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GoviEx Uranium announces encouraging results of a Preliminary Economic Assessment for the Mutanga Uranium Project in Zambia

Mutanga is GoviEx's second large-scale, mine-permitted project in Africa positioned for development

VANCOUVER, CANADA – GoviEx Uranium Inc. (TSX-V: GXU; OTCQB: GVXXF) (“**GoviEx**” or “**Company**”) announced today that it has completed a National Instrument (NI) 43-101 Preliminary Economic Assessment (“**PEA**”) for the Mutanga Uranium Project (“**Mutanga Project**”) in Zambia, which evaluates the economic and technical viability of a large-scale uranium project with low-capital costs and low-operating costs.

Highlights of the PEA include the following:

- The Mutanga Project consists of three contiguous, fully-permitted mining licences.
- The project development plan envisions an average annual production rate of 2.4 million pounds of U_3O_8 yellowcake over an initial 11-year mine life, with an 88% ultimate uranium recovery rate.
- Initial capital costs are estimated at US\$123 million, with estimated cash operating costs of US\$31.1/lb U_3O_8 , excluding royalties. Total life-of-mine (“LoM”) costs are forecast at US\$37.9/lb U_3O_8 .
- The PEA is based on Measured and Indicated Mineral Resources of 15 million pounds (Mlb) U_3O_8 and 45 Mlb of Inferred Mineral Resources.
- At a long-term uranium price of US\$58/lb U_3O_8 , the base case project economics for this project are positive, and indicate an after-tax net present value of US\$112 million (at 8% discount rate) with an internal rate of return (IRR) of 25% and total life-of-mine net free cash of US\$268 million.

Govind Friedland, GoviEx Executive Chairman, commented, “We are pleased by the encouraging results of this PEA. GoviEx now has two mine-permitted projects – Madaouela in Niger and Mutanga in Zambia – and we can clearly see the economic potential for both of these projects to be developed when uranium prices rise, as expected, as a result of the looming supply deficit forecast later this decade. Madaouela and Mutanga each have the potential to produce more than 2.4 million lbs U_3O_8 per annum steady state, with total life-of-mine costs less than US\$38/lb U_3O_8 and no shortage of exploration potential to possibly expand the mineral resources.”

The PEA was prepared for GoviEx by SRK Consulting (UK) Limited (“**SRK**”) and the technical report, titled “NI 43-101 Technical Report on a Preliminary Economic Assessment of the Mutanga Uranium Project in Zambia”, will be filed on SEDAR at www.sedar.com and on the GoviEx website at www.goviex.com within 45 days.

The PEA is considered preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Mineral Resources that are not Mineral Reserves have not yet demonstrated economic viability. Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration or Mineral Reserves once economic considerations are applied; therefore, there is no certainty that the production profile concluded in the PEA will be realized.

Introduction

The PEA evaluated the economic and technical viability of the Mutanga Project in the southern province of the Republic of Zambia, near the town of Siavonga. GoviEx holds several contiguous mining and prospecting licences acquired from Denison Mines Corp. and African Energy Resources Ltd. that are grouped as the Mutanga Project.

Geology

The Mutanga Project area is situated within the Karoo Supergroup, which is a thick, terrestrial sedimentary strata, widespread across much of southern Africa. The Karoo Supergroup consists of the three formations within the Lower Karoo and four formations within the Upper Karoo. There are at least six regional depositional sequences that broadly reflect synchronous episodes of basin subsidence and climate change. Many of the Karoo rift basins contain sandstone-hosted uranium mineral deposits; these deposits are more typically found within the Upper Karoo.

The geology at the Mutanga Project consists entirely of Escarpment Grit, ranging from thick, coarse conglomerate beds to thinly-bedded or cross-bedded fine- to medium-grained sandstones. Thin bands of shale and mudstone are intercalated in the sequence. Below the grits are well-developed calcareous shale and siltstone layers. Uranium mineralization occurs at the interface between siltstones and sandstones at redox boundaries.

Mineral Resources

The Mutanga Project contains a Measured and Indicated Mineral Resource of 21.6 million tonnes at an average grade of 318 ppm U_3O_8 , containing 15 million pounds of U_3O_8 , and an Inferred Mineral Resource of 74.6 million tonnes at an average grade of 273 ppm U_3O_8 , containing 45 million pounds of U_3O_8 in six deposits located over a 65-kilometre strike. The mineral resource estimate was determined by SRK and was based on information provided in previous studies, shown in Table 1. The location of the deposits is shown in Figure 1.

