CANTOR Fitzgerald

October 27, 2016
Sector Update

Equity Research

QUARTERLY COMMODITY OUTLOOK

Precious metals lowered on rate concerns; Uranium near term flat but fundamentals strong

Commodity	Company	Ticker	New Rating	New Target	Previous Rating	Previous Target	Target Change	Analyst
Precious Metals	Avino Silver & Gold Mines	ASM-TSXV; ASM-NYSE	Buy	$4.45	Buy	$4.55	-2%	Chang
Precious Metals	Brazil Resources	BRI-TSXV; BRIZF:OTCQX	Buy	$5.40	Buy	$5.65	-4%	Chang
Precious Metals	Harte Gold	HRT-TSX	Buy	$0.40	Buy	$0.40	0%	Kozak
Precious Metals	Oceanus Resources	OCN-TSXV	Buy	$0.45	Buy	$0.45	0%	Kozak
Precious Metals	Pershing Gold	PGLC-NASDAQ	Buy	US$5.35	Buy	US$5.90	-9%	Chang
Precious Metals	Premier Gold Mines	PG-TSX; PIRGF-OTO	Buy	$5.60	Buy	$5.70	-2%	Chang
Precious Metals	Primero Mining	P-TSX; PPP-NYSE	Buy	$2.60	Hold	$2.65	-2%	Chang
Uranium	Azarga Uranium	AZZ-TSX	Buy	$1.10	Buy	$1.25	-12%	Chang
Uranium	Cameco Corp.	CCO-TSX; CCJ-NYSE	Buy	$17.65	Buy	$17.95	-2%	Chang
Uranium	Denison Mines	DML-TSX; DNN-NYSE	Buy	$1.75	Buy	$1.75	0%	Chang
Uranium	Energy Fuels	EFR-TSX; UUUU-NYSE	Buy	$6.65	Buy	$7.05	-6%	Chang
Uranium	Fission Uranium Corp.	FCU-TSX; FCUUF-OTCBB	Buy	$1.15	Buy	$1.15	0%	Chang
Uranium	Kivalliq Energy	KIV-TSXV	Buy	$0.15	Buy	$0.15	0%	Chang
Uranium	NexGen Energy	NXE-TSXV	Buy	$4.05	Buy	$4.30	-6%	Chang
Uranium	Ur-Energy	URE-TSX; URG-NYSE	Buy	$2.80	Buy	$2.90	-3%	Chang
Uranium	Uranium Energy Corp	UEC-NYSE	Buy	US$2.25	Buy	US$2.45	-8%	Chang
Uranium	Uranium Participation Corp.	U-TSX; URPTF-OTCBB	Buy	$4.60	Buy	$5.45	-16%	Chang

	Actual			Q3/16		Variance	Q4/16		Change	Q1/17		Change	Q2/17		Change
	Q4/15	Q1/16	Q2/16	Actual	Est.	%	New	Old	%	New	Old	%	New	Old	%
Gold US$/oz	1,104	1,184	1,258	1,335	1,350	-1.1%	1,300	1,350	-3.7%	1,300	1,350	-3.7%	1,300	1,350	-3.7%
Silver US$/oz	14.77	14.88	16.79	19.60	19.50	0.5%	19.25	20.00	-3.8%	19.25	20.00	-3.8%	19.25	20.00	-3.8%
Uranium Spot US$/lb	35.09	32.77	27.55	25.54	27.00	-5.4%	22.50	30.00	-25.0%	25.00	32.50	-23.1%	27.00	35.00	-22.9%
Copper US$/lb	2.22	2.12	2.15	2.17	2.20	-1.5%	2.20	2.25	-2.2%	2.25	2.30	-2.2%	2.30	2.30	0.0%

	FY 2016		Change	FY2017		Change	FY2018		Change	FY2019		Change	LT		Change
	New	Old	%	New	Old	%	New	Old	%	New	Old	%	New	Old	%
Gold US$/oz	1,269	1,286	-1.3%	1,325	1,369	-3.2%	1,300	1,300	0.0%	1,300	1,300	0.0%	1,300	1,300	0.0%
Silver US$/oz	17.63	17.79	-0.9%	19.38	20.00	-3.1%	20.00	20.00	0.0%	20.00	20.00	0.0%	20.00	20.00	0.0%
Uranium Spot US$/lb	27.09	29.33	-7.6%	28.63	37.00	-22.6%	45.00	53.00	-15.1%	66.25	72.50	-8.6%	80.00	80.00	0.0%
Copper US$/lb	2.16	2.18	-0.9%	2.33	2.34	-0.4%	2.40	2.50	-4.0%	2.50	2.70	-7.4%	2.80	2.90	-3.4%

	2016E		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%	0.77	0.77	0.0%	0.80	0.80	0.0%	0.80	0.82	-2.4%	0.82	0.84	-2.4%	0.90	0.90	0.0%

Source: Cantor Fitzgerald Research, Bloomberg, TradeTech

PRECIOUS METALS FORECAST LOWERED MODESTLY DUE TO EXPECTED RATE HIKES

The spot gold price averaged US$1,335/oz. over the third quarter, which was 1.1% lower than our forecast of US$1,350/oz. while the price of silver averaged US$19.60/oz., which was 0.5% above our forecast of US$19.50/oz.

In general, we have modestly lowered our precious metals price estimates through 2017 as rate hike concerns

Rob Chang, MBA
RChang@cantor.com
(416) 849-5008

Mike Kozak
Mike.Kozak@cantor.com
(416) 350-8152

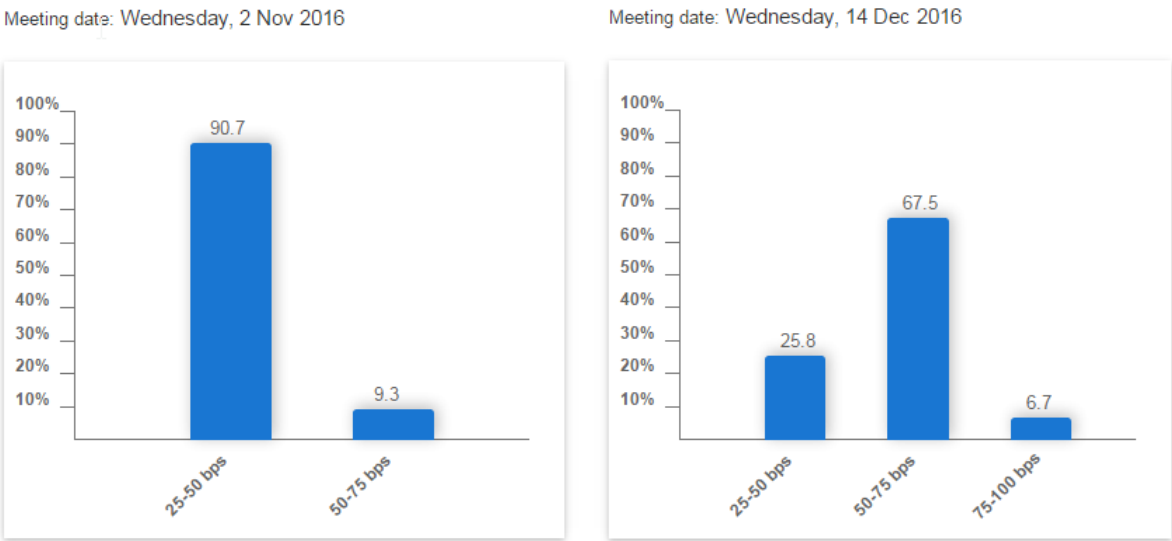
Associate: Michael Wichterle, MBA,CAIA
MWichterle@cantor.com
(416) 849-5005

***Sales/Trading* — Toronto:** (416) 363-5757, (800) 442-4485

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

mount. While rates are not expected to go up in the November 2 FOMC meeting, there is a 68% expectation for rates to increase in the December meeting as per the CME Group. We note that there may be a surprise rate hike at the November meeting if the Fed wants to show that it is not affected by the political process – especially since polls show that the outcome of the Presidential election may already be set.

Exhibit 1. CME FedWatch rate probabilities



Source: CME

In the subsequent meetings in 2017, the probability for rate hikes to the 75-100bps range or higher rises from 10% for the Feb/17 meeting to 39% by Sept/17. All of these points negatively to gold as the opportunity cost of holding the yellow metal increase.

The minutes of the September FOMC meeting noted that there was general agreement that the argument for a rate hike has "strengthened" and at least three members voted for an immediate increase. Indeed, U.S. employment data increasingly hints towards full employment with the rate currently staying at 5% and as a result inflation is expected to push higher in 2017.

While there appears to be little uncertainty over the U.S. Presidential election at this point, we believe global risk still exists. We continue to hold the view that the impact of Brexit will likely be felt for some time as Britain starts along its uncharted path towards leaving and negotiating a divorce with countries that have low incentive to make it easy.

URANIUM FUNDAMENTALS REMAIN BUT NEAR TERM FLAT

The spot uranium price of US$25.54/lb. for Q3/16 was lower than our estimate of US$27.00/lb. (-5.4%). With utilities well covered for 2016 and finding material in the mid-term market to satisfy intermediate needs. Our view continues to be that utilities will focus their buying in these shorter term markets until they are no longer rewarded with low prices to do so.

The key issue is global inventories and this has been the main subject of focus for the past month in the uranium space. Ux Consulting ("UxC") recently estimated that there is the equivalent of 1.4 billion lbs of above ground uranium stockpiled in various forms.

Exhibit 2. UxC 2016 Global Uranium Inventory Estimate

Source: UxC

Given that our estimate for 2016 uranium demand is 174M lbs there appears to be about eight years of supply available. Indeed the post-Fukushima shutdowns and slowdowns in countries such as Japan and Germany have contributed to this. Combine this with the fact that the utility demands for the near-term are well covered (UxC estimates that uncovered demand for 2016 is only 3.4M lbs or 2% of projected demand) and that they can procure uranium cheaply in the mid-term market as trading houses are taking advantage of low borrowing rates to facilitate a carry trade and we have the current situation where low demand is meeting lots of perceived inventory. As a result the uranium spot price dipped briefly below US$20/lb recently. We see this situation persisting for the better part of a 12-month period before uncovered requirements whittle inventory levels low enough for a meaningful upward price response in the spot market. Or if borrowing rates rise to a point where the carry trade no longer makes sense for traders to supply into the mid-term market.

While the 1.4 billion in inventory appears to be a massive number we need context. We have little data on what inventory levels have been historically but we can surmise that they were actually higher. This is because we have been in a global supply deficit since the mid-1980s. Despite this, we did see U_3O_8 prices top out at US$136/lb in June 2007 when uranium inventories must have been higher than what they are today. The difference between now and then is likely that we were not aware or as focused on the global inventory levels at that time and focused more on the growth of nuclear.

We continue to believe a violent increase in the price of uranium is coming and we look no further than the following data points. According to data publicly released by UxC, 73M lbs of uranium demand remain uncovered for 2020, which is 38% of its projection for that year (34% of Cantor's forecast). The figure grows to 174M lbs uncovered by 2025, which is 80% if UxC's projected demand (77% of Cantor's forecast). For context, the 174M lbs figure is Cantor's forecast for uranium demand for all of 2016 and is about 8M lbs greater than UxC's total expected production from new and existing mine production in 2025 – of which some of that production is pledged to the committed portion of the 2025 demand.

Let us stress this last point. The amount of uncovered demand alone in 2025 is more than the total production from all sources in 2025. The fact of the matter is the low price environment has choked off exploration activity for uranium and we are at the point where there are not enough uranium projects in the pipeline that can adequately meet the upcoming demand. As such, global inventories will be dramatically whittled down.

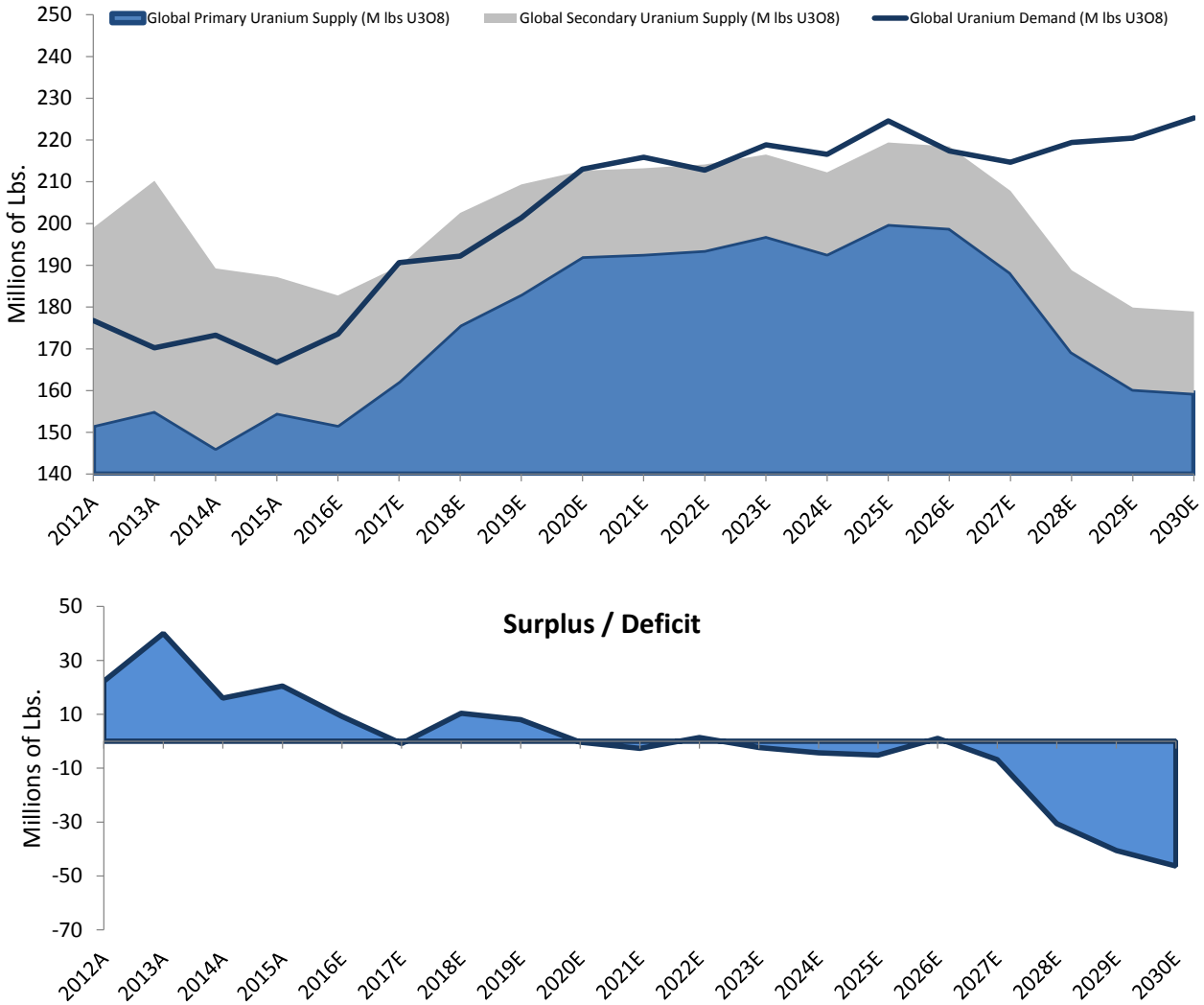
Utilities will be (and some already have been) looking to secure long term contracts to cover these requirements. However they will learn that few producers (if any) will be willing to contract substantial amounts of material at the current long term contract price of US$37/lb. This is because the marginal cost of production of current producers is in the US$40-50/lb range. Moreover, the incentive price required to start-up the large African uranium mines that have the resource size needed to produce uranium for future supply and demand equilibrium is likely in the US$80-90/lb range. This is the reason why the Chinese are commissioning the start-up of Husab in

Namibia, which some African uranium mining experts have noted that its all-in sustaining costs are likely >US$60/lb .

