

Plateau Uranium Inc. (PLU-V, \$0.80)

Not Rated

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Follow-up Drilling at Falchani Expands Higher-Grade Lithium Unit Footprint

Event: Plateau Uranium has reported the results of a recently completed vertical drill hole from Platform 4 at its Falchani discovery, located in the Chaccaconiza area of its Macusani project in southeastern Peru, that establishes a high-grade lithium-rich unit that is over 100 metres thick at the location of hole PT-PCHAC04-TV. The results of only the 6th hole reported from Falchani confirm/expand the mineralized footprint outlining a unit that is now **reportedly at least 300 m long, over 100 m thick, and over 500 m wide** with consistent lithium grades averaging over 3,000 ppm Li across all drilled intervals in the higher-grade unit (results of 6 drill holes reported to-date).

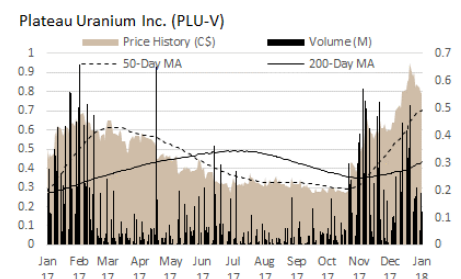
- **Expanding footprint with high-grade lithium discovery.** Vertical drill hole PT-PCHAC04 collared from Platform 4 (see Figure 1,2), located ~300 m north of Platform 1, intersected **107.0 m (from 124 m depth) at an average grade of 3,083 ppm Li (0.66% Li₂O)**, including a **90.0 m interval of 3,366 ppm Li (0.73% Li₂O)**. The intersection consists of felsic ash fall tuffs between typical rhyolite units. The consistency of the grades and the shallow dipping orientation of the lithium tuff-unit lends itself to a simple resource estimation process. Please see table 1 for full details of the drill results.
- **Drilling continues from new platform.** Additional drilling from a new platform at Falchani located in an area with identified surface radioactivity will seek to further expand the defined footprint of lithium and uranium mineralization at Falchani. Platform 4, which is 13 m higher than Platform 1, was found to lack surface radioactivity and subsurface uranium mineralization, although this was not a surprise due to the higher degree of grade/thickness variability in younger supergene mineralization. The area is likely to represent a less porous zone that had remained un-infiltrated by uranium-bearing liquids. The radioactive anomaly at Falchani, with an area over 2 km², is reported to be the most extensive surface expression prospected on the Macusani project to date, and we look forward to future drill results to define the extent of the uranium/lithium resource growth potential.
- **Expansion of lithium and uranium mineralization could drive upside over existing PEA.** Plateau is guiding to deliver a maiden lithium/uranium resource for the Falchani area sometime in Q2/18. **Based on results to-date, if additional drilling delivers consistent lithium grades of ~3,000 ppm Li, over the current reported mineralized unit volume, the new lithium component of a resource estimate at Falchani would easily compete in size with the existing NI 43-101 lithium resources defined at PLU's other deposits on the Plateau (see Table 2), but potentially at ~5-times the grade, highlighting the potential for a stand-alone lithium operation with further exploration success.** Lithium/uranium resources established at Falchani could enhance PLU's existing PEA numbers (Table 3) which outlined a post-tax NPV_{8%} of US\$360M and an IRR of 29.2% at a US\$40/lb uranium price, prior to the impact of any lithium production credit. The combination of surface uranium mineralization with deeper, higher-grade lithium mineralization at the Falchani discovery represents strong upside for PLU.

Catalysts: 1) Updated resource estimate at Falchani – Q2/18; and 2) Follow up drilling at Falchani.

Current Price	\$0.80
YTD Performance	0%
Dividend / Yield	N/A / N/A%
52-Week High / Low	\$0.95 / \$0.27
Shares O/S	64.2 million (basic) 68.4 million (F/D)

Market Capitalization	\$51.7 million
Enterprise Value	\$51.3 million
Daily Volume (3 month avg)	191,313
Currency	C\$ unless noted
Web Site	plateauranium.com
CEO/Director	Ted O'Connor

Price Performance



Source: Capital IQ

Table 1: Details of Platform 4 Drill Hole Results

LITHIUM

PT-PCHAC-04-V 269.0 m depth Vertical Hole	From	To	Thickness (m)	Grade Li (ppm)	Grade Li ₂ O (ppm)
	0.0	124.0	124.0	401	865 (0.087%)
	124.0	231.0	107.0	3,083	6,649 (0.66%)
<i>including</i>	126.0	216.0	90.0	3,366	7,258 (0.73%)
	231.0	269.0	38.0	583	1,257 (0.13%)

* The widths above are drill intercepts and represent true widths in this vertical drill hole.

