Equity Research

February 6, 2017
Sector Update

QUARTERLY COMMODITY OUTLOOK

Bottom is in for Uranium; Gold & Silver Off to the Races in 2017

Commodity	Company	Ticker	New Rating	New Target	Previous Rating	Previous Target	Target Change	Analyst
Precious Metals	Avino Silver & Gold Mines	ASM-TSXV; ASM-NYSEMKT	Buy	$4.25	Buy	$4.25	0%	Chang
Precious Metals	GoldMining Inc.	GOLD-TSXV; GLDLF-OTCQX	Buy	$4.25	Buy	$4.25	0%	Chang
Precious Metals	Harte Gold	HRT-TSX	Buy	$0.55	Buy	$0.55	0%	Kozak
Precious Metals	Oceanus Resources	OCN-TSXV	Buy	$0.45	Buy	$0.45	0%	Kozak
Precious Metals	Pershing Gold	PGLC-NASDAQ; PGLC-TSX	Buy	US$4.70	Buy	US$4.70	0%	Chang
Precious Metals	Premier Gold Mines	PG-TSX; PIRGF-OTO	Buy	$4.55	Buy	$4.55	0%	Chang
Precious Metals	Primero Mining	P-TSX; PPP-NYSE	Buy	$2.00	Buy	$2.00	0%	Chang
Precious Metals	Seabridge Gold	SEA-TSX; SA-NYSE	Buy	$20.00	Buy	$20.00	0%	Kozak
Uranium	Azarga Uranium	AZZ-TSX	Buy	$1.10	Buy	$1.10	0%	Chang
Uranium	Cameco Corp.	CCO-TSX; CCJ-NYSE	Hold	$15.35	Hold	$15.35	0%	Chang
Uranium	Denison Mines	DML-TSX; DNN-NYSE	Buy	$1.80	Buy	$1.80	0%	Chang
Uranium	Energy Fuels	EFR-TSX; UUUU-NYSE	Buy	$5.65	Buy	$5.65	0%	Chang
Uranium	Fission Uranium Corp.	FCU-TSX; FCUUF-OTCBB	Buy	$1.20	Buy	$1.15	4%	Chang
Uranium	Kivalliq Energy	KIV-TSXV	Hold	$0.15	Buy	$0.15	0%	Chang
Uranium	NexGen Energy	NXE-TSXV	Buy	$5.50	Buy	$4.05	36%	Chang
Uranium	Ur-Energy	URE-TSX; URG-NYSE	Buy	$2.40	Buy	$2.80	-14%	Chang
Uranium	Uranium Energy Corp	UEC-NYSE	Buy	US$1.95	Buy	US$2.25	-13%	Chang
Uranium	Uranium Participation Corp.	U-TSX; URPTF-OTCBB	Buy	$4.90	Buy	$5.00	-2%	Chang
Lithium	Lithium X	LIX-TSX	Buy	$3.00	Buy	$2.95	2%	Chang

	Actual			Q4/16		Variance	Q1/17		Change	Q2/17		Change	Q3/17		Change
	Q1/16	Q2/16	Q3/16	Actual	Est.	%	New	Old	%	New	Old	%	New	Old	%
Gold US$/oz	1,184	1,258	1,335	1,219	1,300	-6.3%	1,250	1,300	-3.8%	1,300	1,300	0.0%	1,300	1,350	-3.7%
Silver US$/oz	14.88	16.79	19.60	17.14	19.25	-11.0%	18.50	19.25	-3.9%	19.00	19.25	-1.3%	19.00	19.50	-2.6%
Uranium Spot US$/lb	32.77	27.55	25.54	19.76	22.50	-12.2%	25.00	25.00	0.0%	27.00	27.00	0.0%	32.50	32.50	0.0%
Copper US$/lb	2.12	2.15	2.17	2.39	2.20	8.6%	2.45	2.25	8.9%	2.45	2.30	6.5%	2.50	2.35	6.4%

	FY 2016		Change	FY2017		Change	FY2018		Change	FY2019		Change	LT		Change
	Actual	Est	%	New	Old	%	New	Old	%	New	Old	%	New	Old	%
Gold US$/oz	1,249	1,269	-1.6%	1,288	1,325	-2.8%	1,300	1,300	0.0%	1,300	1,300	0.0%	1,300	1,300	0.0%
Silver US$/oz	17.10	17.63	-3.0%	18.88	19.38	-2.6%	19.75	20.00	-1.3%	20.00	20.00	0.0%	20.00	20.00	0.0%
Uranium Spot US$/lb	26.41	27.09	-2.5%	28.63	28.63	0.0%	45.00	45.00	0.0%	66.25	66.25	0.0%	80.00	80.00	0.0%
Copper US$/lb	2.21	2.16	2.3%	2.48	2.33	6.4%	2.58	2.40	7.5%	2.75	2.50	10.0%	2.80	2.80	0.0%

	2016A		Change	2017E		Change	2018E		Change	2019E		Change	2020E		Change	Long Term		Change
	New	Old	%	New	Old	%	New	Old	%	New	Old	%	New	Old	%	New	Old	%
USD/CAD	0.76	0.76	0.0%	0.74	0.77	-3.9%	0.76	0.80	-5.0%	0.77	0.80	-3.8%	0.79	0.82	-3.7%	0.83	0.90	-7.8%

Source: Cantor Fitzgerald Research, Bloomberg

BOTTOM IS IN FOR URANIUM

The spot uranium price of US$19.76/lb. for Q4/16 was lower than our estimate of US$22.50/lb. (-12.2%). While uranium prices did recover in accordance with its seasonal trend and finished the year at US$20.25/lb and off a low of US$17.90/lb, prices were too low for too long to pull the average over US$20/lb.

However, we believe the uranium bottom is behind us. The catalyst to this view is the announcement by

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See disclosure and a description of our recommendation structure at the end of this report.

Kazatomprom that it plans to cut its annual uranium production by 10%, or by 5.2M lbs U_3O_8. This amount translates into roughly 3% of 2015 global production and marks an inflection point in the space. Since at least 2001, Kazatomprom has relentlessly increased production into an oversupplied market and is arguably the single biggest cause for the weakness in the commodity aside from the Fukushima disaster. In fact, we had long since given up on expecting Kazatomprom to exercise production restraint as its mines were the lowest cost operators in the world and constant production increases appeared to be a cultural focus in Kazakhstan.

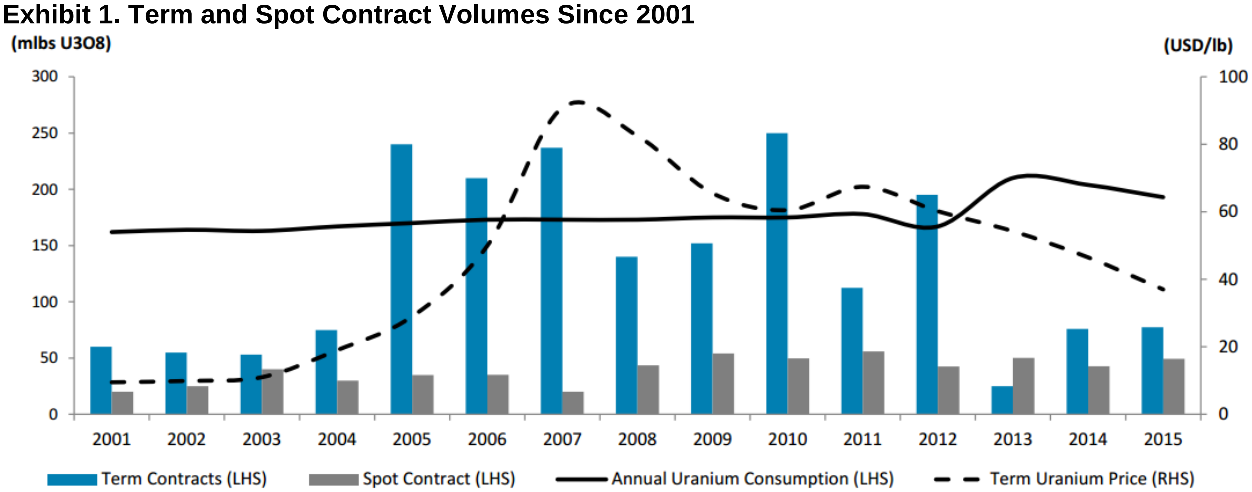
While some skepticism exists on whether Kazatomprom will actually follow through with this cut (as opposed to OPEC style "cuts"), we suspect that at least some of the production reduction will occur among joint venture operations managed by western producers such as Cameco. Moreover, we believe the impact will be more than the announced cut amount because the market was likely factoring in a typical Kazatomprom increase as opposed to a cut. So instead of a 3-5% increase we are expecting a reduction of 10%, or a 13-15 percentage point swing.

Cameco's announcement of Tokyo Electric Power Holdings' ("TEPCO") termination of its supply contract has cast some concern over what will happen with the U_3O_8 pounds that were earmarked for the Japanese utility. In total, the contract was for 9.3M lbs U_3O_8 to be delivered from 2017-2028, this works out to 775,000 lbs annually. TEPCO was selling some if not all of the material it was contractually obligated to purchase already. As such, we believe the worst case scenario arising from the cancellation is that Cameco does the exact same thing and sells the material into the spot market. However, we think there is room for potential positivity from this announcement, as Cameco could instead elect to not produce the pounds at all (and further cut costs by doing so) or it could elect to store them in inventory to await higher prices. Either of those two actions would effectively be removing some of the excess supply in the market.

Utility contracts and its impact on spot demand

The flipside of this is while Kazatomprom and other entities have been oversupplying the market, spot prices were pushed ever lower due to a lack of spot demand from utilities. As we have mentioned in this report before, utilities heavily contracted in 2005-2012 when uranium term prices were much higher and utilities locked in supplies since many tied prices with scarcity. The result of this is the majority of annual demand was satisfied via contracts and there was very little demand available in the spot market.

Exhibit 1. Term and Spot Contract Volumes Since 2001



Source: UxC, Trade Tech, US Energy Information Administration, and EurAtom Supply Agency via Peninsula Energy

Carry trade hurting the market; but will become less viable

Further exacerbating this issue is the carry trade, whereby traders buy uranium at spot and enter into short term contracts at modestly higher prices above spot with utilities. These trades are financed with cheap debt due to the low interest rate environment. Indeed, this phenomenon has kicked the proverbial can down the road with respect to emerging demand as utilities that are rolling off of long term contracts are choosing to cover their needs via this avenue as opposed to re-entering into contracts with producers, which require much higher prices to stay in business. However with economist polls forecasting rates in the U.S. to rise up to three times this year, we believe the carry trade will become less attractive to execute. Also, producers have shut-in production in response to the lack of contract term demand.

However it is important to note that utilities have not historically acquired uranium on this relatively "just in time" matter. Indeed from a security of supply standpoint there is a great deal of risk involved in getting uranium only a year before it is needed. As illustrated in exhibit 2, utilities have typically contracted three to five years ahead of their needs and have only recently used the shorter term carry trade to cover requirements. We believe this is a short term phenomenon that works only because the recent amount of uncovered requirements coming free is relatively small compared to the amounts that will roll off in the coming years. Combined with the higher borrowing rates and reduced primary supply we believe there will be a rush to contracting after the carry trade fails to satisfy demand.

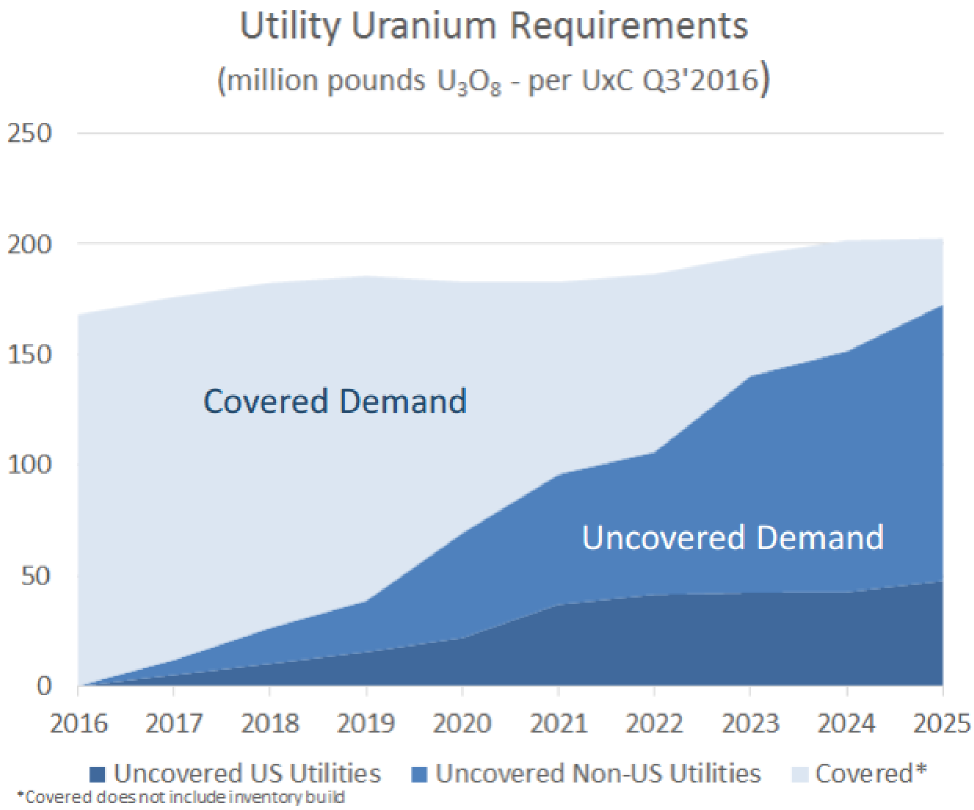
Exhibit 2. Typical utility procurement timeline

Source: Cameco

Uncovered uranium demand remains the primary driver

Moreover, the key driver to this is uncovered uranium demand. As illustrated in Exhibit 3 according to Ux Consulting, demand of about 25M lbs U_3O_8 remains uncovered next year, which is about 13% of our forecast for 2018. This figure balloons to 75M lbs by 2020, or 35% of our 2020 forecast of 214M lbs U_3O_8. By 2022, the uncovered amount is 100M lbs, or 47% of our expected demand for the year.

Exhibit 3. Global Uncovered Uranium Demand



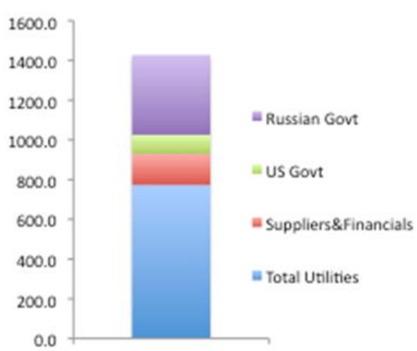
Source: UxC

There is a significant amount of uncovered demand in the coming years. We believe the only reason it has not already affected current uranium prices to a greater degree is because of the aforementioned carry trade and the existence of up to 1.4 billion of above ground inventory.

Inventories look big but much of it is not mobile

While the inventory figure appears to be enormous, we should analyze its constituents (exhibit 4).

Exhibit 4. UxC 2016 Global Uranium Inventory Estimate



Source: UxC

As illustrated in this exhibit, utility inventories account for about 800M lbs of this inventory (~57%). These inventories were likely procured at higher prices than the current US$25.75/lb spot price. Since spot sales have been a relative small portion of total sales for the past 15 years (exhibit 1), it is highly likely that the majority of this inventory held by utilities were procured at prices above the current term price of US$30.00/lb as well. As such, other than in situations of distress, we believe there is little likelihood that much of this inventory would be available for sale, especially given that utilities tend to hold inventories of one to three years' worth of demand. In addition, much of the material held by governments is held for strategic purposes and security of supply. We have significant doubts that much of this material is available for sale (aside from U.S. Department of Energy sales to help finance projects).

Japanese inventories are tough to sell

There are concerns that Japanese utilities may release a large amount of uranium back into the market once some of their respective reactors fail the restart application process, or if they run into financial difficulty and see inventory sales as a source of cash. At Cameco's 2016 Investor Day, it was revealed by management that the majority of Japanese inventories are in completed fuel assemblies that are specific to the reactor they were designed for. As such, anyone looking to buy these fuel assemblies would have to incur the additional cost of disassembling them and then converting them back to a useable form of uranium in order to have it fabricated into a fuel assembly that would work for their specific reactor. In a US$25.75/lb spot world, we believe there is little to no incentive for anyone to do this. Meanwhile, Japan's Nuclear Regulation Authority ("NRA") has noted that the Kyushu Electric Power Company's Genkai Units 3 and 4 are compatible with its new regulatory standards. In total, this brings the number of NRA-approved reactors to ten among five nuclear plants. Along with the Genkai units, the other reactors are Sendai Units 1 and 2, Takahama Units 1- 4, Mihama Unit 3, and Ikata Unit 3 – Sendai 1 and Ikata 3 are currently in operation.