Cantor Fitzgerald Canada Research continues to present two supply and demand models:

The first is our traditional supply and demand model that is very conservative in that it assumes all uranium producers will produce at their forecast production levels and that all new uranium projects will start on-time and exactly according to their expected ramp up forecasts regardless of market price. These include projects that have break-even costs estimated in the US$70/lb level and higher.

Exhibit 3. Uranium Supply & Demand Forecast - Conservative



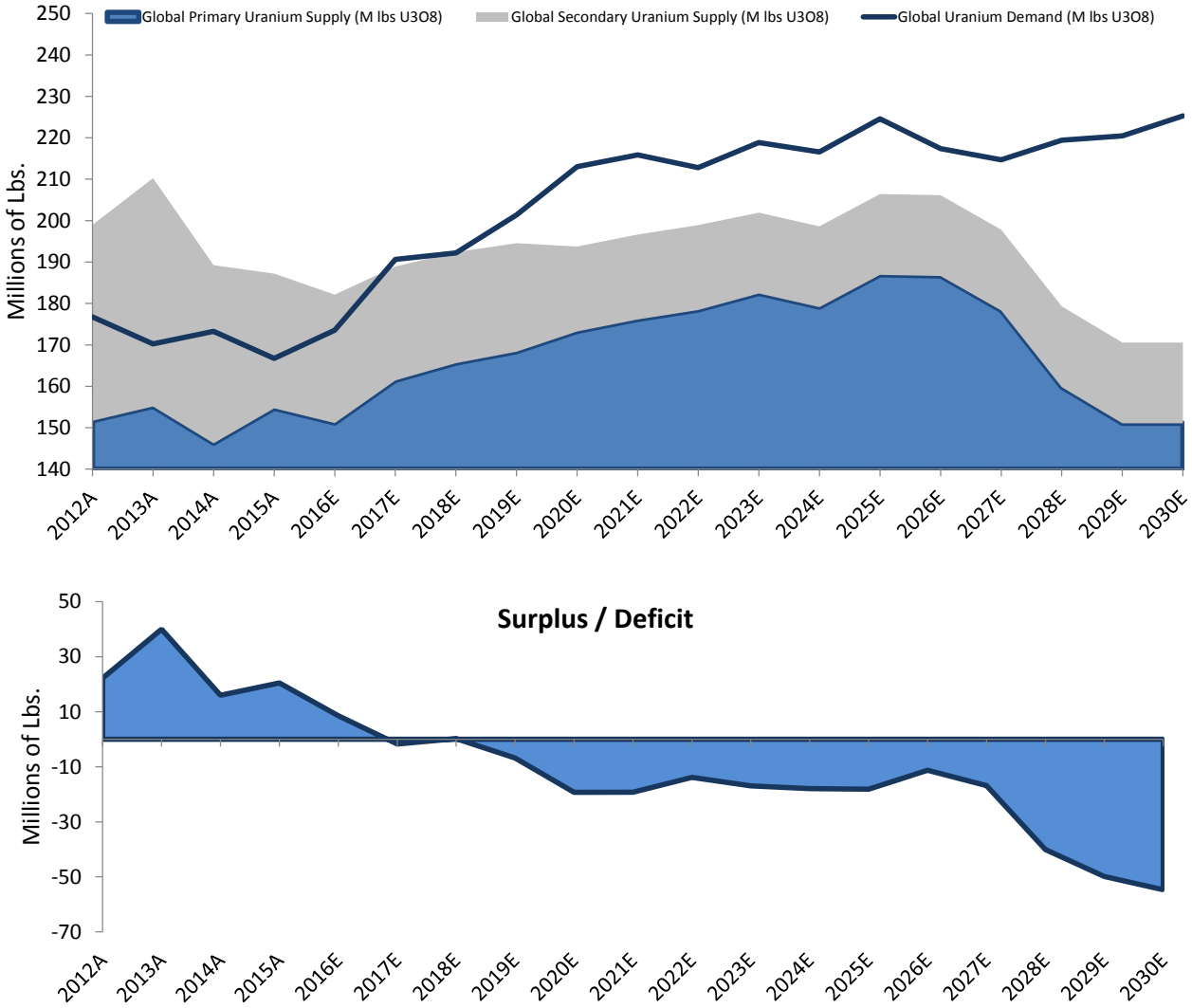
Source: Cantor Fitzgerald Canada Research

The second 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 estimated expiration of long term contracts.

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$20/lb, there would be

even fewer producers that can survive. In both scenarios, an unavoidable shortfall between supply and demand occurs.

Exhibit 4. Uranium Supply & Demand Forecast – US$40/lb long-term



Source: Cantor Fitzgerald Canada Research

AVINO SILVER & GOLD MINES (ASM-TSXV; ASM-NYSE): BUY, $4.45↓ FROM $4.55 (-2%)

We are maintaining a BUY recommendation and are decreasing our target price to $4.45 per share from $4.55 per share, or by 2%. This new target reflects our modestly decreased gold and silver price deck. Our target price is based on a 1.0x multiple to our NAV5% valuation of $4.45 per share.

Avino released its Q3/16 production figures on October 17th. Due to higher mill feed, quarterly production results were above our estimates at Avino, however somewhat lower at San Gonzalo. On a consolidated basis, silver production increased by 3% (compared to Q3/15) to reach 410,908 ounces while total gold production increased by 10% to total 1,813 ounces (despite lower recoveries). The higher consolidated year on year gold and silver results were mostly attributed to higher mill feed at both Avino and San Gonzalo. Copper production from Avino was lower however as grades fell due to mining in a new zone.

Highlights from the Avino Mine include:

- Silver and gold recoveries (85% and 58% respectively) were lower than our estimates of 87% and 76%. Along with 1.045M lbs of copper production, this led to total AgEq production of 396,397 ounces, compared to our initial estimate of 361,200 ounces. See the table below for the complete figures.
- Silver production alone amounted to 214,785 ounces, compared to 195,862 in Q3/15 and our initial forecast of 158,600 ounces.
- The lower copper feed grades of 0.48% and gold recoveries of 58% were due to the mining in a new mineralized zone located on the hanging wall side of the Avino vein beyond the fault.
- Since mining began in the new mineralized zone (which is partially oxidized near the fault), the gold and silver recoveries have decreased by 29% and 3%, respectively, compared with the corresponding period last year when ET vein material was processed.
- As a partial offset, total mill feed amounting to 111,042 dry tonnes was 4% higher than in Q3/15 and topped our forecast of 87,250 dry tonnes. This increase was despite plant availability which was down by 1%.

Highlights from the San Gonzalo Mine include:

- Silver and gold recoveries (83% and 75% respectively) were in-line with our estimates of 83% and 73%. This led to total AgEq production of 253,434 ounces, compared to our initial estimate of 290,900 ounces.
- Silver production alone amounted to 196,123 ounces, compared to 203,974 ounces in Q3/15 and our initial forecast of 211,400 ounces. The lower production was mainly due to lower feed grades being processed, which included marginal material from stockpile; feed grades for silver and gold decreased by 16% and 28% respectively.
- Total mill feed amounting to 26,989 dry tonnes was 13% higher than that of Q3/15 and topped our forecast of 23,320 dry tonnes. This increase was on account of a 12% increase in plant availability compared with the comparable quarter of the previous year.

We continue to forecast approximately 812,000 Ag ounces along with 3,800 Au ounces to be produced in FY2016 from the San Gonzalo mine, along with

approximately 712,000 Ag ounces along with 2,400 Au ounces produced from the Avino mine.

Exhibit 5. Avino & San Gonzalo Q2/16 Operating Figures

San Gonzalo	Q3/16A	Q3/15A	Y/Y Change	CF Q3/16E
Total Mill Feed (dry tonnes)	26,989	23,901	13%	23,320
Feed Grade Ag (g/t)	272	323	-16%	340
Feed Grade Au (g/t)	1.30	1.81	-28%	1.80
Recovery Ag (%)	83%	82%	1%	83%
Recovery Au (%)	75%	73%	3%	73%
Total Ag Produced (oz)	196,123	203,974	-4%	211,400
Total Au Produced (oz)	841	1,010	-17%	1,000
Total AgEq Produced (oz)	253,434	276,549	-8%	290,900

Avino	Q3/16A	Q3/15A	Y/Y Change	CF Q3/16E
Total Mill Feed (dry tonnes)	111,042	106,589	4%	87,250
Feed Grade Ag (g/t)	71	65	9%	65
Feed Grade Au (g/t)	0.47	0.23	104%	0.28
Feed Grade Cu (%)	0.48	0.65	-26%	0.70
Recovery Ag (%)	85%	88%	-3%	87%
Recovery Au (%)	58%	81%	-28%	76%
Recovery Cu (%)	89%	87%	2%	87%
Total Ag Produced (oz)	214,785	195,862	10%	158,600
Total Au Produced (oz)	973	634	53%	600
Total Cu Produced (lbs)	1,045,091	1,344,174	-22%	1,176,500
Total AgEq Produced (oz)	396,397	493,455	-20%	361,200

* Note that for the silver equivalent ratio calculation, the following prices have been used:
Avino Q3/16: $19.62/oz Ag, $1,334.89/oz Au and $2.16 lb Cu
CF Q3/16: $16.77/oz Ag, $1,350/oz Au and $2.20 lb Cu

Source: Avino Silver & Gold Mines, Cantor Fitzgerald estimates

Additionally, on October 21st, announced an updated NI43-101 Resource estimate for the Bralorne Property located in British Columbia. To summarize, the differences between the 2012 (the previous update) and the announced resource estimates are the following: a 53% increase in tons and 7% increase in grade for measured; 62% increase in tons and 28% in grade for indicated; and 34% increase in tons with a decrease in grade for the inferred.

Exhibit 6. 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

We continue to forecast initial production from Bralorne sometime in 2019. Given the resource update, our modeled LOM increased by six years and now extends into 2033. We continue to see the operation producing an average of 6,500 Au ounces (or approximately 415,000 AgEq ounces) per year.

Exhibit 7: Avino Silver & Gold Mines NAV

Mining Assets		C$ 000s	Per share
San Gonzalo	(100%)	$50,724	$1.22
Avino Mine	(100%)	$73,750	$1.77
Tailings Heap Leach - Oxide only	(100%)	$48,031	$1.15
Bralorne	(100%)	$16,889	$0.41
Total Mining Assets		**$189,394**	$4.55

Financial Assets		C$ 000s	Per share
Cash		$10,665	$0.26
Working Capital net of cash		$8,765	$0.21
LT Liabilities		($26,767)	($0.64)
Proceeds from ITM Instruments		$3,182	$0.08
Total Financial Assets		($4,155)	($0.10)
Net Asset Value	$	**$185,238**	$4.45

Shares Outstanding ('000s)	39,569
NAV/sh	$4.68
Diluted shares outstanding	**41,614**
NAV per diluted share (C$/share)	$4.45
Current share price (C$/share)	$2.57
Price / NAV	**0.58x**

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

Source: Cantor Fitzgerald Canada Estimates, Company Reports

BRAZIL RESOURCES (BRI-TSXV): BUY, $5.40↓, FROM $5.65 (-4%)

We are maintaining a BUY recommendation and are decreasing our target price to $5.40 per share for Brazil Resources on the basis of our modestly lower forecast price estimates for gold. Our target price is based on a 1.0x multiple to our $NAV_{8\%}$ valuation of $5.38 per share.

On August 18th, Brazil Resources announced that it had entered into a share purchase agreement with NovaCopper (NCQ-TSX, NCQ-NYSEMKT; Not Covered) pursuant to which it will acquire Sunward Investments Limited ("Sunward"), a subsidiary of NovaCopper that owns 100% of the Titiribi Gold-Copper Project located in Colombia. BRI exchanged 5M common shares of BRI and 1M warrants with an exercise price of C$3.50/share for a period of two years in exchange for a 100% interest in Sunward.

This announcement was followed up by an initial resource estimate announced in mid-September. The independently prepared technical report used a 0.3 g/t gold cut-off, thus resulting in a resource estimate with a measured & indicated resource of 4.63M oz. gold, along with an inferred resource of 3.25M oz. gold. As such, the mineral resource estimate for the Titiribi Project has resulted in Brazil Resources' global gold resource increasing by 146% in the measured and indicated categories and 46% in the inferred category.

Exhibit 8: NI43-101 Compliant Titiribi resource estimate at 0.3 g/t cut-off

				Grade			Contained Metal		
Deposit	Classification	Au Cut-off	Tonnage	Au	Cu	AuEq	Au	Cu	AuEq
		g/t	Mt	g/t	%	g/t	M oz	M lbs	M oz
Cerro Vetas	Measured	0.3	51.6	0.492	0.172	0.776	0.82	195.1	1.29
	Indicated	0.3	132.4	0.483	0.157	0.744	2.06	459.3	3.17
Chisperos	Indicated	0.3	62.1	0.484	-	0.484	0.97	-	0.97
NW Breccia	Indicated	0.3	39.7	0.618	-	0.618	0.79	-	0.79
Total M&I		0.3	285.8	0.500	-	0.676	4.63	654.34	6.21
Cerro Vetas	Inferred	0.3	70.8	0.429	0.05	0.511	0.98	77.9	1.16
Chisperos	Inferred	0.3	51.1	0.452	-	0.452	0.74	-	0.74
NW Breccia	Inferred	0.3	86	0.555	-	0.555	1.54	-	1.54
Total Inferred		0.3	207.9	0.487	-	0.515	3.25	77.9	3.44

1. Gold Equivalence estimated using $1,300 per ounce gold at 83% recovery and $2.90 per pound copper at 90% recovery.
2. A 0.3 g/t gold equivalent cut-off has been highlighted as the base case cut-off.
3. Totals may not represent the sum of the parts due to rounding.
4. The Mineral Resources have been prepared by Behre Dolbear & Company (USA), Inc. in conformity with "CIM Definition Standards for Mineral Resources and Mineral Reserves 2014

Source: Brazil Resources Inc.

The Cerro Vetas, Chisperos and NW Breccia are three of several porphyry-epithermal mineralized centers identified on the Titiribi Project. The central Cerro Vetas deposit contains both gold and copper whereas the Chisperos deposit located to the east-northeast is primarily gold as is the NW Breccia located to the north of Cerro Vetas; the deposits are open at depth. Gold-copper mineralization is associated with quartz + magnetite stockwork and disseminations hosted in potassically altered diorite intrusive rocks, whereas

gold-only mineralization is commonly hosted in diatreme breccia, fracture zones and receptive stratigraphic units.

Nearby gold projects in development or in production include Red Eagle's (RD-TSXV; Not Covered) San Ramon, B2 Gold's (BTO-TSX, BTG-NYSEMKT; Not Covered) Gramalote, Continental Gold's (CNL-TSX; Not Covered) Buritica, and Gran Colombia's (GCM-TSX; Not Covered) Marmato projects.

