incrementum AG

Dr. Christian Schärer is a partner in Incrementum AG and responsible for special mandates.

During the course of his study he was looking for strategic success factors of successful business models. A topic that fascinates him until today and inspires him when selecting promising investment opportunities.

Dr. Schärer studied business administration at the Universität Zürich and he received his PhD extra-occupational at the Bankeninstitut Zürich for an analytical survey of the investment strategy of Swiss pension funds in the real estate sector. Since 1991 he has gained comprehensive financial market knowledge in several roles as investment adviser, broker and portfolio manager.

Since summer 2004 Dr. Schärer's focus as an entrepreneur, adviser and portfolio manager is on several investment themes with material asset character. He brings his practice-oriented financial market knowledge as board member to companies.

Dr. Schärer you are manager of the Uranium Resources Fund (ISIN LI0122468528) of LLB Fundservices AG in Lichtenstein. What is your strategy and what precisely represents the Fund?

The Fund invests heavily in companies which are involved in the development and mining of uranium deposits. The Fund predominantly has shares of mining companies in its portfolio. The investment goal is to benefit maximally from the emerging supply gap at the uranium market. This supply gap is the result of a scissor movement of supply and demand at the uranium market. While supply has been stagnant for years due to falling uranium prices, the demand is continuously growing with high visibility of 3% per year. Until now the supply deficit is covered by existing inventories as well as secondary sources. But this will not be sufficient in the near future…

Nuclear energy, especially in the German-speaking region, is controversial and the politic has initiated the exit out of nuclear energy. Nevertheless you see an increase in demand by 3% per year?

We have to differentiate between the situation in Germany or in Switzerland on one side and the global perspectives on the other side. Contrary to Germany, the emerging economies in Eastern Europe or Asia count on the expansion of nuclear energy. The construction of new nuclear power plants should reduce CO2 emissions and air pollution as well as the dependence on imports of fossil fuels. In addition nuclear energy provides the baseload to the power grids which are constantly under pressure due to the fast growing demand. China and India especially consistently advance the expansion of their reactor fleet. Despite the events in Fukushima and the nuclear phase-out in German-speaking regions this results in total to a capacity expansion of the nuclear energy production from 330 gig watts (2012) to 580 gig watts in 2030. The predicted demand growth of around 3% per year is to be seen against this background.

Since the reactor accident in Fukushima the uranium price is permanently under pressure. What are the main reasons for this price collapse and how do you assess the current market situation?

At the uranium spot market the price dropped during the past 6 years from US$ 75 per pound to currently US$ 23. A movement that puts tremendous pressure on the producers. Three reasons seem to be primarily responsible: First, the sale of uranium from inventory of the Japanese nuclear power plant operators that were disconnected from the power grid after the reactor catastrophe in Fukushima. Second, the sale by uranium producers with liquidity shortages and producers with uranium as a by-product which then sell the uranium with little price sensitivity. Third, the restraint of the buyers, which are not stressed by falling prices despite low inventories.

The uranium spot price has marked a multi-year low with US$ 18 this past November and has risen moderately since. This price increase was stimulated by the announcement of a production cut of 10% by the largest uranium producer in the world Kazatomprom. In this context, precautionary purchases resulted in significant rebounds of the share prices of uranium producers. This rally has already sold off and from a technical perspective the securities are traded again at the breakout level of the bottom formation. With a view at the emerging supply gap an interesting entry opportunity for the long-term oriented investor is opening again.

How do the uranium producers come to terms with these low uranium prices and when do you expect a rebound?

The price decline at the uranium market is a tremendous challenge for the producers. A profitable production is unthinkable in this environment. The costs are consistently reduced accordingly. Production plans are adjusted to the low prices and unprofitable mines are closed. The existing capital is allocated with much discipline. Development and expansion projects are rescaled or cancelled accordingly. With this behaviour (tightening of the supply) the producers are preparing the ground for a medium-term price turnaround at the uranium market when the stagnant supply cannot satisfy the steady demand from China and India against this background. The uranium prices will have to rise in direction US$ 70 permanently to stimulate the necessary expansion of the production capacities…

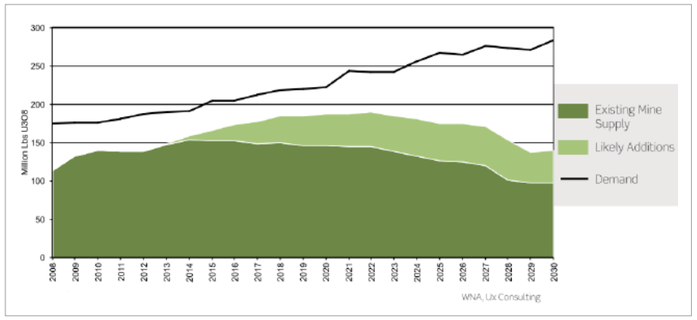
Returning to your question: we expect that a change for the better could materialize by 2018. During that timeframe an inventory cycle comes to an end for many European and American nuclear power plant operators. They will have to come to the market to rebuild their inventories. This impulse could become the catalyst of a sustainable turnaround. Normally the market will anticipate this turnaround within a timeframe of several months…

Is such a fund, focussed on a single commodity, not too specialised and therefore too risky?

