

Fission Uranium Corp.

 (FCU-V: C\$1.23) *intraday*
BUY, Speculative Risk
 Dundee target: N/A

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Potentially The Best Hole Ever at PLS Kicks Off Winter Drilling

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

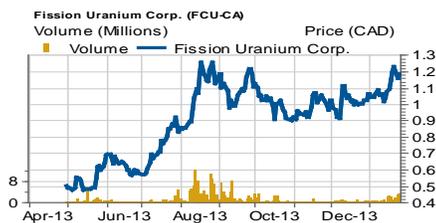
Company Data		
Last Price		C\$ 1.23
52-week Range	C\$ 0.46 -	C\$ 1.31
Market Cap (\$MM)		C\$ 398
Enterprise Value (\$MM)		C\$ 375
Shares Outstanding - Basic (MM)		323.4
Shares Outstanding - FD (MM)		366.2
Avg Volume - 100d (000 shares/day)		1,312.2
Cash - est. (\$MM)		C\$ 23.00
Debt (\$MM)		C\$ 0.00
Working Capital (30-Sept-13) (\$MM)		C\$ 11.04

Uranium Forecast	2012A	2013E	2014E	LT
Spot (US\$/lb)	49	54	67	65
Term (US\$/lb)	60	65	65	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 six zones - R00E, R390E, R585E, R780E, R945E, and R600W.

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

This is a very important press release. With its first hole of the winter program, Fission Uranium hits its largest off-scale mineralized intercept to date at PLS in hole PLS14-129, even surpassing hole -75 which ultimately returned 21.76% U3O8 over 21.5m. And this zone remains essentially untested within a relatively large gap in the known mineralization. This bodes well for quickly expanding our 42 MM lb U3O8 mineral inventory estimate. We believe the stock trades at a conservative \$7.80/lb U3O8 considering precedent Athabasca Basin deals completed at ~\$10/lb.

Scintillometer results are significant from the first five holes from its 90 hole, \$12 MM Winter program, with the strongest off-scale results at zone R585E (Figure 1). Hole PLS14-129 intersected 111.5m of mineralization including 36.72m of total off-scale (>9999cps, 9.5m continuous). As we mentioned, this compares very well to previously drilled hole -75, which intersected 21.65m off-scale and assayed for 21.76% U3O8 over 21.5m within 9.08% over 54.5m.

Filling the gaps. All five holes intersected off-scale radioactivity and have further narrowed the gaps between zones R390E to R945E. In total, the distance between the mineralized zones has been reduced by approximately 45m (12%). We still see ~50% of this 1.7km trend as untested. Overall a great start to 2014 winter drilling, and supports our thesis that PLS is essentially one long continuous zone.

Zone R585E expanded by 15m in each direction. Hole PLS14-129, returned 111.5m of total mineralization including 36.72m off-scale. Hole PLS13-125, returned 88m of total mineralization including 1.96m off-scale. Hole PLS14-127 on line 825E expands R780E by 15m east and returned 0.79m off-scale. Holes on lines 780E and 945E were nice hits, but look like they are within or closer to existing zones: Hole -126 (L780E) returned 64.5m total composite mineralization including 3.09m total composite off-scale; and -128 (L945E), 61.5m of total mineralization including 1.6m off-scale.

Rocks are the same but mineralization is higher in stratigraphy. Mineralization is more of the same in the basement. Still a graphitic pelite with up to a few percent pyrite - both likely causing the reducing environment. Strongly altered rock often hosts massive pitchblende. However, massive uranium mineralization starts at the top of the basement rocks (56m depth) which isn't necessarily the norm in the east. This is norm for R00E zone, and in places at R390E zone. Perhaps this is a source of the high grade boulder fields, uranium at the surface of the rock, and no Devonian or other Athabasca sandstones.

Radon anomalies likely won't delineate mineralized extent. Holes -129 and -125 are just off the edge of the R585E radon anomaly (Figure 2). This was never a real strong anomaly anyways, although R585E discovery hole -98 was drilled in the center. This supports our belief that Radon anomalies, while helpful in discovery, are not required for uranium mineralization and U3O8 will likely continue along strike, regardless of the extent of the radon anomaly.

