

## Fission Uranium Corp.

 (FCU-T: C\$1.46) *intraday*
**BUY, Speculative Risk**  
 Dundee target: N/A

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### Thickest Intercept Ever at PLS with 5.98% U3O8 over 102.5m

FCU-V	New	Last
Rating	--	Buy
Target	--	N/A
Risk	--	Speculative

Company Data			
Last Price			C\$ 1.46
52-week Range	C\$ 0.46 -		C\$ 1.73
Market Cap (\$MM)			C\$ 470
Enterprise Value (\$MM)			C\$ 425
Shares Outstanding - Basic (MM)			323.4
Shares Outstanding - FD (MM)			366.2
Avg Volume - 100d (000 shares/day)			1,551.0
Cash - est. (\$MM)			C\$ 45.00
Debt (\$MM)			C\$ 0.00
Working Capital (30-Sept-13) (\$MM)			C\$ 11.04

Uranium Forecast	2013A	2014E	2015E	LT
Spot (US\$/lb)	39	42	52	65
Term (US\$/lb)	55	60	63	65

All Figures in C\$ Unless Otherwise Noted  
 Source: Company Reports, FactSet, Dundee Capital Markets

#### FCU-V: Price/Volume Chart



Source: Factset

#### Company Description

Fission Uranium is a Canadian uranium exploration company with properties in the Athabasca Basin of Saskatchewan. Fission is currently advancing its 100% owned PLS discovery on the western side of the Athabasca. Results to date have demonstrated the potential for a shallow, thick and high grade deposit split between five zones - R600W, R00E, R780E, R1155E and R1620E.

We continue to recommend Fission Uranium as a BUY with no target.

The thickest hit to date at PLS was announced from nine holes of assays reported from R780E Zone. This is very good news and we expect the stock to react well today. Assays returned 5.95% U3O8 over 102.5m from hole PLS14-187. This included 27.2% over 3m and 12.93% over 10.5m, representing a GT of 613 - second highest GT from PLS. A second hit of 1.63% over 15m was also reported from further down hole. Today's results are accretive to our mineral inventory estimate rising to 55.9 MM lbs, on its way to perhaps exceed 100 MM lbs, with a slight decline in grade to 1.75%. We only include assays and much of the trend remains untested. It's hard to be negative over such strong result, but were some investors expecting more? Hole -187 is one of two holes being rushed through the lab, the other being hole -164 still pending. Both holes had very strong and impressive gamma logs. The scintillometer results included 53.47m off-scale within 146m for -187, which appeared to be the best scint results yet. With assays in, we have another spectacular hole being the second best from PLS. So here is one example of radioactivity measurements not necessarily being indicative of assays. Either way we view this news as very positive and still believe this result will propel the stock higher.

**Other holes are in line with expectations.** Other reported holes were located largely along the axis of this zone. They hit wide intervals of mineralization but not necessarily high grade. Highlights include 2.18% over 47m, and 0.97% over 22.5m. Keep in mind that we believe this deposit averages less than 2% U3O8 overall, so even today's lower grade results remain in line with expectations. Results from ~15 holes and ~63 holes worth of assays including -164 which hit 30.08m off-scale within 111m of mineralization remain outstanding.

**Contained pounds rise 8% to 55.92 MM lbs** but grades retreat modestly to 1.75% from 1.81%. Obviously accretive to our model, we expect hole -187 could add 2.8 MM to 7.8 MM lbs depending on whether this zone is flat or not (we assume the smallest number if we don't know). As -187 is the only hole drilled on this section, it's difficult to determine dip of mineralization.

**More gaps to fill?** Hole -138 (L285E) near the west end of R780E returned 2.88% over 4.5m. Here R780E appears to be thinning, although it's possible that the conductor starts bending southward here. There is suggestion of this at the east end of R00E as well. This could be positive as the trend from L45E to L250E is not adequately tested. For now we believe that R00E and R780E are two separate zones.