Producers are still losing money

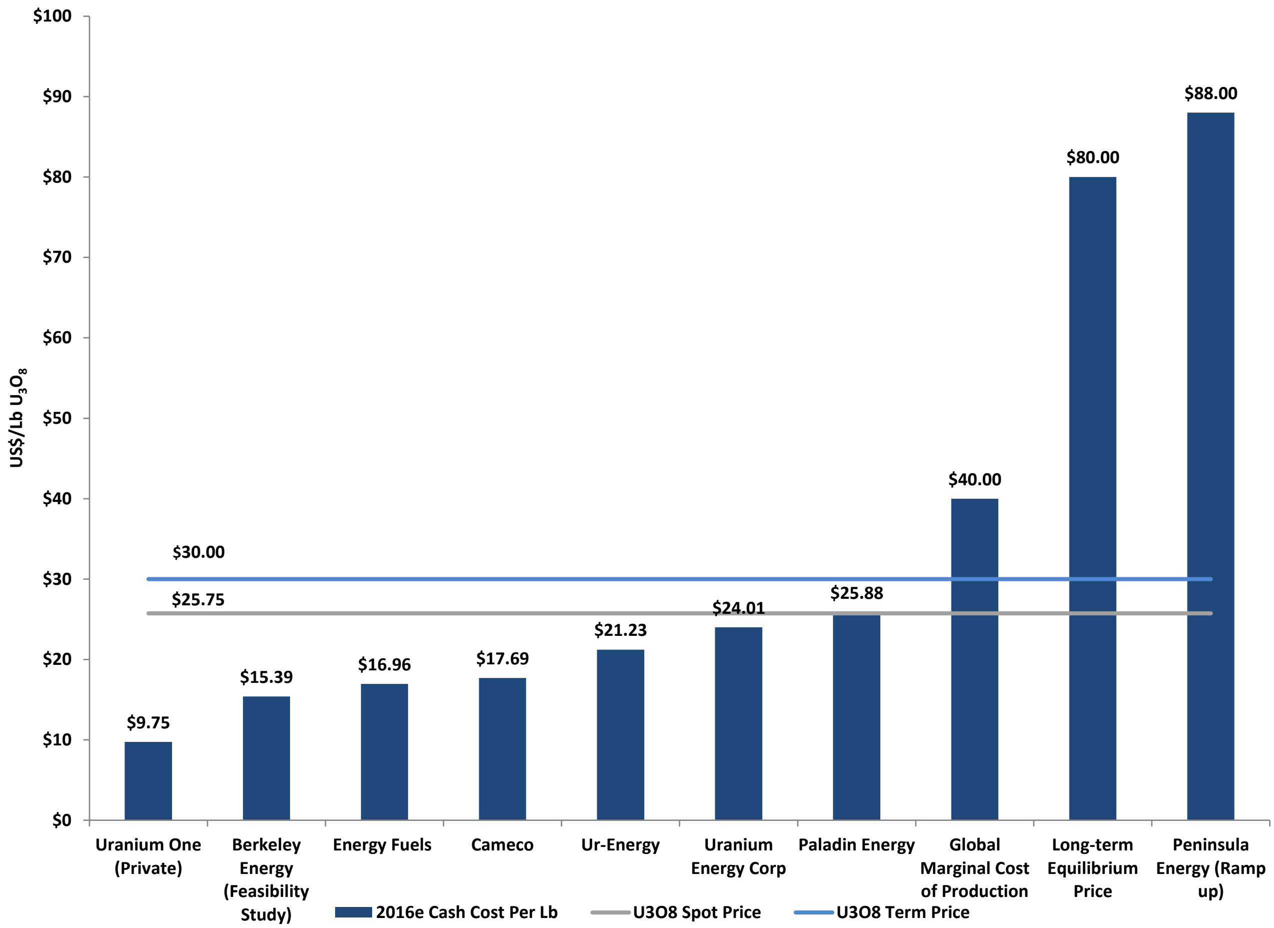
While the spot price has gained 22% year-to-date and is at US$25.75/lb as of February 2, that price level is still notably short of the levels needed for producers to remain in business.

Exhibit 5. U_3O_8 Spot and Term price history since 2006

Source: UxC, TradeTech

As noted in exhibit 6, on a cash cost basis, most producers are near the break-even level at the current spot price. However, when factoring in all-in sustaining costs (which increases costs by US$3-10 per pound) most producers would still be losing money. This does not even take into account the incentive price required for future supply to meet future demand. Based on our global reactor-by-reactor analysis of demand, we estimate that the global annual demand for uranium will reach 228M lbs U_3O_8 by 2025 (currently it is about 175M). This 53M lbs of additional annual demand will need to be met with sizeable production from some of the world's largest uranium projects. However, aside from three in the Athabasca Basin, which we do not forecast initial production from until the middle of the decade at best, the only projects large enough to produce a meaningful amount of uranium to satisfy this demand are located in Africa. We believe the incentive price for most African mining projects to be greenlighted is US$80/lb, which is the genesis of our long-term equilibrium price estimate.

Exhibit 6. Uranium cash cost curve – Uranium focused producers



Source: Company reports, Cantor Fitzgerald Canada Research

Nuclear growth still occurring

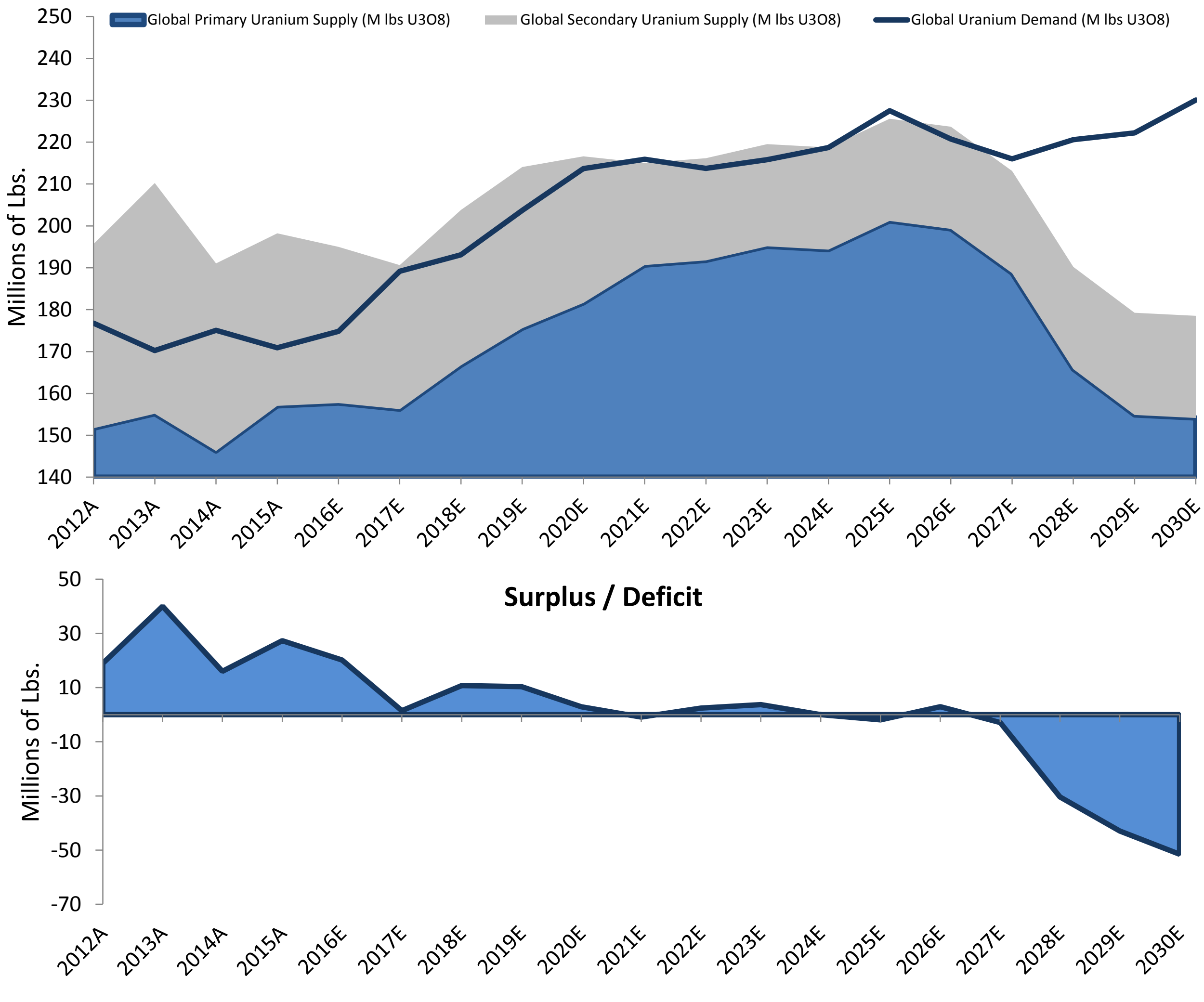
While much of the media attention is on reactors shutting down, there are still plenty of reactors that are starting up. On January 23, Kudankulam 2 in India reached 100% capacity. After first achieving criticality in July 2016 and being attached to India's power grid in August, the reactor was brought to full capacity this year. Based on data from the WNA, we expect a net increase of 21 new reactors in 2017 followed by an additional ten in 2018 and 12 more by 2019. This would lead to demand rising from a forecast of 189M lbs U_3O_8 this year to 204M lbs by 2019.

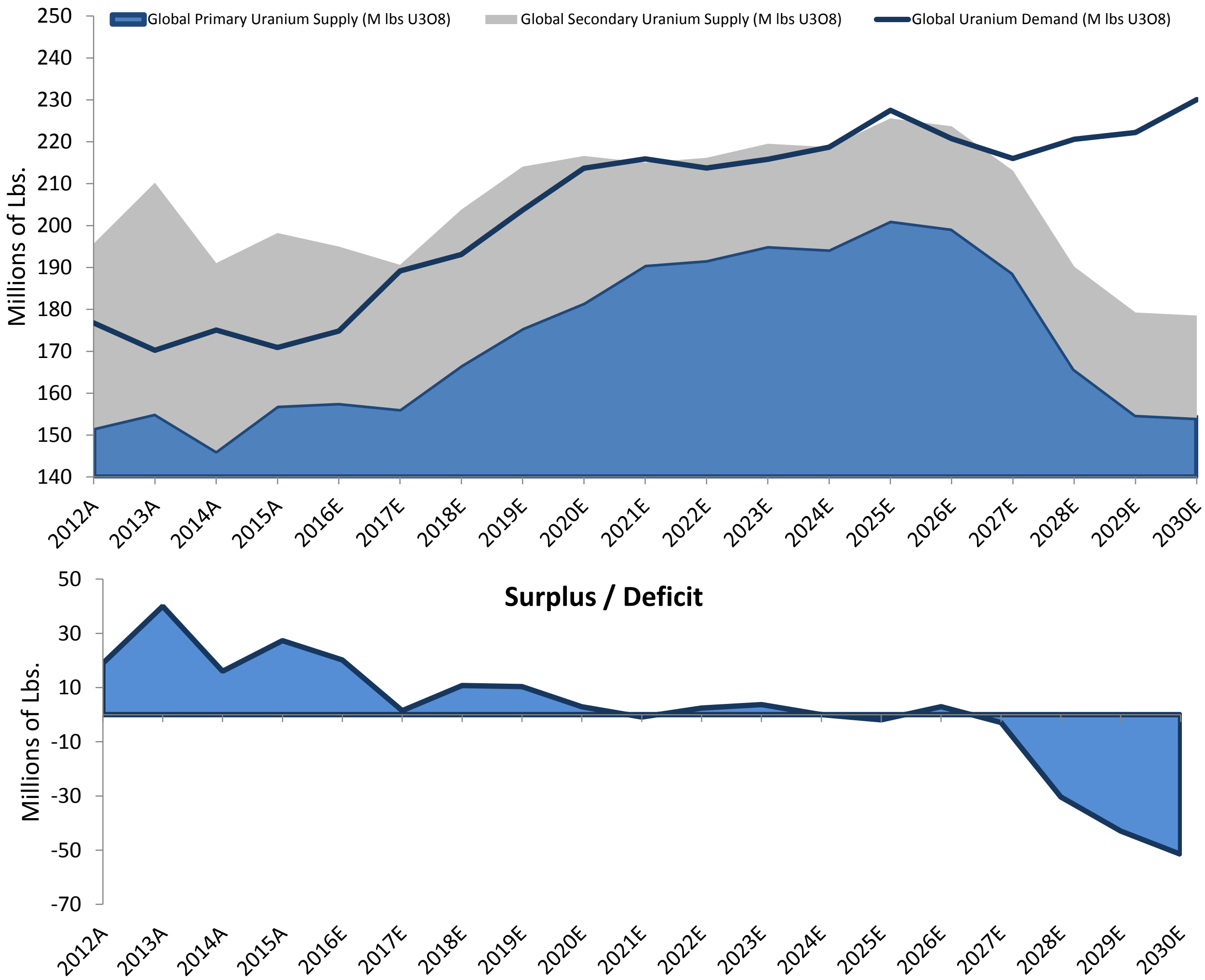
Cantor Fitzgerald Supply and Demand Model – A Violent Increase Still Expected

Our uranium supply and demand model accounts for 185 mines/projects and 870 reactors. As always, we provide two versions.

The first assumes that all uranium mines and projects will produce exactly according to company guided plans (or study suggested plans) and that all production levels are price insensitive. It includes projects that have break-even costs estimated in the US$70/lb level and higher. This can be viewed as a worst-case scenario for uranium as it is effectively the maximum supply available given all available information (Exhibit 7). Note that everything has to go perfectly to plan in order for there to be balance from 2020-2026 and historically things have never gone perfectly according to plan in mining.

Exhibit 7. Uranium Supply & Demand Forecast - Conservative





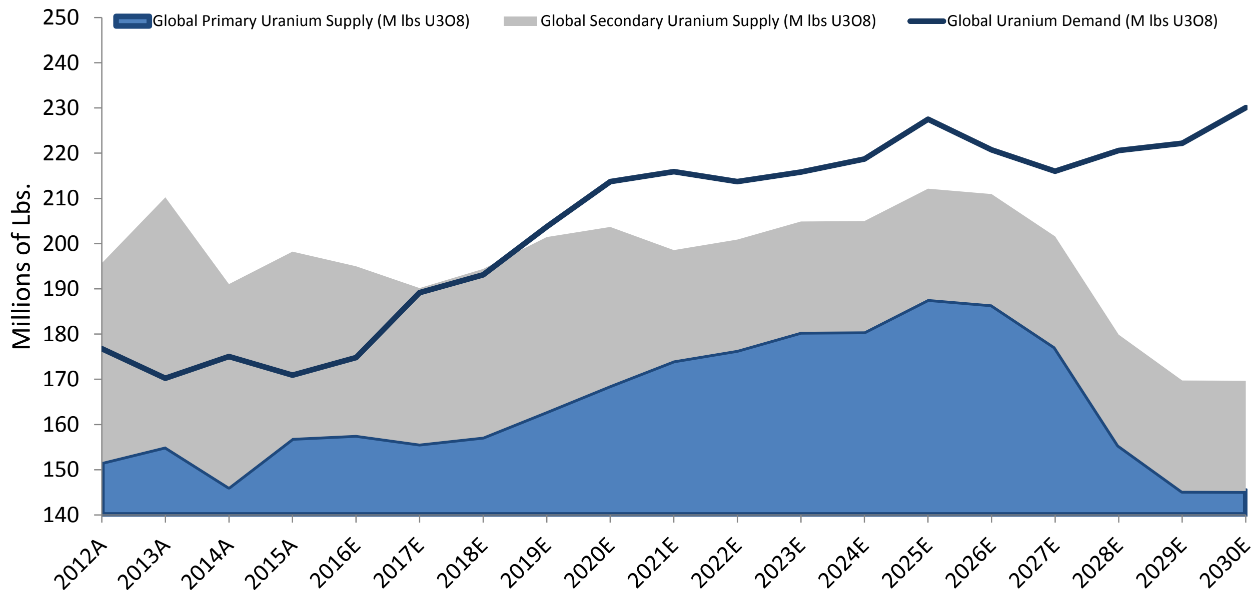
Source: Cantor Fitzgerald Canada Research

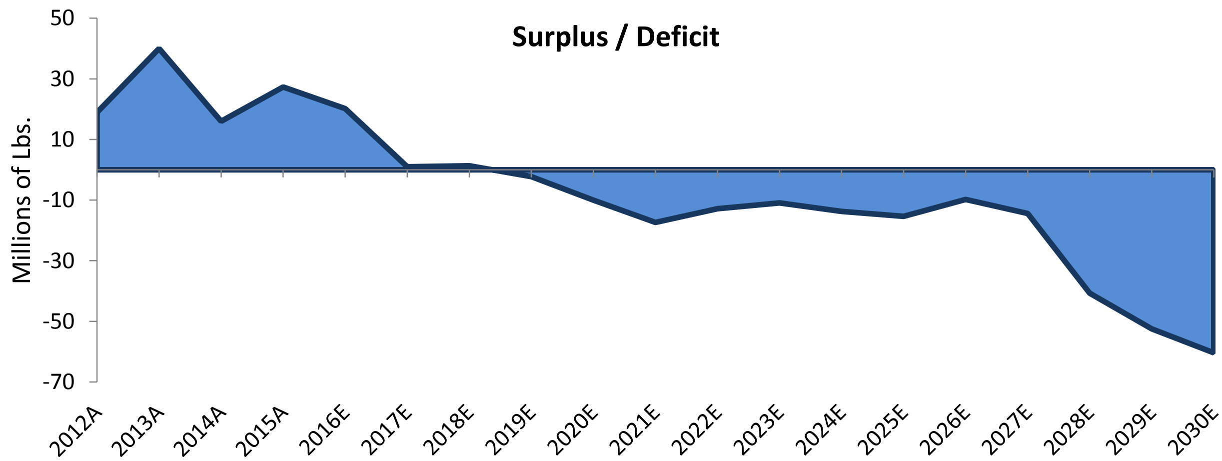
Our second model is an adjusted uranium production forecast assuming uranium prices remain at US$40/lb for the foreseeable future. In this model we forecast production shutdowns based on the expiration of long term contracts as well as adopting a more realistic view of production costs for certain projects and mines that we believe would be uneconomic at a sustained US$40/lb price level.

We view the second scenario as the more realistic one since it is unreasonable to assume producers will continue producing at a loss indefinitely. Moreover with spot uranium prices currently closer to US$25/lb, there would be even fewer producers that can survive. In both scenarios, an unavoidable shortfall between supply and demand occurs.

As such, we continue to forecast a violent increase in the price of uranium.

Exhibit 8. Uranium Supply & Demand Forecast – US$40/lb long-term





Source: Cantor Fitzgerald Canada Research

GOLD AND SILVER OFF TO THE RACES IN 2017

The spot gold price averaged US$1,219/oz. over the fourth quarter, which was 6.3% lower than our forecast of US$1,300/oz. while the price of silver averaged US$17.14/oz., which was 11.0% below our forecast of US$19.25/oz.

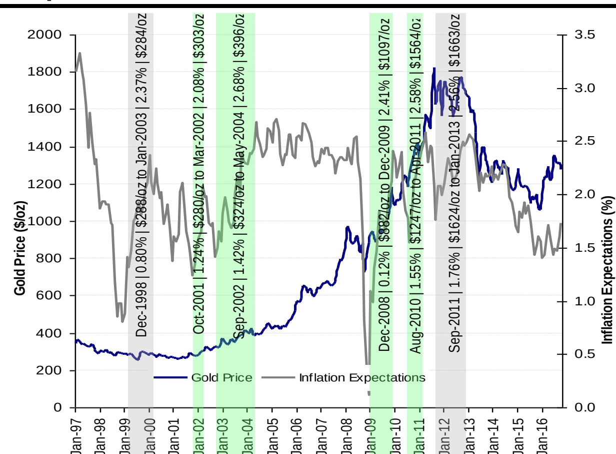
In general, we have modestly lowered our precious metals price estimates for 2017 but we generally remain in the upper third of consensus estimates across our price forecasts for gold and silver. As noted in our Precious Metals & Mining Macro: Gold & Silver Off To the Races in 2017 report published on January 23, we see a number of positive indicators that should continue to drive a bullish case for gold and silver, as well as their related equities.

