H.C. WAINWRIGHT & CO.

Company Update
Metals and Mining

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Fission Uranium Corp. (FCUUF)
Rating: Buy

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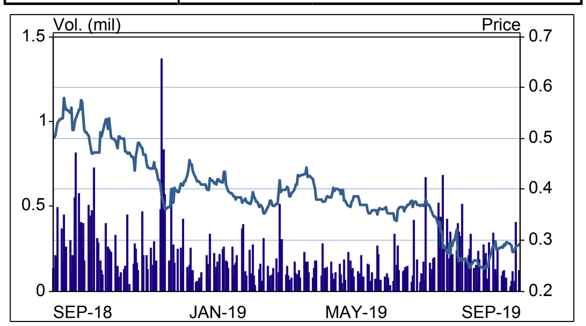
Release of PFS Using an Underground-Only Scenario Yields Reduced Capital and LOM Operating Costs; Reiterate Buy

Stock Data	09/23/2019
Price	$0.29
Exchange	OTC
Price Target	$1.40
52-Week High	$0.58
52-Week Low	$0.24
Enterprise Value (M)	$135
Market Cap (M)	$142
Shares Outstanding (M)	486.0
3 Month Avg Volume	211,269
Balance Sheet Metrics	
Cash (M)	$6.5
Total Debt (M)	$0.0
Total Cash/Share	$0.01

Cash (M): Includes short-term investments.

EPS Diluted			
Full Year - Dec	2018E	2019E	2020E
FY	C$(0.01)A	C$(0.01)	C$(0.01)

Revenue (C$M)			
Full Year - Dec	2018E	2019E	2020E
FY	0.0	0.0	0.0



Underground-only PFS provides valuable mining alternative. On September 23, 2019, Fission announced the results of a prefeasibility study (PFS) for an underground-only mine plan at its Patterson Lake South (PLS) property. The completion of an underground-only PFS emphasizes Fission's ongoing effort to create optionality in the project. In short the firm currently weighs the economics and construction impacts of such a plan with its previously announced open-pit and underground (hybrid) plan. Further detail regarding the hybrid scenario can be found in our April 16, 2019 note titled, *"Prefeasibility Study Shows Favorable Project Economics; Underground-Only Plan Provides Strong Alternative; Reiterate Buy."* Overall, PLS continues to display a balance between economic return and reduced environmental disturbance, which may yield an increase in M&A interest.

Capital and LOM operating cost reduction amid steady project economics. The underground PFS currently anticipates an initial capital cost of C$1.18B (-21% from hybrid plan), and a construction timeline of three years (vs. four years for the hybrid plan). Additionally, Life of Mine (LOM) operating costs are projected at C$753M, which compares with an estimated C$790M for the hybrid PFS. The underground unit operating costs of C$9.57/pound (lb) of uranium remain relatively in-line with the C$9.03/lb figure from the hybrid PFS.

Underground plan yields higher IRR amid almost similar NPV. While capital costs have been reduced, the underground scenario maintains strong economics with a pre-tax NPV of C$1.33B (vs. C$1.32B for the hybrid plan) over a seven year operational period, and a pre-tax payback period and IRR of 2.2 years, and 34%, respectfully. This compares to a pre-tax payback period of 2.0 years and pre-tax IRR of 29% for the hybrid option. As the underground PFS only considers Indicated resources from zones R780E and R00E, with an ability to later incorporate material from zones R1515W, R845W, and R1620E, ultimate results from the study may prove to be somewhat conservative.

Reduced environmental disruption. We emphasize the importance of a reduced surface footprint as the PLS deposit is located underneath and nearby Patterson Lake. The recent PFS dismisses the need for a ring dyke, slurry wall, some dewatering, and overburden removal. Additionally, artificial ground freezing eliminates potential disturbances to the lake as all infrastructure related to mining operations are at least 100 meters from the lake's shoreline. Ultimately the diminished footprint is expected to lead to a 90% reduction in earth movement relative to the hybrid PFS, as well as a 58% reduction to the total disturbed area.

We reiterate our Buy rating and our PT of $1.40 per share. Our valuation is based on a DCF of operations at PLS, utilizing a 10.0% discount rate, and a long-term uranium price estimate of $50/lb (C$66.60/lb) beginning in FY24. We then add cash and an additional value of 32.3M lbs of uranium resource at an average price of C$6.25/lb amid no debt. As the underground PFS has a similar NAV when compared with the hybrid study we currently do not undertake meaningful changes to our model based on the study. Given the project optionality, and the geopolitical advantages associated with a Canadian-based asset, we continue to view Fission as a potential takeover target should the uranium market improve.

Risks. (1) Uranium price risk; (2) financing risk; (3) political risk; and (4) operating and technical risk.