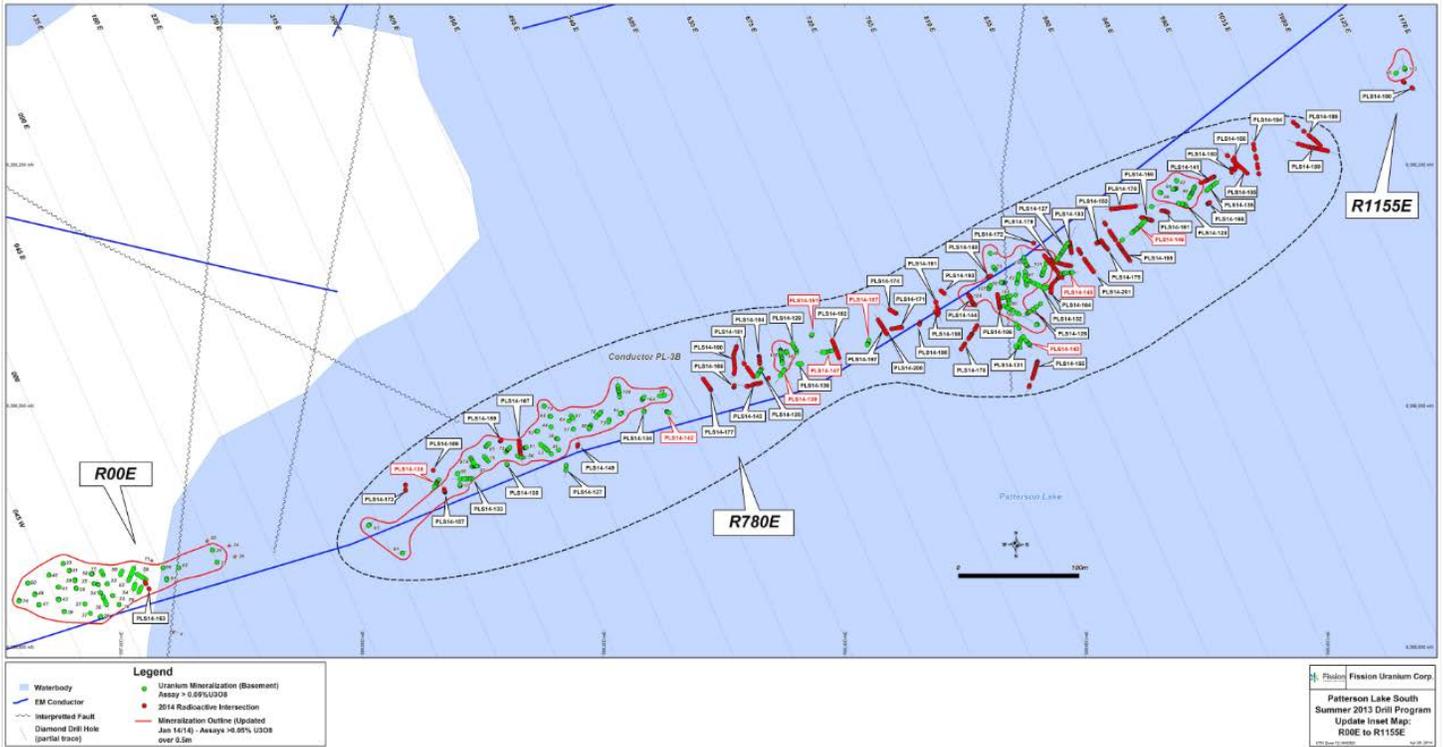
**Valuation still not reflecting upside potential.** FCU trades at an implied EV/lb of \$7.61 (~\$8.21 f/d), using our estimate. Precedents in the Athabasca Basin are around \$10/lb. PLS continues to grow and we are expecting a resource around YE2014. However there is increasing interest on project developed and potential economics.