Exhibit 9: Brazil Resources NAV

Mining Assets		CDN$ 000s	Per share	Comment
Sao Jorge	(100%)	$143,869	$1.40	8% NPV
Boa Vista	(100%)	$5,040	$0.05	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Cachoeira	(100%)	$32,275	$0.31	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Island Mountain	(100%)	$35,705	$0.35	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Raintree West	(100%)	$23,100	$0.22	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Surubim	(100%)	$7,545	$0.07	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Titiribi	(100%)	$210,800	$2.05	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Whistler	(100%)	$72,550	$0.71	In-Situ Valuation ($35/oz Indicated, $15/oz Inferred)
Rea Uranium Project	(100%)	$10,000	$0.10	Exploration spend
Total Mining Assets		**$540,884**	$5.26	

Financial Assets		CDN$ 000s	Per share
Cash		$11,124	$0.11
Working Capital net of cash		($882)	($0.01)
LT Liabilities		($308)	($0.00)
Proceeds from ITM Instruments		$1,934	$0.02
		$11,868	$0.12
Net Asset Value	CDN$	**$552,752**	$5.38
Shares Outstanding (000s)		101,164	
NAV/sh		$5.46	
Diluted shares outstanding		**102,764**	
NAV per Diluted share (C$/share)		$5.38	
Current share price (C$/share)		$2.54	
Price / NAV		**0.47x**	

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

Source: Cantor Fitzgerald Canada Estimates, Company Reports

HARTE GOLD (HRT-TSX): BUY SPEC., $0.40 (UNCHANGED)

We maintain our Speculative Buy recommendation on Harte Gold and 12-month target price of $0.40/share. Our DCF-based NAVPS is driven via a long term gold price deck of $1300/oz. (unchanged).

At present, the bulk sample at Sugar Zone (500tpd shipped to Hemlo) is generating ~$1.5 MM/month in cash flow, which goes directly to the exploration program. Two drills are turning at present, stepping out to the south, at depth and in the "gap" zone between the main Sugar and Wolf zones. The overall depth extent has grown from ~400m to +700m, and strike extent from ~800m to ~1.2km. Harte is targeting a resource of ~1 M oz. at +8g/T Au in the next 2-3 months. The current resource stands at 0.4 M oz. at 8.05g/T Au (30g/T and 60g/T top-cuts applied). By exit November HRT plans on having a permit in hand to increase the bulk sample from 70,000t to 100,000t. Summer 2017 we expect Sugar zone to have a commercial production permit at 600tpd including an on-site gravity and flotation plant. October/November 2017 the company should be positioned to transition towards commercial production. At 600tpd, Sugar Zone will produce ~60Koz/yr. for 8+ years at ~$600/oz. operating costs, generating ~$50 MM/yr. in free cash flow. With a current enterprise value of $85 MM, Harte represents an exciting, high-grade, low-cost "value play" in the gold sector. Management are significant shareholders and have a "best in class" track record. We continue to believe Harte represents an attractive takeover candidate by up to four potential suitors, all with significant operating and exploration stage assets within short trucking distance of Sugar Zone (which enjoys superior grades).

Exhibit 10. 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

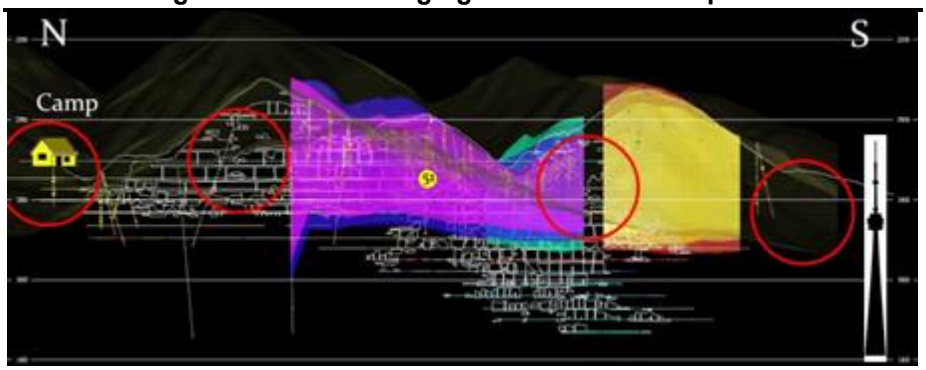
Source: Cantor Fitzgerald

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

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 11. Significant "Low Hanging Fruit" Resource Upside



Source: Oceanus Resources Corp.

One diamond rig is currently turning in the ~400m untested "gap" area between the historical mining camp and the top of the Mula Mountain. We expect the assay "hit rate" to be exceptionally high in this area given that while it has never seen any serious drilling, it constituted a very significant and high-grade portion of the historical underground mine. The second rig is being brought up to site at the present time and should begin turning in the upcoming 1-2 weeks.

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.

Our Speculative Buy rating and 52-week target price of C$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.

PERSHING GOLD (PGLC-NASDAQ): BUY, US$5.35↓ FROM US$5.90 (-9%)

We are maintaining a BUY recommendation and are decreasing our target price to US$5.35 per share, from US$5.90 per share previously. Our target price is based on a 1.0x multiple to our NAV valuation of US$5.37 per share, which was negatively impacted by the modest downward revision to our gold price forecast.

On August 8th Pershing Gold announced that the U.S. Bureau of Land Management ("BLM") has approved the Environmental Assessment ("EA") and Plan of Operations allowing the company to expand the Relief Canyon Mine.

In the decision to approve the Environmental Assessment and Plan of Operations, the BLM stated that Pershing Gold's planned mitigation and environmental protection measures will protect the environment and the expanded mine will not create any significant environmental impacts. Among the public comments the BLM received on the June 2016 Preliminary EA, the Pershing County Commissioners endorsed the project describing Pershing Gold "as a valued asset to our community". The Nevada Division of Environmental Protection ("NDEP") is currently completing its analysis of several other permits, which Pershing Gold anticipates will be issued within the next two months. NDEP recently issued the Mercury Operation Permit to Construct, which will allow the company to install mercury emission control equipment in the processing plant. We continue to forecast production from Relief Canyon to commence in Q2/17, with nearly 85,000 ounces of gold produced over the 5.8 year life of mine. We forecast cash costs to average $784/ounce over that period.

On September 6, Pershing Gold announced that multiple gold intervals were encountered in step-out drilling. Phase 1 drilling consisted of step-out drilling designed to test potential extensions of the high grade zones at Relief Canyon. Management further believes in the open pit-able potential of the resource, while the gold intercepts announced today will likely add ounces and extend the current Relief Canyon mine life.

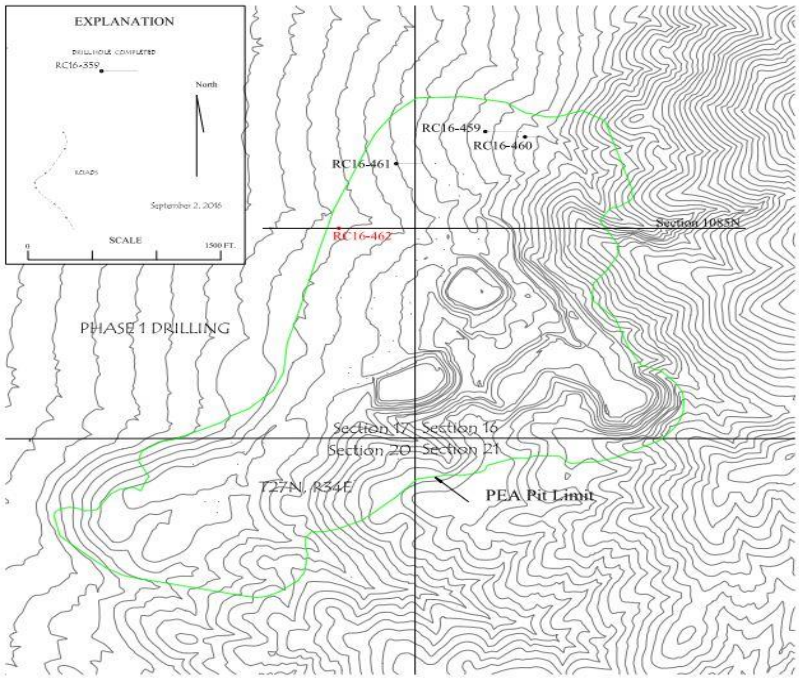
The highlight from the release was drill hole RC16-462 which was a 200 foot step-out from previous drilling. That particular drill hole encountered mineralization in all three zones of mineralization (Main, Lower & Jasperoid Zone) which comprise the Relief Canyon deposit. These three zones carry gold grades which are twice the average grade of the current Relief Canyon Preliminary Economic Assessment ("PEA").

- The eight intercepts have a cumulative thickness of 166.3 feet (50.7m), an average grade of 1.597 gpt, 0.046 oz/ton Au, and 23.5 gpt, 0.70 oz/ton Ag, and assume a minimum ten-foot drill width. Highlight intercepts include:
- 27 feet (8.2m) at 1.414 gpt Au.
- 20.9 feet (6.4m) at 7.448 gpt Au, including 5.5 feet (1.7m) at 27.7 gpt Au.
- 18.3 feet (5.6m) at 1.189 gpt Au.

Pershing Gold believes that these drill intercepts will expand the PEA pit limit as well as the mineralized grade shells to the east and west. These zones also encounter increasing silver grades with depth, including an intercept of 20.9 feet

(6.4 m) of 129 gpt Ag from 620.9 to 641.8 feet (189.3 to 195.6 m) in RC16-462. All intercepts are 95-100% of true width. Note that 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 12: Drilling Plan View



Source: Pershing Gold Corp.

Exhibit 13: Pershing Gold NAV

Mining Assets			
		USD$ 000s	Per share
Relief Canyon	(100%)	$126,816	$4.86
Total Mining Assets		**$126,816**	$4.86

Financial Assets		
	USD$ 000s	Per share
Cash	$12,484	$0.48
Working Capital net of cash	$2,195	$0.08
LT Liabilities	($1,322)	($0.05)
Proceeds from ITM Instruments	$0	$0.00
	$13,358	$0.51
Net Asset Value	**$140,173**	$5.37
Shares Outstanding (000's)	26,116	
NAV/sh	$5.37	
Diluted shares outstanding	**26,116**	
NAV per Diluted share (C$/share)	$5.37	
Current share price (C$/share)	$3.90	
Price / NAV	**0.73x**	

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

Source: Cantor Fitzgerald Canada Estimates, Company Reports

PREMIER GOLD (PG-TSX, PIRGF-OTC, P20-FRANKFURT): BUY, $5.60↓ FROM $5.70 (-2%)

We are maintaining a BUY recommendation and decreasing our target price on Premier Gold to $5.60 per share from $5.70 per share, or by 2%. Our valuation decreased as a result of the application of our modestly lower gold price forecast. Our target price is based on a 1.0x multiple to our NAV valuation of $5.61 per share.

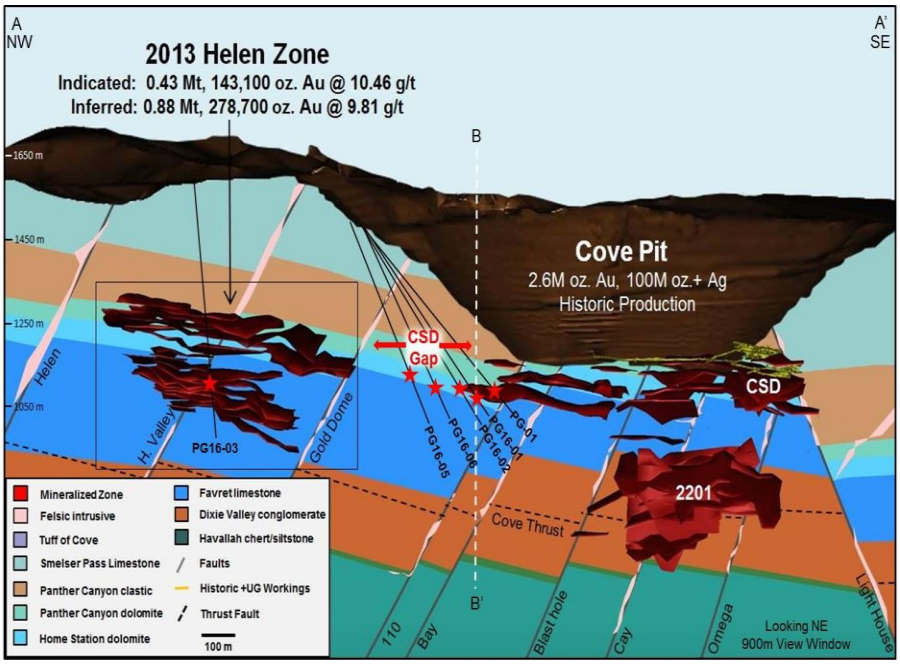
It was announced in late August that the first gold was poured from the South Arturo mine located in Carlin, Nevada. For the inaugural quarter, Q3/16 production amounted to 30,228 ounces (40% attributable to Premier), exceeded our initial forecast calling for approximately 18,750 ounces. The production beat was due largely to revised scheduling of ore through the roaster. Additionally, recoveries have also been slightly higher (90.4% actual vs. 86.4% budget) due to grade processed. While the publicly-known resource for South Arturo is officially 440,000 oz. Au, we continue to point out that Barrick and Premier would not spend all this time and capital to develop such a small deposit. We fully expect South Arturo to transition from an open pit operation to an underground mine after about two years.

Elsewhere, high grade mineralization was extended at McCoy-Cove when step out drilling results were released from the CSD Gap, located between the Helen Zone and historic Cove South Deep (CSD) underground deposit. Moreover, as announced in late August as well, Premier has confirmed the extension of high-grade mineralization across substantial widths. Highlights included:

- PG16-07: 5.77 g/t Au and 689.00 g/t Ag over 2.4m at 502.3m and 9.80 g/t Au and 42.46 g/t Ag over 3.4m at 513.6m
- PG16-08: 7.79 g/t Au and 3.58 g/t Ag over 20.4m at 635.8m
    - Including 12.14 g/t Au and 4.97 g/t Ag over 10.2m
- PG16-09: 7.75 g/t Au and 3.92 g/t Ag over 38.6m at 637.3m
    - Including 16.01 g/t Au and 7.92 g/t Ag over 11.9m
- PG16-10: 10.87 g/t Au and 15.23 g/t Ag over 17.4m at 632.9m
- PG16-11: 9.63 g/t Au and 3.31 g/t Ag over 11.6m at 553.7m
    - And 9.69 g/t Au and 17.48 g/t Ag over 19.2m at 629.1m

The current drilling program calls for 23 drill holes to be drilled, comprising 15,000m. The remainder of the 2016 program will consist of additional core holes to broadly infill the remaining CSD Gap area and further test the geometry of the growing deposit. Once concluded, an updated resource estimate is expected. The McCoy-Cove Property is located along the prolific Battle Mountain-Eureka Trend that is host to numerous multi-million ounce producing and past-producing including the McCoy and Cove open pits and underground operations, which produced a combined 3.3M ounces of gold and 110M ounces of silver between 1986 and 2003. The property is located in close proximity to excellent infrastructure (including paved roads & power) and all permits are in place for an advanced surface drilling campaign.