An investment in the fund is a focussed bet on the emerging supply gap at the uranium market. An attractive return potential is opening up in front of an investor with a medium-term investment horizon which could also be very risky. Therefore the fund is suitable as complementary building block in a diversified portfolio but not as a basic investment. The Uranium Resources Fund has between 25 and 30 positions in the portfolio. This diversification makes sense against the background of the current state of the uranium market.

What do you recommend to investors who are interested in an investment in the uranium sector?

The outlined supply gap and the related potential of rising uranium prices are only foreseeable at the moment. The exact timing of the expected turnaround at the uranium market is uncertain despite the good perspectives. If, against expectations, the current phase of lethargy continues for a longer time the air will become thin very fast for some uranium producers. Their balance sheets are emaciated after the persistent price collapse and the cost reduction potentials are mostly exhausted. Even for a developer of new uranium projects the environment is challenging because their projects become economically viable and thereby feasible with increasing uranium prices. As a result it is difficult to find investors for the funding of the next project stages. Who bets everything on one card at that constellation takes a big risk – possibly too big. The stake within a diversified investment fund seems to be reasonable. In addition we



While supply has been stagnant for years due to falling uranium prices, the demand is continuously growing.
(Source: WNA, UX Consulting)

suggest a timely scaled build-up of the positions.

What are your selection criteria for the selection of your fund holdings?

We initiated the fund with great confidence based on the described positive medium-term prospects three weeks before the reactor accident in Fukushima. These events have pushed back the positive starting position by 5 to 6 years. The decommissioning of the Japanese reactor fleet, which comprises 10% of all operating reactors worldwide and the related uncertainty about the future perspectives of the civil use of nuclear energy is responsible for that. Against this background we became very humble although we still feel confident about the potential of the uranium market. Our primary goal is to remain a player when the uranium market rebounds.

Our portfolio is therefore based on three pillars. The core of the portfolio is comprised of 2 solid basic investments. First an investment in Uranium Participation (U CN), a Canadian holding company which invests in physical uranium. If we are right the supply gap at the uranium market will be closed by the increasing uranium price. Uranium Participation will be one of the first and direct profiteers. In addition we always have a significant position in the Canadian industry leader Cameco (CCO CN). The company has a broad-based portfolio of World Class Assets, is cash flow positive and pays a dividend despite the challenging environment.

When the prices begin to climb only the producers, which can place a significant uranium production on the market will benefit. Only the one who produces can deliver. To be on the safe side we invest in companies with low production costs and that have a solid order book. It is good to know in this context that only a relatively small amount of the annual uranium production is traded at the spot market. The main portion of the uranium production is processed within long-term delivery contracts at a predetermined (forward) price. We invest in companies that have sold a significant portion of their production in the past at a predetermined price, which is considerably higher than the current spot prices. This softens the current psychological strain. An example for a company in this category is Ur-Energy (URE CN).

Third, we invest in explorers and developers that are advancing development and mining projects on a world class level. Of special interest are those that can start their production in the timeframe of the expected supply gap. They will benefit from the attractive sales prices. In addition, these assets should have the necessary size to qualify as take-over targets. We assume that after the price turnaround at the uranium market a consolidation wave will roll through and mining companies from outside the sector would like to position themselves in the uranium business as well. This would make sense due to the low cyclical sensitivity and the relative high visibility of the uranium production.

Currently which are your biggest individual positions and why?

Besides the mentioned standard assets Uranium Participation and Cameco assets like Uranium Energy (UEC US), Berkeley Energia (BKY LN), NexGen Energy (NXE CN), Energy Fuels (EFR CN), Fission Uranium (FCU CN) or Denison Mines (DML CN) fit, for various reasons, in our aforementioned acquisition strategy.

In addition, do you keep an eye on smaller uranium companies which could become interesting during the coming months?

This is a difficult question. There are some attractive investment possibilities. If I have to name one of my favourites it would be Berkeley Energia after the recent significant price correction. The company has started the construction of the Salamanca uranium mine in Spain and will commence production in the coming year. At that time many nuclear reactor operators in the EU might start to renew their long-term delivery contracts. Berkeley Energia is in an excellent position because the Salamanca mine will be the only significant uranium producer in the EU-region. This makes the project attractive from a strategic point of view. In addition I like that, by global comparison, low investment volume of less than EUR 100 million is necessary to bring the mine to production. This is the result of the excellent infrastructure (water, electricity, and workforce) and the attractive geographic location. Due to the fact that the uranium deposit is near the surface low cost open pit mining is possible. Low investment volume, low production costs and an annual production volume of about 4.4 million pounds make the project from an economic perspective very attractive.