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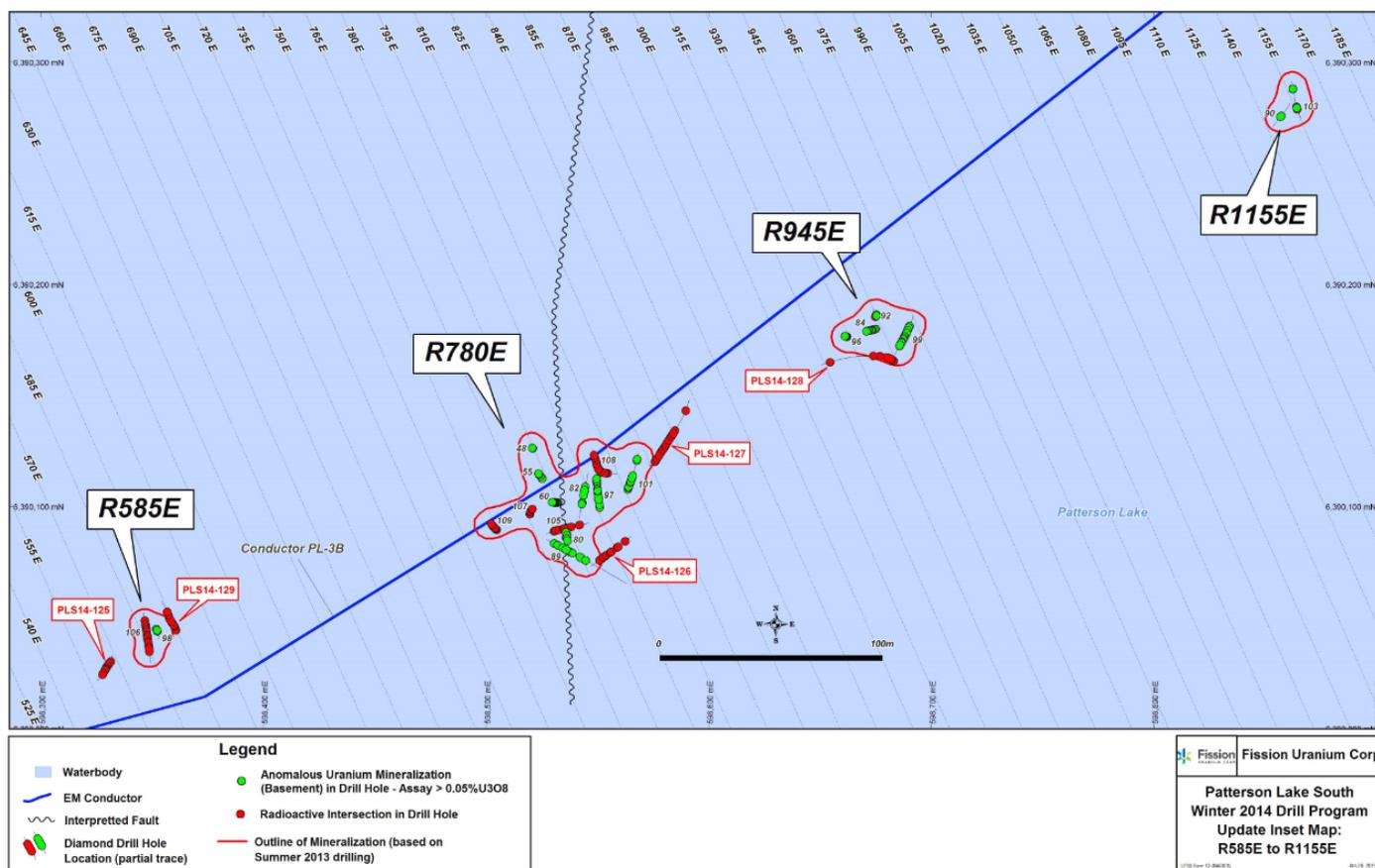
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Syncline model could pay dividends. One goal of this drill program is to stretch the zones laterally by drilling north or south every 3-4 sections. Holding true at least at R780E zone, there appears to be a synclinal geological structure. Drilling has so far tested most of the north side of the syncline along strike of most zones. But if the south limb shows repetition then we could see some duplication of mineralization. Secondly, the axis of the fold would then become a focal point for seeking potentially higher grades. Both increased thicknesses and higher grades are obviously positive for adding pounds. Determining the geological environment is crucial at this stage. We believe it is important that FCU builds up its orebody knowledge to bring exploration to the next level. While we aren't convinced that big step outs are necessary, we do think that determining controls of mineralization is.