Exhibit 14. Longitudinal section of the Cove Au/Ag deposits

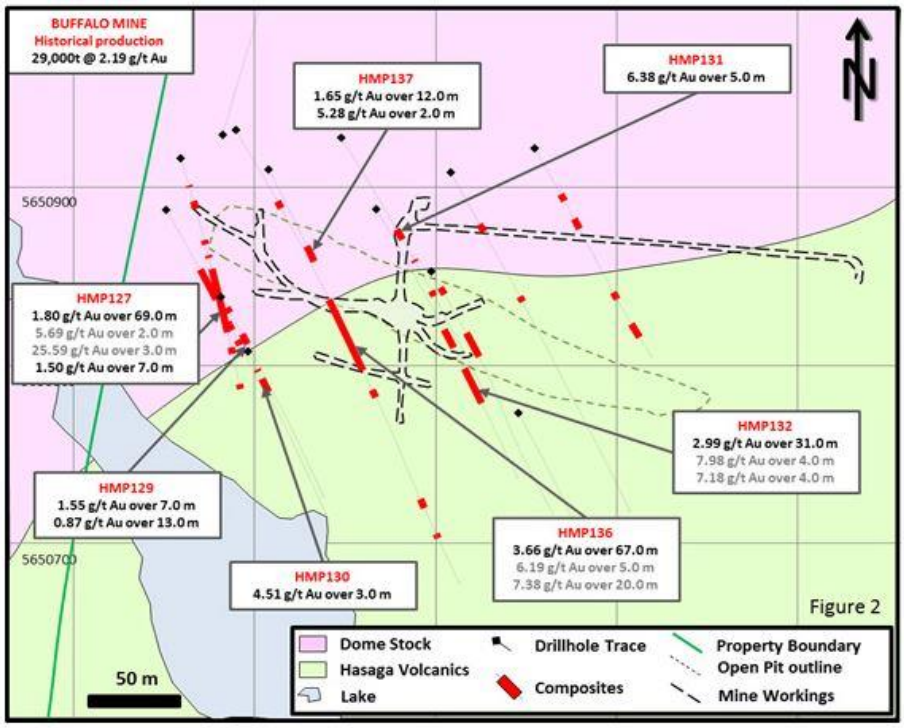


Source: Premier Gold Mines.

From the Hasaga Property, in mid-October further positive assays were retrieved, with the majority of the drill holes located on the buffalo Mine target. Highlights include:

- HMP127: intersected 69.0m of 1.80 g/t Au beginning at 126.0m
  - Including 3.0m of 25.59 g/t Au beginning at 192.0m.
- HMP128: intersected 37.0m of 2.29 g/t Au beginning at 77.0m
  - Including 3.0m of 11.46 g/t Au beginning at 90.0m.
- HMP132: intersected 31.0m of 2.99 g/t Au beginning at 156.0m
  - Including 4.0m of 7.98 g/t Au beginning at 158.0m and 4.0m of 7.18 g/t Au beginning at 173.0m.
- HMP136: intersected 67.0m of 3.66 g/t Au beginning at 170.0m
  - Including 20.0m of 7.18 g/t Au beginning at 199.0m.

Exhibit 15. Plan view of the Buffalo Mine target area



Source: Premier Gold Mines.

Premier regards the Hasaga Property as having exploration potential similar to the company's Hardrock Project, where a multi-million ounce gold resource exists at the site of a past-producing underground mine. Open pit mining has not made a significant contribution to the Red Lake area's past production. Premier believes this is an opportunity that has largely been overlooked. As such, at $7M, the current exploration budget at Hasaga represents Premier's largest exploration program within its portfolio. Thus far in 2016, 45,000m out of the targeted 50,000m drilling campaign has been accomplished.

On October 26th, Premier announced that it has entered into separate definitive agreements with Goldcorp and Kinross to acquire exploration projects in Nevada and Mexico. The Goldbanks project has significant upside in an excellent jurisdiction while the Alto-Cristina appears similar to San Dimas, which is an excellent mine geologically. The details are as follow:

Goldbanks Project (Kinross):

- The project is located in Pershing County, Nevada about 50km south of Winnemucca
- It is comprised of 875 claims totalling 16,000 acres including the high-grade Golden Devil discovery and open pit deposits named Main Zone and KW
- The open pit deposits have an inferred mineral resource estimate of 556,700 oz. of gold contained within 25.7M tonnes at 0.7 g/t Au.
- At a US$15/oz. valuation, the resource alone is worth US$8.4M on a 100%-basis. The resource is 90% oxide and 10% sulphide.

- Management interprets Golden Devil to be similar to the Midas and Sleeper Mines in Nevada that both produced at over an ounce per ton
- Premier will earn a 50% interest in the project and is required to spend US$20M in exploration on the property over five years including a firm commitment of US$3.5M during the first 18 months.

Alto-Cristina Project (Goldcorp):

- Residing in the southwest part of Chihuahua State in Mexico, this project is located near the Tayoltita/San Dimas district (south) that hosts the low cost, flagship San Dimas mine operated by Primero Mining (P-TSX. PPP-NYSE; Hold, C$2.65)
- There are two high grade polymetallic vein discoveries named Alto and Guadalupe on the property.
- Quartz veins and quartz stockwork occur within an area of approximately eight km² where individual vein zones have been traced over a distance of up to two km.

Exhibit 16: Premier Gold Mines NAV

Mining Assets		CDN$ 000s	Per share
TransCanada Project	(50%)	$459,652	$2.23
Rahill-Bonanza	(44%)	$195,045	$0.95
South Arturo	(40%)	$82,827	$0.40
Mercedes	(100%)	$174,244	$0.85
Other Properties/Exploration Spend		$171,743	$0.83
Sandstorm Gold (SSL-TSX)		$21,520	$0.10
Total Mining Assets		**$1,105,032**	$5.36

Financial Assets		CDN$ 000s	Per share
Cash		$72,274	$0.35
Working Capital net of cash		($5,107)	($0.02)
LT Liabilities		($32,667)	($0.16)
Proceeds from ITM Instruments		$15,904	$0.08
		$50,404	$0.24
Net Asset Value	CDN$	**$1,155,436**	$5.61
Shares Outstanding (M)		205,273	
NAV/sh		$5.63	
Diluted shares outstanding		**206,063**	
NAV per Diluted share (C$/share)		$5.61	
Current share price (C$/share)		$3.10	
Price / NAV		**0.55x**	

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

Source: Cantor Fitzgerald Canada Estimates, Company Reports

PRIMERO MINING (P-TSX, PPP-NYSE): BUY↑, $2.60↓ FROM HOLD $2.65 (-2%)

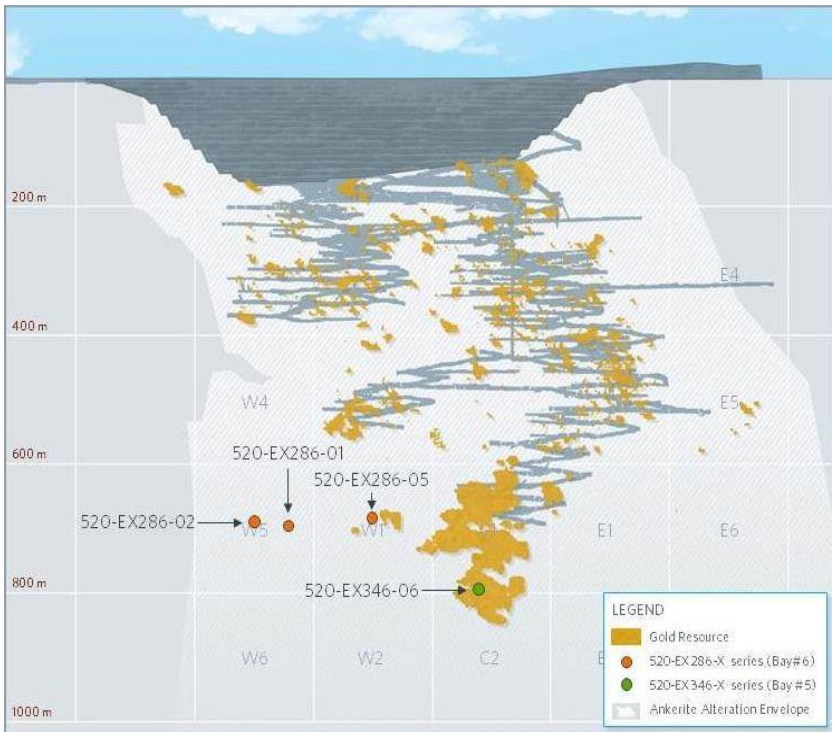
We are upgrading our rating to BUY from hold despite decreasing our target price to $2.60 per share, from $2.65 per share, or by 2%. Our rating has increased due to Primero's share price action, which has declined to levels that justify a buy rating again. Our target price decrease reflects our modestly lower forecasted gold and silver price deck. Our target price is based on a 1.0x multiple to our NAV of $2.58 per share.

From Black Fox, after having successfully expanded and delineated the Black Fox Deep Central Zone, Primero has shifted focus to other priority target areas located to the west and at depth. Recent exploration of the west targets has returned positive results with significant gold grades including:

- 28.1 g/t gold over 2.7m (520-EX286-05)
- 4.6 g/t gold over 5.4m (520-EX286-01)
- and 9.1 g/t gold over 1.2m (520-EX286-02)

Drill hole 520-EX286-05 was drilled to test an extension of the W1 High Quartz target, which remains open at depth. Holes 520-EX286-01 and -02 have identified the W5 Far West target which requires further infill exploration and remains open at depth. Drilling locations as depicted below. In terms of production development, note that the first long-hole production blasting occurred in early-September, and to-date 3,885 production tonnes have been recovered from stoping between the 640 and 660m levels with an average grade of 8.3 g/t gold**.** Long-hole production will continue to ramp-up from this area with underground production expected to average 800 tonnes per day in Q4 2016.

Exhibit 17: Black Fox – Deep Central Zone drilling targets



Source: Primero Mining

At San Dimas, follow-up exploration drilling has continued to build on the positive results released in February 2016. Results from today's release have extended the high-grade mineralization further to the northeast. Highlighted results from this step-out drilling include:

- 208.7 g/t gold and 3,037 g/t silver over 1.3 metres true width (VIC16_379),
- 11.5 g/t gold and 590 g/t silver over 3.5 metres true width(VIC16_374),
- and 12.6 g/t gold and 817 g/t silver over 2.3 metres true width (VIC16_378).

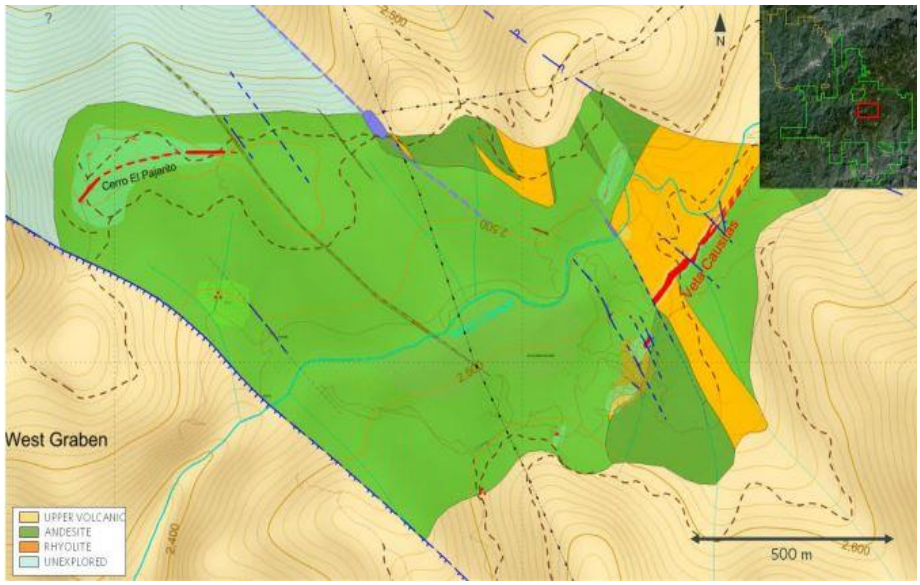
Note that the Victoria vein continues to remain open to the northeast.

Lastly, from the Lechuguilla concession (located 18Km south of the San Dimas mill, in an area outside of the Silver Wheaton silver purchase agreement) sampling highlights from the Causitas vein channel include:

- 7.1 g/t gold equivalent ("AuEq") over 4.5 metres true width including 10.9 g/t AuEq over 2.0 metres true width(L-05),
- and 5.0 g/t AuEq over 3.0 metres true width including 9.8 g/t AuEq over 1.2 metres true width (L-02).

Primero's geologists are still working to improve their preliminary interpretation of the Causitas vein, but the initial results show a regular distribution of gold and silver values along the vein. The vein is located near the surface contact between the lower volcanic and upper volcanic groups. To test the Causitas vein at depth, Primero will be mobilizing a drill rig expected to be on-location at the Causitas vein in October 2016. The Causitas "window" is much more extensive in area than originally indicated and to date Primero has identified 2 other veins located within close proximity. The Los Pajaritos vein located 1.0Km to the northwest and the El Tablon vein located 3.8Km to the southeast.

Exhibit 18: Lechuguilla – Causitas "Geological Window" Location Map



Source: Primero Mining

Primero will report its Q3 financial figures on November 9. We expect a top line of US$76M along with earnings of US$2.9M, resulting in a diluted EPS estimate of $0.02/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$73M and EPS of $0.011. Our Q3 estimates are below:

Exhibit 19. Primero Mining Q3/16 Earnings Expectations

	CF Estimates Q3/16E	Reported Q2/16A	Variance Q-over-Q % Change	Reported Q3/15A	Vairance Yr-over-Yr % Change
INCOME STATEMENT (in US$ 000's)					
Total revenue	**76,098.6**	**59,439.0**	**28.0%**	**79,219.0**	**-3.9%**
Operating costs	(42,222.9)	(39,042.0)	**NM**	(41,859.0)	**NM**
Gross margin	**33,875.7**	**20,397.0**	**66.1%**	**37,360.0**	**-9.3%**
Gross margin %	44.5%	34.3%		47.2%	
Depreciation and amortization	(16,374.0)	(15,775.0)	3.8%	(19,535.0)	-19.2%
General and administrative	(7,160.5)	(7,647.0)	-6.4%	(6,247.0)	22.4%
Other expenses	(6,131.7)	(5,305.0)	15.6%	(34,635.0)	-84.7%
Operating earnings	**4,209.5**	**(8,330.0)**	NM	**(23,057.0)**	-63.9%
Income taxes recovery (expense)	(1,262.8)	(11,102.0)	-88.6%	(17,346.0)	-36.0%
Tax rate	30.0%	-133.3%	NM	-75.2%	77.2%
Net earnings (as reported)	**2,946.6**	**(19,432.0)**	NM	**(40,403.0)**	-51.9%
Adjustments		17,031.0		-	
Adjusted earnings	**2,946.6**	**(2,401.0)**	**NM**	**(40,403.0)**	**NM**
Earnings Per Share - Basic	$0.02	-$0.12	NM	-$0.19	NM
Earnings Per Share - Diluted	$0.02	-$0.12	NM	-$0.19	NM
Adjusted Earnings Per Share - Fully Diluted	**$0.02**	**-$0.01**	NM	**-$0.19**	NM

Source: Primero Mining and Cantor Fitzgerald Canada Estimates

Source: Primero Mining, Cantor Fitzgerald Canada Research

Exhibit 20: Primero Mining NAV

Mining Assets		$ 000s	Per share
San Dimas	(100%)	$292,012	$1.75
Black Fox	(100%)	$24,971	$0.15
Cerro Del Gallo	(100%)	$62,668	$0.38
Grey Fox	(100%)	$26,683	$0.16
Total Mining Assets		**$406,334**	$2.44

Financial Assets		$ 000s	Per share
Cash		$54,476	$0.33
Working Capital net of cash		($39,122)	($0.24)
LT Liabilities		($99,676)	($0.60)
Proceeds from ITM Instruments		$0	$0.00
Syndicated Metals (ASX: SMD)	(8.3%)	$3,458	$0.02
		($80,864)	($0.49)
Net Asset Value (US$)		**$325,470**	$1.96

Net Asset Value (C$)	$429,619
Shares Outstanding ('000s)	162,065
NAV/sh (C$)	$2.65
Diluted shares outstanding	**166,410**
NAV per diluted share (C$/share)	$2.58
Current share price (C$/share)	$1.97
Price / NAV	**0.76x**

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

Source: Cantor Fitzgerald Canada Estimates, Company Reports

AZARGA URANIUM (AZZ-TSX): BUY, $1.10↓; FROM $1.25 (-12%)

We are maintaining our BUY recommendation on Azarga Uranium and are decreasing our target price to $1.10 per share from $1.25 per share, or by 12%. Our target price reflects a 1.0x multiple to our NAV estimate of $1.27/share, which decreased due to the lowering of our uranium price forecast.