Table 1: Mineral Resource Estimate¹, Mutanga Uranium Project, Zambia, SRK Consulting (UK) Ltd. – November 20, 2017

Deposit	Category	Tonnes (Mt)	U ₃ O ₈ Grade (ppm)	U ₃ O ₈ Milb
Mutanga ²	Measured	1.9	481	2.0
	Indicated	8.4	314	5.8
	Inferred	7.2	206	3.3
Dibwe ²	Inferred	17.0	239	9.0
Dibwe East ²	Inferred	43.1	304	28.9
Gwabe ³	Measured	1.3	237	0.7
	Indicated	3.6	313	2.5
	Inferred	0.7	178	0.3
Njame ³	Measured	2.7	350	2.1
	Indicated	3.7	252	2.1
	Inferred	2.1	225	1.1
Njame South ³	Inferred	4.4	250	2.4
Sub-total Measured		5.9	366	4.8
Sub-total Indicated		15.7	299	10.4
Measured and Indicated		21.6	317.5	15.1
Inferred		74.6	273.0	44.9

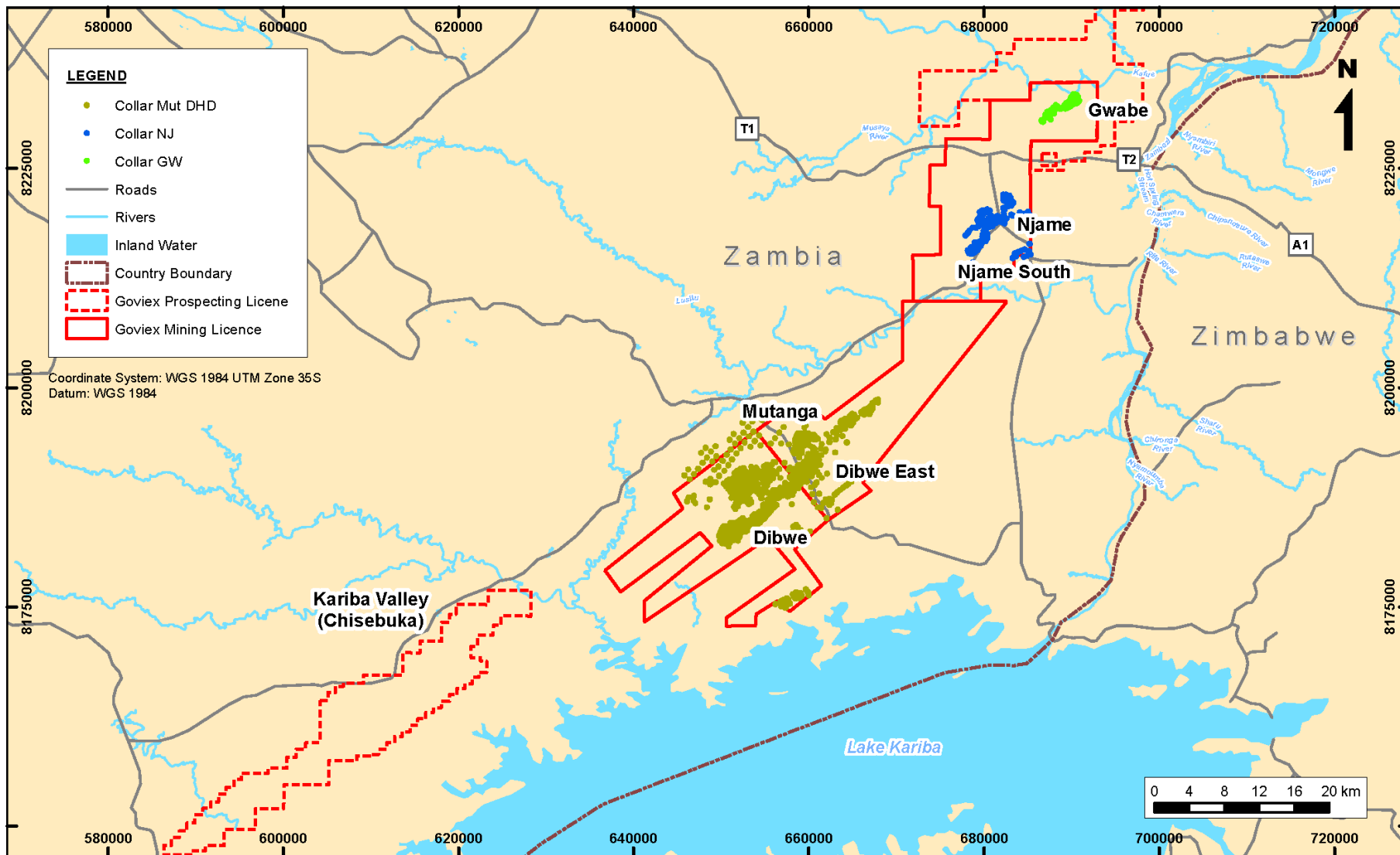
¹ Mineral Resources have not been constrained by pit shells; however, almost all of the mineralization occurs within 125 metres of surface with uranium grades which are, in general, considered to have reasonable prospects for eventual economic extraction by open pit mining.