Gold's strong performance in 2016 can be attributed primarily to its "safe haven" aspect, and relative to several key currencies (most notably the British Pound, Chinese Yuan, and to a lesser extent the Mexican Peso), the yellow metal also functioned as a strong hedge against currency devaluation/inflation (up 29.7% in GBP, 16.3% in CNY, and 29.6% in MXN). We expect the inflation hedge and safe haven bid to remain key drivers of the gold price in 2017, complemented by a resurgence of physical demand. We expect the following themes to play out over the course of the year:

- **Inflation Hedge**: Gold rising in the face of rate hikes by the U.S. Federal Reserve (gold was up or neutral during the last seven rate hike cycles since Nixon closed the gold window).
- **Inflation Hedge**: Inflation expectations rising, driving gold prices higher (in the last six periods of rising inflation expectations, gold has risen in four and were neutral in the remaining two).
- **Inflation Hedge & Safe Haven**: United States President Donald Trump's "reflation" rhetoric on one side and his wildcard Twitter account on the other. Moreover, gold has averaged +15% during the first year of every new President (seven instances) since Nixon closed the gold window.
- **Safe Haven**: Upcoming elections in France, Germany, Netherlands, potentially Italy, and the "protectionism" theme.
- **Physical Demand**: Despite the year-over-year rise in gold prices across all currencies, late 2016 saw significant ETF outflows of the physical metal. Q1/17 will likely mark the inflection point, with renewed physical demand buoying prices higher.

For additional details and our complete analysis on why we believe gold and silver will head higher in 2017, please see our Precious Metals & Mining Macro: Gold & Silver Off To the Races in 2017 report.

Exhibit 9. Gold vs. Inflation Expectations



Source: Bloomberg, Cantor Fitzgerald

AVINO SILVER & GOLD MINES (ASM-TSXV; ASM-NYSE): BUY, $4.25 (UNCHANGED)

We are maintaining a BUY recommendation and target price of $4.25 per share. Our target price is based on a 1.0x multiple to our $NAV_{5\%}$ valuation of $4.25 per share. Avino currently trades at 0.56x NAVPS, a discount to intrinsic value.

Avino released its Q4/16 operating figures, along with 2017 outlook on January 23rd.

The Avino Mine produced 179,536 oz. Ag, 1,540 oz. Au, and 755,645 lbs Cu in Q4/16, this beat our expectation of 158,600 oz. Ag, and 600 oz. Au but fell well short of our 1.2M lbs Cu production expectation. The result was generally weaker than Q4/15 performance of 206,743 oz. Ag, 684 oz. Au, and 1.3M lbs Cu. The variance relative to our estimates was primarily due to higher throughput, higher grade Au and lower grade for Cu. 101,157 tonnes were sent to the mill which was notably higher than our forecast of 87,250 tonnes (+16%). The variance is due to our conservative throughput estimate for Avino.

Feed grades of 65 g/t Ag and 0.69 g/t Au were inline and higher than our expectations of 65 g/t Ag and 0.28 g/t Au, respectively. Cu grade of 0.37% was well short of our forecast of 0.70%. In Q4/15 the grades were 68 g/t Ag, 0.29 g/t Au, and 0.61% Cu, respectively. Management noted that the change in grades is a result of mining activities advancing to a new higher grade gold zone on the other side of the fault. Silver, gold and copper recoveries of 85%, 69%, and 91%, respectively, were different from our expectations of 87%, 76%, and 87%. In Q4/15, reported recoveries were 86%, 66%, and 86%.

San Gonzalo produced 239,819 oz. Ag and 1,041 oz. Au in Q4/16, this beat our expectation of 211,000 oz. Ag and 987 oz. Au for the quarter. The result also beat Q4/15 performance of 202,473 oz. Ag and 904 oz. Au. The beat was primarily due to higher throughput. 33,511 tonnes were sent to the mill which was notably higher than our forecast of 23,000 tonnes (+44%). Management noted that tonnage hauled increased by 62% in the quarter to accommodate Mill Circuit 2, which during November and December transitioned to processing material from San Gonzalo.

Feed grades of 262 g/t Ag and 1.16 g/t Au were notably lower than our expectations of 340 g/t Ag and 1.80 g/t Au, respectively. In Q4/15 the grades were 285 g/t Ag and 1.45 g/t Au, respectively. Management attributed the decline to mining different areas in the two years. While grade fluctuations are not uncommon due to mine sequencing, we expect management to provide greater clarity on what to expect going forward in its outlook comments when it releases its financials in the coming weeks. Silver and gold recoveries of 85% and 83%, respectively, were better than our expectations of 73% and 83%, which were also the results from Q4/15.

At Bralorne, a three-phased mine development plan has been put forward. Phase 1 has begun at a cost of $4.1M and will enable production start-up at 100 TPD. Phases 2 and 3 will be undertaken in 2018 and 2019 with the eventual goal of expanding the processing capacity to 300TPD. Recall that an updated NI43-101 resource estimate was announced on October 21, 2016 for the Bralorne property.

Exhibit 10. Bralorne Resource Changes From 2012 to Present

November 2012

	Measured			Indicated			Inferred		
	Tons	Au opt	Au ounces	Tons	Au opt	Au ounces	Tons	Au opt	Au ounces
	29,984	0.34	10,135	140,599	0.25	35,150	272,089	0.26	69,655

October 2016

	Measured			Indicated			Inferred		
	Tons	Au opt	Au ounces	Tons	Au opt	Au ounces	Tons	Au opt	Au ounces
	45,922	0.36	16,643	227,201	0.32	74,885	363,527	0.22	83,900
Difference:	53.2%	6.5%	64.2%	61.6%	28.0%	113.0%	33.6%	-14.1%	20.5%

Source: Avino Silver & Gold Mines, Cantor Fitzgerald estimates

A total of US$12.2M is budgeted for 2017 capital expenditure programs including: mill expansion, planned exploration, and continued refurbishment and replacement of mobile equipment

Exhibit 11. 2017 CapEx Program at the Avino and San Gonzalo Mines

Mill expansion to add Circuit 4	$7.1
Mining equipment	$2.5
Tailings Storage Facility	$1.7
Planned exploration	$0.9
Estimated Total	**$12.2**

Source: Avino Silver & Gold Mines

While management did not provide production guidance for 2017, we expect similar performance relative to 2016. We have increased our production forecast for 2018 on a go forward basis to account for the expected completion of Mill Circuit 4, which should increase production from 1,500 TPD to 2,500 TPD.

Exhibit 12: Avino Silver & Gold Mines NAV

Mining Assets			
		C$ 000s	Per share
San Gonzalo	(100%)	$64,991	$1.21
Avino Mine	(100%)	$94,422	$1.76
Tailings Heap Leach - Oxide only	(100%)	$48,194	$0.90
Bralorne	(100%)	$27,910	$0.52
Total Mining Assets		**$235,518**	$4.38

Financial Assets			
		C$ 000s	Per share
Cash		$29,718	$0.55
Working Capital net of cash		$6,794	$0.13
LT Liabilities		($24,239)	($0.45)
NPV of corporate costs @ 5%		($21,601)	($0.40)
Proceeds from ITM Instruments		$2,461	$0.05
Total Financial Assets		($6,867)	($0.13)
Net Asset Value	$	**$228,650**	$4.25

Shares Outstanding ('000s)	52,364
NAV/sh	$4.37
Diluted shares outstanding	**53,762**
NAV per diluted share (C$/share)	$4.25
Current share price (C$/share)	$2.40
Price / NAV	**0.56x**

(1) Corporate adjustments are as of last reported Financial Statements Sept 30, 2016

Source: Cantor Fitzgerald Canada Estimates, Company Reports

GOLDMINING INC. (GOLD-TSXV): BUY, $4.25 (UNCHANGED)

We are maintaining a BUY recommendation and target price of $4.25 per share for GoldMining Inc. Our target price is based on a 1.0x multiple to our $NAV_{8\%}$ valuation of $4.25 per share. Goldmining Inc. currently trades at 0.47x NAVPS, a discount to intrinsic value.

In early December, Brazil Resources announced that it will change its name to "GoldMining Inc." and trade under the ticker "GOLD" on the TSX Venture exchange and under "GLDLF" on the OTCQX. The name change is appropriate as the company has grown rapidly by acquisition to now own assets scattered throughout the Americas. They include the São Jorge Gold Project in northern Brazil, the Titiribi Gold-Copper Project in western Colombia, the Whistler Gold-Copper Project in southern Alaska, and the Rea Uranium Project in the western Athabasca Basin in northeast Alberta.

Exhibit 13: GoldMining NAV

Mining Assets		CDN$ 000s	Per share	Comment
Sao Jorge	(100%)	$148,764	$1.12	8% NPV
Boa Vista	(100%)	$5,040	$0.04	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Cachoeira	(100%)	$32,275	$0.24	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Island Mountain	(100%)	$35,705	$0.27	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Raintree West	(100%)	$23,100	$0.17	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Surubim	(100%)	$7,545	$0.06	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Titiribi	(100%)	$210,800	$1.59	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Whistler	(100%)	$72,550	$0.55	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Rea Uranium Project	(100%)	$10,000	$0.08	Exploration spend
Total Mining Assets		**$545,779**	$4.11	

Financial Assets		CDN$ 000s	Per share
Cash		$21,506	$0.16
Working Capital net of cash		($13,197)	($0.10)
LT Liabilities		($308)	($0.00)
Proceeds from ITM Instruments		$10,992	$0.08
		$18,993	$0.14
Net Asset Value	CDN$	**$564,772**	$4.25

Shares Outstanding (000s)	118,400
NAV/sh	$4.77
Diluted shares outstanding	**132,744**
NAV per Diluted share (C$/share)	$4.25
Current share price (C$/share)	$2.02
Price / NAV	**0.47x**

(1) Corporate adjustments are as of last reported Financial Statements as of August 31, 2016

(2) Share count is as of Dec 21, 2016 corporate presentation

Source: Cantor Fitzgerald Canada Estimates, Company Reports

HARTE GOLD (HRT-TSX): BUY, $0.55 (UNCHANGED)

We maintain our Buy recommendation on Harte Gold and 12-month target price of $0.55/share. Our DCF-based NAVPS is driven via a long term gold price deck of $1300/oz. (unchanged).

On January 24th Harte gold announced receipt of the Phase 1 Commercial Permit which will allow for further underground development at the Sugar Deposit. Additionally, a drilling contract was signed for a minimum of 10,000m. By March, a total of 5 rigs will be mobilized and working on the property. Shortly thereafter we will be expecting substantial drilling results. Full scale commercial operations are still expected to commence in Q1/18.

Note that A Phase 1 Commercial permit was issued last week on January 17. This will allow for continued mining at the Sugar Zone Deposit of 30,000 additional tonnes and further underground development in preparation for full scale commercial operations (processing 525 TPD) expected to begin Q1 2018. A drilling contract for a minimum of 10,000m was signed with Foraco International SA. Three rigs will be mobilized to the site next month. By March, a total of five rigs will be working on the property.

At 600tpd, Sugar Zone will produce ~60Koz/yr. for 8+ years at ~$600/oz. operating costs, generating ~$50 MM/yr. in free cash flow. We continue to believe Harte represents an attractive takeover candidate by companies with significant operating and exploration stage assets within short trucking distance of Sugar Zone (which enjoys superior grades).

The company has a strong balance sheet with cash on hand amounting to over $25M, given bought deal flow through financing ($15M) and private placement ($10M) which closed in mid-December.

Exhibit 14. Sugar Zone Surrounded By Larger Gold Companies

Company	Asset	Status	Reserve Grade (g/T)	Mine Life (yrs)	Approx. Distance To Harte (km)
Barrick	Hemlo	Operating	2.16	4	60
Richmont Mines	Island Gold	Operating	8.26	7	80
Wesdome	Eagle River	Operating	9.20	5	80
Wesdome	Mishi	Operating	2.20	4	80
Goldcorp	Borden Gold	Exploration	N/A	N/A	100

Source: Cantor Fitzgerald

OCEANUS RESOURCES (OCN-TSXV): BUY, $0.45 (UNCHANGED)

Our Buy rating and 52-week target price of $0.45 are unchanged for Oceanus given that there are no adjustments to our long term gold or silver price deck. Our target price is based on a 1.0x P/NAV target multiple (rounded) driven via a maiden resource of just over 1.0 AuEq valued at $30/oz. in-situ, at the low end of the Mexican Au-Ag exploration stage peer group. There is considerable upside bias to our target price given our longer-term view of the multi-million ounce potential at El Tigre, and the likelihood that the EV/oz. valuation should re-rate higher upon de-risking the resource through more drilling and metallurgical testwork.

On October 18, Oceanus Resources released assay results from nine new holes and one deepened hole at its 100%-owned El Tigre Au-Ag project on the Sierra Madre belt in Northern Mexico. All of the holes were collared between sections 4300N and 3950N in the "core" of the 1.6km long outcropping mineralized system. The results continued to demonstrate the above average grade, at-surface nature, and continuity of mineralization at El Tigre. They serve to confirm our thesis that Oceanus is on to an economically robust, low-cost, open-pitable heap leach project in the years ahead at El Tigre.

We note that all drilling results reported by Oceanus at El Tigre to date occur within the top 200m of the mineralized system, which is thoroughly oxidized. Fresh drill core is also being used for metallurgical testwork to demonstrate the heap leach potential of the oxides.

Exhibit 15. Significant "Low Hanging Fruit" Resource Upside

Source: Oceanus Resources Corp.

The most significant catalyst will be the initial 43-101 compliant resource, which we estimate at +1.0 AuEq. Based on the peer group average of $28-38/oz., the market is effectively pricing in 0.5-0.6 AuEq, a figure that we believe Oceanus should best materially. Beyond this, El Tigre has multi-million ounce potential, but drilling across the entire 5.3 km strike length, and potentially at other satellite targets is a longer term effort.

PERSHING GOLD (PGLC-NASDAQ; PGLC-TSX): BUY, US$4.70 (UNCHANGED)

We are maintaining a BUY recommendation our target price of US$4.70 per share. Our target price is based on a 1.0x multiple to our NAV valuation of US$4.70 per share. Pershing Gold currently trades at 0.71x NAVPS, a discount to intrinsic value.

On January 9th Pershing Gold announced additional Relief Canyon drilling results and that it is expecting a prefeasibility study ("PFS") to be completed early this year. This PFS will pave the way to initiate the re-start and expansion of the Relief Canyon Mine. The phase 1 drilling program concluded late last year and has successfully extended to the west the high grade mineralization at Relief Canyon. Given the additional high grade drill results, the potential for deposit expansion will continue to be tested as the company evaluates Phase 1a and Phase 2 drilling programs.

Previously on November 17, the company announced that Phase 1 of the 2016 drilling program (22 core holes, totaling approximately 4,591m) has concluded. The program has been successful, following known mineralization at Relief Canyon down dip, with mineralization remaining open to the west. The latest Phase 1 drilling highlight was that of drill hole RC16-490 which included:

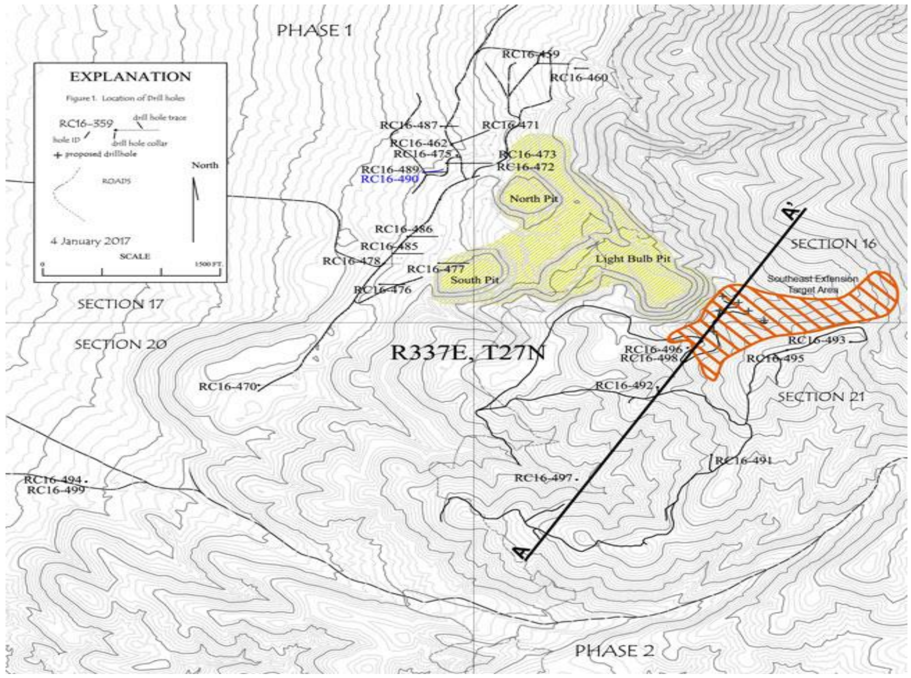
- 7.30 m at 1.83 gpt Au and 1.50 m at 13.93 gpt Au.

The Phase 1 drilling program was designed to extend the western boundary of economic mineralization at Relief Canyon. RC16-490 continues to confirm that significant portions of the western margin of the mineral zones remain open to the west. The drilling program successfully expanded the North target area resource to the west and southwest where it remains open.

The Phase 1a program and other follow up programs could include step-out drilling to continue following the mineralization from Relief Canyon down dip to the west and southwest as well as infill drilling to expand the current economic pit limit at Relief Canyon. Geologic modeling of the higher grades encountered in the area of RC16-462 is currently in progress with additional drilling under consideration for 2017.

Phase 2 of the 2016 drilling program has been initiated and will focus on extending mineralization south of the South Pit and the Lightbulb Pit, as well as on discovering satellite deposits that could be processed at the existing heap leach and ADR facilities at Relief Canyon.