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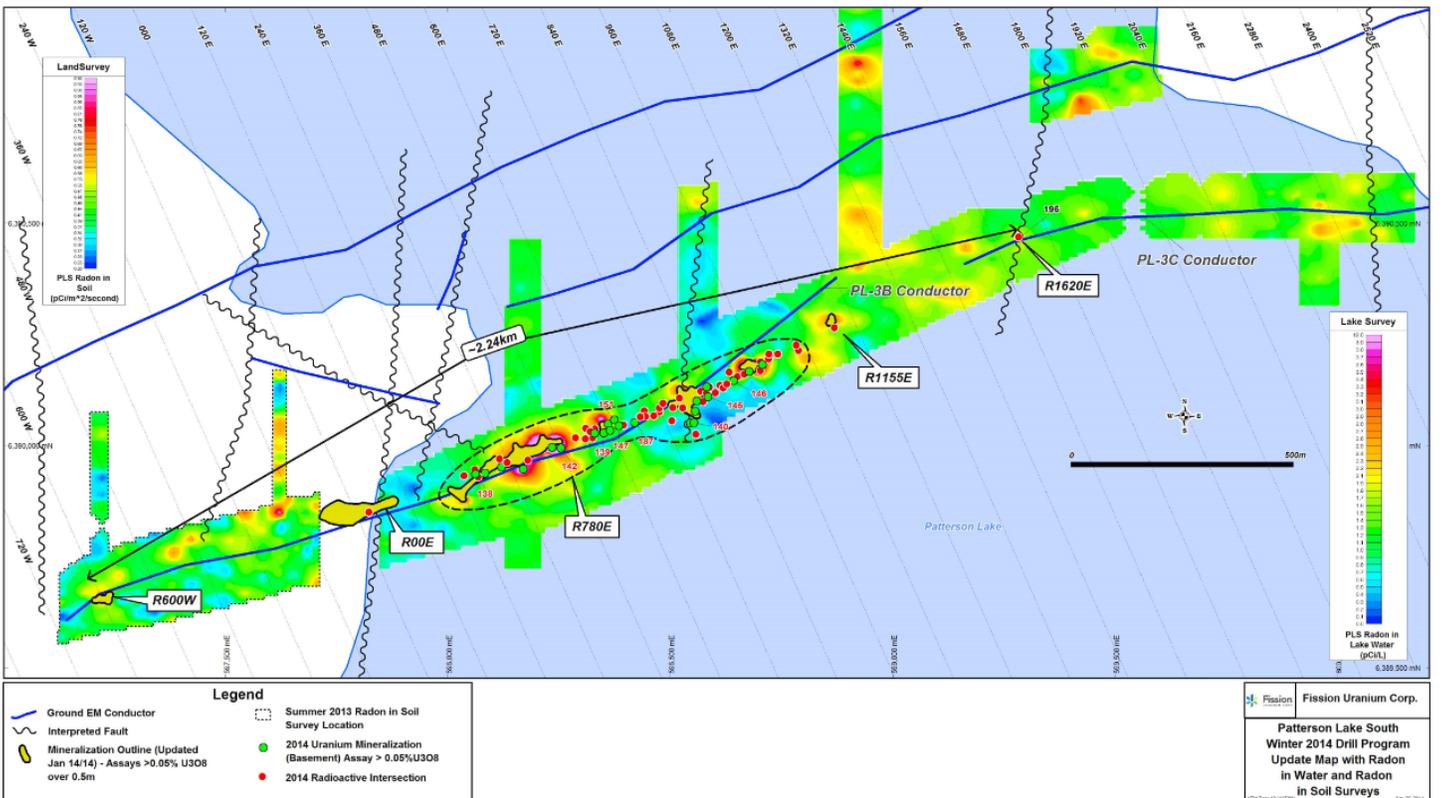
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Figure 1: PLS Winter 2014 inset drill map. Today's press released holes are denoted by red text.