Sources: Plateau Uranium

Table 2: Initial Lithium Resource Estimate & Haywood Calculated Li₂CO₃ equivalent in-situ Resource Value

Category	Mt	Li ₂ O equiv. Grade (%)	Li ₂ O equiv. (kt)	Li ₂ CO ₃ equiv. (kt)	In-Situ Li ₂ CO ₃ equiv. Value at US\$3.40/lb* (US\$ M)
Indicated	52.3	0.13%	67.0	165.7	\$1,242.2
Inferred	87.7	0.12%	108.7	268.9	\$2,015.5
Total Resources	140.0	0.126%	175.7	434.6	\$3,257.7

* Lithium carbonate, min 99-99.5% Li₂CO₃, large contracts, del continental US, \$/lb

Source: Haywood Securities, Plateau Uranium, Metals Bulletin/Industrial Minerals



Table 3: Details January 2016 PEA vs December 2013 PEA:

Item	PLU January 2016 PEA	PLU December 2013 PEA Update	Δ Change
Supporting Assets:	Resources (PEA, Minable): 69.4 Mlb U ₃ O ₈ (109.0 Mt at 289 ppm U ₃ O ₈ , 75 ppm cut-off) (95% mining recovery, 5% mining dilution)	Resources (PEA, Minable): 48.4 Mlb U ₃ O ₈ (85.4 Mt, at 259.4 ppm U ₃ O ₈) Kihitian, Colibri 2/3 & Tupuramani, Corachapi, Triunfador 1	43.4%
Production Rate:	6.09 Mlb U ₃ O ₈ per year (10.9 Mtpa heap-leach in optimized base case) (Acid consumption: 9kg/t)	4.30 Mlb U ₃ O ₈ per year (5.17 Mlb U ₃ O ₈ per year in Y's 1-5)	41.6%
Process Recovery Rate:	88%	88%	unch
Mine Life:	10 years (predominantly open pit [30,000 tpd], with some underground mining [2,700 tpd] accessing higher grade material from the bottom of the Kihitian pit.)	10 years	unch
Strip Ratio (waste:ore):	2.05:1	1.54:1	33.1%
CAPEX (US\$/lb U ₃ O ₈):	\$299.8 million (pre-production, inclusive of \$50.1 million in contingencies) (+\$43.9 million LoM sustaining)	\$331 million (pre-production) (+\$228 million LoM sustaining)	(9.4%) (80.7%)
OPEX (US\$/lb U ₃ O ₈):	\$17.28 / lb	\$20.57 / lb	(16.0%)
NPV (pre-tax US\$):	Pre-tax: \$852.7 million (8% discount rate) Post-tax: \$603 million (8% discount rate)	Pre-tax: \$708 million (8% discount rate) Post-tax: \$417 million (8% discount rate)	20.4% 44.6%
IRR (pre-tax US\$):	Pre-tax: 47.6% Post-tax: 40.6%	Pre-tax: 47.5% Post-tax: 32.4%	0.2% 25.3%
Payback:	Pre-tax: 1.69 years Post-tax: 1.76 years	Pre-tax: 2.9 years Post-tax: 3.5 years	(41.7%) (49.7%)
Uranium Price Assumption:	\$50 / lb	\$65 / lb	(23.1%)

Sources: Haywood Securities, Plateau Uranium

- The PEA provides four (4) additional scenarios beyond the base-case (Table 2). Each of the 4 scenarios are reduced-production, lower-CAPEX options vs the base-case, each returning compelling OPEX numbers. Additional scenarios include 2 additional heap-leach options and 2 tank leach options. Both additional heap and tank-leach options under study include 2 variations: a) open-pit-only; and, b) open-pit-plus-underground. The tank-leach option was of interest, as it is expected to yield improved recoveries of ~93% (vs 88% in heap-leach assumption), and is also assumed to have a decreased plant footprint vs the base-case heap-leach scenario.