Exhibit 16: Phase 1 Drilling Plan View



Source: Pershing Gold Corp.

On the permitting front, on December 22, 2016, the Nevada Division of Environmental Protection/Bureau of Mining Regulation and Reclamation Phase issued the Reclamation Permit for Phase I expansion of the Relief Canyon Mine. All the principal permits needed to restart and expand the Relief Canyon Mine are now in hand. The upcoming Relief Canyon PFS will define the reserves in accordance to NI43-101 criteria. Key components for the PFS will include (among others):

- Detailed capital and operating cost comparison of contract versus self-mining.
- Detailed capital and operating cost comparison of truck stacking versus conveyor stacking of crushed and agglomerated ore on the leach pad.
- The incorporation of additional metallurgical testing to establish ore agglomeration parameters.
- A trade-off study of line versus generated electrical power.

The current resource estimate for Relief Canyon consists of a 778,000 Au ounces in the Measured & Indicated category, along with 47,500 Au ounces in the inferred category. Further successful exploration may extend the life of mine.

Exhibit 17: Pershing Gold NAV

Mining Assets			
		USD$ 000s	Per share
Relief Canyon	(100%)	$116,255	$4.09
Total Mining Assets		**$116,255**	$4.09

Financial Assets		
	USD$ 000s	Per share
Cash	$17,205	$0.61
Working Capital net of cash	$1,874	$0.07
LT Liabilities	($1,677)	($0.06)
Proceeds from ITM Instruments	$0	$0.00
	$17,402	$0.61
Net Asset Value	**$133,657**	$4.70
Shares Outstanding (000's)	28,412	
NAV/sh	$4.70	
Diluted shares outstanding	**28,412**	
NAV per Diluted share (US$/share)	$4.70	
Current share price (US$/share)	$3.36	
Price / NAV	**0.71x**	

(1) Corporate adjustments are as of last reported Financial Statements dated Spetember 30, 2016
Source: Cantor Fitzgerald Canada Estimates, Company Reports

PREMIER GOLD (PG-TSX, PIRGF-OTC, P20-FRANKFURT): BUY, $4.55 (UNCHANGED)

We are maintaining a BUY recommendation and our target price on Premier Gold of $4.55 per share. Our target price is based on a 1.0x multiple to our NAV valuation of $4.53 per share. Premier Gold currently trades at 0.67x NAVPS, a discount to intrinsic value.

Premier Gold held its annual investor's day in Toronto on January 12. Last year was a milestone year for Premier Gold as production began at South Arturo and Q4 production from Mercedes was attributed to Premier, following its acquisition from Yamana Gold.

During Q4/16, a total of 81,790 Au ounces along with 97,991 Ag ounces were produced from South Arturo and Mercedes, these figures coming in the upper range of initial guidance. This brought the FY/16 figure to 112,018 Au ounces along with 97,991 Ag ounces. The Mercedes mine produced 22,760 oz. Au and 97,991 oz. Ag in 2016 (attributable to Premier), which beat our forecast of 21,800 oz. Au and 90,200 oz. Ag. Cash costs came in at US$706/oz. Au versus our estimate of $709/oz. Au while all-in sustaining costs were US$815/oz. Au as compared to our forecast of US$823/oz. The South Arturo mine produced 89,258 oz. Au in 2016 (attributable to Premier), which beat our forecast of 85,900 oz. Au. Cash costs came in at US$361/oz. Au versus our estimate of $358/oz. Au while all-in sustaining costs were US$374/oz. Au as compared to our forecast of US$372/oz.

Production guidance for this year has been set at a consolidated 125,000-135,000 Au ounces along with 325,000 -350,000 Ag ounces. Consolidated AISC costs are expected at between US$660-690 per Au ounce. The exploration budget has been set at US$18.5M, which is the largest in company history. Additional key initiatives for the year include an updated reserve/resource (net of production) for Mercedes, along with the continued focus on cost reduction. Additional targets for the year include:

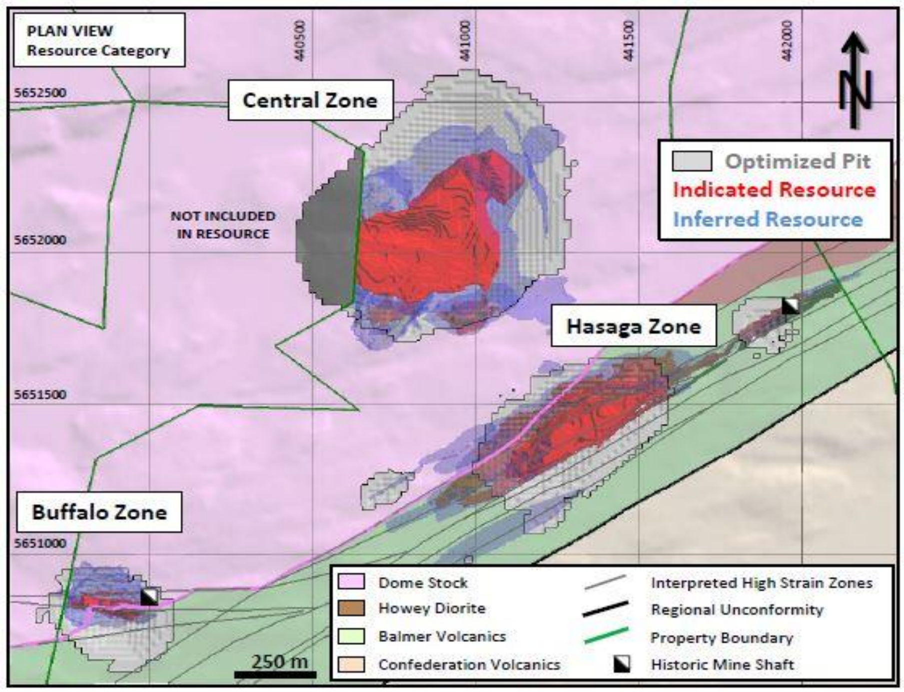
- Support permitting for el Nino underground mine in South Arturo
- Complete a McCoy-Cove resource estimate for Q1/17 and a PEA in Q3/17
- Complete metallurgy for the Helen-CSD Gap deposit at McCoy-Cove
- Continued support of permitting and First Nations negotiating/agreements for the Hardrock project.

From the exploration/development portfolio, Hasaga was one of the highlights as Premier's largest drill program took place at Hasaga in 2016. As such, a newly updated resource estimate has confirmed a mineral resource estimate of 1,124,000 Au ounces (indicated), along with 631,000 Au ounces inferred. Last year, Premier successfully delineated potential open pittable deposits (Hasaga, Central and Buffalo). There is currently a significant modeling program and data review going on at Rahill-Bonanza for future exploration planning.

Exhibit 18. Resource update & schematic of the three primary deposits

Deposit	Cut-off Category	Resource Category	Tonnes (Mt)	Gold (Au) Grade (g/t)	Au Ounces (Mozs)
Bonanza	Underground	Inferred	2.468	6.46	0.512
Hasaga	Open Pit	Indicated	42.294	0.83	1.124
		Inferred	25.143	0.78	0.631

*100% Basis

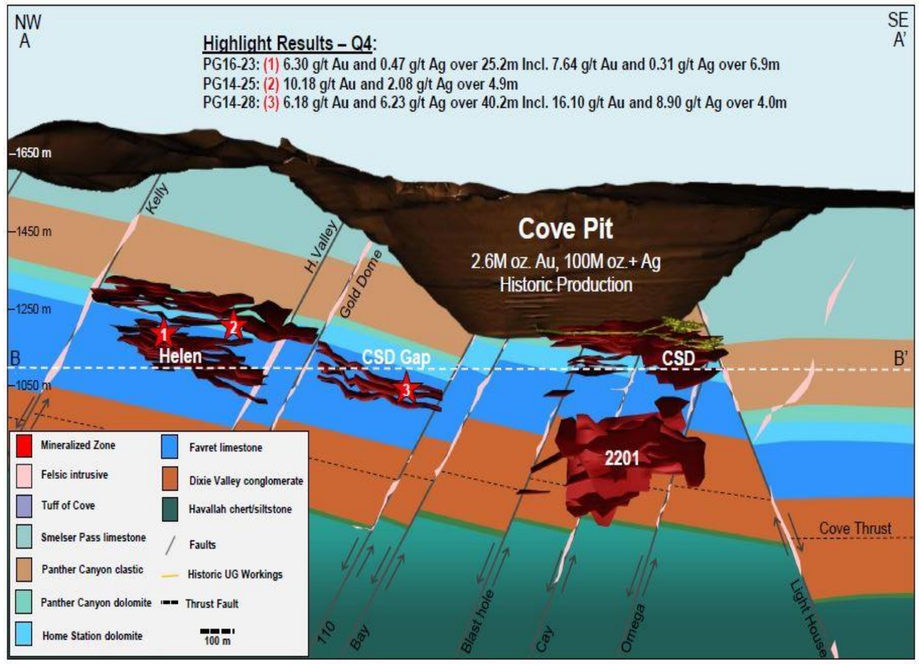


Source: Premier Gold

Drilling from the wholly owned McCoy-Cove Project (Nevada) continues to delineate high grade mineralization within the CSD Gap and Helen Zone deposits. Results have continued to confirm substantial grade and thickness continuity across the core of the deposit. Highlights include:

- PG16-23: 6.30 g/t Au and 0.47 g/t Ag over 25.2m at 558.4m including 7.64 g/t Au and 0.31 g/t Ag over 6.9m at 567.3m
- PG16-25: 10.18 g/t Au and 2.08 g/t Ag over 4.9m at 390.8m
- PG16-28: 6.18 g/t Au and 6.23 g/t Ag over 40.2m at 611.4m including 16.10 g/t Au and 8.90 g/t Ag over 4.0m at 611.4m

Exhibit 19. Cove Pit 2016 geological model



Source: Premier Gold

At the 50% owned Goldbanks Project (Nevada), initial drilling completed in late 2016 consisted of two deep core holes designed to investigate structural targets and potential controls on mineralization in the Golden Devil discovery area in order to better define the controls on high grade mineralization. The primary target, a proposed basin bounding fault, was intersected in both GB16-01 and GB16-02. Premier is encouraged by the intensity of alteration and anomalous Au/Ag values associated with this structure and intends on testing this fault both up-dip and along strike in 2017. The highest grade intercept from the first two holes was in GB16-02 that assayed 0.44 g/t Au, 12,492.5 g/t Ag and 4.41% Cu over 0.3m at 552.6m.

Exhibit 20: Premier Gold Mines NAV

Mining Assets		CDN$ 000s	Per share
Mercedes	(100%)	$258,815	$1.24
South Arturo	(40%)	$56,178	$0.27
TransCanada Project	(50%)	$208,964	$1.00
Rahill-Bonanza	(44%)	$204,213	$0.98
Hasaga	(100%)	$71,975	$0.35
Other Properties/Exploration Spend		$171,743	$0.83
Sandstorm Gold (SSL-TSX)		$21,520	$0.10
Total Mining Assets		**$993,408**	$4.78

Financial Assets		CDN$ 000s	Per share
Cash		$42,079	$0.20
Working Capital net of cash		$42,765	$0.21
LT Liabilities		($153,319)	($0.74)
Proceeds from ITM Instruments		$17,594	$0.08
		($50,880)	($0.24)
Net Asset Value	CDN$	**$942,528**	$4.53

Shares Outstanding (M)	200,406
NAV/sh	$4.70
Diluted shares outstanding	**207,968**
NAV per Diluted share (C$/share)	$4.53
Current share price (C$/share)	$3.02
Price / NAV	**0.67x**

(1) Corporate adjustments are as of last reported Financial Statements dated September 30, 2016

Source: Cantor Fitzgerald Canada Estimates, Company Reports

PRIMERO MINING (P-TSX, PPP-NYSE): BUY, $2.00 (UNCHANGED)

We are maintaining our rating at BUY and our target price at $2.00 per share. Our target price is based on a 1.0x multiple to our NAV of $1.99 per share. Primero currently trades at 0.51x NAVPS, a discount to intrinsic value.

As announced on January 18, Primero met revised consolidated guidance for both production and cash costs. FY/17 guidance is expected in mid-February, but the expectation is that of similar production levels to those achieved this year, but at lower cost. Consolidated Q4/16 and FY/16 production on an AuEq basis amounted to 45,794 ounces and 176,139 ounces, respectively. These figures were slightly below our estimates amounting to 47,561 ounces and 177,689 ounces.

The FY/16 production figure falls within previously revised guidance of between 170,000-190,000 AuEq ounces. FY/16 financial results will be released on March 15.

From San Dimas, Q4/16 production totaled 28,282 AuEq ounces which topped our forecast of 27,114 AuEq ounces. This resulted in FY/16 production of 113,968 AuEq ounces (split as 93,881 Au ounces along with 5.3M Ag ounces). Our FY/16 production forecast amounted to 112,583 AuEq ounces. Preliminary FY/16 cash costs at San Dimas amounted to $856 per AuEq ounce (AISC of $1,117 per Au ounce), which was better than our cash cost estimate of $890 and $1,259, respectively.

- Production levels at San Dimas were impacted by numerous factors over the course of the year, most notably the implementation of enhanced ground support which resulted in reduced underground development rates and productivity.
- Mill throughput for the year averaged 2,074 TPD (based on 366 days availability), which was in line with our forecast.

From Black Fox, Q4/16 production totaled 17,512 Au ounces which was below our forecast of 20,447 Au ounces. This resulted in FY/16 production of 62,171 Au ounces, which was below our initial forecast of 65,106 ounces. Preliminary FY/16 cash costs at Black Fox amounted to $881 per Au ounce (AISC of $1,291 per Au ounce), which was largely in line with our initial cash cost estimates of $884 and $1,314 respectively.

- Production levels at the underground mine have achieved increased production rates averaging 641 TPD, representing a 66% increase over FY/15.
- Production from the Deep Central Zone has ramped up since initial stoping activities began in September. Mining is now progressing well on three levels in four working faces delivering 800 TPD in Q4/16.
- Black Fox mill throughput achieved a record in 2016 averaging 2,495 TPD (based on 366 days availability). This topped our forecast of 2,440 TPD for the year.

Though production guidance is expected to be announced in mid-February, given the focus on productivity improvements and streamlining of operations, cash flows are expected to greatly increase in 2017. Additionally, Primero is in the midst of broad cost cutting measures at both mines. 2016 production levels are expected to be similar to those achieved this year, however at lower cost.

Primero will report its Q4 financial figures on March 15. We expect a top line of US$57M along with an earnings loss of US$12M, resulting in a diluted EPS estimate of -$0.06/share. A 10:00 am ET conference call will take place following the earnings release. To join the call, dial 1-888-789-9572 (Passcode: 1205823).

Consensus estimates call for revenues of US$54.3M and EPS of -$0.04. Our Q4 estimates are below:

Exhibit 21. Primero Mining Q4/16 Earnings Expectations

	CF Estimates Q4/16E	Variance with Est. % Change	Reported Q3/16A	Variance Q-over-Q % Change	Reported Q4/15A	Vairance Yr-over-Yr % Change
INCOME STATEMENT (in US$ 000's)						
Total revenue	**56,847.4**	**0.0%**	**57,012.0**	**-0.3%**	**71,404.0**	**-20.4%**
Operating costs	(41,795.0)	0.0%	(41,083.0)	**NM**	(42,555.0)	**NM**
Gross margin	**15,052.4**	0.0%	**15,929.0**	**-5.5%**	**28,849.0**	**-47.8%**
Gross margin %	26.5%	0.0%	27.9%		40.4%	
Depreciation and amortization	(15,444.5)	0.0%	(15,994.0)	-3.4%	(18,749.0)	-14.7%
General and administrative	(10,598.0)	0.0%	(8,223.0)	28.9%	(8,479.0)	-3.0%
Other expenses	(6,137.8)	0.0%	(248.0)	2374.9%	(105,480.0)	-99.8%
Operating earnings	**(17,127.8)**	0.0%	**(8,536.0)**	100.7%	**(103,859.0)**	-91.8%
Income taxes recovery (expense)	5,138.4	0.0%	(3,197.0)	NM	5,512.0	NM
Tax rate	30.0%	0.0%	-37.5%	NM	5.3%	NM
Net earnings (as reported)	**(11,989.5)**	0.0%	**(11,733.0)**	2.2%	**(98,347.0)**	-88.1%
Adjustments		NM			98,309.0	
Adjusted earnings	**(11,989.5)**	0.0%	**(11,733.0)**	**NM**	**(38.0)**	**NM**
Earnings Per Share - Basic	-$0.06	0.0%	-$0.06	NM	-$0.60	NM
Earnings Per Share - Diluted	-$0.06	0.0%	-$0.06	NM	-$0.60	NM
Adjusted Earnings Per Share - Fully Diluted	**-$0.06**	NM	**-$0.06**	NM	**$0.00**	NM

Source: Primero Mining and Cantor Fitzgerald Canada Estimates

Source: Primero Mining, Cantor Fitzgerald Canada Research

Exhibit 22: Primero Mining NAV

Mining Assets			
		$ 000s	Per share
San Dimas	(100%)	$238,655	$1.27
Black Fox	(100%)	$44,306	$0.24
Cerro Del Gallo	(100%)	$70,866	$0.38
Grey Fox	(100%)	$26,683	$0.14
Total Mining Assets		**$380,509**	$2.02

Financial Assets			
		$ 000s	Per share
Cash		$31,159	$0.17
Working Capital net of cash		($30,253)	($0.16)
LT Liabilities		($101,920)	($0.54)
Proceeds from ITM Instruments		$0	$0.00
Syndicated Metals (ASX: SMD)	(8.3%)	$3,466	$0.02
		($97,548)	($0.52)
Net Asset Value (US$)		**$282,961**	$1.51

Net Asset Value (C$)	$374,658
Shares Outstanding ('000s)	162,065
NAV/sh (C$)	$2.31
Diluted shares outstanding	**187,928**
NAV per diluted share (C$/share)	$1.99
Current share price (C$/share)	$1.02
Price / NAV	**0.51x**

(1) Corporate adjustments are as of last reported Financial Statements Sept 30, 2016

Source: Cantor Fitzgerald Canada Estimates, Company Reports

SEABRIDGE GOLD INC. (SEA-TSX, SA-NYSE): BUY, $20.00 (UNCHANGED)

We are maintaining our BUY recommendation with a $20.00 per share target on Seabridge Gold. Our target on Seabridge is driven via DCF-based $\text{NAVPS}_{7.5\%}$ incorporating the up-to-date PEA figures, and a JV model. Seabridge currently trades at 0.67x NAVPS, and $3.86/oz. AuEq, a material discount to intrinsic value.