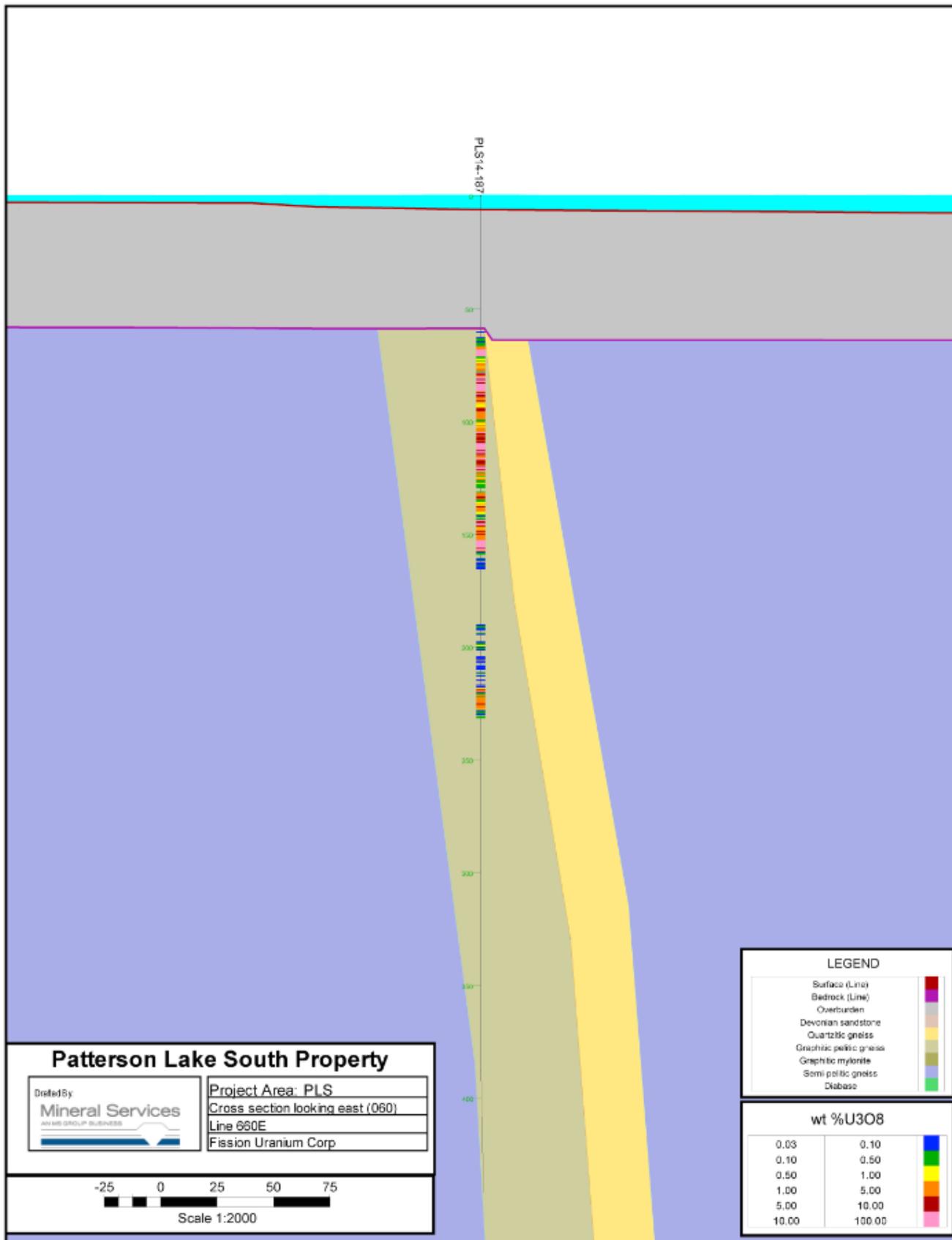
Source: Company Reports

Figure 2: Radon survey map with mineralized pods outlined in yellow.



Source: Company Reports

**Figure 3: Cross-section of line 660E, which only has today's highlight hole PLS14-187 on it.**



Source: Company Reports

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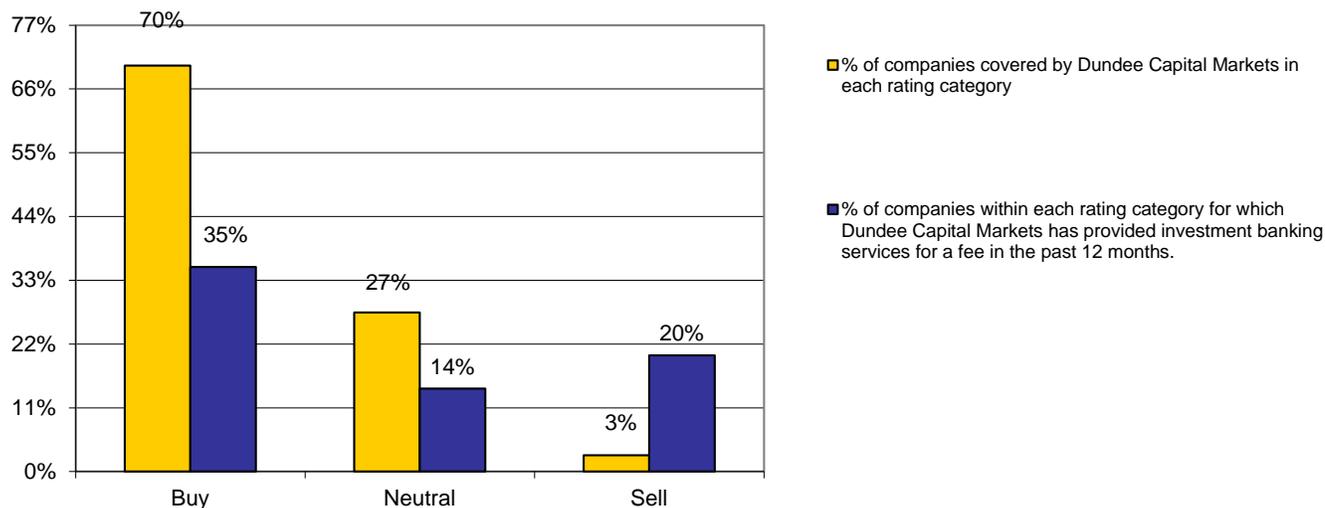
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