² The cut-off grade used for reporting the Mineral Resource is 100 ppm U₃O₈, which is applied directly to block model cells.

³ No U₃O₈ ppm cut-off is applied to block model cells for reporting the Mineral Resource. However, the outer limits block model was constrained within a 100 ppm U₃O₈ wireframe used for geological modelling.

No Mineral Reserves have yet been determined for the Mutanga Project.

Figure 1: Location of Named Prospects in the Mutanga Project

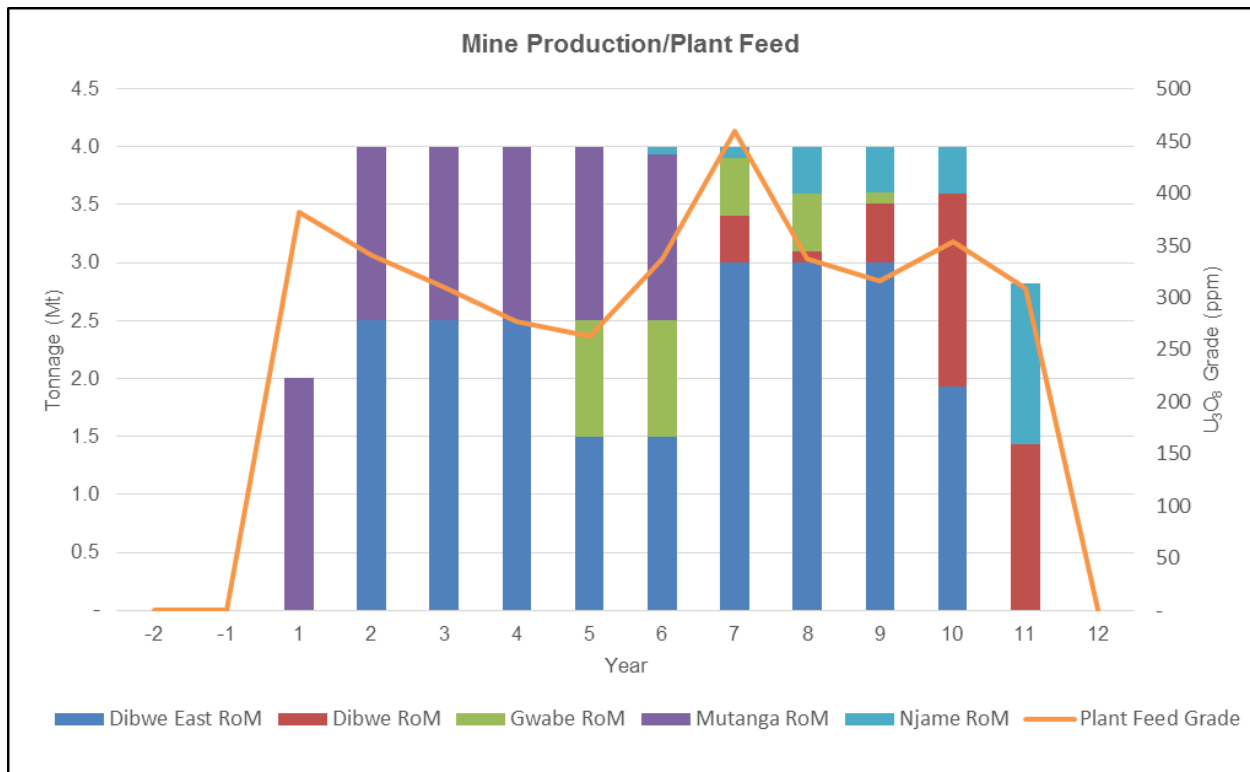


Mining

The deposits are amenable to conventional, shallow, open-cast mining methods, utilizing excavators and trucks with relatively low stripping ratios. The uranium oxide and waste are in cemented sandstone that will require blasting. Pit optimizations were run for considered deposits to determine pit limits and pushback development. Production schedules have been prepared for all deposits, assuming the same cut-off grade for each and a plant feed rate of 4.0 Mt per annum.