Table 4: Details January 2016 PEA vs December 2013 PEA:

Case	Initial Capital (millions US\$)	LOM Capital (millions US\$)	US\$/t ROM US\$/lb U ₃ O ₈ Mlb/a			Pre-Tax		Post-Tax	
			US\$/t ROM	US\$/lb U ₃ O ₈	Mlb/a	NPV (M US\$)	IRR (%)	NPV (M US\$)	IRR (%)
Base Case	\$299.90	\$358.5	\$9.60	\$17.28	6.08	\$852.7	47.6%	\$603.10	40.6%
Case 1	\$247.50	\$279.4	\$14.60	\$17.39	4.26	\$544.4	41.2%	\$417.40	37.3%
Case 2	\$247.50	\$291.4	\$13.60	\$15.95	5.01	\$733.5	49.4%	\$550.90	43.7%
Case 3	\$267.40	\$299.3	\$17.60	\$19.73	4.5	\$510.2	36.8%	\$397.20	33.9%
Case 4	\$267.40	\$311.3	\$17.00	\$18.81	5.3	\$679.9	43.2%	\$516.10	28.9%

Sources: Haywood Securities, Plateau Uranium



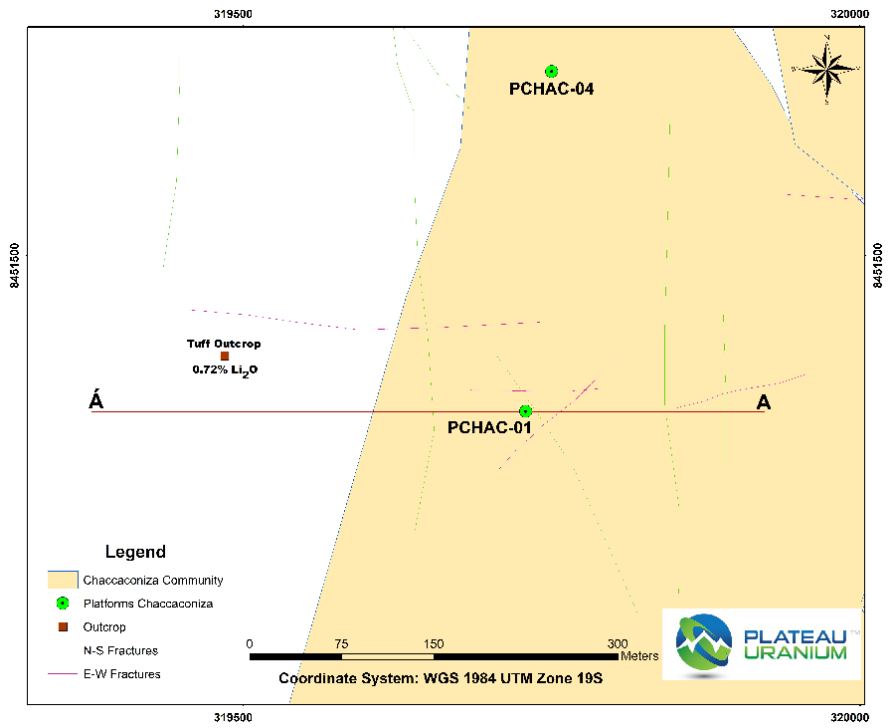
Table 5: Plateau Uranium’s resources on the Macusani Plateau:

Plateau Uranium Inc. NI 43-101 Resources (As at May 6, 2015) (75 ppm U cut-off ≈ 88.4 ppm U ₃ O ₈)					Plateau Uranium Inc. NI 43-101 Resources (As at May 6, 2015) (200 ppm U cut-off ≈ 235.8 ppm U ₃ O ₈)				
	Category	tonnes (Mt)	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)		Category	tonnes (Mt)	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)
Kihitian Complex	M & I	47.7	261	27.4	Kihitian Complex	M & I	16.2	505	18.1
	Inferred	83.6	273	50.3		Inferred	29.8	520	34.1
	Project Resource	131.3	269	77.8		Project Resource	46.0	515	52.2
Isivilla Complex	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)	Isivilla Complex	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)
	Total M & I	4.6	350	3.5		Total M & I	2.9	465	2.9
	Inferred	16.1	293	10.4		Inferred	7.2	500	7.9
Project Resource	20.7	306	13.9	Project Resource	10.1	490	10.9		
Corani Complex	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)	Corani Complex	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)
	Total M & I	3.4	166	1.2		Total M & I	0.4	342	0.3
	Inferred	6.1	131	1.8		Inferred	0.2	294	0.1
Project Resource	9.5	144	3.0	Project Resource	0.6	327	0.4		
Colibri 2 & 3 / Tupuramani	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)	Colibri 2 & 3 / Tupuramani	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)
	Total M & I	27.9	240	14.8		Total M & I	11.0	376	9.1
	Inferred	20.4	170	7.6		Inferred	3.3	363	2.6
Project Resource	48.3	210	22.4	Project Resource	14.3	373	11.8		
Corachapi (Sep. 2010)	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)	Corachapi (Sep. 2010)	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)
	Total M & I	11.6	195	5.0		Total M & I	2.9	372	2.4
	Inferred	3.8	230	1.9		Inferred	1.1	443	1.1
Project Resource	15.4	204	6.9	Project Resource	4.1	392	3.5		
Global PLU Macusani Plateau	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)	Global PLU Macusani Plateau	Category	Mt	U ₃ O ₈ Grade (%)	Contained U ₃ O ₈ (Mlb)
	Total M & I	95.2	248	52.0		Total M & I	33.5	445	32.9
	Inferred	130.0	251	72.0		Inferred	41.6	501	46.0
Total Resources	225.2	250	124.0	Total Resources	75.1	476	78.8		

Sources: Haywood Securities, Plateau Uranium

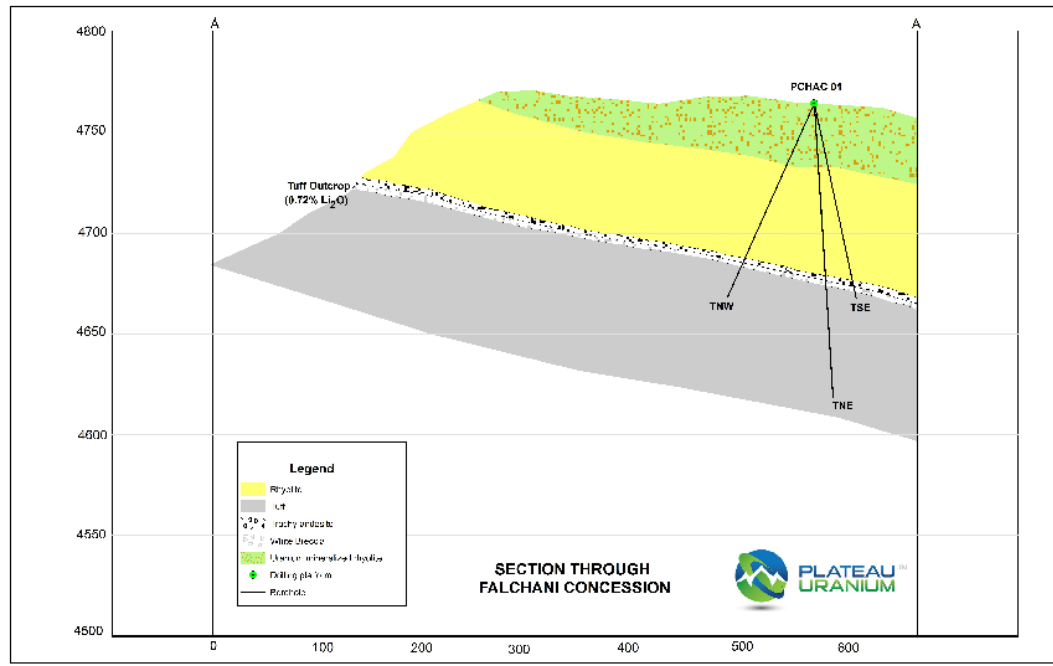


Figure 1: Falchani Map



Source: Plateau Uranium

Figure 2: Cross Section



Source: Plateau Uranium



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Hold	10.2%	10	6.1%
Sell	0.0%	0	0.0%
Tender	0.0%	0	0.0%
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