We initiated coverage on December 12. In terms of Proven & Probable gold and copper reserves, Seabridge's KSM deposit ranks as the largest undeveloped mining project globally. In terms of total resource (M&I + Inferred) it is the second largest (see below). Moreover, KSM is located in mining-friendly Northern British Columbia, and is fully permitted. While the CAPEX requirement is substantial to say the least (~$5.5 BB), the sheer size/scale of KSM (+1.2 MMoz AuEq/year over a mine-life of +50 years) makes it a truly unique, sought-after asset, and one that is highly likely to attract a number of potential top-tier JV partners that will help fund the initial CAPEX hurdle.

Seabridge has sufficiently de-risked KSM on multiple fronts including drilling, metallurgy, feasibility, and permitting. With copper prices having rebounded, we believe there will be no shortage of JV partners lining up to take a stake in KSM.

Exhibit 23. Large Au/Cu Comparables

Company	Asset	Own	Location	MMoz Au	BBlb Cu
NGEx Resources	Los Helados	60%	Chile	12.8	23.4
St. Augustine Gold	King-King	25%	Philippines	7.9	4.1
Seabridge	KSM	100%	Canada	80.6	32.8
Western Copper & Gold	Casino	100%	Yukon	17.9	9.9
Exeter Resources	Caspiche	100%	Chile	17.5	5.2
Northern Dynasty	Pebble	100%	Alaska	107.6	81.3
Eurosun Mining	Rovina Valley	100%	Romania	7.2	1.4

Source: Cantor Fitzgerald Canada Estimates, Company Reports

AZARGA URANIUM (AZZ-TSX): BUY, $1.10 (UNCHANGED)

We are maintaining our BUY recommendation on Azarga Uranium and keeping our target price at $1.10 per share. Our target price reflects a 1.0x multiple to our NAV estimate of $1.11/share. Azarga currently trades at 0.37x NAVPS a material discount to intrinsic value.

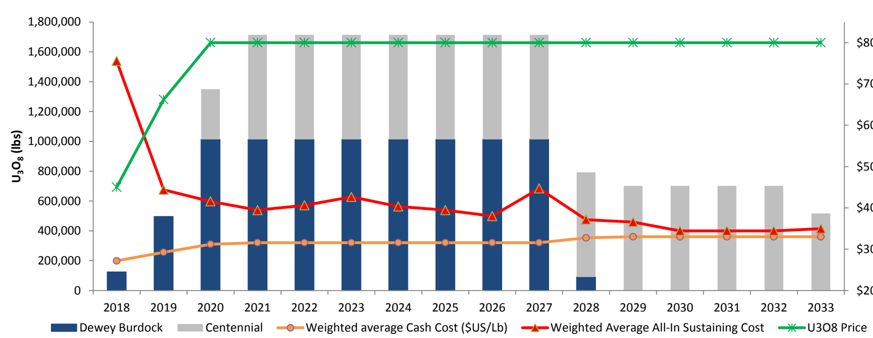
We continue to highlight the near term production potential out of the Dewey Burdock project which happens to be the highest grade ISR project in the U.S. and is currently in development. Located in South Dakota's Edgemont uranium district, the Dewey Burdock project boasts an NI 43-101 compliant M&I resource of over 8.5M lbs U3O8 at 0.25%. We note as well that the project has been fully permitted by the NRC since April 2014.

Exhibit 24: Azarga Uranium NAV

Azarga Uranium			
Projects	NAV	Per Share	Comment
Dewey Burdock	$74.8	$1.01	2016 DCF @ 10% Discount Rate
Centennial	$15.3	$0.21	2016 DCF @ 10% Discount Rate
Aladdin	$2.1	$0.01	100% interest; $0.50/lb In-Situ Value
Kyzyl Ompul	$1.5	$0.02	80% interest; $0.25/lb In-Situ Value
Debt	($28.5)	($0.38)	PV of LT Debt and assumed debt @ 10% Discount Rate
Investments	$0.3	$0.00	Investment in Uranium Resources
Cash	$1.6	$0.02	Q3/16 Financials + Cash Proceeds from ITM Options
Net working capital (less cash)	($3.3)	($0.05)	Q3/16 Financials
Total in USD	**$63.8**	**$0.84**	
Total in CAD	**$84.5**	**$1.11**	

Source: Cantor Fitzgerald Canada Estimates, Company Reports

Exhibit 25: Production and Cost Forecast

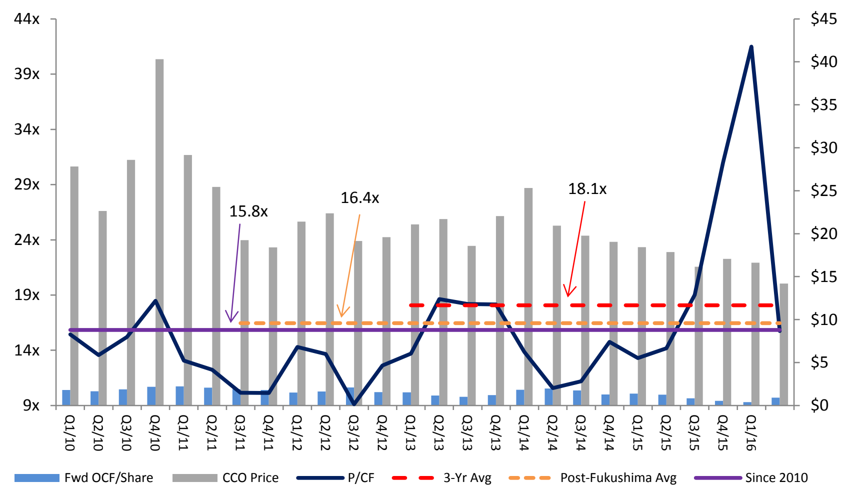


Source: Cantor Fitzgerald Canada Estimates, Company Reports

CAMECO CORPORATION (CCO-TSX, CCJ-NYSE): HOLD, $15.35 (UNCHANGED)

We are maintaining our HOLD recommendation and our target price of $15.35 per share. Our target price is based on the application of a 16.0x multiple to our forward cash flow estimate of $0.96/share. This valuation is conservative relative to historical trends as Cameco has traded at an average 16.4x multiple post-Fukushima, 18.1x over the last three years, and 15.8x since the beginning of 2010. It is currently trading at a 14.5x multiple to our forward cash flow estimate.

Exhibit 26: Cameco historical forward P/CF trading multiple

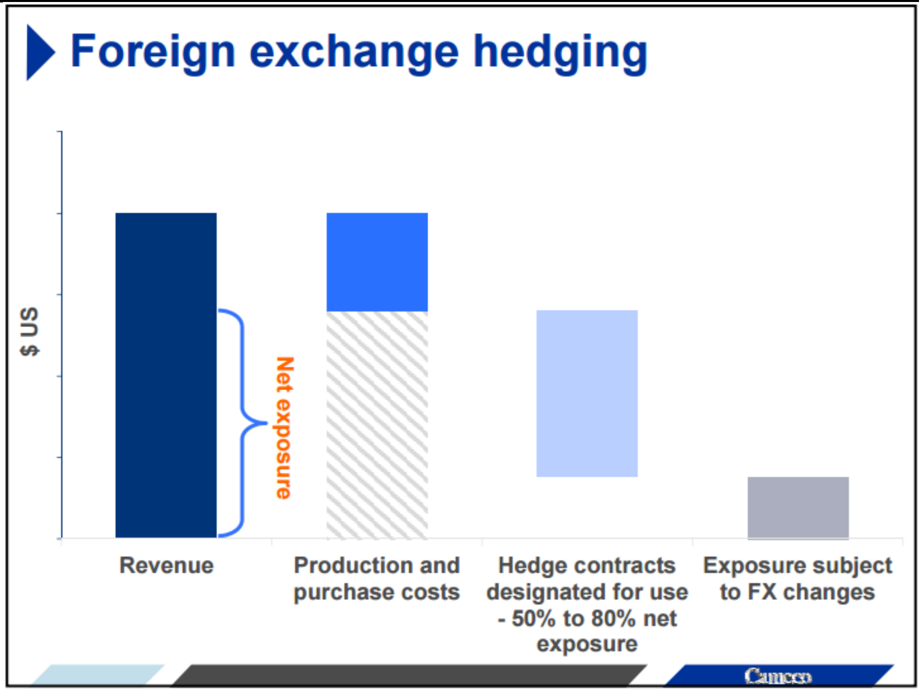


Source: Cantor Fitzgerald Canada Research

On January 19th Cameco warned that there is a "significant discrepancy" between consensus adjusted earnings estimates and company expectations, which are lower. The variance between the street's estimates and Cameco's expected numbers can be traced to foreign exchange contracts. These contracts were not fully factored into estimates and Cameco has committed to providing additional disclosure to close this knowledge gap. Full financial details will be disclosed on February 9, 2017.

Cameco routinely hedges foreign exchange risk in its contract sales portfolio by hedging 50%-80% of the net US dollar exposure it has. This was illustrated in the company's investor day last November (see exhibit 25). The program involves the layering of contracts over a three year period with effective rates that Cameco has committed to disclosing beginning with its Q4/16 financials. As a result, the street was not fully factoring in the impact of the hedge book in its estimates, however Cameco has noted that it will provide detailed disclosure for the hedge portfolio on a go forward basis.

Exhibit 27. Cameco's foreign exchange hedge program



Source: Cameco

On February 1, Cameco announced that Tokyo Electric Power Holdings ("TEPCO") had issued a termination notice for its uranium supply contract with Cameco.

After having provided initial notice to Cameco on January 24, TEPCO confirmed its cancellation notice on January 31. As a result, a uranium delivery scheduled for February 1 has not been accepted by TEPCO. The company has stated force majeure as the cause for the termination, due to its inability to operate its nuclear power plants for 18 consecutive months and due to increased government regulations stemming from the Fukushima accident in 2011. Cameco noted that it does not expect other Japanese utilities to follow suit.

Cameco has revealed that the termination affects about 9.3M lbs. of uranium deliveries through 2028, which it estimates to be worth about $1.3B in revenue. To date, TEPCO has received a total of 2.2M lbs. since 2014. For 2017, 2018, and 2019 the impact would be 855,000 lbs. of uranium or about $126M annually. Cameco noted that the lost revenue represents about 6% of its expected revenue. The 2017 loss accounts for 3% of Cantor Fitzgerald Canada Research's estimated 2017 sales volume and 5% of our 2017 revenue estimate.

The calculated contract price over 2017-2019 is US$113.36/lb. using Cameco's provided USD/CAD exchange rate of 1.30. By comparison, the U_3O_8 spot price recently closed at US$25.75/lb. (+358%).

Our full research report detailing this event can be found by clicking the following link or by contacting your Cantor Fitzgerald representative, Cameco: TEPCO attempting to terminate uranium contract Downgrading to Hold

Cameco will report Q4/16 earnings on February 9 before markets open. We expect a top line of $924M resulting in an EPS estimate of -$0.04. Consensus estimates calls for revenues of $759M and EPS of $0.26. We note that the consensus range is quite wide (-$0.19 to $0.43) due to the aforementioned earnings warning issued by Cameco in mid-January. A conference call will take place later that day at 1:00 pm ET. To join the call, dial 800-769-8320. A recorded version of the proceedings will be available on Cameco's website or by calling (800) 408-3053 (Canada and US) or (905) 694-9451 (Passcode 7935679).

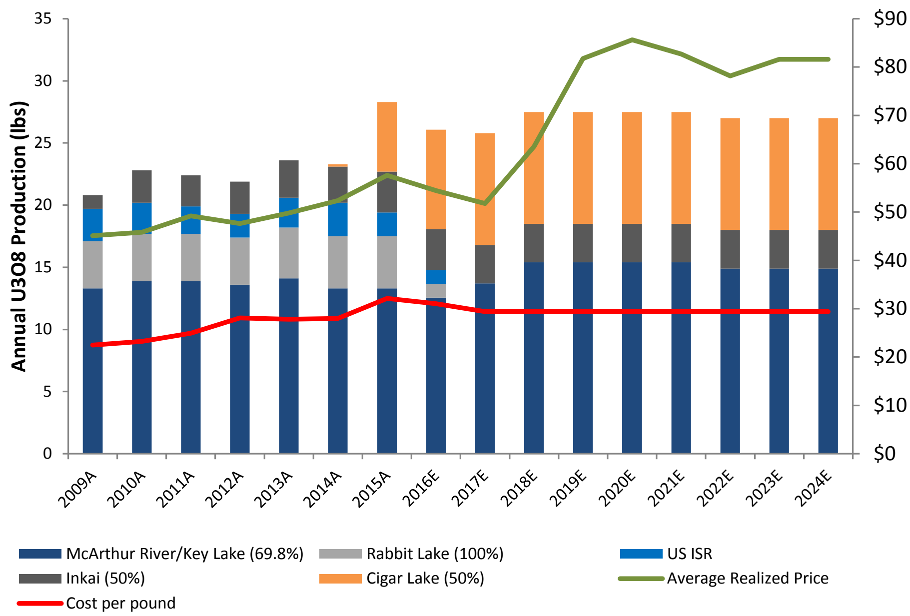
Exhibit 28: Cameco Q4/16 Earnings Expectations

	CF Estimates Q4/16E	Reported Q3/16A	Reported Q4/15A	Variance Yr-over-Yr % Change
INCOME STATEMENT (in C$ 000's)				
Total revenue	**924,138.0**	**669,654.0**	**975,040.0**	**-5.2%**
Operating costs	636,349.8	411,704.0	581,120.0	9.5%
Gross margin	**287,788.2**	**257,950.0**	**393,920.0**	**-26.9%**
Gross margin %	31.1%	38.5%	40.4%	
Depreciation and amortization	117,869.0	111,811.0	112,103.0	5.1%
General and administrative	62,541.1	38,689.0	55,018.0	13.7%
Exploration	11,767.8	9,643.0	7,307.0	61.0%
Research and development	2,479.0	1,347.0	1,722.0	44.0%
Gain on sale of assets	-	439.0	(446.0)	NM
Other expenses	-	(6,319.0)	212,126.0	NM
Operating earnings	**93,131.3**	**102,340.0**	**6,090.0**	**NM**
Net Finance Expenses	(15,914.3)	(25,844.0)	(26,459.0)	NM
Other expense	(73,555.8)	55,787.0	(47,710.0)	NM
Net earnings before tax	**3,661.1**	**132,283.0**	**(68,079.0)**	**NM**
Income tax (reversal) expense	21,171.7	(10,407.0)	(57,603.0)	NM
Tax rate	578.3%	-7.9%	84.6%	NM
Non-controlling Interest	-	545.0	(539.0)	NM
Net earnings (as reported)	**(17,510.6)**	**142,145.0**	**(135,049.0)**	**NM**
Adjustments	-	(24,000.0)	160,714.0	NM
Adjusted earnings	**(17,510.6)**	**118,145.0**	**150,238.0**	**NM**
Operating EPS	$0.24	$0.26	$0.02	NM
Earnings Per Share - Basic	-$0.04	$0.36	-$0.03	NM
Adjusted Earnings Per Share - Basic	-$0.04	$0.30	$0.38	NM
Adjusted Earnings Per Share - Fully Diluted	-$0.04	$0.29	$0.37	NM

Source: Cameco and Cantor Fitzgerald Canada Estimates

Source: Cantor Fitzgerald Canada Estimates, Company Reports

Exhibit 29: Cameco Production, Cost, and Realized Price Forecast.



Source: Cantor Fitzgerald Canada Estimates, Company Reports

DENISON MINES (DML-TSX, DNN-NYSE): BUY, \$1.80, (UNCHANGED)

We are maintaining a BUY recommendation and target price of \$1.80 per share for Denison Mines. Our target price is based on a 1.0x multiple to our NAV valuation of \$1.78 per share. Denison currently trades at 0.52x NAVPS, a material discount to intrinsic value.

On January 10th Denison Mines announced that its ownership in the Wheeler River project is set to increase to 66% as it commits to finance a portion of Cameco's JV exploration expense for 2017 and 2018. In light of the current low priced uranium environment, Cameco has recently demonstrated a strict commitment to cost containment by shutting certain higher cost mines and cutting on exploration spending and this continues upon that theme. Cameco will retain a foothold in the Wheeler River JV (24%) but we believe acquisitions on its part are highly improbable in the near term. The opportunity is positive for Denison as it acquires an increased stake in one of the premier undeveloped uranium projects in the world. Note the following:

- Denison's share in the Wheeler River JV is set to increase to 66% from the current 60% by the end of 2018. The current JV structure comprises Denison (60% ownership and operator), Cameco (30%), and JCU (Canada) Exploration (10%).
- Under terms of the agreement, the above mentioned JV parties have agreed to allow for a one-time election by Cameco to fund 50% of its ordinary share of joint venture expenses in 2017 and 2018. As such, Denison will be financing an additional 15% of the C\$12.5M exploration budget approved for 2017 and of the 2018 proposed budget, which is not to exceed C\$15.6M in 2018.
- A regional exploration program will also be conducted in both years, with an aggregate budget set at a minimum of C\$4M for 2017 and 2018.
- By December 31, 2018 the new JV structure is expected to total 66% for Denison, 24% for Cameco and 10% for JCU (Canada) Exploration.

The Wheeler River property is host to the high-grade Gryphon and Phoenix uranium deposits discovered by Denison in 2014 and 2008, respectively. The Gryphon deposit is hosted in basement rock and is currently estimated to contain inferred resources of 43.0M lbs U_3O_8 (above a cut-off grade of 0.2% U_3O_8) based on 834,000 tonnes of mineralization at an average grade of 2.3% U_3O_8. The Phoenix unconformity deposit is located approximately 3Km to the southeast of Gryphon and is estimated to include indicated resources of 70.2M lbs U3O8 (above a cut-off grade of 0.8% U_3O_8) based on 166,000 tonnes of mineralization at an average grade of 19.1% U_3O_8.