Using a uranium price of US\$50/lb U_3O_8 for the pit optimization results in a Run-of-Mine (“RoM”) inventory that covers 11 years of production from the six considered deposits. Mining losses and dilution were applied as 10% and 10% global values. Diluting grade used was 0.0 ppm U_3O_8 . The total pit inventory for mineralized material is 40.8 Mt at 333 ppm U_3O_8 . The overall strip ratio for the project is 3.4, but varies from 1.4 to 6.0, depending on the deposit.

Figure 2: RoM Ore Production Profile



Processing

Two process options have been investigated: alkaline leach and acid leach. Acid heap leaching was selected on the basis that it gives slightly better overall recovery for all six deposits, while being more rapid and having lower operating and capital costs. The process is robust, simple, and has a low environmental profile. The uranium recovery and acid consumption from each deposit is shown in Table 2.

Table 2: Summary of Metallurgical Data

Deposit	Uranium Recovery (%)	Acid Consumption (kg/t)
Mutanga	85.4	3.86
Dibwe East	93.3	6.37
Dibwe	74.6	9.34
Njame	83.1	2.61
Gwabe	69.7	18.49

Three separate uranium oxide preparation and leach areas will be developed adjacent to the deposits. The main facilities for recovery of uranium oxide will be located close to the Mutanga and Dibwe East pits. Separate satellite process facilities will be developed for the Dibwe and the Njame and Gwambe deposits.

At each of the sorption plants, uranium will be stripped from the leach solution and loaded onto a resin. This process is reliable and has been proven at other locations. The barren leach solution will be returned to the barren pond to be used for leach solution make-up. Resin from all sorption plants will be directed to a central stripping plant located at Mutanga-Dibwe East, where uranium oxide will be precipitated after stripping the resin in the form of a dry powder that will be loaded directly into drums and immediately sealed. Per annum, uranium production is expected to average approximately 2.6 Mlbs U_3O_8 , contained in uranium oxide at steady state.

Environment

GoviEx currently holds Zambia Environmental Management Agency (ZEMA) licences for the management, generating, and storing of hazardous waste, plus an emissions licence. Environmental Impact Assessments (EIA's) were prepared for the Njame and Gwabe operations in 2008, and for the Mutanga and Dibwe operations in 2009. Environmental Management Plans (EMPs) were generated for both EIAs, and a Resettlement Action Plan (RAP) was also prepared for Mutanga. All licences required have been approved and are currently valid.

Transport and Logistics

Imported cargo will be sourced in South Africa or imported through Durban, South Africa, Walvis Bay, Namibia, and/or Dar-es-Salaam, Tanzania, then transported to site by road. Barrels of uranium oxide will be loaded into standard sea containers and trucked to the Walvis Bay sea port in Namibia.

Capital Costs

Forecast capital and operating expenditure for the life of the operation is presented in tables below. A two-year construction period ahead of production is envisaged. The operation is intended to be contractor-mined.

Capital Expenditure

Parameter		Units	Total Amount
Initial Project Capital	Mine Mobilisation Fee	(USDm)	0.4
	Plant	(USDm)	82.6
	Camp	(USDm)	3.2
	Infrastructure	(USDm)	7.5
	G&A	(USDm)	2.1
	EPCM	(USDm)	12.0
	Contingency	(USDm)	10.7
Community	(USDm)	5.0	
Total Initial Project Capital		(USDm)	123.4
Total Deferred / Sustaining Capital		(USDm)	59.5
Total Capital Expenditure		(USDm)	182.9

Life of Mine Operating Costs

Operating Cost Item	Total Amount (USDm)	Unit Cost (USD/t ore)	Unit Cost (USD/lb U ₃ O ₈)
Mining	452.5	11.1	18.8
Ore Transport	20.4	0.5	0.9
Processing	288.9	7.1	10.9
G&A	39.7	1.0	1.7
Environmental	18.0	0.4	0.7
Subtotal Operating Costs	822.5	20.2	31.1

Project Economic Sensitivity

The study has produced the following economic results and sensitivity to uranium price.