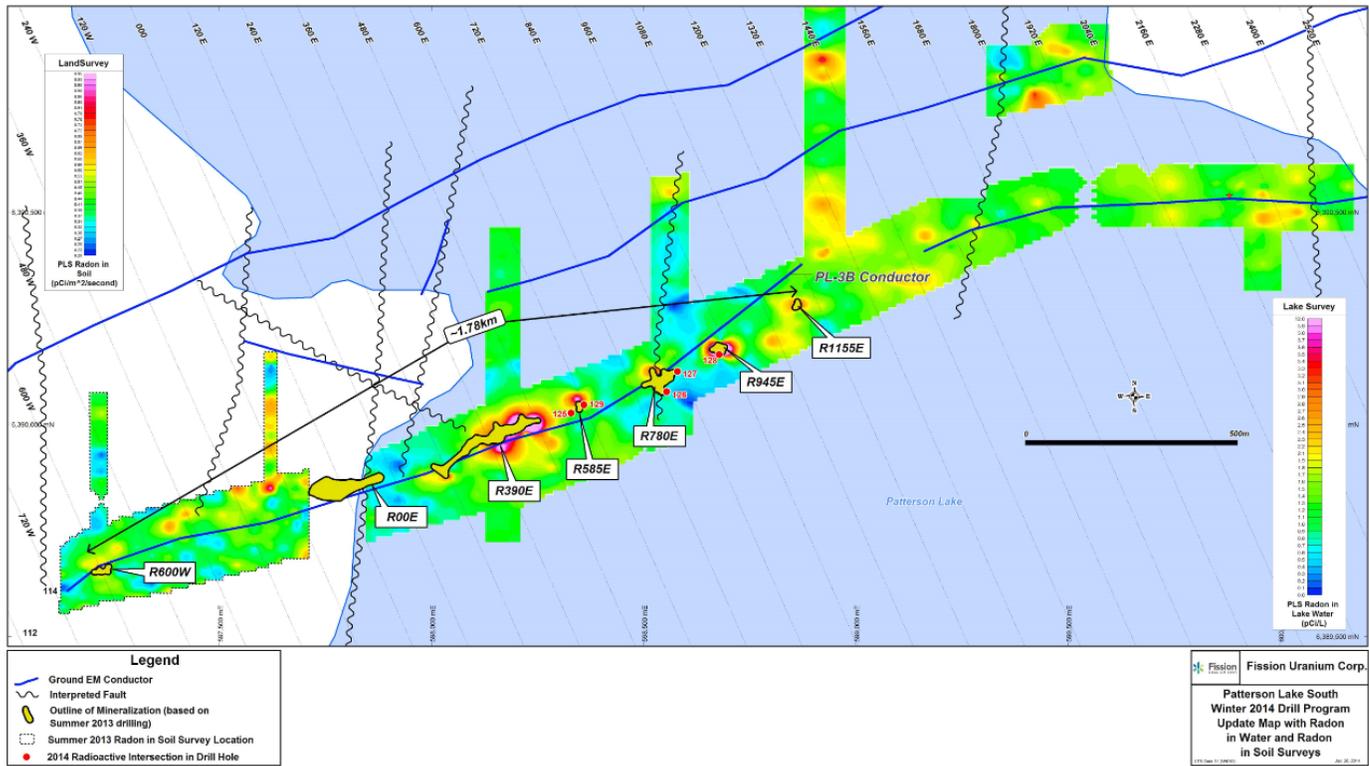
True thickness determination is still an issue. Much mineralization is horizontal, especially at R00E and R780E and therefore core thickness and true width (TW) are similar. R390E appears to be steeper and therefore TW is thinner than core and would impact our mineral inventory. We are solid on our mineral inventory estimates otherwise - we conservatively derive our tonnage using hole-specific polygonal models, grade estimation, and Specific Gravity. Our 42 MM lbs grading 2.1% U3O8 mineral inventory estimate is based only on assays provided to date. Scint results like those provided today have potential to incrementally increase our estimate.