Exhibit 30. Gryphon Plan Map

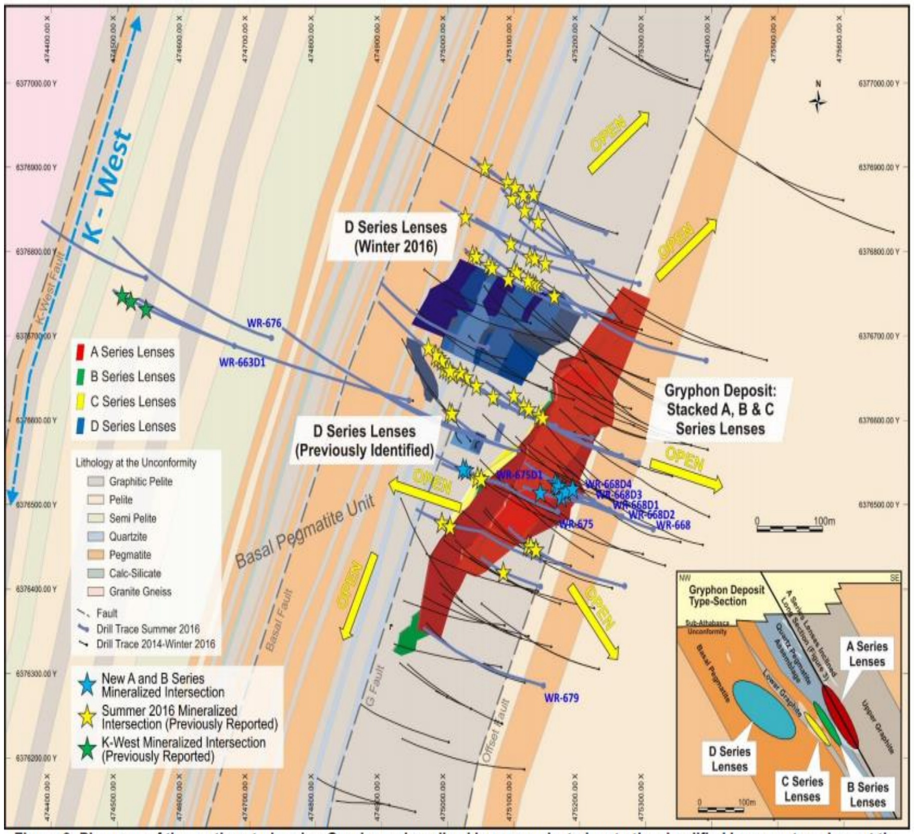


Figure 2: Plan map of the northeast plunging Gryphon mineralized lenses projected up to the simplified basement geology at the sub-Athabasca unconformity. Light blue stars depict the location of new mineralized intersections from the A and B series lenses.

Source: Denison Mines

On February 1, Denison Mines announced that it had entered into a financing agreement with Anglo Pacific Group PLC ("APG") for $43.5M. This non-dilutive financing only involves Denison's 22.5% share of toll milling revenues from Cameco's Cigar Lake Toll Milling Agreement and will provide the financial flexibility to take Wheeler River towards an eventual production decision.

The $43.5M financing will comprise:

1. A $40.8M, 13 year Limited Recourse Loan arrangement involving APG and two wholly owned subsidiaries of Denison, and
2. A $2.7M stream where payments will equal Denison's 22.5% share of the proceeds from the toll milling certain Cigar Lake ore at McClean.

APG is also to receive 1.67M Denison warrants (3 year term) with an exercise price of C$1.27 (~30% premium to the 10 day VWAP prior to announcement). If exercised, the warrants would raise an additional $2.1M gross proceeds to Denison. Effectively, the agreement is $43M to Denison in exchange for all Cigar Lake related toll milling revenue from the McClean Lake Joint Venture

We believe this was a very good deal for Denison. To view our complete report please click on the following link or contact your Cantor Fitzgerald representative for a copy, Denison: Financing arrangement with Anglo Pacific Group PLC; Target Increased.

Exhibit 31. Denison NAV

Asset	Attributable M Lbs U_3O_8	EV/Lb	Value US($M)	Per share	Ownership	Notes
Revenue Generating Assets						
Wheeler River Project			$230.2	$0.43	60%	NPV @ 10%. Cameco 30% & JCU 10%
McClean Lake Mill			$199.5	$0.37	22.5%	7% DCF for processing expected Wheeler River feed; C$1B Residual value
UPC Contract Value			$28.4	$0.05		Minimum annual fee at a 5% Discount Rate
In-Situ Valuation						
McClean Lake Deposits	5.9	$7.00	$41.6	$0.08	22.5%	McLean Lake, McLean Lake North, & Sue D; Areva 70% & OURD 7.5%
Midwest	13.4	$7.00	$94.1	$0.17	25.17%	Areva 69.16% & OURD 5.67%; Development on hold reviewed every 6 months
Waterbury Lake	7.8	$7.00	$54.7	$0.10	60%	40% KEPCO
Other Assets						
25% stake in GoviEx Uranium			$8.6	$0.016		80% of the market value for conservatism
18.7% stake in Skyharbour Resources			$5.2	$0.010		80% of the market value for conservatism
Working Capital Net of Cash			$8.7	$0.02		As of Q3/16 Financials
Cash + proceeds from options and warrants			$55.8	$0.10		As of Q3/16 Financials + Anglo Pacific Financing
Valuation			**$726.9**	**$1.34**		
Valuation in CAD			**$962.4**	**$1.78**		in CAD

Source: Cantor Fitzgerald Canada Research

ENERGY FUELS (EFR-TSX, UUUU-NYSE): BUY, $5.65 (UNCHANGED)

We are maintaining a BUY recommendation and our target price of $5.65 per share for Energy Fuels. Our target price is based on a 1.0x multiple to our NAV valuation of $5.65 per share. Energy Fuels currently trades at 0.47x NAVPS, a material discount to intrinsic value.

In late December Energy fuels announced that additional high grade uranium mineralization had been intercepted at the Canyon Mine in Northern Arizona.

Highlights from the announced drilling intercepts include drill hole 19: 28.5 feet of mineralization with an average grade of 2.41% eU_3O_8 and drill hole 21: 13.5 feet of mineralization with an average grade of 1.42 eU_3O_8. In total, ten new drill holes were logged for gamma and are in the process of being further analyzed at the company's White Mesa laboratory for additional verification. The previous batch of results from the canyon mine was released on August 18 2016. The highlight then was drill hole CMCH-011 which returned 6.88% eU3O8 over 8.5 feet

As drilling extends into new zones of mineralization, new areas of high grade uranium and copper are being discovered as well (as announced in late October 2016). Currently, there are three uranium bearing zones at Canyon (upper, middle, and lower). Note that as per the most recent Technical Report, the estimated resource at Canyon contains 83,000 tons of inferred mineral resource equating to 1.63M lbs of uranium at an average grade of 0.98% eU3O8. Recall that the Canyon Mine is fully licensed and permitted. It is at a very advanced stage of construction, with all surface development completed and the production shaft nearing completion. The mine itself is located within trucking distance of the White Mesa uranium mill, which is licensed, operating, and has the capacity to process the Canyon material into finished uranium concentrate.

From the Sheep Mountain property in Wyoming, on January 10th Energy Fuels announced receipt of the final EIS and ROD, which represent the last government-issued permits Energy Fuels needed to commence mining at its wholly owned Sheep Mountain Project.

The Sheep Mountain Uranium Project represents an important portfolio component for Energy Fuels as it has a large asset base estimated to contain approximately 12.9M tons of Indicated Mineral Resources with an average grade of 0.117% eU_3O_8 containing approximately 30.3M lbs. of uranium.

- Included in the Indicated Mineral Resources, the project is estimated to hold approximately 7.5M tons of Probable Mineral Reserves with an average grade of 0.123% eU_3O_8 containing approximately 18.4M lbs of uranium.

An April 2012 Pre-Feasibility study estimated annual production of 1.5M lbs extending over a period beyond 15 years. Though the project itself is not expected to go into production this year (we estimate 2018), the costs to maintain the property and necessary permits are relatively low. Sheep Mountain represents a key asset heading into the future as Energy Fuels reserves the optionality to start up in short order once market prices would be more favourable.

On February 2, Energy Fuels announced that assay results from its Canyon property revealed high grade copper in addition to high grade uranium mineralization.

Exhibit 32. Energy Fuels NAV

Projects	Energy Fuels NAV $000s	Per Share	Comment
White Mesa Mill and EFR's Uranium Mines/Projects	279,586	$4.22	2017 DCF @ 10% Discount Rate
Virginia Energy (VUI-TSXV) 16.5%	257	$0.004	80% of the market value for conservatism
Mega Uranium (MGA-TSX)	169	$0.003	80% of the market value for conservatism
enCore Energy (EU-TSXV)	215	$0.003	80% of the market value for conservatism
Cash	17,530	$0.26	Q3/16 Cash
Working Capital (Net of Cash)	-15,457	-$0.23	As of most recent quarter
USD Total	**282,300**	**$4.26**	
CAD Total	**373,783**	**$5.65**	USD/CAD 0.76

Source: Cantor Fitzgerald Canada Research

FISSION URANIUM (FCU-TSX): BUY, \$1.20↑ FROM \$1.15 (+4%)

Our recommendation for Fission Uranium remains a BUY and we are modestly increasing our target price to \$1.20 per share from \$1.15 per share, or by 3%. Our target change is based on the rolling forward of our valuation model as we move from a 2016 valuation to a 2017 valuation. Our target price is based on a 1.0x multiple to our NAV valuation of \$1.20 per share. Fission Uranium currently trades at 0.63x NAVPS, a discount to intrinsic value.

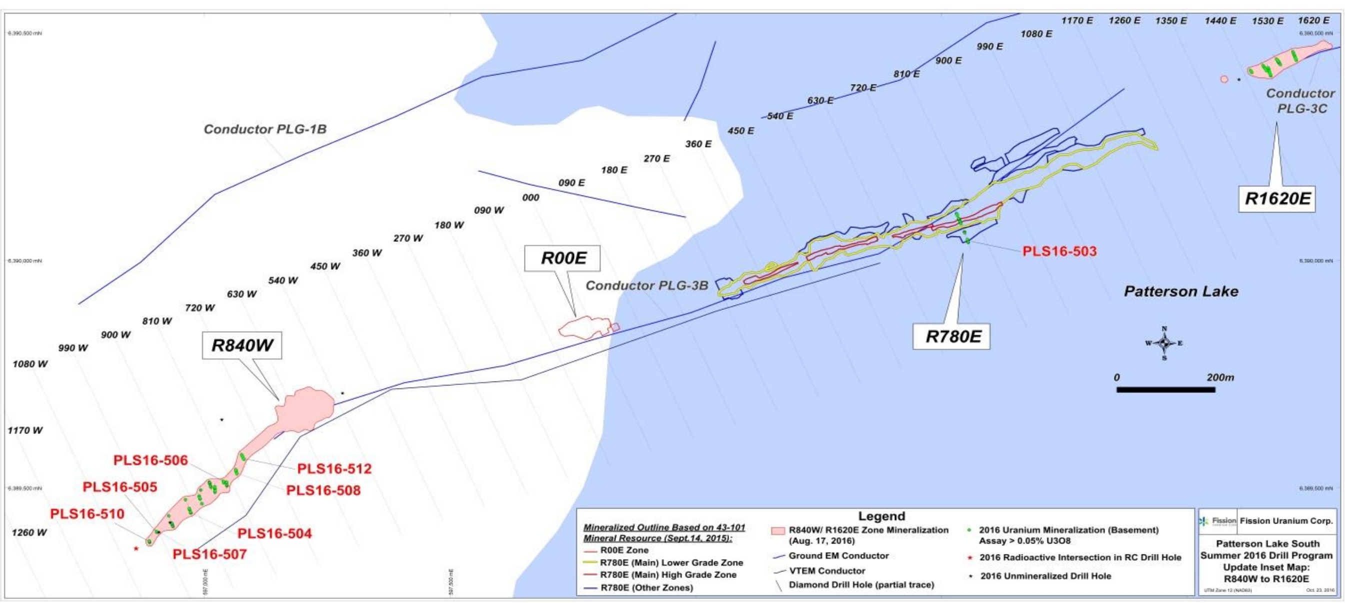
The final summer assay results from the drilling at both the R840W Zone and from the R780E Zone were released in late October. The results have confirmed the high grade mineralization found on the R840W Zone. This bodes well for a future resource update (expected for later in 2017) as the zone happens to be outside the current Triple R resource area.

Highlights from the R840W Zone include:

- PLS16-504 (line 915W) which intercepted 11.0m at 10.03% U3O8 (158.5m to 169.5m), including 4.0m at 25.95% U3O8 (162.0m to 166.0m). Additionally, that same drill hole intercepted 10.5m at 2.65% U3O8 (205.5m to 216.0m), including 4.0m at 6.62% U3O8 (211.0m to 215.0m).
- PLS16-512 (line 765W) which intercepted 54.0m at 1.39% U3O8 (108.5m to 162.5m), including 9.0m at 6.65% U3O8 (141.0m to 150.0m).
- The single highlight from the R780E Zone was PLS16-503 (line 780E) which intercepted 2.0m at 2.51% U3O8 (149.5m to 151.5m).

Recall that the current Triple R global resource amounting to 108M lbs. consists of the R00E and R780E Zones only. The high grade R840W Zone (along with the R1620E Zone) has the potential to add to the current resource. An updated resource estimate is expected for some time in 2017.

Exhibit 33. PLS Zones & Drilling Locations



Source: Fission Uranium

Exhibit 34. Fission Uranium NAV

Mining Assets			
		C$ 000s	Per share
Patterson Lake South	(100%)	527,765	1.09
Total Mining Assets		**527,765**	1.09

Financial Assets		
	C$ 000s	Per share
Cash	53,408	0.11
Working Capital net of cash	(412)	(0.00)
LT Liabilities	2	0.00
Proceeds from ITM Instruments	324	0.00
12% Stake in Fission 3.0	1,870	0.00
	55,193	0.11
Net Asset Value	**582,957**	1.20

Shares Outstanding (000's)	484,188
NAV/sh	$1.20
Diluted shares outstanding	**485,298**
NAV per Diluted share (C$/share)	$1.20
Current share price (C$/share)	$0.76
Price / NAV	**0.63x**

(1) Corporate adjustments are as of last reported Financial Statements

Source: Cantor Fitzgerald Canada Research

KIVALLIQ ENERGY (KIV-TSXV): HOLD↓, $0.15 (UNCHANGED)

We are lowering our rating to HOLD from BUY and are leaving our target price of $0.15 per share on Kivalliq Energy unchanged. Our target price is based on the application of a 1.0x multiple to our NAVPS of $0.16 that is based on a weighted average of three resource scenarios: 43M lbs. (current resource size), 60M lbs. and finally 80M lbs. The lowering of our rating reflects the strong price performance for Kivalliq. Kivalliq Energy currently trades at 0.89x NAVPS.

The company's flagship project, the 89,852 hectare Angilak Property in Nunavut Territory, hosts the Lac 50 Trend with a NI 43-101 Inferred Resource of 2,831,000 tonnes grading 0.69% U3O8, totaling 43.3M lbs. U3O8. Kivalliq's comprehensive exploration programs continue to demonstrate the "District Scale" potential of the Angilak Property.

In mid-November the company announced results from the 2016 summer exploration program at the Yat and Dipole targets located on the Angilak property. Though still very early stage, the trenching program at Yat has confirmed high grade precious metal and uranium values from earlier exploration programs. Additionally, soil sampling around the recent Dipole uranium discovery extended uranium anomalies to over 3.5 km, thereby giving high grade zones drilled at Dipole significant strike potential.

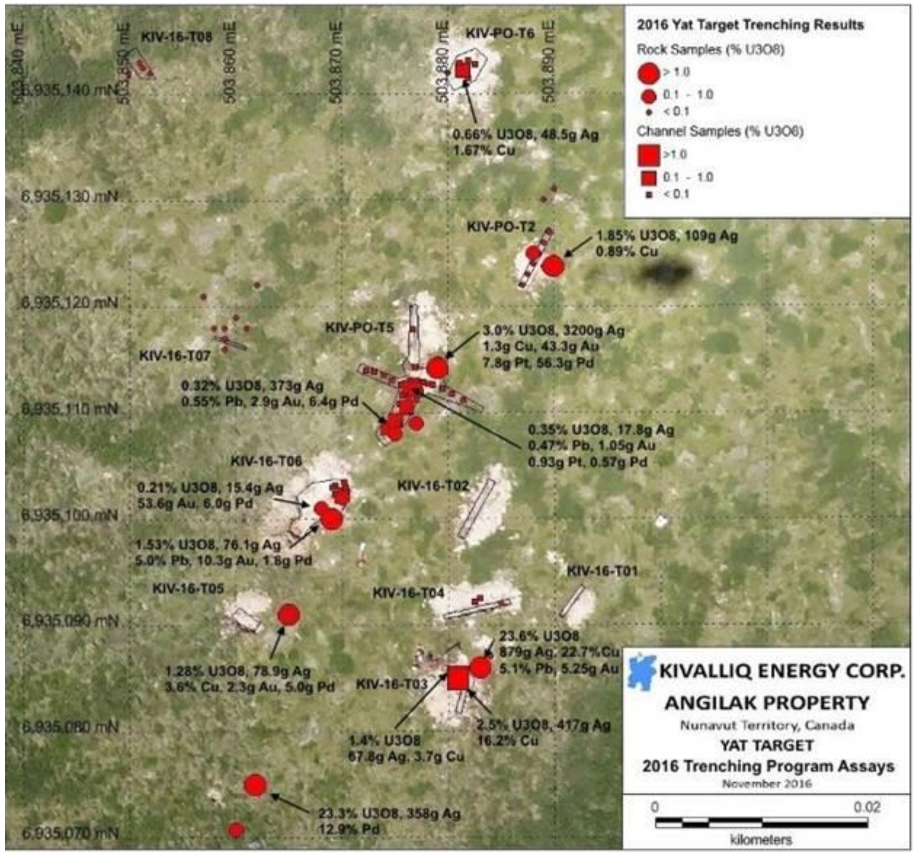
Highlights from channel assay samples included:

- 2.50% U_3O_8, 16.2% Cu, 417 g/t Ag & 1.3 g/t Au across 0.5 m in Trench Kiv-16-T03
- 0.32% U_3O_8, 373 g/t Ag, 2.9 g/t Au & 6.4 g/t Pd across 0.65 m in Trench Kiv-PO-T05

Highlight frost heaved boulder sample assays included:

- 23.6% U_3O_8, 22.7% Cu, 879 g/t Ag & 5.3 g/t Au at Trench Kiv-16-T03
- 3.0% U_3O_8, 1.3% Cu, 3200 g/t Ag, 43.3 g/t Au, 7.8 g/t Pt & 56.3 g/t Pd at Trench Kiv-PO-T05

Exhibit 35: Yat Trenching Program



Source: Kivalliq Energy

Exhibit 36: Valuation based on three resource size scenarios at Angilak

Resource Size	Weight	Valuation	Blended Vaulation
43 M lbs (current)	60%	$0.12	$0.07
60 M lbs	30%	$0.16	$0.05
80 M lbs	10%	$0.21	$0.02
	100%		**$0.14**
Cash		$3.92	**$0.02**
Working Capital (less cash)		$0.3	**$0.00**
Valuation			**$0.16**

Source: Cantor Fitzgerald Canada Research

NEXGEN ENERGY (NXE-TSXV): BUY, \$5.50↑ FROM \$4.05 (+36%)

We are maintaining a BUY recommendation and are increasing our target price to \$5.50/share from \$4.05/share on NexGen Energy. Our target price is based on a 1.0x multiple to our $NAV_{10\%}$ of \$5.52/share, which was increased as we estimate a resource increase to 350M lbs U_3O_8 from the coming resource update, which is the low end of our expected range of between 350M lbs to 400M lbs (at 400M lbs our $NAV_{10\%}$ is \$5.80/share). NexGen Energy currently trades at 0.62x NAVPS, a material discount to intrinsic value.