Interview with Scott Melbye

Executive Vice President of Uranium Energy, Commercial V.P. of Uranium Participation Corp. and Advisor to the CEO of Kazatomprom

Scott Melbye is a 33-year veteran of the nuclear energy industry having held leadership positions in major uranium mining companies as well as industry-wide organizations. Through to June 2014, Melbye was Executive Vice President, Marketing, for Uranium One, responsible for global uranium sales activities. Prior to this, Melbye spent 22 years with the Cameco Group of companies, both in the Saskatoon head office and with their U.S. subsidiaries. He had last served as President of Cameco Inc., the subsidiary responsible for marketing and trading activities with annual sales exceeding 30 million pounds U_3O_8. Melbye was formerly the Chair of the Board of Governors of the World Nuclear Fuel Market and President of the Uranium Producers of America. He also currently serves as Executive Vice President of Uranium Energy and VP-Commercial for Uranium Participation Corporation and Advisor to the CEO of Kazatomprom, the world's largest uranium producer in Kazakhstan. Melbye received a Bachelor of Science in Business Administration with specialization in International Business from Arizona State University in 1984.

Mr. Melbye, over the course of your career you have held positions as Executive Vice President, Marketing of Uranium One, President of Cameco Inc., Chair of the Board of Governors of the World Nuclear Fuel Market and President of the Uranium Producers of America. Currently, you are serving as Executive Vice President of Uranium Energy, Commercial V.P. of Uranium Participation Corp., and as the Advisor to the CEO of Kazatomprom. In other words: You are THE uranium expert! What led to your uranium-career?

Thank you, that is very nice of you to say. I feel fortunate to have spent my entire career in the uranium and nuclear energy business. Our industry is quite unique in that it is a fairly small and international community of quality, smart, and devoted people who are all pulling together to supply 11 percent of global electricity supplies with highly reliable, clean-air, base-load energy.

My introduction to the uranium business was at a very young age. Being a second-generation uranium miner, I grew up around the business. My father, Chuck Melbye, graduated from the Colorado School of Mines-in 1950. He explored, and developed uranium deposits throughout the Colorado Plateau, Wyoming and even Paraguay, with joint venture partners such as Southern California Edison, Korea Electric Power and Taiwan Power Company. I recall an early memory at the age of 12 travelling to Moab, Utah with my father to meet a bearded and dusty old prospector at the local motel coffee shop. After spreading out the exploration maps over the breakfast table, we jumped in his old pickup truck and headed out a jeep trail into the remote red-rock canyons and plateaus of that prolific uranium district. Arriving at the prospective outcropping, we took some scintillometer readings, bagged some mineral samples (kicking a scorpion off one of them) and headed three hours back into town. Experiences like this helped me develop a real passion for the resource business. Years later, I graduated from Arizona State University in 1984, and took on my first industry role with uranium broker, Nukem Inc. in New York.

Since mid-2015 we saw significant volatility in the uranium spot-price. It went from 40 to 18 and back to 26 US$. So, have we already seen the bottom?

The short answer is yes, even though we will have some starts and stops before we fully gain traction (as has been the case recently with the price back down around the US$20 level on thin trading volumes). The industry has been in a six-year bear market that began after Fukushima in March 2011. This has been a long and challenging downturn, as it would be for any commodity. While this period has challenged the patience of uranium investors, the depth and breadth of this downturn has sowed the seeds of an even more robust and sustainable recovery. We are finally seeing years of low prices beginning to take its toll on the supply side of the market. Production cutbacks are becoming the norm, as higher priced legacy term contracts begin to fall off. Uranium prices in the low U$20 per pound U_3O_8 range are simply unsustainable over the longer term. All-in production costs of the lowest cost mines are higher than the current depressed price level. Further, the current price environment fails to incentivize the majority of undeveloped uranium projects towards construction.

Japan is going to bring its reactors back to the grid step-by-step, but cancelled a supply-contract with Cameco in early 2017.

Uranium production in Kazakhstan (Source: Kazatomprom)

Will Japan put too much pressure on the spot-price?

The pace of the Japanese recovery has certainly been a disappointment. Most analysts, including me, have been wrong as to how quickly their reactor restarts would occur. The good news is that positive developments seem to be taking hold during 2017 (despite Cameco's high profile contract dispute with Tokyo Electric Power, which appears to be isolated to those parties). Japan now has 26 restart applications submitted to regulators and 12 have been given the green light to resume operations. Another level of hurdles has been the legal challenges raised in two jurisdictions and the requirement of local governments to consent to each reactor restart. Great progress has been made on both these fronts in recent weeks, and it is not unreasonable to see seven reactors operating by year's end (where only four are operating today). These don't sound like big numbers, but would be viewed as positive developments for both market fundamentals and sentiment in the uranium industry.