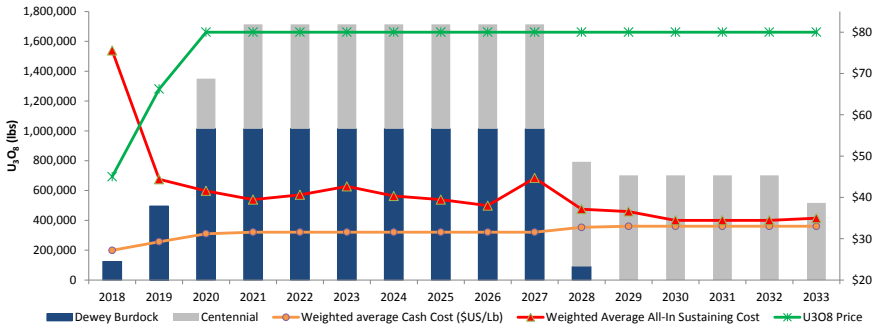
We continue to highlight the near term production potential out of the Dewey Burdock project which happens to be the highest grade ISR project in the U.S. and is currently in development. Located in South Dakota's Edgemont uranium district, the Dewey Burdock project boasts an NI 43-101 compliant M&I resource of over 8.5M lbs U_3O_8 at 0.25%. We note as well that the project has been fully permitted by the NRC since April 2014.

Exhibit 21: Azarga Uranium NAV

Projects	NAV	Per Share	Comment
Dewey Burdock	$68.0	$0.95	2016 DCF @ 10% Discount Rate
Centennial	$13.9	$0.19	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)	($0.40)	PV of LT Debt and assumed debt @ 10% Discount Rate
Investments	$0.2	$0.00	Investment in Uranium Resources
Cash	$4.7	$0.07	Q2/16 Financials + Cash Proceeds from ITM Options + Private Placement
Net working capital (less cash)	($1.7)	($0.02)	Q2/16 Financials
Total in USD	**$60.3**	**$0.82**	
Total in CAD	**$79.5**	**$1.08**	

Source: Cantor Fitzgerald Canada Estimates, Company Reports

Exhibit 22: Production and Cost Forecast

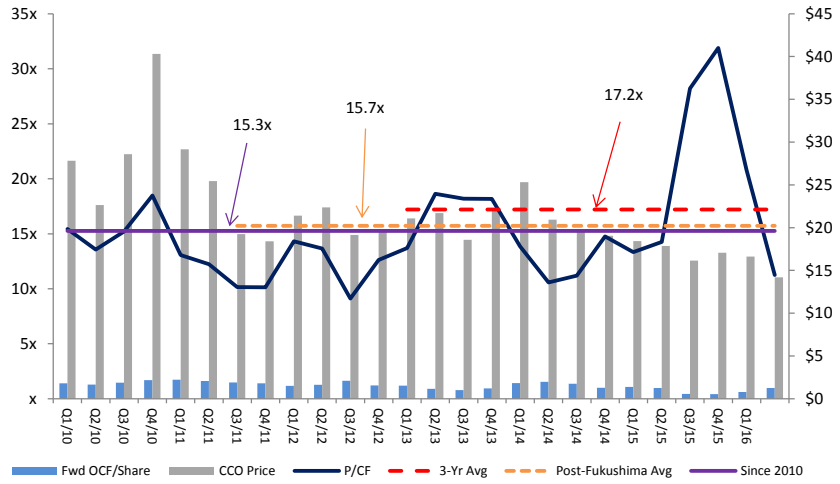


Source: Cantor Fitzgerald Canada Estimates, Company Reports

CAMECO CORPORATION (CCO-TSX, CCJ-NYSE): BUY, $17.65; FROM $17.95 (-2%)

We are maintaining our BUY recommendation and are lowering our target price to $17.65 per share from $17.95 per share on Cameco, or by 2%. Our target price is based on the application of a 14.0x multiple to our forward cash flow estimate of $1.26/share. This valuation is conservative relative to historical trends as Cameco has traded at an average 15.7x multiple post-Fukushima, 17.2x over the last three years, and 15.3x since the beginning of 2010. It is currently trading at an 8.4x multiple to our forward cash flow estimate.

Exhibit 23: Cameco historical forward P/CF trading multiple



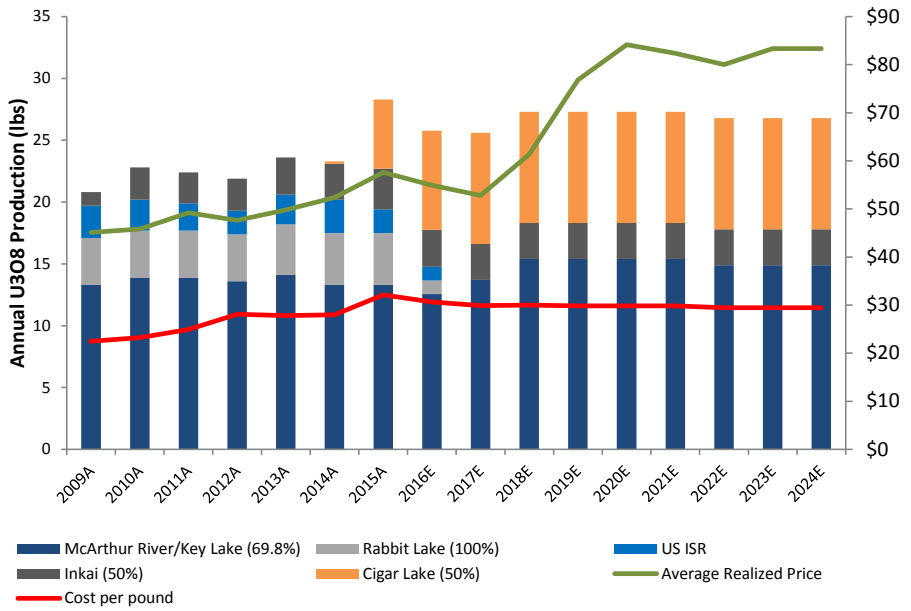
Source: Cantor Fitzgerald Canada Research

In early October it was announced that court proceedings with the Canadian Revenue Agency ("CRA") began. The court case includes tax years 2003, 2005 and 2006.

The court case itself deals with the issue of transfer pricing and how the CRA disagrees with Cameco's process of selling uranium to its Swiss-based subsidiary (a low tax jurisdiction) at an arguably low price over a 17-year period. Cameco has appealed this ruling since 2009 and believes it is a legal business practice. Cameco estimates that barring a settlement, the trial is expected to last until March 2017 with a ruling six to 18 months later.

Cameco has made a provision for C$52M in its financials in recognition of situations where an argument could be made that its transfer price fell out of an "appropriate range". A figure that was reduced in Q4/15 after taking additional contract information into account. The company has guided that based on what has been assessed by the CRA already and assuming a similar application of methodology for outstanding tax years, about C$7B of taxable income will be assessed for 2003-2015, which would result in related tax expense of C$2.1B

Exhibit 24: Cameco Production, Cost, and Realized Price Forecast



Source: Cantor Fitzgerald Canada Estimates, Company Reports

Cameco will report Q3/16 earnings on November 2nd, before markets open. We expect a top line of $631M resulting in an EPS estimate of $0.29. Consensus estimates calls for revenues of $635M and EPS of $0.29. 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 25: Cameco Q3/16 Earnings Expectations

	CF Estimates Q3/16E	Reported Q2/16	Variance Qtr-over-Qtr % Change	Reported Q3/15A	Variance Yr-over-Yr % Change
INCOME STATEMENT (in C$ 000's)					
Total revenue	**630,539.3**	**466,397.0**	**35.2%**	**649,050.0**	**-2.9%**
Operating costs	487,861.1	306,401.0	59.2%	440,822.0	10.7%
Gross margin	**142,678.2**	**159,996.0**	**-10.8%**	**208,228.0**	**-31.5%**
Gross margin %	22.6%	34.3%		32.1%	
Depreciation and amortization	34,751.5	117,306.0	-70.4%	75,137.0	-53.7%
General and administrative	45,516.4	60,596.0	-24.9%	40,120.0	13.5%
Exploration	10,705.4	11,549.0	-7.3%	9,681.0	10.6%
Research and development	1,913.0	1,798.0	6.4%	1,571.0	21.8%
Gain on sale of assets	-	5,212.0	NM	2.0	NM
Other expenses	(46,700.0)	124,368.0	NM	-	NM
Operating earnings	**96,492.0**	**(160,833.0)**	**NM**	**81,717.0**	**18.1%**
Net Finance Expenses	(18,658.7)	(30,604.0)	NM	(25,172.0)	NM
Share of Earnings (loss) from BPLP	-	-	NM	-	NM
Other expense	-	(8,158.0)	NM	(96,019.0)	NM
Net earnings before tax	**77,833.3**	**(199,595.0)**	**NM**	**(39,474.0)**	**NM**
Income tax (reversal) expense	(39,530.4)	(64,546.0)	NM	(35,116.0)	NM
Tax rate	-50.8%	32.3%	NM	89.0%	NM
Non-controlling Interest	-	2,319.0	NM	(447.0)	NM
Net earnings (as reported)	**117,363.7**	**(137,368.0)**	**NM**	**(135,049.0)**	**NM**
Adjustments	(70,418.3)	80,000.0	NM	82,000.0	NM
Adjusted earnings	**46,945.4**	**(57,368.0)**	**NM**	**77,642.0**	**-39.5%**
Operating EPS	$0.24	-$0.41	NM	$0.21	18.0%
Earnings Per Share - Basic	$0.30	-$0.35	NM	-$0.01	NM
Adjusted Earnings Per Share - Basic	$0.12	-$0.14	NM	$0.20	-39.5%
Adjusted Earnings Per Share - Fully Diluted	$0.12	-$0.14	NM	$0.19	-39.6%

Source: Cantor Fitzgerald Canada Estimates, Company Reports

DENISON MINES (DML-TSX, DNN-NYSE): BUY, $1.75, NO CHANGE

We are maintaining a BUY recommendation and target price of $1.75 per share for Denison Mines. Our target price is unchanged as our commodity price assumptions did not alter our in-situ valuation methodology. Our target price is based on a 1.0x multiple to our NAV valuation of $1.76 per share.

On October 6th Denison Mines announced that it had completed the summer 2016 drilling program conducted on the 60% owned Wheeler River project in the Athabasca Basin. Highlighted accomplishments from the drilling campaign include:

- The potential for upcoming resource expansion:
  - Expansion of the D series lenses along strike in both directions, which are not included in the current NI 43-101 mineral resource estimate for the Gryphon deposit
  - Discovery of additional high-grade mineralization down-dip and up-dip of the A and B series lenses, which are also located outside of the current NI 43-101 mineral resource estimate for the Gryphon deposit.
- The Discovery of basement-hosted mineralization on the K-West conductive trend, which is located approximately 500m west of the Gryphon deposit.
  - This introduced the possibility of a new basement-hosted deposit in close proximity to the Gryphon deposit
- The Completion of an initial set of infill and delineation holes on the Gryphon deposit, which reinforce the high-grade nature of the deposit and included highlight results of:
  - WR-668D2: 1.5% eU_3O_8 over 14.4m. Including: 2.3% eU_3O_8 over 7.9m and 1.5% eU_3O_8 over 1.0m.
  - WR-668: 0.93% eU_3O_8 over 14.1m. Including: 2.1% eU_3O_8 over 3.7m and 1.4% eU_3O_8 over 1.3m) and 2.4% eU_3O_8 over 7.3m. Including: 3.7% eU_3O_8 over 4.5m

Exhibit 26. Gryphon Plan Map

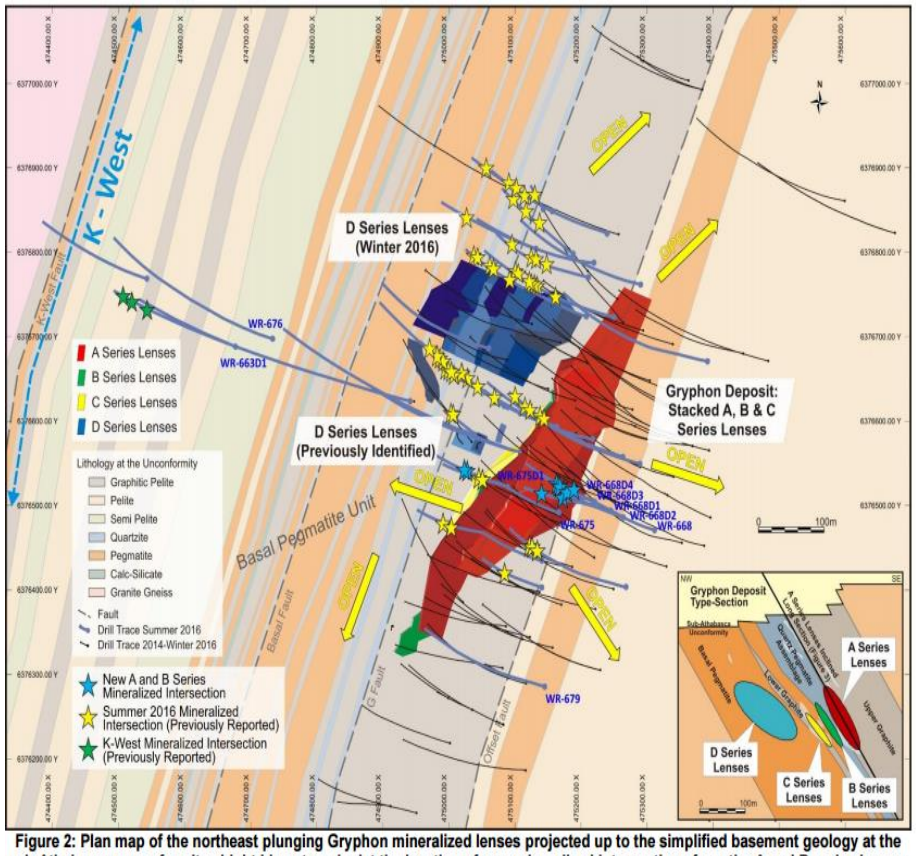


Figure 2: Plan map of the northeast plunging Gryphon mineralized lenses projected up to the simplified basement geology at the sub-Athabasca unconformity. Light blue stars depict the location of new mineralized intersections from the A and B series lenses.

Source: Denison Mines

Four new drill holes were also released, highlighted by WR-675D1 intersected 0.12% eU_3O_8 over 1.2m and 0.43% eU_3O_8 over 3.1m indicating expansion of the A and B lenses in the up-dip direction where mineralization remains open. The hole was drilled approximately 40m up-dip of drill hole WR-675 on Section 5000 GP, which intersected 1.36% eU_3O_8 over 1.0m, and was designed to test for continuation of the A and B series lenses on the up-dip, up-plunge area of the Gryphon deposit and evaluate for D lens mineralization deeper into the stratigraphy (lower footwall).