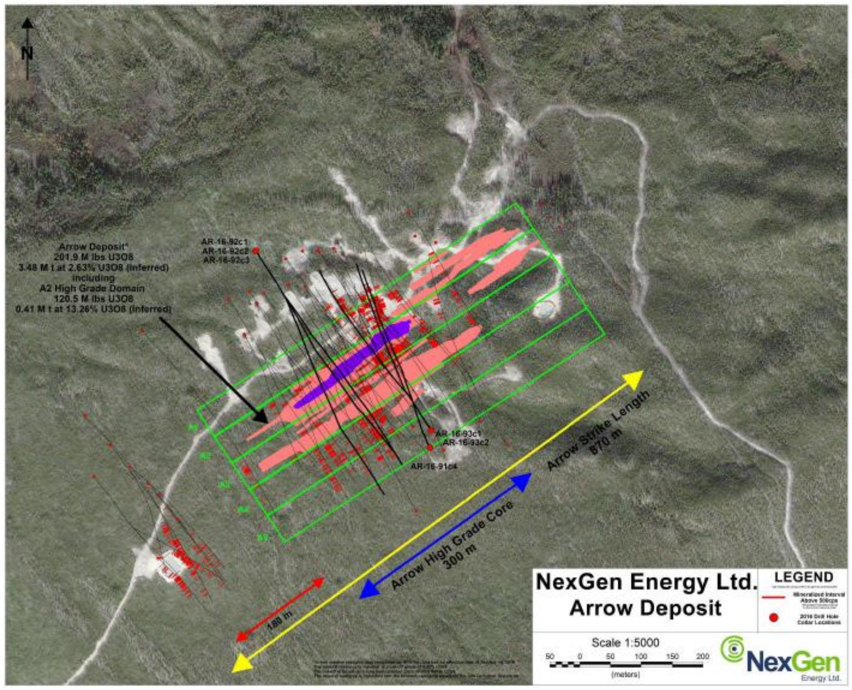
On December 20th NexGen announced the final ten assay results from 2016 drilling at Arrow. All assay results from 2016 drilling at Arrow have now been received and will be incorporated into an updated NI43-101 resource estimate, scheduled for release in H1/17. Highlights from the A2 high Grade Domain include:

- Scissor hole AR-16-111c2 (40 m up-dip and southwest from AR-15-44b) intersected 30.0 m at 15.07% U_3O_8 (535.0 to 565.0 m)
    - Including 6.0 m at 51.97% U_3O_8 (542.5 to 548.5 m)
        - Including 2.0 m at 68.20% U_3O_8 (542.5 to 544.5 m)
- Infill scissor hole AR-16-112c2 (126 m down-dip and southwest from AR-15-44b) intersected 40.5 m at 6.18% U_3O_8 (571.5 to 612.0 m)
    - Including 24.0 m at 10.35% U_3O_8 (576.5 to 600.5 m)
        - Including 4.0 m at 44.80% U_3O_8 (583.5 to 587.5 m)
- Infill scissor hole AR-16-112c1 (102 m down-dip and southwest from AR-15-44b) intersected 15.0 m at 3.46% U_3O_8 (568.0 to 583.0 m)
    - Including 5.0 m at 10.08% U3O8 (577.0 to 582.0 m)

All assays from the 73,091m 2016 drilling campaign at Arrow have now been received. The data will be incorporated into an updated NI43-101 resource estimate which is expected to be released in H1/17. Note that the current resource estimate of 201.9M lbs U_3O_8 at 2.63% U_3O_8 was compiled from 59,796m of drilling. Additionally recall that the majority of the A2 High Grade Domain is now drilled at an average spacing of 25m x 25m (versus 50m x 50m drill spacing for the maiden resource estimate). As such we expect a very meaningful upgrade of resources from Inferred to Measured and Indicated. We estimate that scissor hole AR-16-111c2 alone represents 5.6M lbs. U_3O_8.

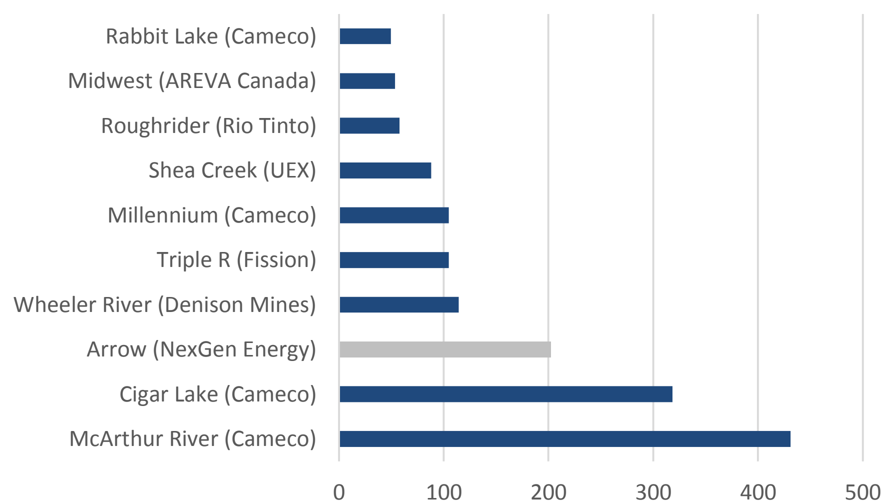
NexGen currently has cash on hand of approximately \$73M. Drilling as part of the 35,000m winter campaign began in late January.

Exhibit 37: Most recent Arrow drill hole locations



Source: NexGen Energy

Exhibit 38: Top Ten Uranium Deposits in the Athabasca Basin (M lbs.)



Source: Cantor Fitzgerald Canada Research

Since the announcement of its maiden resource estimate of 201.9M lbs in early 2016, the figure was already out of date since the resource estimate only included drilling up to October 2015. Since then the NexGen team has intercepted several world-class drill holes that may rank among the best ever drilled. The company is already planning to release an updated resource estimate later this year, which we estimate will be between 350-400M lbs. U_3O_8.

Exhibit 39: Net Asset Value Estimate

Asset	Value C($M)	Per share	Ownership	Notes
Development Projects				
Rook I	$1,825.6	$5.34	100%	NPV @ 10%, US$80/lb, US$0.90/CAD
Other				
Present Value of Debenture	($45.7)	($0.15)		10% discount rate
Working Capital Net of Cash	($4.6)	($0.01)		As of Q3/16 Financials
Cash + Proceeds from In-the-Money Options and Warrants	$116.0	$0.34		As of Q3/16 Financials and most recently reported cash balance
Valuation in CAD	**$1,891.3**	**$5.52**		in CAD

Source: Cantor Fitzgerald Canada Research

UR-ENERGY (URE-TSX, URG-NYSE): BUY, $2.40↓ FROM $2.80 (-14%).

We are maintaining our BUY rating and are lowering our target price to $2.40 per share from $2.80 per share, or by 14%. The negative impact from the reduction in our short term uranium price forecast along with the effects of rolling forward our valuation model from 2016 to 2017 were the causes for the change. Our valuation is based on a 1.0x multiple to our NAV valuation of $2.41 per share. Ur-Energy currently trades at 0.39x NAVPS, a material discount to intrinsic value.

Ur-Energy announced a Q4/16 operational update on January 12. Though we were initially expecting 142,000 lbs captured during the quarter, the actual figure amounted to 103,558 lbs due to purposely controlled lower production levels given the currently weak uranium pricing environment. After more than three years of continuous operation, as expected, Lost Creek grades have steadily declined to near initial PEA levels. Improvements to header house production processes approvals received for underground injection control wells will allow for increased flow rates going forward.

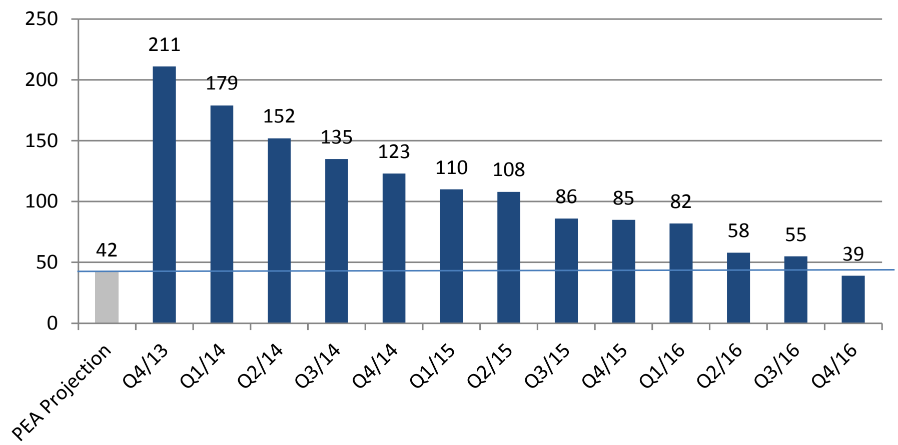
A total of 100,000 lbs were sold into contracts during the quarter at an average realized price of $32.70/ lb. This brings the FY2016 figure to 662,000 lbs at an average contracted value of $47.61/lb. Additionally during the quarter, Ur-Energy will recognize $2.5M in deferred revenue stemming from a deferred contract. This is the second half of a deferred contract, and follows the $2.6M in deferred recognized in Q3/16. Note that the Q4/16 production was sourced from a total of 13 header houses in Mine Unit 1. After more than three years of operations, the first mine unit still produced a yearly average head grade of 58 ppm. However, the head grade during the most recent quarter averaged 39 ppm. The declining head grade is a typical result as mines mature. Since the start of production, over 2.0M lbs have been captured from Lost Creek.

Exhibit 40. Q4/16 Operating Highlights

	Reported Q4/16	CF Estimates Q4/16E	Variance with Est. % Change	Reported Q3/16A	Variance Qtr-over-Qtr % Change
U_3O_8 Captured ('000 lbs)	104	142	-27%	142	-27%
U_3O_8 Dried & Drummed ('000 lbs)	111	129	-14%	146	-24%
U_3O_8 Sold ('000 lbs)	100	213	-53%	200	-50%
Average Realized Price	$32.70	$57.81	-43%	$47.36	-31%
Average Flow Rate (gpm)	2,559	2,500	2%	2,469	4%
U_3O_8 Head Grade (mg/l)	39	55	-29%	55	-29%

Source: Ur-Energy, Cantor Fitzgerald Canada Research

Exhibit 41. Quarterly Head Grades (ppm)



Source: Ur-Energy, Cantor Fitzgerald Canada Research

As can be seen in exhibit 2 above, the most recent quarter's head grades were just under that of those expected (42ppm) in the initial Lost Creek PEA. We note that grade declines are common for these types of operations and declines to expected averages usually occur 18 months after commissioning. This particular mine unit has been exceptional as it has taken nearly three years to reach this point.

Given the weak uranium price environment, Ur-Energy's management plans to assess its production capabilities on a week-to-week basis and will wait for the right market to begin commissioning work on mine unit #2. In the interim, it will continue to produce from the current mine unit. We note that increasing the flow rate would also help maintain production levels despite a declining grade profile should it be necessary.

For FY/17, the company is contractually obligated to deliver 600,000 lbs. at an approximate price of $51.00/lb. Additional guidance will be provided later this quarter when the Annual Report on Form 10-K will be filed.

Exhibit 42. Ur-Energy Net Asset Value

Projects	NAV	UR-Energy Per Share	Comment
Lost Creek	$81.1	$0.55	2016 DCF @ 8% Discount Rate
Shirley Basin	$85.3	$0.58	2016 DCF @ 10% Discount Rate
Lost Soldier	$117.5	$0.79	2016 DCF @ 10% Discount Rate
Disposal Revenue	$5.9	$0.04	2016 DCF @ 8% Discount Rate
Debt	($27.4)	($0.18)	PV of LT Debt @ 10% Discount Rate
Working Capital	$7.6	$0.05	Q3/16 Financials + Cash Proceeds from ITM Options
Total in USD	**270.0**	**$1.82**	
Total in CAD	**357.5**	**$2.41**	

Source: Cantor Fitzgerald Canada Research

URANIUM ENERGY CORP. (UEC-NYSE): BUY, US$2.25↓ FROM US$2.45 (-8%)

We are maintaining our BUY rating and lowering our target price to US$1.95 per share from US$2.25 per share, or by 13%. Our downward revision was based on the impact of the recent equity financing as well as our pushing back our forecast production for Burke Hollow. Our valuation is based on a 1.0x multiple to our NAV valuation of US$1.96 per share. Uranium Energy Corp currently trades at 0.42x NAVPS, a material discount to intrinsic value.

On December 13, 2016 Uranium Energy Corp. announced that the Texas Commission on Environmental Quality ("TCEQ") has issued a Final Mine Permit for the Burke Hollow ISR project. Though certain permits still remain outstanding, the receipt of the Final Mine Permit from the TCEQ is a testament to the progress being made on the property, both in terms of successful drilling and permitting.

The newly received Mine Area Permit authorizes over 11,000 acres for mining multiple production sands within two large confirmed production areas discovered to date. Recall that TCEQ has earlier issued two final Class 1 disposal well permits for the Burke Hollow project.

Permits still outstanding from the Environmental Protection Agency ("EPA") include a Radioactive Materials License (currently in technical review) and an Aquifer Exemption (previously submitted).

Exploration drilling at Burke Hollow began in 2012. To date, the project has expanded to encompass 20,000 acres and contain an inferred mineral resource of 5.12M lbs grading 0.09% U_3O_8.

- This resource has been estimated from 246,000 feet of drilling spread among 526 holes, since 2012.
- In 2016 alone, 32 wide-spaced exploration holes were completed for a total of 17,020 feet. Drilling results from these 32 holes have extended the mineralized trend from 1.7 miles to approximately 3.7 miles, with several miles of additional potential open trend remaining.

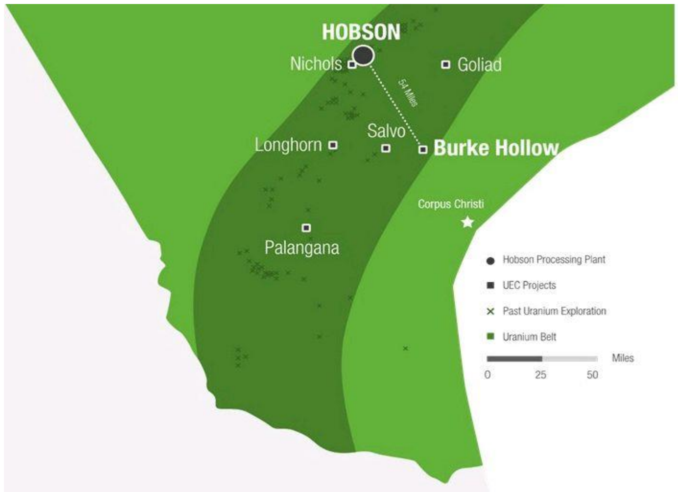
Exhibit 43. Current Texas Based U_3O_8 Resource

	NI 43-101 compliant resource (lbs)		
	M&I	Inferred	Total Resource
Palangana	1,057,000	1,154,000	2,211,000
Goliad	5,475,200	1,501,400	6,976,600
Burke Hollow		5,120,000	5,120,000
Salvo		2,839,000	2,839,000
Nichols		1,307,000	1,307,000
	6,532,200	11,921,400	18,453,600

Source: Uranium Energy Corp.

In accordance to the corporate strategy to develop projects at the near periphery of the Hobson processing facility, Burke Hollow represents the third project to be developed under the so called "Hub & Spoke" strategy. The property itself is located 45 miles from Hobson.

Exhibit 44. Burke Hollow in relation to Hobson and other company assets



Source: Uranium Energy Corp.

Exhibit 45. UEC Net Asset Value

Uranium Energy Corp.			
Projects	NAV	Per Share	Comment
Palangana	40,804,422	$0.30	10% NPV
Goliad	115,466,527	$0.86	10% NPV
Burke Hollow	52,716,695	$0.39	10% NPV
Salvo	2,839,000	$0.02	$1.0/lb In-situ Valuation
Nichols	1,307,000	$0.01	$1.0/lb In-situ Valuation
Yuty	5,570,000	$0.04	$0.50/lb In-situ Valuation
Anderson	29,000,000	$0.22	$1.0/lb In-situ Valuation
Workman Creek	5,542,000	$0.04	$1.0/lb In-situ Valuation
NPV of Debt	(18,356,396)	($0.14)	Fiscal Q3/16
Working Capital (net of cash)	(708,558)	($0.01)	Fiscal Q3/16
Cash	29,327,801	$0.22	Fiscal Q3/16 plus financing
Total	**263,508,491**	**$1.96**	

Source: Cantor Fitzgerald Canada Estimates, Company Reports

URANIUM PARTICIPATION (U-TSX, URPTF-OTC): BUY $4.90↓ FROM $5.00 (-2%)

We are maintaining our recommendation at BUY and are decreasing our target price to $4.90 per share. Our target price is based on a 1.0x multiple to our forecasted portfolio NAV of $4.90/share. The portfolio NAV is derived from the application of a U_3O_8 price of US$28.63/lb. and a UF_6 price of US$85.88/kg to the portfolio, which is our rolling forward four quarter average estimate. UPC currently trades at 0.69x NAVPS, a discount to intrinsic value.