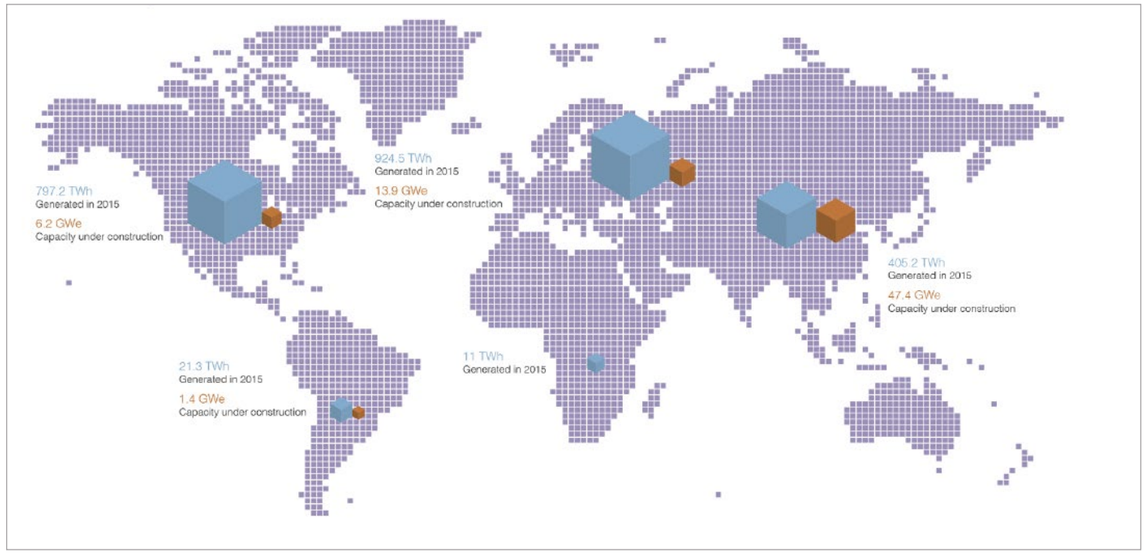
In the last few months, a couple of producers reported that they are planning to cut their production, including Kazatomprom where you serve as an advisor. Will this significantly affect the uranium spot-price?

This is absolutely a key catalyst in the uranium price recovery that has been long in coming. Global uranium production amounted to 163 million pounds in 2016. While this continued a trend of annual uranium production increases in the face of low prices, the rate of increase has finally slowed and cutbacks are being implemented. This supports observations that a peaking of mine production is occurring. Several high-profile production cutbacks have been announced, including Cameco's Saskatchewan and U.S. operations, Areva's Niger mines, Paladin's Namibian Langer Heinrich mine and Kazakhstan's 10% reduction in output. The 10% reduction in output from Kazakhstan is particularly significant, as Kazakhstan is the world's largest producer of uranium, accounting for about 40% of global mine supplies. Clearly, the move

signals a disciplined and responsible market approach. Recently, Kazakhstan also announced that progress to date on that goal amounted to a solid 13% production reduction based on 1st quarter 2017 results. Furthermore, a senior Kazatomprom representative also announced at an industry meeting last month that "further production cuts are not off the table", as they navigate through this difficult market environment.

Finally, while not a production cutback, we received great news this month that the U.S. Department of Energy has bowed to pressure from the U.S. producers and reduced the amount of government inventories that are released to the market by over 1 million pounds per year in 2017 and 2018. This may not sound like much, but combined with announced production cutbacks, about 16 million pounds of annual supply has now been removed from the market.

Global nuclear generation (blue) and construction (orange) (Source: World Nuclear Association)



Many long-term contracts will run out in the next 12 to 18 months. Utilities are beginning to return to the market. Will they get their uranium for less than 30 US$ per pound?

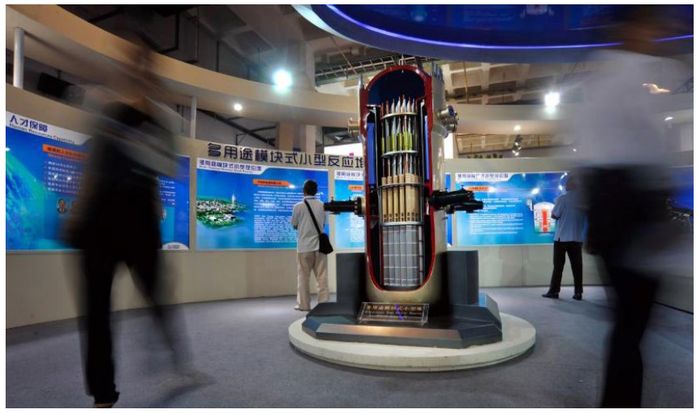
Only in the very near term and until such time renewed utility uranium procurement levels pick back up. This is the other key catalyst that has me excited right now.
The world's fleet of operating reactors, and those nearing completion, are now expected to generate a cumulative fuel requirement of 174 million pounds of U_3O_8 in 2017. This fuel requirement is expected to grow about 2% per year through 2030. While this demand for uranium is fairly steady and predictable, the procurement decisions of utilities can vary based on contract coverage, inventories, forecasts of future prices and risk tolerance. The previous contracting cycle, brought on by uranium price spikes in 2007 and 2010, resulted in utilities rushing to contract at higher prices and for very long terms. While these old contracts are expiring, the utilities have not been moving to replace these supplies. As a result, the forward coverage of utilities has fallen appreciably, increasing the uncommitted requirements that will need future contract coverage. It is expected that these unfilled needs may total just under one billion pounds of U_3O_8 over the coming ten years and over 75% of expected reactor requirements are uncovered by 2025. In a thinly traded commodity, like uranium, this return to more normal long term contracting levels should put considerable upward pressure on long term and spot prices. We are beginning to see the signs of this increased buying activity by global utilities which is very encouraging.