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



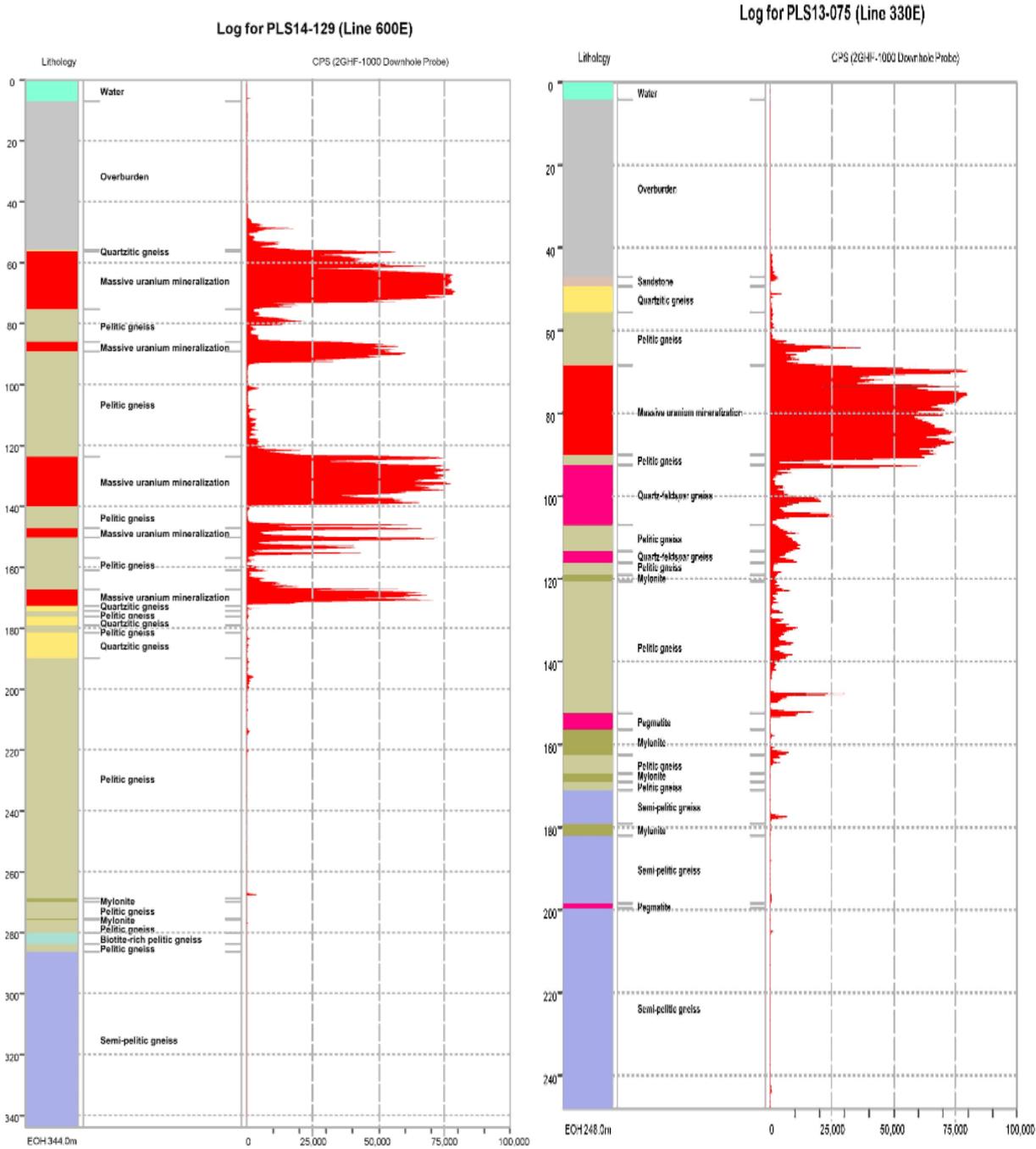
Source: Company Reports

Figure 2: Radon survey map with existing mineralization outlined.