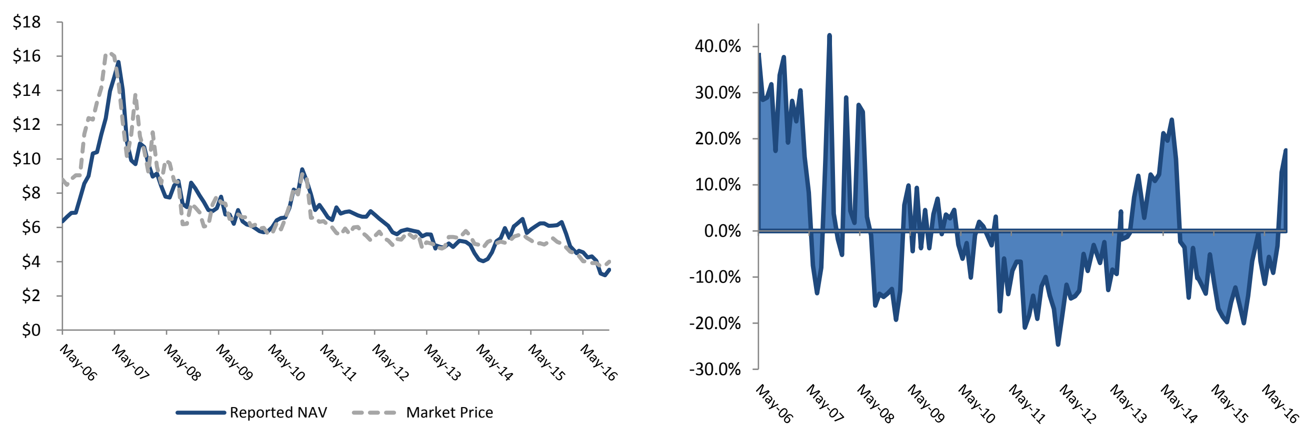
Exhibit 46. Uranium Participation Corp. Valuation

Valuation Forecast					
			Cantor Forecast	Cantor Forecast	Market Value
	Units	Quantity	USD	CAD	CAD
U3O8	lb	10,030,024	$28.63	$37.27	373,801
UF6	kg	1,903,471	$85.88	$111.80	212,817
					586,617
Net Working Capital					6,053
			NAV		**592,670**
Shares O/S	120,848,713		**NAVPS**		**$4.90**

Source: Cantor Fitzgerald Canada Estimates, Company Reports

Note that on January 5th, UPC announced the NAV value for December 31, 2016 that totaled $427.0M or $3.53/share. We note that the current premium to this most recent published NAV is 25%. However, relative to the latest spot price of US$25.75/lb for U_3O_8 and US$69.50/Kg for UF_6, the premium stands at 6%.

Exhibit 47. Market price Premium / Discount to NAV analysis



Source: Cantor Fitzgerald Canada Estimates, Company Reports

With the compelling supply and demand backdrop for uranium continuing, we believe Uranium Participation provides investors with exposure to the pending rise in uranium price without operational risks. We remind our readers that the current low price environment is unsustainable. The current US$25.75/lb. spot price is below the global marginal cost of production and we believe the only reason most of the producers are still in business is due to long term contracts at prices north of US$40/lb. However, as noted earlier these contracts are rolling off over the next few years leading to a growing uncovered uranium requirement scenario for utilities around the world.

LITHIUM X ENERGY CORP. (LIX-TSXV): BUY, $3.00↑ FROM $2.95 (+2%)

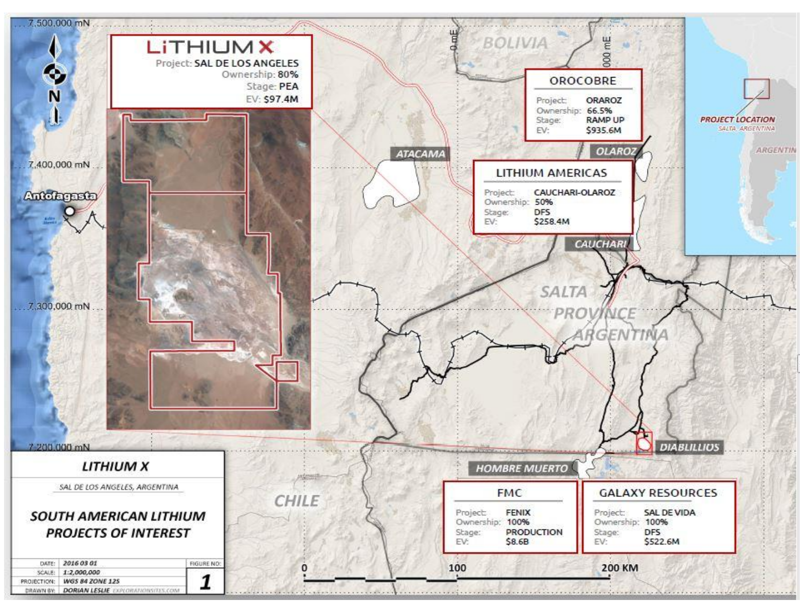
We are maintaining our recommendation on Lithium X Energy with a BUY and are increasing the target price to $3.00 per share from $2.95, or by 2%. The target price increase is based on changes in USD/CAD exchange rates, which was partially offset by the cash portion of the recent acquisition of Arizaro. Our target price reflects a 1.0x multiple to our $3.01 per share net asset value for the company. LIX currently trades at 0.75x NAVPS, a discount to intrinsic value.

Located in Argentina, Sal de los Angeles is an advanced stage brine project located within 350km of four other lithium projects. The site itself has proven successful operation of pilot ponds for three years already. The brine at Sal de los Angeles is amenable to conventional low cost processing methods. The company also has an option to become the largest claims holder in Nevada's Clayton Valley with a combined 15,020 acres. The Clayton Valley North and South Expansion sandwich Albemarle's (ALB-NYSE; Not Rated) Silver Peak mine, North America's only lithium producer and is located within 200 miles from Tesla's Gigafactory.

Executive Chairman Paul Matysek is a proven company builder who has a long history of successful company sales. Among these include Lithium One in 2012 and Goldrock Mines in 2016, both of which contained assets in the Salta Province, which is where Lithium X's Sal de los Angeles is located. The operational team is led by Eduardo Morales, who is a chemical engineer with 36 years of experience that previously built and operated Salar de Atacama, which is one of the world's largest lithium brine operations. This was a key asset for Rockwood Lithium when it was sold to Albemarle for US$6.2B in 2014.

We forecast production in 2020 with average annual production of 20,000 tonnes of Li_2CO_3 at an all-in sustaining cost of US$3,800/tonne for at least 27 years - yielding a project $NPV_{10\%}$ of US$472M.

Exhibit 48. Sal de Los Angeles Property Location



Source: Lithium X Energy Corp.

Exhibit 49. Net Asset Value Estimate

Mining Assets			
		C$ 000s	Per share
Sal de los Angeles	(80%)	$333,978	$3.17
Clayton Valley	(100%)	$4,800	$0.05
Total Mining Assets		**$338,778**	$3.21

Financial Assets			
		C$ 000s	Per share
Cash		$16,398	$0.16
Working Capital net of cash		$411	$0.00
LT Liabilities		$0	$0.00
NPV of corporate costs @ 10%		($41,838)	($0.40)
Proceeds from ITM Instruments		$5,460	$0.05
Total Financial Assets		($19,570)	($0.19)
Net Asset Value	$	**$319,208**	$3.03

Shares Outstanding ('000s)	70,200
NAV/sh (C$/share)	$4.55
Diluted shares outstanding	76,507
NAV per diluted share (C$/share)	$4.17
Post Financing shares outstanding	**105,389**
NAV per post financing share	**$3.03**
Current share price (C$/share)	$2.26
Price / NAV	**0.75x**

(1) Corporate adjustments are as of last reported Financial Statements
Source: Cantor Fitzgerald Canada Research

APPENDIX

Exhibit 50. Comparable Valuations (as of February 3, 2017)

Uranium Producer Company Name	Stage	Stock Price (Local $)	Market Cap ($'000)	Enterprise Value ($'000)	NI43-101 Resources/JORC (M lbs) Avg Grade	P&P	M&I	Inferred	Total	MKT / LB	EV / LB	Est. 2016 Cash Cost / LB
Cameco Corporation (TSX:CCO)	Production	13.91	5,505,474.0	6,826,220.0	7.576%	465.1	245.9	288.8	999.8	$5.51	$6.83	$17.69
Energy Fuels Inc. (TSX:EFR)	Production	2.72	181,258.9	156,599.2	0.076%	0.0	110.3	61.9	172.2	$1.05	$0.91	$16.96
Paladin Energy Ltd (ASX:PDN)*	Production	0.12	205,039.7	486,904.0	0.079%	174.3	193.6	153.8	521.7	$0.39	$0.93	$25.88
Peninsula Energy Ltd. (ASX:PEN)*	Production	0.68	133,388.9	154,855.1	0.050%	0.0	17.2	30.2	47.4	$2.81	$3.27	$88.00
Uranium Energy Corp. (NYSE:UEC)*	Production	1.61	283,742.7	303,511.5	0.062%	0.0	32.4	36.3	68.7	$4.13	$4.42	$24.01
UR-Energy Inc. (TSX:URE)	Production	0.98	140,802.9	131,292.1	0.080%	0.0	34.5	10.3	44.9	$3.14	$2.92	$21.23
Producer Average			**$1,074,951.2**	**$1,343,230.3**		**106.6**	**105.7**	**96.9**	**309.1**	**$2.84**	**$3.21**	**$32.30**

*Market Cap and Enterprise value for Paladin Energy, Peninsula Energy and Uranium Energy Corp. has been converted to $CAD at the prevailing $AUD/$CAD or $USD/$CAD market exchange rates

**Performance in local currency

Uranium Explorer/Developer Company Name	Stage	Stock Price ($Local)	Market Cap (C$'000)	Enterprise Value (C$'000)	NI43-101/JORC Resources (M lbs) Avg Grade	M&I	Inferred	Total	MKT / LB	EV / LB
Hathor Exploration (Acquired)	Exploration	4.70	654,240.0	581,240.0	8.63%	17.2	40.7	57.9	$11.29	$10.03
Denison Mines (TSX:DML)	Exploration	0.93	496,079.7	368,627.1	2.29%	102.0	97.6	199.7	$2.48	$1.85
Fission Uranium Corp. (TSX:FCU)	Exploration	0.76	367,982.9	314,574.4	1.51%	79.6	25.9	105.5	$3.49	$2.98
NexGen Energy (TSX:NXE)	Exploration	3.36	1,028,799.4	1,010,484.6	2.63%	0.0	201.9	201.9	$5.10	$5.00
Kivalliq Energy Corp. (TSXV:KIV)	Exploration	0.14	34,544.5	33,770.3	0.69%	0.0	43.3	43.3	$0.80	$0.78
UEX Corp. (TSX:UEX)	Exploration	0.29	84,513.6	76,590.2	0.84%	68.2	16.5	84.7	$1.00	$0.90
Azarga Uranium (TSX:AZZ)	Development	0.42	30,709.5	25,499.8	0.17%	18.1	5.7	23.8	$1.29	$1.07
Average			**$385,267.1**	**$344,398.1**		**$40.7**	**$61.7**	**$102.4**	**$3.64**	**$3.23**

Company Name	Stage	Stock Price ($Local)	Market Cap (C$'000)	Enterprise Value (C$'000)	$/lb U3O8 Spot	C$ NAV	Premium/Discount
Uranium Participation Corp. (TSX:U)	Holding Co.	$4.45	537,776.8	527,102.8	24.50	4.13	7.7%

Lithium Company Name	Stage	Stock Price ($Local)	Market Cap (C$'000)	Enterprise Value (C$'000)	NI43-101 Resources ('000 Tonnes) Avg Grade Li (mg/l)	M&I	Inferred	Total	MKT / Tonne	EV / Tonne
Lithium X (TSXV:LIX)	Development	$2.25	$151,778.1	$135,052.5	456.2	194.9	189.1	384.0	$395.3	$351.7

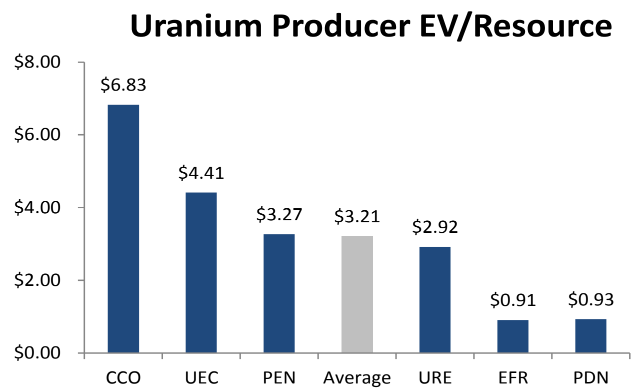
* Performance in local currency

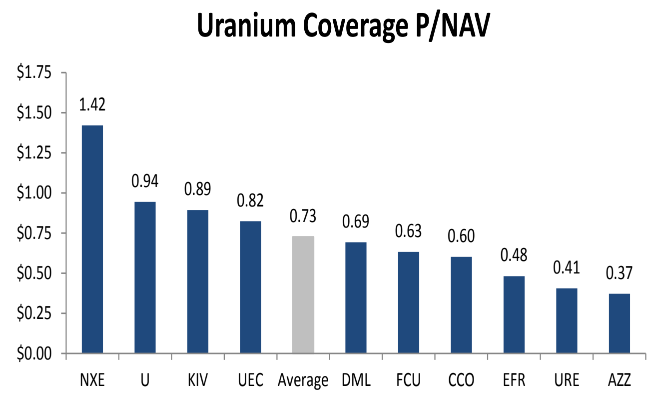
Gold Company Name	Stage	Stock Price (Local $)	Market Cap (C$'000)	Enterprise (C$'000)	NI43-101 Resource (M oz AuEq) Avg Grade Au g/t	P&P	M&I	Inferred	Total	MKT / OZ	EV / OZ
Avino Silver & Gold Mines (TSXV:ASM)*	Production	$2.40	$125,834.4	$129,426.4	0.86	0.0	0.3	0.5	0.8	$156.85	$161.33
Premier Gold (TSX:PG)	Production	$3.02	$608,449.0	$622,294.5	2.34	0.0	5.9	3.3	9.1	$66.64	$68.16
Primero Mining (TSX:P)	Production	$1.02	$193,298.5	$231,457.0	4.79	1.8	4.4	2.2	8.3	$23.31	$27.91
Pershing Gold (NASDAQ:PGLC)	Development	$3.29	$93,477.0	$83,772.0	0.57	0.0	0.7	0.1	0.8	$115.53	$103.54
GoldMining (TSXV:GOLD)	Exploration	$2.03	$240,405.6	$231,493.3	0.60	0.0	10.5	12.6	23.1	$10.40	$10.01
Harte Gold (TSX:HRT)	Exploration	$0.38	$163,690.3	$161,513.3	8.16	0.0	0.3	0.1	0.4	$399.24	$393.93
Oceanus Resources (TSXV:OCN)	Exploration	$0.23	$28,185.2	$23,741.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Seabridge Gold (TSX:SEA)	Development	$12.62	$685,541.1	$678,023.1	0.47	38.80	11.00	30.80	80.60	8.51	8.41
Average			**$267,360.1**	**$270,215.1**			**$4.72**	**$7.08**	**$17.59**	**$111.50**	**$110.47**

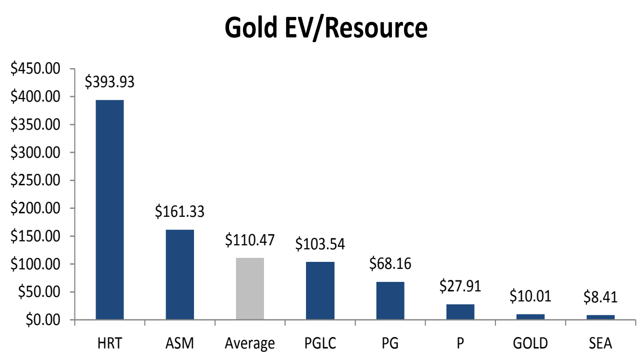
* AuEq is calculated for ASM given an Au price of $1,300/oz and a Ag price of $20/oz as per Cantor Fitzgerald Canada LT forecasts, cash costs are given as AgEq/oz

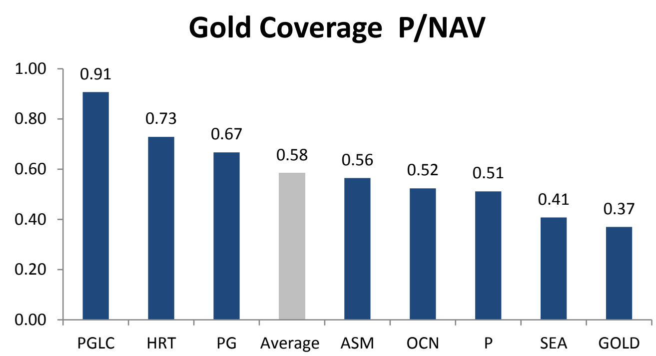
Source: Cantor Fitzgerald Canada Estimates, Company Reports, Bloomberg

Exhibit 51. Comparable Valuation (as of February 3, 2017)









Source: Cantor Fitzgerald Canada Estimates, Company Reports

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BUY (Speculative): The stock is attractively priced relative to the company's fundamentals, however investment in the security carries a higher degree of risk.

HOLD: The stock is fairly valued, lacks a near term catalyst, or its execution risk is such that we expect it to trade within a narrow range of the current price in the next 6 to 12 months. The longer term fundamental value of the company may be materially higher, but certain milestones/catalysts have yet to be fully realized.

SELL: The stock is overpriced relative to the company's fundamentals, and we expect it to decline from the current price over the next 6 to 12 months.

TENDER: We believe the offer price by the acquirer is fair and thus recommend investors tender their shares to the offer.

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