New reactors are being built and older ones will be shut down. What does this mean for the future demand? Do new reactors need more uranium than older ones?

Ten reactors were added to the global grid during the 2016 calendar year, exceeding the mark set in 2015 for the highest growth rate of nuclear power capacities in the past 25 years. The World Nuclear Association reports that 447 reactors are operable in 30 countries. These reactors have a capacity of 392 gigawatts of electricity and supply about 11 percent of the world's electrical requirements. Currently, 59 nuclear reactors are under construction in 14 countries with the principal drivers of this expansion being China, Russia, India, the U.S. and the United Arab Emirates.

The new reactors are all of designs which exceed 1000 megawatts and more than compensate for the retirement of some older smaller reactors that have reached the end of their operating lives. The total demand for uranium will increase with the requirements of the larger reactors balanced against the retirement of the older smaller units with designs typically less than 1,000 MWe.

A trend to keep our eyes on, and not yet factored into the near-term supply and demand analysis, is the growing emergence of Small Modular Reactor ('SMR") designs. These are reactor designs which have a 50-100 megawatt range of output, and are similar to the small, compact U.S. naval reactors which have operated safely since the 1950's. SMR's can be mass produced in factories and shipped on site. They are scalable in nature, can accommodate small grids like islands and remote areas, require much lower upfront capital, and have a faster payback period due to short construction times. The U.S. Nuclear Regulatory Commission is updating their regulations to accommodate these small-scale power producers, which has been a big barrier to entry to date. While these reactors will use less uranium than today's large units, this potential new growth area is a very welcome development.



Model of a Mini Atom Reactor (SMR) in Beijing (Quelle: Imaginechina)

Just to give the readers some numbers: How much uranium does a new reactor need for the first load and how much does it need for further loads?

Great question and something that adds to near term uranium requirements due to the 59 reactors currently under construction. A reactor under steady-state operation refuels only once every 12 – 24 months depending on their optimal fuel management and operating strategy. At these periodic refueling outages, approxi-

There is extremely high air pollution in the Chinese cities.
Source: Kyodo News

mately one-third of the reactor core is replaced with fresh fuel and the remaining fuel assemblies are shuffled to new locations in the core. The oldest fuel that has been in the reactor for several years is retired to spent fuel storage for ultimate disposal (or is reprocessed into new fuel).

In the case of a new reactor in its first operating cycle, the entire reactor core needs to be loaded with fresh fuel. This creates what is known as the "initial core effect". The first core fueling requires about 1.5 times the uranium required in a typical reload (the reason it is not 3 times more has to do with lower U-235 enrichment levels in the first cycle). Taken collectively across all of the new reactor start-ups, the bump in global requirements is substantial, not to mention that these requirements tend to be procured earlier than subsequent reloads.

To put this into actual numbers, a new Westinghouse AP-1000 reactor (like those being built in South Carolina and Georgia) require about 1.65 million pounds for an initial core, with a reload requiring around 1.1 pounds. This can, of course, vary based on operating cycle-length and tails assay (depending on the relative prices of uranium and enrichment).

The new leading nuclear nation will be China. How will their current construction plans effect the uranium sector?

China continues to lead the global nuclear growth story, expanding from their currently installed 33 gigawatts of capacity from 36 reactors, to close to 100 gigawatts within the next ten years. The Chinese government has increased its emphasis on nuclear energy as a way to deliver vast amounts of electricity, without adding to the severe air pollution crisis from carbon emissions affecting their major cities. As a case in point, in 2017, China is expected to add five nuclear units to the grid and is expected to break ground on an additional eight reactors.

This all has a profound impact on uranium supplies, as China possesses relatively little in the way of quality domestic geologic uranium reserves, despite its large geography. As such, China state-owned companies have been aggressively pursuing uranium imports to the tune of about 50 million pounds of U_3O_8 per year, taking advantage of the uranium downturn and accumulating an under-valued commodity that they will rapidly consume at their current growth rate. Their investments in foreign uranium deposits and production assets also have significant impacts on the global market. While their massive investment in the Husab uranium mine in Namibia will advance this mine's development earlier than economics would otherwise dictate, other investments in existing mines, like Langer Heinrich, also in Namibia, will take significant volumes of production "out of circulation" for western utilities.