Technical Economic Model Summary and Sensitivity to Uranium Price

Parameter	(USD/lb U ₃ O ₈)	Units		
		50	58	70
NPV 8%	(USDm)	37	112	223
IRR	(%)	15	25	38
Net Free Cashflow	(USDm)	135	269	471
Payback Period	(Years)	7	3	2

Qualified Persons

The qualified persons from SRK Consulting (UK) Limited for the July 2017 PEA are:

- Robert J. Bowell, B.Sc., PhD, C.Chem., CGeolFGS, EGeolFIMMM – Corporate Consultant (Recovery Methods, Mineral Processing and Metallurgical Testing)
- Martin Pittuck, C.Eng., FGS, MIMMM – Corporate Consultant (Exploration, geology, drilling, sample preparation, data verification and resource estimation)
- Guy Dishaw, P.Geo. – Senior Resource Geology Consultant (Exploration, geology, drilling, sample preparation, data verification and resource estimation)
- Filip Orzechowski, M.Sc., MIMMM, C.Eng. – Chartered Mining Engineer (Mining)

The scientific and technical information in this release has been reviewed and approved by Dr. Rob Bowell, a chartered chemist of the Royal Society of Chemistry, a chartered geologist of the Geological Society of London and Fellow of the Institute of Mining, Metallurgy and Materials, who is an independent Qualified Person under the terms of NI 43-101 for uranium deposits. Mr. Bowell has verified the data disclosed in this news release.

About GoviEx Uranium

GoviEx is a mineral resource company focused on the exploration and development of uranium properties in Africa. GoviEx's principal objective is to become a significant uranium producer through the continued exploration and development of its flagship mine-permitted Madaouela Project in Niger, its Mutanga Project in Zambia, and its other uranium properties in Africa.

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Cautionary statement regarding forward-looking statements

This news release may contain forward-looking information within the meaning of applicable securities laws. All information and statements other than statements of current or historical facts contained in this news release are forward-looking information. Forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in GoviEx's periodic filings with Canadian securities regulators. When used in this news release, words such as "will", "could", "plan", "estimate", "expect", "intend", "may", "potential", "should," and similar expressions, are forward-looking statements. Information provided in this document is necessarily summarized and may not contain all available material information.

Forward-looking statements include, without limitation, statements regarding the economic potential for either or both of the Mutanga and Madaouela projects to be developed; production rates for both those projects; the expectation that the uranium price will increase, as expected, as a result of anticipated uranium supply deficit and the timing forecasted for such deficits; and other statements that are not facts. Forward-looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which GoviEx operates, are inherently subject to significant operational, economic, and competitive uncertainties and contingencies.

Assumptions upon which forward-looking statements have been made in this news release include that the uranium market may be reaching a turning point and that the long-term fundamentals of the uranium market remain very strong, and the price of uranium will rise sufficiently high and the costs of advancing the GoviEx's mining projects sufficiently low so as to permit GoviEx to implement its business plans in a profitable manner.

Factors that could cause actual results to differ materially from expectations include (i) the failure of the Company's projects, for technical, logistical, labour-relations or other reasons; (ii) a continued low price of uranium below what is necessary to sustain the Company's operations; (iii) an inability to achieve the anticipated production rates for the Company's projects due to technical, legal, economic or other factors; (iv) an increase in the Company's operating costs above what is necessary to sustain its operations; (v) accidents, labour disputes, or the materialization of similar risks; (vi) a deterioration in capital markets conditions that prevents the Company from raising the funds it requires on a timely basis; (vii) the failure of the GoviEx's obtain any necessary debt financing as anticipated; and (viii) generally, the Company's inability to develop and implement a successful business plan for any reason. In addition, the factors described or referred to in the section entitled "Financial Risks and Management Objectives" in the MD&A of GoviEx for the year ended December 31, 2016, which is available on the SEDAR website at www.sedar.com, should be reviewed in conjunction with the information found in this news release.

GoviEx has attempted to identify important factors that could cause actual results, performance, or achievements to differ materially from those contained in the forward-looking statements. There can be other factors that cause results, performance, or achievements not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, and GoviEx disclaims any intention or obligation to update or revise such information, except as required by applicable law, and GoviEx assumes no any liability for disclosure relating to the other company herein.

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