Management also re-highlighted that a Pre-Feasibility Study ("PFS") for the Wheeler River project is underway and an infill drilling program was designed to achieve this objective by tightening the previous 50 x 50m drill spacing to an approximate 25 x 25m spacing across the A, B and C series lenses of the Gryphon deposit.

Recall that as released on April 4, results from the PEA have highlighted solid economics centered on a long term uranium price of $44/lb. The Wheeler River PEA base case scenario reports a pre-tax IRR of 20.4%, a pre-tax NPV8% of C$513M as at 2021 (Denison's share 60% share being C$308M, and a three year payback). Cantor Fitzgerald Canada Research uses a long-term uranium price of US$80/lb. while arriving at a post-tax NPV10% of C$305M (C$508M on a 100%-basis).

Exhibit 27. Denison NAV

Asset	Attributable M Lbs U_3O_8	EV/Lb	Value US($M)	Per share	Ownership	Notes
Revenue Generating Assets						
Wheeler River Project			$230.9	$0.43	60%	NPV @ 10%. Cameco 30% & JCU 10%
McClean Lake Mill			$225.4	$0.42	22.5%	7% DCF for processing Cigar Lake and Wheeler River feed; C$1B Residual value
UPC Contract Value			$29.9	$0.06		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	$0.18	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			$3.6	$0.007		80% of the market value for conservatism
18.7% stake in Skyharbour Resources			$3.3	$0.006		80% of the market value for conservatism
Working Capital Net of Cash			$8.8	$0.02		As of Q1/16 Financials + Financing
Cash + proceeds from options and warrants			$17.8	$0.03		As of Q1/16 Financials
Valuation			**$710.2**	**$1.33**		
Valuation in CAD			**$937.4**	**$1.76**		in CAD

Source: Cantor Fitzgerald Canada Research

ENERGY FUELS (EFR-TSX, UUUU-NYSE): BUY, $6.65↓ FROM $7.05 (-6%)

We are maintaining a BUY recommendation and are lowering our target price to $6.65 per share for Energy Fuels from $7.05 per share, or by 6%. Our target price is based on a 1.0x multiple to our NAV valuation of $6.66 per share, which was negatively impacted by the downward revision in our uranium price forecast.

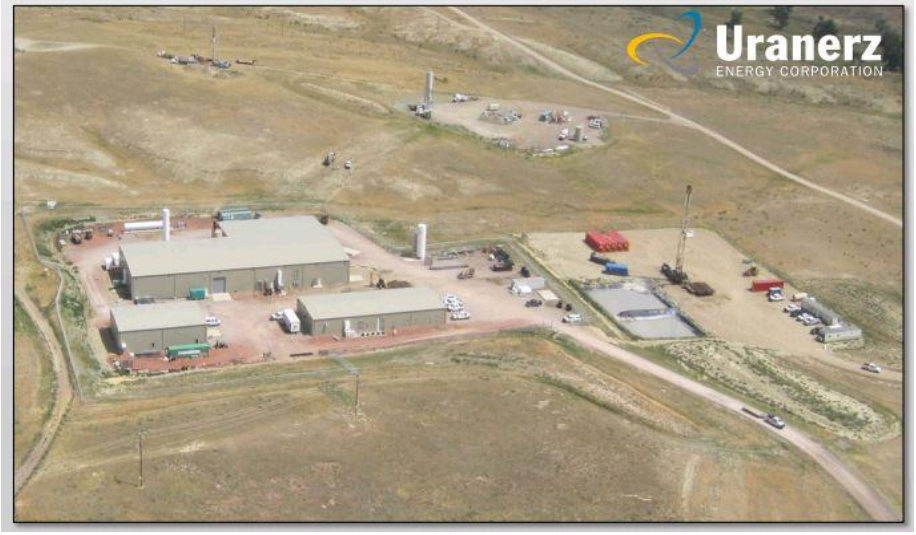
On September 12th Energy Fuels announced an operational update and provided 2017 production guidance. True to the current strategy, a revised business plan through 2018 continues to emphasis reduced production in the short term, while maintaining significant production scalability over the longer term, so to respond to eventual improvements in market conditions. Drilling at the Canyon Mine is on-going with material production expected in the short to medium term. Management believes that Canyon will provide some of the lowest cost uranium within the company portfolio. Recall that additional high grade uranium mineralization (Several of the intercept grades are notably higher than what has been reported in the most recent resource estimate as published in the June 27, 2012 Technical Report) was intercepted at Canyon, and announced in mid -August.

Energy Fuels is continuing to focus on sustainable production over the long term, where production may total between 4.0-6.0M lbs. annually. Production guidance for 2016 has been in-line with our estimate (950,000 lbs. compared with our forecast of 938,000 lbs.). We still expect initial production to total 285,000 lbs. from the Canyon Mine in 2017. The conventional and fully permitted Canyon Mine will be a prominent contributor to production over what management expects to be "in the short to medium term". Given drilling to date, it is believed that Canyon will provide some of the lower cost production within the company's portfolio (our forecast totaling $23.16/lb.).

From the ISR Nichols Ranch mine, 300,000 lbs. are expected to be produced in 2016, along with 350,000 lbs. in 2017 and beyond (subject to increases if market conditions permit). This compares to our forecast of 298,500 lbs. in 2016 and 333,500 lbs. in 2017 and beyond.

As previously announced, the company also expects to produce approximately 650,000 lbs. of U_3O_8 from the White Mesa Mill in 2016. This includes the 460,000 lbs. of U_3O_8 from processing stockpiled material previously mined from the Company's now-depleted Pinenut mine, along with 165,000 lbs. of U_3O_8 from processing stockpiled alternate feed materials. 450,000 lbs. is expected from the Mill in 2017, this consists of 150,000 from stockpiled material, along with 300,000 from Pond Returns (recycling water from the mill's tailings management systems).

Exhibit 28 Nichols Ranch ISR Processing Facility



Source: Energy Fuels

Exhibit 29. Energy Fuels NAV

Projects	NAV $000s	Per Share	Comment
White Mesa Mill and EFR's Uranium Mines/Projects	250,190	$4.82	2015 DCF @ 10% Discount Rate
Virginia Energy (VUI-TSXV) 16.5%	257	$0.00	80% of the market value for conservatism
Mega Uranium (MGA-TSX)	170	$0.00	80% of the market value for conservatism
enCore Energy (EU-TSXV)	216	$0.00	80% of the market value for conservatism
Cash	25,040	$0.48	Q4/15 Cash + Equity raise
Working Capital (Net of Cash)	-14,118	-$0.27	As of most recent quarter
USD Total	**261,755**	**$5.04**	
CAD Total	**345,515**	**$6.66**	USD/CAD 0.76

Source: Cantor Fitzgerald Canada Research

FISSION URANIUM (FCU-TSX): BUY, $1.15; UNCHANGED

Our recommendation for Fission Uranium remains a BUY at a $1.15 per share. Our target price is based on a 1.0x multiple to our NAV valuation of $1.14 per share. Due to our forecast of a 2028 production start date for Patterson Lake South, our valuation for Fission is unchanged since our uranium price estimates for that period are unchanged at US$80/lb.

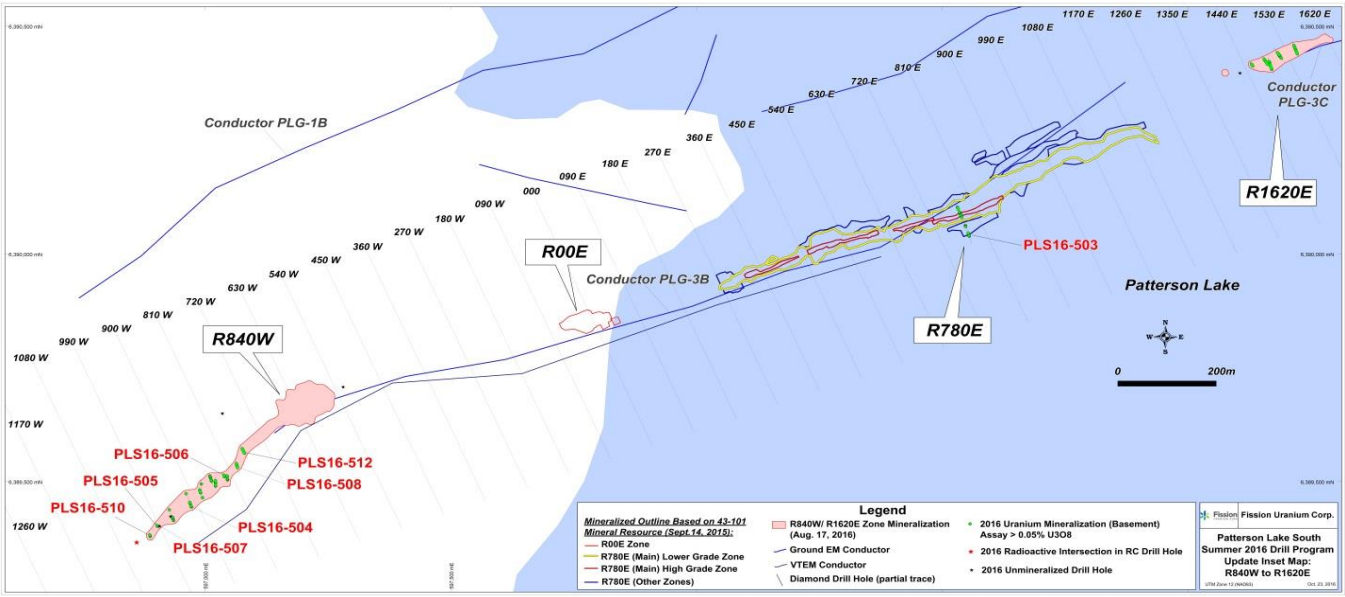
On August 18 Fission announced that it had merged the R600W and R840W zones into one unified zone (called R840W). A constant stream of high grade assay results from the $13.3M budgeted summer drill program targeted 52 holes totaling 15,200m of total drilling. 36 of the 52 targeted holes were dedicated to connecting the various high grades zones (as was announced with the merging of R600W and R840W, in August).

More recent assay results (as announced on October 24) 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).

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 30. PLS Zones & Drilling Locations



Source: Fission Uranium

Exhibit 31. Fission Uranium NAV

Mining Assets		C$ 000s	Per share
Patterson Lake South	(100%)	478,312	0.99
Total Mining Assets		**478,312**	0.99

Financial Assets	C$ 000s	Per share
Cash	71,990	0.15
Working Capital net of cash	716	0.00
LT Liabilities	0	0.00
Proceeds from ITM Instruments	417	0.00
12% Stake in Fission 3.0	1,870	0.00
	73,122	0.15
Net Asset Value	**551,434**	1.14
Shares Outstanding (000's)	483,925	
NAV/sh	$1.14	
Diluted shares outstanding	**485,298**	
NAV per Diluted share (C$/share)	$1.14	
Current share price (C$/share)	$0.56	
Price / NAV	**0.49x**	

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

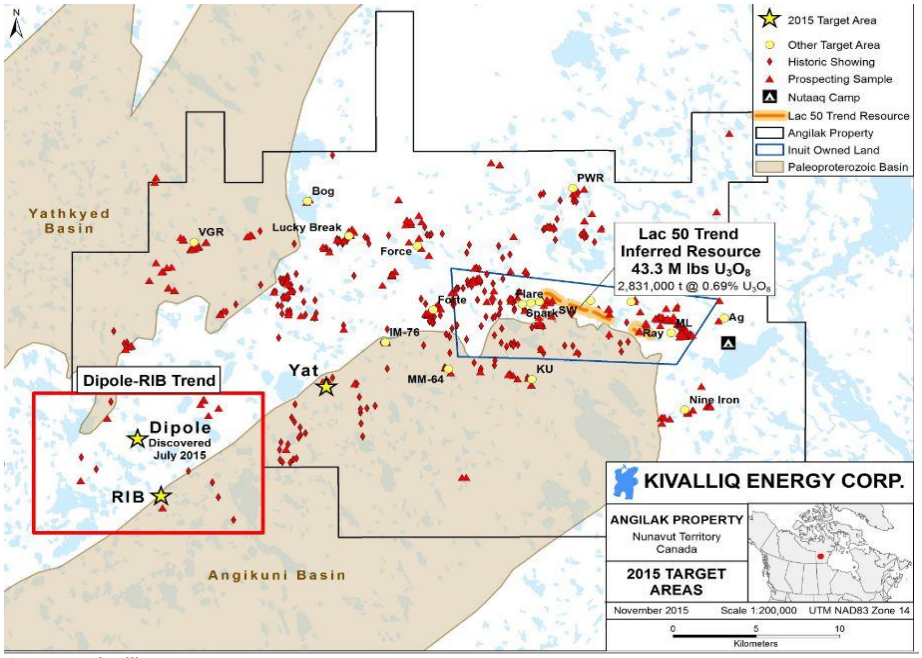
Source: Cantor Fitzgerald Canada Research

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

We are maintaining a BUY recommendation and target price of $0.15 per share on Kivalliq Energy. 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 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.

Exhibit 32: Angilak Location Map



Source: Kivalliq Energy

Exhibit 33: Valuation based on three resource size scenarios at Angilak

Resource Size	Weight	Valuation	Blended Vaulation
43 M lbs (current)	60%	$0.13	$0.08
60 M lbs	30%	$0.18	$0.05
80 M lbs	10%	$0.24	$0.02
	100%		**$0.16**
Cash		$0.44	**$0.00**
Working Capital (less cash)		$0.3	**$0.00**
Valuation			**$0.16**

Source: Cantor Fitzgerald Canada Research

NEXGEN ENERGY (NXE-TSXV): BUY, $4.05↓ FROM $4.30 (-6%)

We are maintaining a BUY recommendation and are decreasing our target price to $4.05/share from $4.30/share on NexGen Energy. Our target price is based on a 1.0x multiple to our $NAV_{10\%}$ of $4.04/share, which was reduced due to changes in the working capital and share count of the company quarter over quarter.