Let's come to uranium supply. Do you see major new mines starting production in the next five to eight years? What does the pipeline look like and what price will most companies need to advance development, and bring their projects into production?

This development should be startling to the nuclear generating companies, and probably explains the current, and very strategic appetite for Chinese investment. Beyond the large Chinese Husab mine, we see very little in terms of new mine development. From a producer's viewpoint this is not surprising, given the six-year period of challenging price conditions we have experienced. The incentive price for meaningful new uranium production (new developments or mine expansions) to come to the market is estimated by BMO, in their March 2017 uranium market outlook, to be higher than US$60 per pound U_3O_8. This, and the prolonged licensing and permitting process required to bring on new production (as much as 10 years or more for a major conventional mine/mill complex), make for an interesting situation as the uranium market is expected to move into a near term supply deficit amidst higher contracting volumes.

In summary: What are your feelings about the current supply-demand-status in the uranium sector and could this lead to another uranium-price upward trend?

The uranium market has required a great deal of patience from investors as it has worked through the over-supply conditions that emerged out of the Fukushima events in 2011. Having said that, as we head into the summer of 2017, we have a very exciting development materializing that is rarely seen, but certainly coveted, by commodity investors. With the record number of reactors operating, and coming on-line around the world, we are seeing a robust and growing global demand for uranium. While utilities have recently been heavily covered under contract from past cycles, we see a new contracting cycle emerging that will put renewed stress on available supplies in the coming years. The trend of global uranium production cutbacks, like those announced by Kazakhstan earlier this year, have been long in coming. These cutbacks are now occurring at time when the pipeline for new supplies is at a low point, and lead-times required to reverse that trend could be rather prolonged. The price impact could be acute.

This is certainly the right time to be positioned in uranium investments to capitalize on an emerging, sustained, price recovery.

Skyharbour Resources

Top uranium projects in the Athabasca Basin Region and strong partners at its side

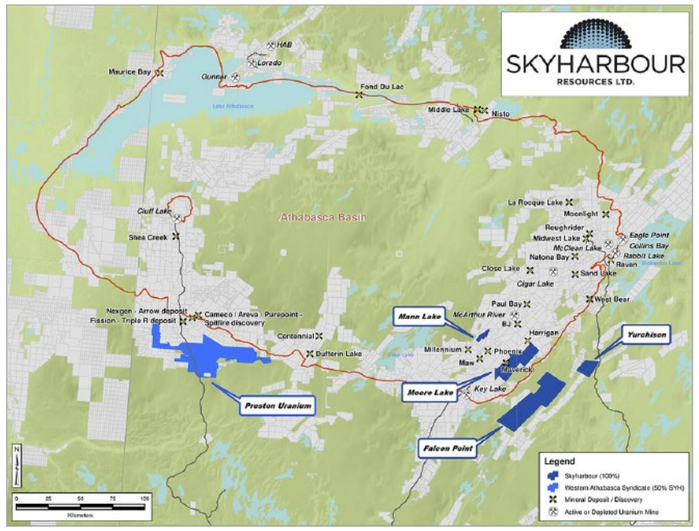
Jordan Trimble, CEO

Skyharbour Resources is a Canadian uranium and thorium development company specializing in exploration projects in the Athabasca Basin. The company holds the majority rights to five projects comprising in total 230,000 hectares in the Athabasca Basin.

Moore Lake Uranium Project – Location and Deal

Skyharbour Resources' current flagship project, Moore Lake, is located in the southeast of the Athabasca Basin 10km southwest of Denison Mines' Wheeler River mega project and between Key Lake Mill and the producing McArthur River Mine. In July 2016 Skyharbour Resources acquired from Denison Mines the Moore Lake Project comprised of 12 contiguous claims with a total area of 35,705 hectares. For the acquisition of the 100% interest in Moore Lake Skyharbour Resources issued 18 million Skyharbour shares to Denison Mines making Denison the largest single shareholder of Skyharbour. In addition, the company had/has to pay CA$500,000 in cash and CA$3.5 million in exploration expenses over a period of five years. An absolute bargain price considering that to date, over CA$35 million were invested into the exploration at Moore Lake. This amount was used, among other things, for 370 drill holes with a total length of over 135,000m.

Skyharbour holds the majority rights to five projects comprising in total 230,000 hectares in the Athabasca Basin.



Moore Lake Uranium Project – recent exploration successes

After completion of the transaction with Denison Mines, Skyharbour started an initial drill program comprised of 3,500m in February 2017. Three of the five initial drill holes returned high-grade radioactivity and uranium mineralization. The first drill hole in the so called Main Maverick Zone contained 20.8% U_3O_8 over 1.5m within a 5.9m long interval with 6.0% U_3O_8 at a depth of 262m. The fourth drill hole returned 5.6% U_3O_8 over 1.8m within an interval with 1.4% U_3O_8 over 10.7m at a depth of 267m. The special fact: the fourth drill hole was drilled 100m to the east of the high-grade Main Maverick Zone and returned a new discovery!