Fission Uranium

Patterson Lake South (PLS) - Triple R Deposit		**2019E**	**2020E**	**2021E**	**2022E**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
C$ unless otherwise noted	***Mining Year***	***-3***	***-2***	***-1***	***0***	***1***	***2***	***3***	***4***	***5***	***6***	***7***	***8***
Ore Processed (000's)							**275**	**350**	**350**	**350**	**350**	**350**	**350**
													1%
Uranium grade (%)							2.3%	1.9%	1.6%	2.0%	2.0%	1.3%	0.42%
Uranium recovery							95%	95%	95%	95%	95%	95%	95%
Annual uranium production (000's lbs)							**13,058**	**14,045**	**11,839**	**14,339**	**14,339**	**9,780**	**3,088**
Uranium sales price (US$50 * 1.33 = C$65.50)							$ 66.50	$ 66.50	$ 66.50	$ 66.50	$ 66.50	$ 66.50	$ 66.50
Gross revenue							**$ 868,339**	**$ 934,006**	**$ 787,304**	**$ 953,566**	**$ 953,566**	**$ 650,381**	**$ 205,384**
Saskatchewan Gross Revenue Royalties & Product transport charges							$ (66,449)	$ (71,474)	$ (60,248)	$ (72,971)	$ (72,971)	$ (49,770)	$ (15,717)
Net revenue							**$ 801,890**	**$ 862,532**	**$ 727,056**	**$ 880,596**	**$ 880,596**	**$ 600,611**	**$ 189,667**
Cost per tonne							$ (346)	$ (346)	$ (346)	$ (346)	$ (346)	$ (346)	$ (346)
Operating costs		$ -	$ -	$ -	$ -	$ -	$ (95,150)	$ (121,100)	$ (121,100)	$ (121,100)	$ (121,100)	$ (121,100)	$ (121,100)
Gross profit		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 706,740**	**$ 741,432**	**$ 605,956**	**$ 759,496**	**$ 759,496**	**$ 479,511**	**$ 68,567**
Pre-Production CapEx (in 000's)		$ (20,000)	$ (20,000)	$ (230,000)	$ (320,000)	$ (525,000)	$ (50,000)	$ (30,000)	$ (30,000)	$ (30,000)	$ (30,000)	$ (30,000)	$ (30,000)
Tax / Tax Offset (in 000's)	36.0%	$ 7,200	$ 7,200	$ 82,800	$ 115,200	$ 189,000	$ (236,427)	$ (256,116)	$ (207,344)	$ (262,618)	$ (262,618)	$ (161,824)	$ (13,884)
Operating cash flow		**$ (12,800)**	**$ (12,800)**	**$ (147,200)**	**$ (204,800)**	**$ (336,000)**	**$ 420,314**	**$ 455,317**	**$ 368,612**	**$ 466,877**	**$ 466,877**	**$ 287,687**	**$ 24,683**
Cash flow discount rate	10.0%	-	1	2	3	4	5	6	7	8	9	10	11
PV of operating cash flow		**$ (12,800)**	**$ (11,636)**	**$ (121,653)**	**$ (153,869)**	**$ (229,493)**	**$ 260,982**	**$ 257,014**	**$ 189,156**	**$ 217,802**	**$ 198,002**	**$ 110,916**	**$ 8,651**

Total current value of Triple R	**$ 740,445**												
Plus cash and cash equivalents and short-term investments	$8,660	*as of 06/30/19*											
Plus 32M in additional resources @ $6.25 / lb	$202,125		**Operating Cash Flow**	**$ (12,800)**	**$ (147,200)**	**$ (204,800)**	**$ (336,000)**	**$ 420,314**	**$ 455,317**	**$ 368,612**	**$ 466,877**	**$ 466,877**	**$ 287,687**
Less debt	-			0	*1*	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*
Total current value	**$951,231**		**PEA Figures**	**$ (12,800)**	**$ (133,818)**	**$ (169,256)**	**$ (252,442)**	**$ 287,080**	**$ 282,716**	**$ 208,072**	**$ 239,582**	**$ 217,802**	**$ 122,008**
			Combined cash flow	**$ 828,570**									
Common shares	486,266	*As of 07/31/19*											
Options	25,490	*As of 07/31/19*											
Diluted shares	**511,756**	*As of 07/31/19*											
Fission NAV per share CAD$	**$1.86**												
CAD/USD	0.75	*C$/US$ exchange rate as of 09/23/19*											
Current share price (FCUUF)	$0.29	*As of 09/23/19*											
NAV per share US$	$1.40												
Rounded price target	**$1.40**	*79.14% Discount to price target*											

Note: 2031-2036 are included in NAV calculation but omitted from printed document in order to save space

Source: H.C. Wainwright & Co. estimates.

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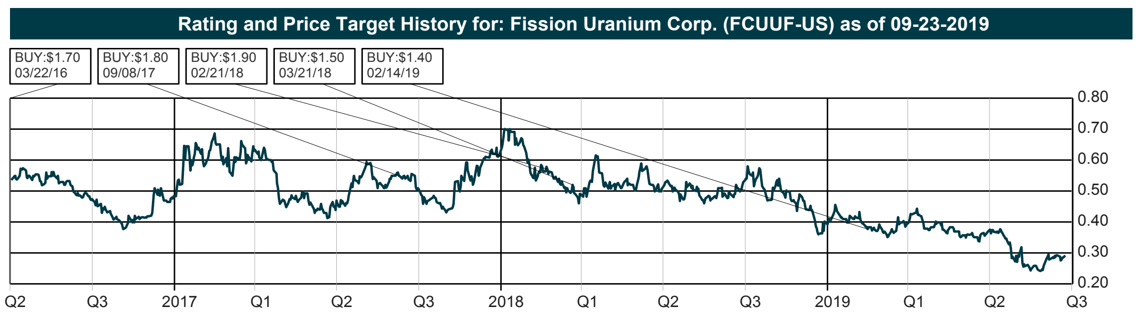

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Distribution of Ratings Table as of September 23, 2019				
			IB Service/Past 12 Months	
Ratings	Count	Percent	Count	Percent
Buy	357	92.01%	124	34.73%
Neutral	30	7.73%	3	10.00%
Sell	0	0.00%	0	0.00%
Under Review	1	0.26%	1	100.00%
Total	388	100%	128	32.99%

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