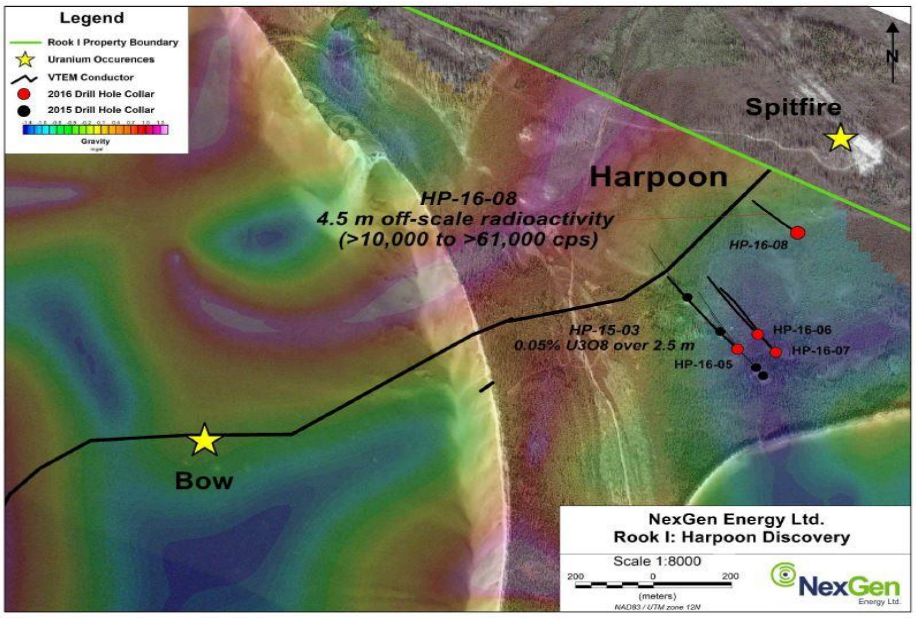
On August 11 NexGen Energy announced the discovery of a new high grade zone of mineralization (subsequently named the Harpoon Discovery) located approximately 4.7Km to the northeast of the Arrow deposit. The discovery of Harpoon is yet another at Rook I. Along with Bow, Cannon, and the world-class Arrow, Harpoon has increased the total to four on the property and it speaks to the highly prospective nature of NexGen's land package. Of additional note is the fact that Harpoon is located adjacent to Purepoint Uranium's (PTU-TSXV; Not rated) Spitfire Zone. Spitfire is part of the Hook Lake Joint Venture owned by Cameco (CCO-TSX, CCJ-NYSE; Buy, C$17.65 Target) and AREVA (AREVA-Euronext; Not rated) at 39.5% each. Purepoint owns the remainder at 21%.

Drill hole HP-16-08 from regional drilling to the northeast of Arrow has uncovered what has been named the Harpoon Discovery.

- HP-16-08 intersected 17.0m of continuous mineralization (220.0 to 237.0m) including 4.5m of off-scale radioactivity (>10,000 to >61,000 cps).
- This new zone is defined by the presence of strong visible uranium mineralization and includes dense accumulations of massive to semi-massive pitchblende mineralization.
- Note that HP-16-08 is a 250m step-out along trend to the northeast of drill hole HP-16-06 which encountered 1.5m of continuous mineralization.

The Harpoon Discovery is located on a Rook I internal mineral disposition (-70° dip) northeast of green dashed line in Figure 1 below) which is subject to a 2% net smelter return royalty ("NSR") of which 1% can be repurchased by the NexGen for $1.0M which is held by Advanced Royalty Corp. Additionally, Harpoon is subject to a 10% production carried interest held by Rio Tinto Uranium Corporation which provides Rio Tinto (RIO-NYSE,LSE,ASX; Not rated) with a right to 10% of potential future production provided Rio Tinto pays NexGen their 10% pro rata portion of the collective expenditure from June 20, 2005.

Exhibit 34: Harpoon location map



Source: NexGen Energy

Assay results from summer drilling have continued to point to increased mineralization at Arrow. More recent drill holes (announced in early October) have been highlighted by:

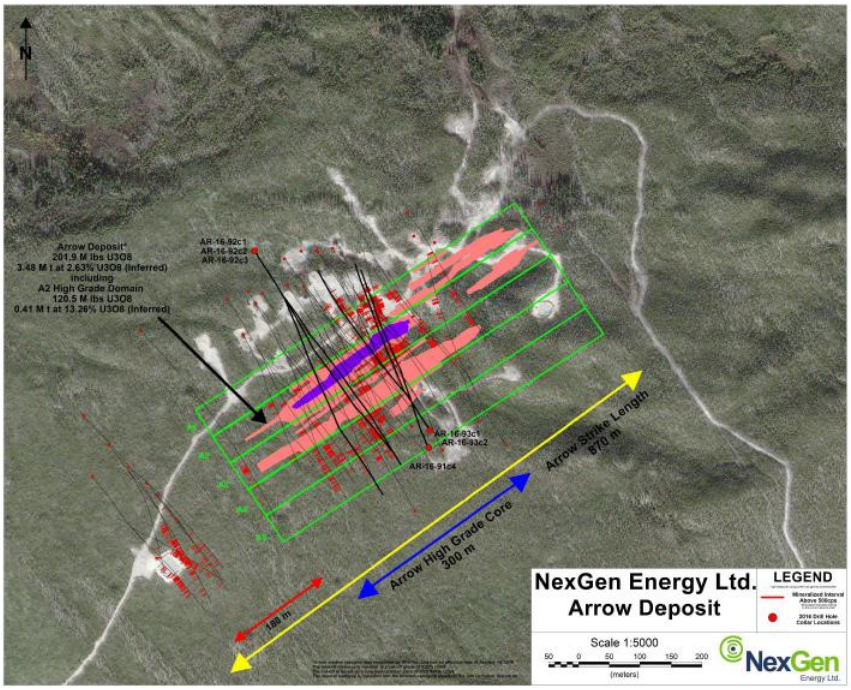
- Hole AR-16-92c3 (91 m down-dip and southwest from AR-15-44b) intersected 14.0m at 8.21% U_3O_8 (611.0 to 625.0m) including 5.0m at 18.75% U_3O_8 (620.0 to 625.0m) and an additional interval of 12.0 m at 12.02% U_3O_8 (629.0 to 641.0m)
    - Including 7.0m at 20.44% U_3O_8 (629.0 to 636.0m).
- Hole AR-16-93c2 intersected GT of 279 within the sub-zone near the top of the high grade domain
    - Scissor hole AR-16-93c2 (109m up-dip and northeast from AR-15-44b) intersected 53.0 m at 5.27% U_3O_8 (452.5 to 505.5m)
    - Including 12.0 m at 20.21% U_3O_8 (480.5 to 492.5m) and 2.0m at 68.00% U_3O_8 (485.5 to 487.5m).

Lastly, we highlight a bench scale metallurgical test program (announced on October 26) which confirmed the Arrow Deposit as a "clean" uranium resource which is amenable to favourable metallurgical processing and waste management practices. Leaching tests yielded high uranium recoveries exceeding 98%, and were obtained with mild acid conditions (pH 1.1 to 1.5) and modest acid consumption in a short time period (8 hours or less). The Arrow Deposit composite head sample returned 4.41% U3O8 with very low deleterious metal content of 0.011% arsenic and 0.005% selenium. The positive preliminary results will form the basis and lead to the publication of a pre-feasibility study on the Arrow deposit, scheduled for the second half of 2017.

The land-based and basement hosted Arrow Deposit currently covers an area of 870 m by 300 m with a vertical extent of mineralization commencing from 100

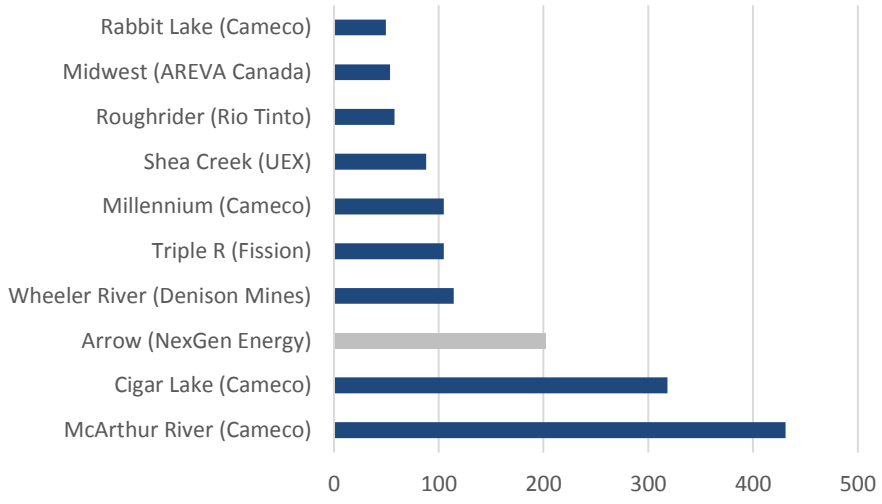
m to 920 m, and remains open in most directions and at depth. NexGen currently has cash on hand of approximately $85M.

Exhibit 35: Most recent Arrow drill hole locations



Source: NexGen Energy

Exhibit 36: Top Ten Uranium Deposits in the Athabasca Basin (M lbs.)



Source: Cantor Fitzgerald Canada Research

As great as the maiden resource estimate is, the 201.9M lbs figure is 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 on the planet. The company is already

planning to release an updated resource estimate in the second half of this year, which we estimate will be between 300-350M lbs. U_3O_8.

Exhibit 37: Net Asset Value Estimate

Asset	Value C($M)	Per share	Ownership	Notes
Development Projects				
Rook I	$1,350.2	$3.95	100%	NPV @ 10%, US$80/lb, US$0.90/CAD
Other				
Present Value of Debenture	($47.3)	($0.16)		10% discount rate
Cash inflow from Debenture Issue	$76.7	$0.22		
Working Capital Net of Cash	($108.8)	($0.32)		As of Q2/16 Financials
Cash + Proceeds from In-the-Money Options and Warrants	$113.8	$0.33		As of Q2/16 Financials and most recently reported cash balance
Valuation in CAD	**$1,384.6**	**$4.04**		in CAD

Source: Cantor Fitzgerald Canada Research

UR-ENERGY (URE-TSX, URG-NYSE): BUY, C$2.80↓ FROM $2.90 (-3%).

We are maintaining our BUY rating and are lowering our target price to $2.80 per share from $2.90 per share, or by 3%. The negative impact from our reduced uranium price forecast was the cause for the change. Our valuation is based on a 1.0x multiple to our NAV valuation of $2.82 per share.

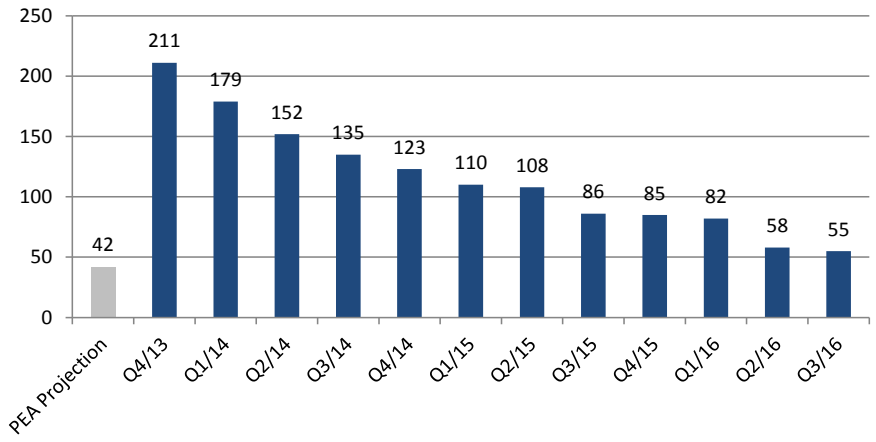
Ur-Energy announced a Q3/16 operational update on October 14. Operationally, head grades of 55 mg/l registered as the lowest since initial production began in 2013, yet remain above the initial PEA projection of 42.0 mg/l and that of the updated life-of-mine PEA totaling 37.4 mg/l. Conversely, flow rates of 2,469 gpm registered as the highest since initial production. Dried & drummed production during the quarter totaled 145,900 lbs, falling within of the previously targeted range of between 140,000-170,000 lbs.

Exhibit 38. Q3/16 Operating Highlights

	Units	Q3/16a	Quarterly Difference	Q2/16a	CF Q3/16e
U_3O_8 Captured	('000 lbs)	141.8	6%	133.3	159.2
U_3O_8 Dried & Drummed	('000 lbs)	145.9	12%	130.3	143.9
U_3O_8 Sold	('000 lbs)	200.0	7%	187.0	250.0
Average Flow Rate	(gpm)	2,469	12%	2,210	2,200
U_3O_8 Head Grade	(ppm)	55.0	-5%	58.0	70.0
Total Inventory	('000 lbs)	85	-38%	136	

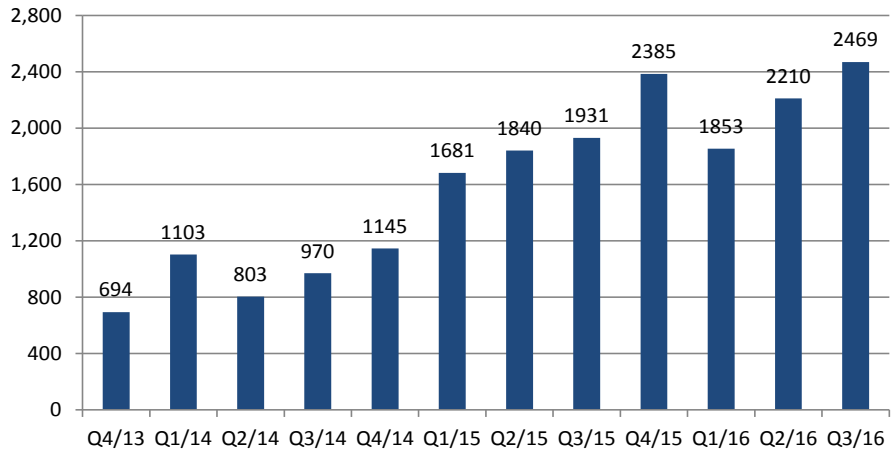
Source: Ur-Energy, Cantor Fitzgerald Canada Research

Exhibit 39. Quarterly Head Grades (ppm)



Source: Ur-Energy, Cantor Fitzgerald Canada Research

Exhibit 40. Flow Rates since Initial Production (gpm)



Source: Ur-Energy, Cantor Fitzgerald Canada Research

While lower than the previous quarters, plant head grades from Mine Unit 1 header houses continue to be significantly higher than originally projected. The decrease seen is related to normal projected declines as the Lost Creek asset becomes more mature. Grades continue to be higher than what was originally projected in the Preliminary Economic Assessment of 42 mg/l. and that of the updated life-of-mine PEA projection (announced February 8, 2016) of 37.4 mg/l

FY 2016 guidance remains at between 600,000-700,000 lbs, we conservatively forecast 578,600 lbs (450,000 lbs have been dried & drummed YTD). Full financial results and updates on additional asset developments will be disclosed in two weeks on October 28.

Exhibit 41. Ur-Energy Net Asset Value

Projects	NAV	Per Share	Comment
Lost Creek	$105.1	$0.72	2016 DCF @ 8% Discount Rate
Shirley Basin	$91.3	$0.62	2016 DCF @ 10% Discount Rate
Lost Soldier	$132.5	$0.91	2016 DCF @ 10% Discount Rate
Disposal Revenue	$5.9	$0.04	2016 DCF @ 8% Discount Rate
Debt	($27.4)	($0.19)	PV of LT Debt @ 10% Discount Rate
Working Capital	$4.5	$0.03	Q2/16 Financials + Cash Proceeds from ITM Options
Total in USD	**311.9**	**$2.13**	
Total in CAD	**411.7**	**$2.82**	

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$2.25 per share from US$2.45 per share, or by 8%. Our downward revisions to our uranium price forecast were the cause for the reduction. Our valuation is based on a 1.0x multiple to our NAV valuation of US$2.23 per share.

Exhibit 42. 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.