Due to the initial drill success, the original drill program (3,500m) was expanded two times for a total of 5,450m in 15 drill holes. In May 2017 Skyharbour Resources announced additional significant drill results. Drilling in the Main Maverick Zone returned 2.25% U_3O_8 over 3.0m and in the area of the new discovery named Maverick East Zone 1.79% U_3O_8 over 11.5m including 4.17% U_3O_8 over 4.5m and 9.12% over 1.4m.

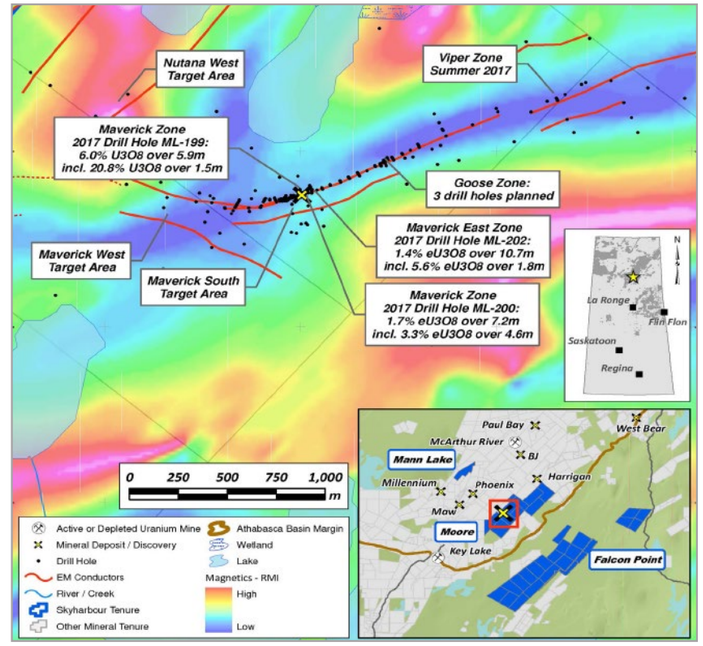
Skyharbour Resources is planning an additional drill campaign in the summer of 2017 focusing on the eastern area of the Maverick Structure. To date only 1.5km of the at least 4km long corridors were drill tested.

Moore Lake Uranium Project – Historic exploration successes

Since 1969, the Moore Lake Uranium Project has undergone episodic exploration by several companies including Noranda, AGIP, BRINEX, Cogema, Kennecott/JNR Resources and IUC/Denison. The focus was, among other things, on airborne and ground electromagnetic and magnetic surveys, ground gravity, seismic, and geochemical surveys, mapping, sediment sampling programs and the drilling of 370 drill holes in total.

From mid-2000 onwards, the primary focus of exploration has been the 3.5-kilometre-long Maverick structural corridor in the southwestern part of the license area where pods of high grade uranium mineralization have been identified. Some of the best intercepts were 4.03% U_3O_8 over 10m including 20% U_3O_8 over 1.4m at a depth of 264.68m. Two additional drill holes returned intercepts with high-grade uranium mineralization of 5.14% U_3O_8 over 6.2m and 4.01% U_3O_8 over 4.7m.

In addition, drilling in several other areas has intersected structural disruptions, alterations and anomalous uranium and pathfinder element concentrations.



In February 2017, Skyharbour began a 3,500-meter drilling program on the Moore Lake Uranium Project.

Preston Uranium Project – Location and exploration work

The Preston Uranium Project is located in the southwest, just outside of the Athabasca Basin in the Patterson Lake Region. To the north it borders Fission 3.0's and NexGen's project areas. The 121,000 hectare Preston Project (50% Skyharbour Resources; 50% Clean Commodities Corp., Skyharbour's partner) is not far from the top-class discoveries of NexGen (Arrow) and Fission Uranium (Patterson Lake South).

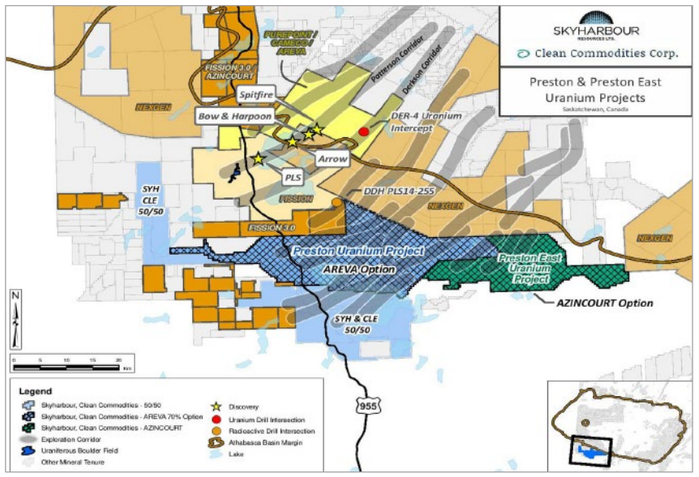
To date the two partners have spent CA$4.7 million for the exploration of the vast license areas. They identified 15 areas with similar indicators as at Patterson Lake South and Arrow. In addition, many other drill targets provide a high exploration potential.