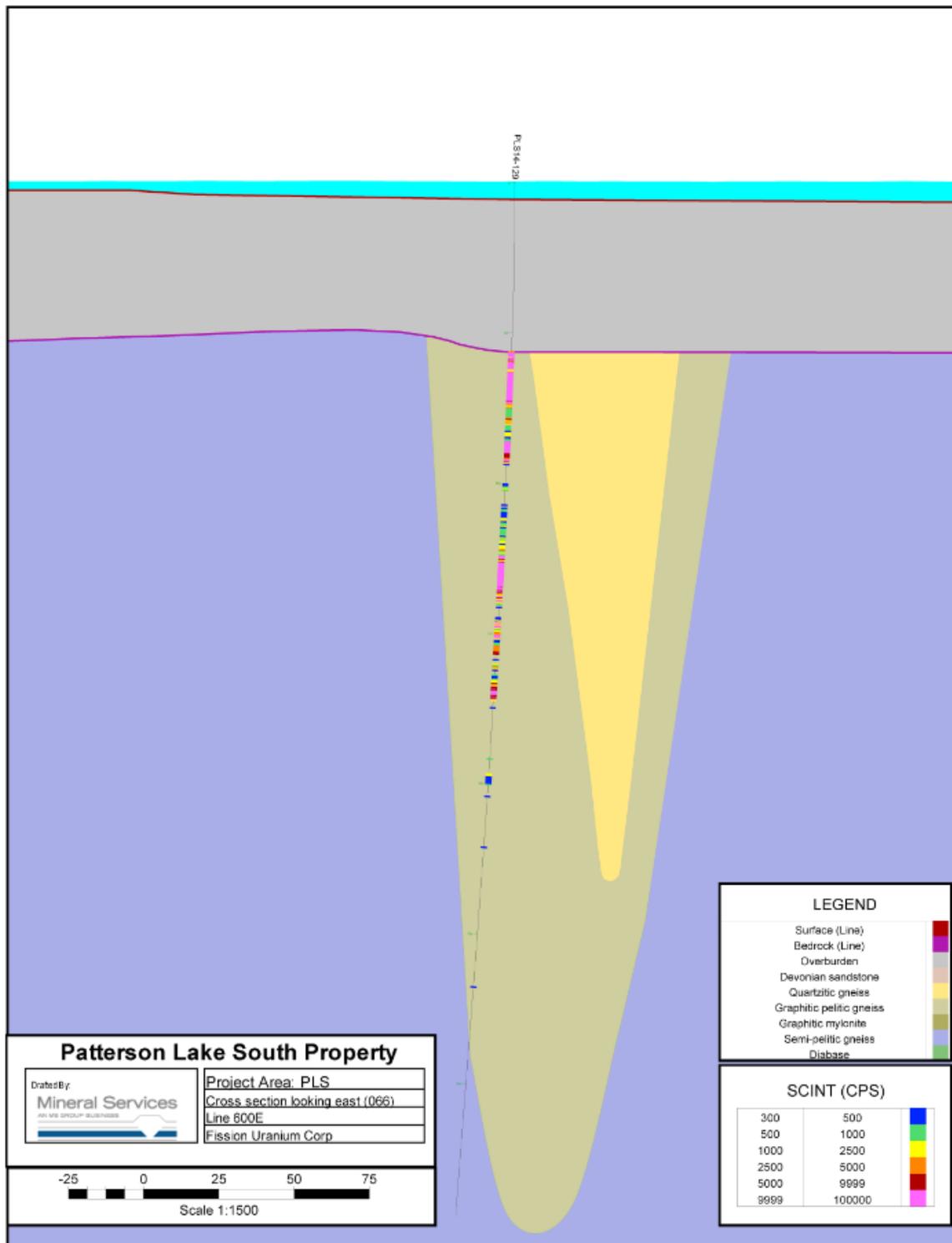
Source: Company Reports

Figure 3: Side by side comparison of down-hole gamma logs for hole -129 and previous best hole -75. Note hole-129 has 4 discrete off-scale intervals of varying widths (2-15m), whereas -75 had one long interval of off-scale mineralization.



Source: Company Reports

Figure 4: Cross-section of L600E, with hole -129 denoted.



Source: Company Reports

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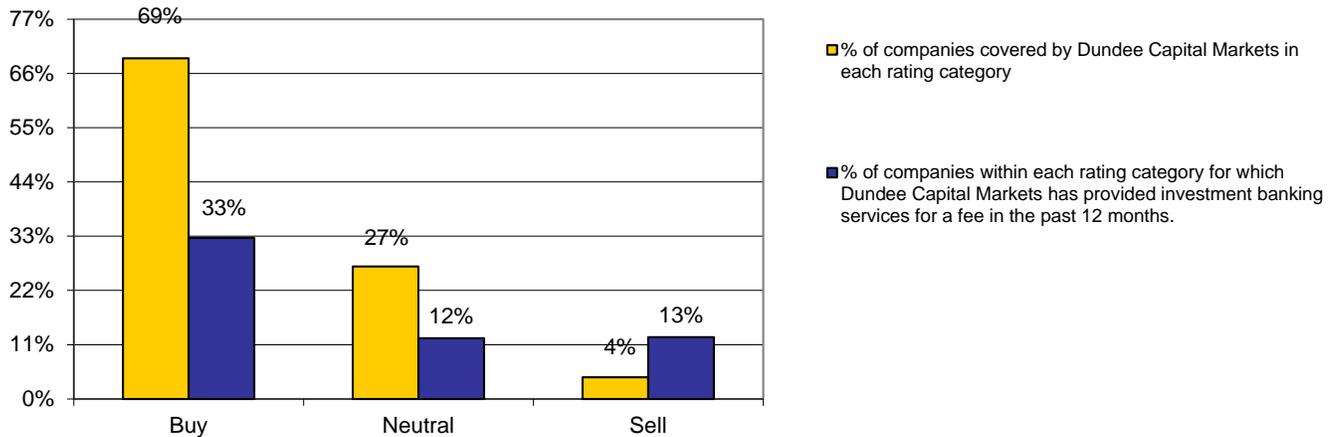
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