Exhibit 43. UEC Net Asset Value

Projects	NAV	Per Share	Comment
Palangana	47,869,879	$0.48	8% NPV
Goliad	115,115,914	$1.16	10% NPV
Burke Hollow	44,118,155	$0.44	10% NPV
Salvo	2,839,000	$0.03	$1.0/lb In-situ Valuation
Nichols	1,307,000	$0.01	$1.0/lb In-situ Valuation
Yuty	5,570,000	$0.06	$0.50/lb In-situ Valuation
Anderson	29,000,000	$0.29	$1.0/lb In-situ Valuation
Workman Creek	5,542,000	$0.06	$1.0/lb In-situ Valuation
NPV of Debt	(19,030,303)	($0.19)	Fiscal Q2/2016
Working Capital (net of cash)	(12,747,766)	($0.13)	Fiscal Q2/2016
Cash	2,406,123	$0.02	Fiscal Q2/2016
Total	**221,990,002**	**$2.23**	

Source: Cantor Fitzgerald Canada Estimates, Company Reports

URANIUM PARTICIPATION (U-TSX, URPTF-OTC): BUY $4.60↓ FROM $5.45 (-16%)

We are maintaining our recommendation at BUY and are decreasing our target price to $4.60 per share. Our target price is based on a 1.0x multiple to our forecasted portfolio NAV of $4.62/share. The portfolio NAV is derived from the application of a U_3O_8 price of US$26.13/lb. and a UF_6 price of US$78.38/kg to the portfolio, which is our rolling forward four quarter average estimate.

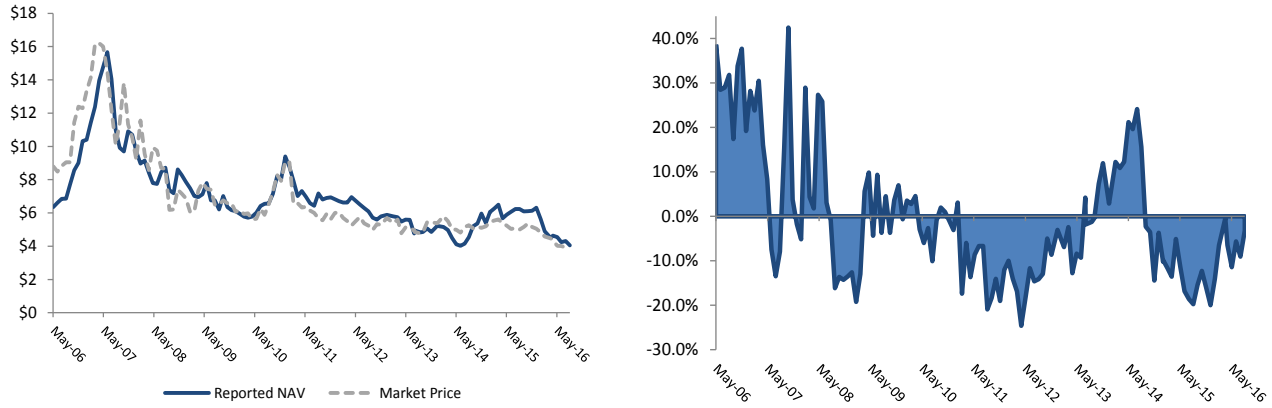
Exhibit 44. Uranium Participation Corp. Valuation

Valuation Forecast						
				Cantor Forecast	Cantor Forecast	Market Value
	Units	Quantity	Cost	USD	CAD	CAD
U3O8	lb	9,470,024	409,301	$26.13	$34.95	331,020
UF6	kg	1,903,471	353,357	$78.38	$104.86	199,605
			762,658			530,625
Net Working Capital						3,501
				NAV		**534,126**
Shares O/S	115,648,713			**NAVPS**		**$4.62**

Source: Cantor Fitzgerald Canada Estimates, Company Reports

Note that on October 5th, UPC announced the NAV value for September 30, 2016 that totaled C$468.3M or C$4.05/share. We note that the current discount to this most recent published NAV is 8%.

Exhibit 45. 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$20.00/lb. spot price is below the global marginal cost of production and 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.

APPENDIX

Exhibit 46. Comparable Valuation

Uranium Producer Company Name	Stage	Stock Price (Local $)	Market Cap ($'000)	Enterprise Value ($'000)	NI43-101 Resources/JORC (M lbs)					MKT / LB	EV / LB	Est. 2016 Cash Cost / LB
					Avg Grade	P&P	M&I	Inferred	Total			
Cameco Corporation (TSX:CCO)	Production	10.62	4,203,316.6	5,799,581.6	7.576%	465.1	245.9	288.8	999.8	$4.20	$5.80	$27.82
Energy Fuels Inc. (TSX:EFR)	Production	1.89	125,544.3	115,717.9	0.076%	0.0	110.3	61.9	172.2	$0.73	$0.67	$18.93
Paladin Energy Ltd (ASX:PDN)*	Production	0.15	261,662.7	497,033.4	0.079%	174.3	193.6	153.8	521.7	$0.50	$0.95	$27.82
Peninsula Energy Ltd. (ASX:PEN)*	Production	0.62	112,535.6	114,458.4	0.050%	0.0	17.2	30.2	47.4	$2.37	$2.41	$30.00
Uranium Energy Corp. (NYSE:UEC)*	Production	0.86	135,068.5	151,194.2	0.062%	0.0	32.4	36.3	68.7	$1.97	$2.20	n/a
UR-Energy Inc. (TSX:URE)	Production	0.65	93,343.6	95,542.4	0.080%	0.0	34.5	10.3	44.9	$2.08	$2.13	$20.51
Producer Average			**$821,911.9**	**$1,128,921.3**		**106.6**	**105.7**	**96.9**	**309.1**	**$1.98**	**$2.36**	**$25.02**

*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

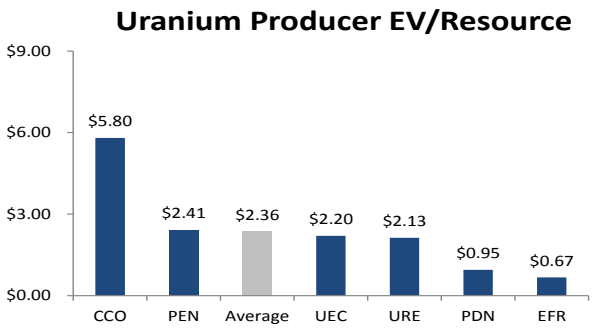
Uranium Explorer/Developer Company Name	Stage	Stock Price ($Local)	Market Cap (C$'000)	Enterprise Value (C$'000)	NI43-101 Resources (M lbs)				MKT / LB	EV / LB
					Avg Grade	M&I	Inferred	Total		
Hathor Exploration (Acquired)	Exploration	4.70	654,240.0	581,240.0	8.63%	17.2	40.7	57.9	$11.29	$10.03
Denison Mines (TSX:DML)	Exploration	0.57	304,048.8	209,553.2	2.29%	102.0	97.6	199.7	$1.52	$1.05
Fission Uranium Corp. (TSX:FCU)	Exploration	0.56	270,997.8	199,008.2	1.51%	79.6	25.9	105.5	$2.57	$1.89
NexGen Energy (TSX:NXE)	Exploration	1.57	477,126.9	443,805.5	2.63%	0.0	201.9	201.9	$2.36	$2.20
Kivalliq Energy Corp. (TSXV:KIV)	Exploration	0.09	18,769.8	17,979.2	0.69%	0.0	43.3	43.3	$0.43	$0.42
UEX Corp. (TSX:UEX)	Exploration	0.21	60,790.5	51,351.8	0.84%	68.2	16.5	84.7	$0.72	$0.61
Azarga Uranium (TSX:AZZ)	Development	0.21	15,169.7	14,685.8	0.17%	18.1	5.7	23.8	$0.64	$0.62
Average			**$257,306.2**	**$216,803.4**		**40.7**	**61.7**	**102.4**	**$2.79**	**$2.40**

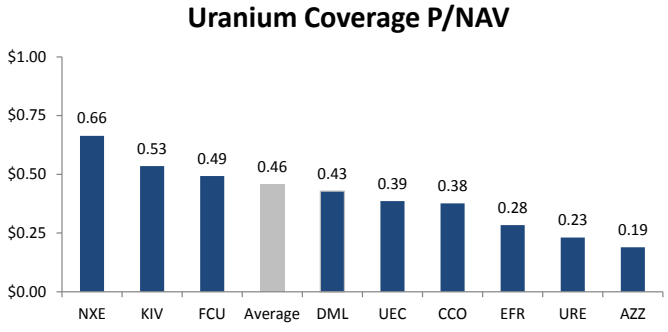
Gold Company Name	Stage	Stock Price (Local $)	Market Cap (C$'000)	Enterprise (C$'000)	NI43-101 Resource (M oz AuEq)					MKT / OZ	EV / OZ
					Avg Grade Au g/t	P&P	M&I	Inferred	Total		
Avino Silver & Gold Mines (TSXV:ASM)*	Production	$2.57	$116,183.7	$123,307.3	0.86	0.0	0.3	0.5	0.8	$144.82	$153.70
Premier Gold (TSX:PG)	Production	$3.10	$624,070.9	$593,656.1	2.34	0.0	5.9	3.3	9.1	$68.35	$65.02
Primero Mining (TSX:P)	Production	$1.97	$370,489.3	$339,479.6	4.79	1.8	4.4	2.2	8.3	$44.68	$40.94
Pershing Gold (NASDAQ:PGLC)	Development	$4.20	$110,067.6	$97,587.8	0.57	0.0	0.7	0.1	0.8	$136.04	$120.61
Brazil Resources (TSXV:BRI)	Exploration	$2.54	$276,645.9	$267,733.5	0.60	0.0	10.5	12.6	23.1	$11.97	$11.58
Harte Gold (TSX:HRT)	Exploration	$0.29	$101,881.5	$103,429.5	8.16	0.0	0.3	0.1	0.4	$248.49	$252.27
Oceanus Resources (TSXV:OCN)	Exploration	$0.22	$27,558.9	$23,480.9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average			**$232,414.0**	**$221,239.2**			**3.7**	**3.1**	**7.1**	**$109.06**	**$107.35**

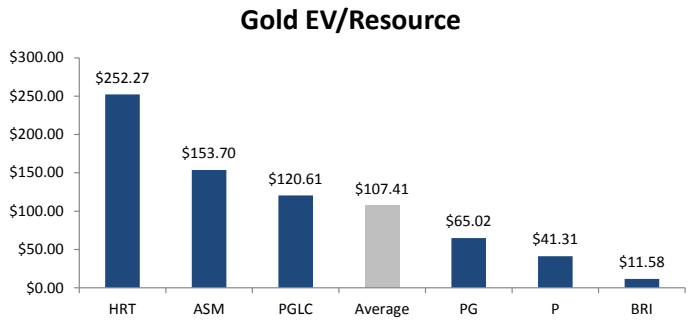
* AuEq is calculated for ASM given an Au price of $1,300/oz and a Ag price of $20/oz as per Cantor Fitzgerald Canada LT forecasts, cash costs are given as AgEq/oz

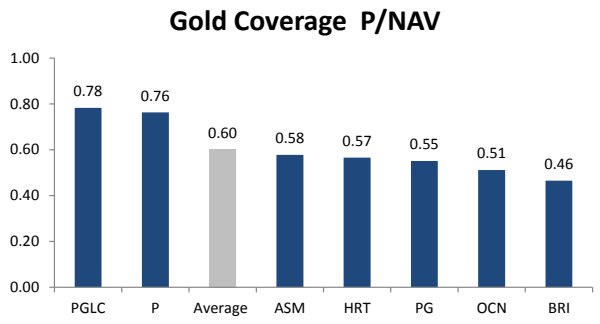
Source: Cantor Fitzgerald Canada Estimates, Company Reports, Bloomberg

Exhibit 47. Comparable Valuation









Source: Cantor Fitzgerald Canada Estimates, Company Reports

DISCLAIMERS AND DISCLOSURES

Disclaimers

The opinions, estimates and projections contained in this report are those of Cantor Fitzgerald Canada Corporation ("CFCC") as of the date hereof and are subject to change without notice. Cantor makes every effort to ensure that the contents have been compiled or derived from sources believed to be reliable and that contain information and opinions that are accurate and complete; however, CFCC makes no representation or warranty, express or implied, in respect thereof, takes no responsibility for any errors and omissions which may be contained herein and accepts no liability whatsoever for any loss arising from any use of or reliance on this report or its contents. Information may be available to Cantor that is not herein.

This report is provided, for informational purposes only, to institutional investor clients of CFCC, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. This report is issued and approved for distribution in Canada, CFCC, a member of the Investment Industry Regulatory Organization of Canada ("IIROC"), the Toronto Stock Exchange, the TSX Venture Exchange and the CIPF. This report is has not been reviewed or approved by Cantor Fitzgerald USA., a member of FINRA. This report is intended for distribution in the United States only to Major Institutional Investors (as such term is defined in SEC 15a-6 and Section 15 of the Securities Exchange Act of 1934, as amended) and is not intended for the use of any person or entity that is not a major institutional investor. Major Institutional Investors receiving this report should effect transactions in securities discussed in the report through Cantor Fitzgerald USA.

Non US Broker Dealer 15a-6 disclosure: This report is being distributed by (CF Canada/CF Europe/CF Hong Kong) in the United States and is intended for distribution in the United States solely to "major U.S. institutional investors" (as such term is defined in Rule15a-6 of the U.S. Securities Exchange Act of 1934 and applicable interpretations relating thereto) and is not intended for the use of any person or entity that is not a major institutional investor. This material is intended solely for institutional investors and investors who Cantor reasonably believes are institutional investors. It is prohibited for distribution to non-institutional clients including retail clients, private clients and individual investors. Major Institutional Investors receiving this report should effect transactions in securities discussed in this report through Cantor Fitzgerald Canada Corp. This report has been prepared in whole or in part by research analysts employed by non-US affiliates of Cantor Fitzgerald & Co that are not registered as broker-dealers in the United States. These non-US research analysts are not registered as associated persons of Cantor Fitzgerald & Co. and are not licensed or qualified as research analysts with FINRA or any other US regulatory authority and, accordingly, may not be subject (among other things) to FINRA's restrictions regarding communications by a research analyst with a subject company, public appearances by research analysts, and trading securities held by a research analyst account.

Potential conflicts of interest

The author of this report is compensated based in part on the overall revenues of CFCC, a portion of which are generated by investment banking activities. CFCC may have had, or seek to have, an investment banking relationship with companies mentioned in this report. CFCC and/or its officers, directors and employees may from time to time acquire, hold or sell securities mentioned herein as principal or agent. Although CFCC makes every effort possible to avoid conflicts of interest, readers should assume that a conflict might exist, and therefore not rely solely on this report when evaluating whether or not to buy or sell the securities of subject companies.

Disclosures as of October 27, 2016

CFCC *has* provided investment banking services or received investment banking related compensation from Avino, Energy Fuels, Uranium Energy Corp., Ur-Energy, Denison Mines, Pershing Gold, Premier Gold Mines, NexGen Energy, Oceanus, and Brazil Resources, within the past 12 months.

The analysts responsible for this research report *have*, either directly or indirectly, a long or short position in the shares or options of Ur-Energy, Fission Uranium, Energy Fuels, Denison Mines, and Cameco. The analysts responsible for this research report *do not have*, either directly or indirectly, a long or short position in the shares or options of the other covered companies.

The analyst responsible for this report *has* visited the material operations of all companies except for Brazil Resources. No payment or reimbursement was received for the related travel costs.

Analyst certification

The research analyst whose name appears on this report hereby certifies that the opinions and recommendations expressed herein accurately reflect his personal views about the securities, issuers or industries discussed herein.

Definitions of recommendations

BUY: The stock is attractively priced relative to the company's fundamentals and we expect it to appreciate significantly from the current price over the next 6 to 12 months.

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.

UNDER REVIEW: We are temporarily placing our recommendation under review until further information is disclosed.

Member-Canadian Investor Protection Fund.
Customers' accounts are protected by the Canadian Investor Protection Fund within specified limits. A brochure describing the nature and limits of coverage is available upon request