Preston Uranium Project – Option agreement with AREVA

In March 2017 Skyharbour Resources and its partner Clean Commodities Corp. signed an option agreement with AREVA Resources Canada which provides AREVA an option to acquire up to a 70% interest in the 49,600-hectare western portion of the Preston Uranium Project by investing CA$7.3 million into the exploration of the project within 6 years and contributing an additional CA$700,000 in cash. AREVA may acquire an initial 51% interest by funding exploration expenditures in the total amount of CA$2.8 million over a 3-year period and making cash payments totaling CA$200,000.

Preston Uranium Project – Option agreement with Azincourt Uranium

Also in March 2017 Skyharbour Resources signed a second option agreement with Azincourt Uranium Inc. for the so called East Preston Uranium Project which is located in the eastern part of the overall Preston Project and comprises an area of 25,300 hectares. Azincourt can acquire a 70% interest in the East Preston Uranium Project by issuing 4.5 million shares to Skyharbour Resources and the partner Clean Commodities Corp. as well as paying CA$1 million in cash within three years and investing an additional CA$2.5 million in the exploration and development of the project area.



The Preston Uranium Project is located in the southwest, just outside of the Athabasca Basin in the Patterson Lake Region.

Due to these top deals (in total CA$9.8 million in development expenditures from AREVA and Azincourt) Skyharbour Resources and partner Clean Commodities Corp. can be reassured that the exploration of the project area continues whereas they don't have to bear the exploration costs and can focus on Moore Lake. In addition, they will receive CA$1.7 million (50% for Skyharbour Resources) at their free disposal.

Other top projects

Besides Moore Lake and Preston Skyharbour Resources holds other top projects. Among those is the Falcon Point Uranium & Thorium Project. This project, totaling 79,000 hectares is located 55km east of the Key Lake Mine. In 2015 Skyharbour Resources announced a NI 43-101 resource for Falcon Point containing 6.96 million pounds of U_3O_8 and 5.34 million pounds of ThO_2. The geological and geochemical features of the project show distinct similarities to some of the best projects in the Athabasca Basin such as Eagle Point, Millennium, P-Patch and Roughrider. Recent sampling at the north end of the property returned up to 68% U_3O_8.
Another top project is Mann Lake which borders directly the joint venture project of Cameco, Denison and AREVA with the same name. Mann Lake is located strategically 25km southwest of Cameco's McArthur River Mine and 15km northeast of Cameco's Millennium uranium deposit. In 2014 a drill campaign of Cameco returned, among other results, 2.31% U_3O_8 over 5.1m including 10.92% U_3O_8 over 0.4m.

Upcoming catalysts

For 2017 we can expect several drastic developments at Skyharbour Resources and its partners. Skyharbour Resources will conduct a summer drill program to, among other things, make a discovery in the eastern part of the Maverick Structure and at Moore Lake. AREVA and Azincourt Uranium will start the exploration and development work at the Preston Project. In addition, Skyharbour Resources plans to find additional partners for its projects within its "Prospect Generator Models" to have on the one hand these projects advanced and on the other hand to generate additional funding for the advancement of the flagship project Moore Lake.

Summary: top projects, strong partners and a good business model

Due to its top projects, strong partners and the good business model Skyharbour shines. The flagship project Moore Lake speaks for itself. Top grades and a tremendous exploration potential in the immediate vicinity of some of the best uranium deposits in the world. Some top news can be expected! The company could attract two top development partners for the huge Preston Project. They will not only pay the exploration costs during the coming years and quickly advance Preston, they will also pay a lot of cash to advance Moore Lake. Therewith, Skyharbour's Prospect Generator Business Model is paying off. With the largest single shareholder, Denison Mines, who's CEO David Cates has a seat in Skyharbour Resources' Board of Directors, the company has a technical development partner on its side. Therefore, Skyharbour Resources is one of the top picks in the uranium sector for years which could possibly make several big discoveries.

Factsheet

ISIN: CA8308166096
WKN: A2AJ7J
FRA: SC1P
TSX-V: SYH

Shares issued: 53.5 million
Options: 4.2 million
Warrants: 25.0 million
Fully diluted: 82.7 million

Contact:
Skyharbour Resources Ltd.
777 Dunsmuir Street - Suite 1610
Vancouver, BC, V7Y 1K4, Canada

Phone: +1-604-639-3850
Fax: +1-604-687-3119
nfindler@skyharbourltd.com
www.skyharbourltd.com

CEO:
Jordan Trimble

(Source: BigCharts)