

# Valuation Report



TXS.V: FDC

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## Forum Uranium Corp.

Forum Uranium Corp. is a Canadian based uranium company that has a focus on the exploration, acquisition, and development of Canadian uranium projects. The projects are in the Athabasca Basin, Saskatchewan, and the Thelon Basin, Nunavut. Forum has a highly experienced team with a track record of discovering unconformity style uranium deposits in Canada. The company's strategy is to discover and focus on near surface uranium deposits that are close to existing infrastructure.

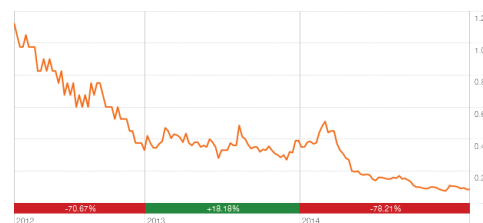
the 105.5 million pound "Triple R deposit", suggests that uranium mineralization continues on the Patterson Lake Corridor onto the Clearwater property.

- The company has significant major joint venture partners such as Cameco, Areva, and Rio Tinto and good junior partners such as NexGen Energy and Uracon Resources. With \$1 million in cash, Forum has sufficient working capital to keep its key exploration assets in good standing.

## HIGHLIGHTS

- Forum recently announced results from its 2,453 metre drill program at its 100% owned Fir Island drilling project located on the northern rim of the Athabasca Basin. We believe that the recent drilling results indicate that the company's drill program is a definite success in defining a new and large prospective trend within the Athabasca Basin especially given the fact that this property has never been drilled. All the key components that are necessary within the sandstone column are present and that would suggest a robust and nearby uranium deposit. The company plans a summer gravity survey followed by an extensive drilling program.
- Two holes were completed in December, 2014 on the Clearwater project, under option to Uracon Resources Ltd. as a follow-up to Forum's nine hole program in April, 2014. The drilling encountered alteration and localized radioactivity on two of five major structural trends. The recent discovery of the 600W zone by Fission Uranium to the west of

## COMPANY CHART



## CORPORATE DATA AS OF MAY, 2015

Share Price	\$0.075
Fair Value/Share	\$0.30
52 Week Low-High	\$0.065 - \$0.27
Shares Outstanding	35.7 M
Market Capitalization	\$2.7 M

Our valuation of Forum is based on a number of factors. We're forecasting the price to increase to US\$45/lb by the end of this year, US\$60/lb by the end of 2016 and US\$70/lb by the end of 2017. We compare Forum to its peer group in terms of market capitalization, shares outstanding and potential exploration success. As a result, we believe that the fair market value of Forum is \$0.25 to \$0.35 a share with a base scenario of \$0.30. The valuation per share will be higher if additional drilling results arise from the Fir Island Project.

## The Uranium Market Outlook

The short term uranium price continues to rise in recent weeks reaching US\$38.50/lb at present. The current price represents a recovery of US\$11/lb since US\$27.50/lb was recorded on May 20 which was the lowest price level since 2004.

We expect short term uranium prices to rise to US\$45/lb at the end of this year, increase to US\$60/lb at the end of 2016 and advance to US\$70/lb at the end of 2017.

One major reason we do not agree with a long run price of US\$40 for the short term uranium market price is that most of the new production in the world would require US\$50/lb to US\$55/lb in order to open a new mine.

As a result of the Fukushima accident, Japan closed 56 reactors representing approximately 15% of the current world demand for uranium. Today, 20 plants are undergoing inspection and the recent Japanese Federal Government medium to long term energy report stated that nuclear is to remain an important base load electricity source. In addition, Prime Minister Abe and his Liberal Democratic Party won a large majority in December 2014 and one of their election platforms was the restart of nuclear plants once they fulfil all the new safety requirements. The first four reactors that are expected to return to service are two at Sendai and two at Takahama units and the next restarts at Units 3 and 4 at the Oi nuclear plant.

We are expecting that by the end of 2015, 10 plants will be back into production and that 20 plants will be operating at the end of 2016 and 28 plants by the end of 2017. A recent independent report concluded that Japan could cut its power costs by 30% if it re-opened 30 of its 56 reactors since it is paying US\$12/MCF for natural gas which is being used to produce high cost electricity. (North American natural gas prices are US\$3/MCF today). Japan also increased its coal use by 20% last year and reopened 92 oil fired plants. The result is that Japan's reliance on fossil fuel for its electricity generation has now reached 90% of its production and this tops 80% for the first time since the oil embargo of 1973.

Since the Fukushima accident Japan has recorded record trade deficits for 28 consecutive months and the utilities have lost US \$34 billion in the last three years. Restarting the nuclear plants would appear to be the obvious solution.

At present, there are 76 nuclear plants under construction in the world and about half of these will be in production in the next four years. As a result, we are expecting worldwide increase in uranium demand over the next three years. In addition, 1.2 billion people have no electricity in the world today and another two billion have intermittent electricity supply.

The solution to this problem is to build more nuclear plants. The World Bank recently announced that it will not fund new coal fired-electricity plants.

Canada and India have signed a uranium supply agreement that will see Cameco Inc. provide 7.1 million pounds of uranium concentrate to India over the next 5 years. This deal could significantly increase Canadian ex-

ports to India well beyond the 7.1 million pounds. At present India has 21 reactors producing 6,000 megawatts or about 3% of the country's present demand. By 2032 India plans to have 147 reactors or about 45,000 megawatts of production.

We also expect that the rate of increase in supply from Kazakhstan will slow down in the next three years because given the present prices, there is not likely to be any significant expansion in uranium production. We believe that global uranium production fell from 155 million pounds in 2013 to 145 million pounds in 2014. In 2015, Rio Tinto will produce only about 33% of the uranium that it produced in 2011. We are also seeing some key deferrals of major projects in Australia and Namibia that will result in 45 to 50 million pounds of potential annual production being removed from the market over the next five years.



Nisto Showing – pitchblende veins parallel to the Black Bay fault



Otis West Drill Core - Similar style to Roughrider Deposit

## Forum Uranium Projects

### ATHABASCA BASIN

The Athabasca Basin supplies 16% of the uranium in the world on an annual basis and growing. The unconformity deposit-types which are found in the Athabasca Basin are the richest and most prolific in the world.

### KEY LAKE

The Key Lake Road Project consists of six projects, and is 100% owned by Forum. This location in the eastern part of the Athabasca Basin accounts for around 16% of world's uranium production. Exploration is targeting basement hosted structurally controlled uranium deposits. This project is located south of Cameco's Key Lake project. Drilling is planned on its 100% owned Highrock property.

### HENDAY PROJECT

The Henday project is 40% owned by Forum and 60% owned by Rio Tinto. The property is strategically located along the north eastern margin of the Basin. This area of the Basin hosts the Midwest Lake project and the Midwest A Zone.

### THE MAURICE POINT PROJECT

This project is 100% owned by Forum and is adjacent to the NW Athabasca Option in which Forum is a joint venture partner. This project is targeting typical unconformity hosted and basement hosted deposits. The project is located on the northwest side of the Athabasca Basin.

### NW ATHABASCA JOINT VENTURE

The NW Athabasca project is a joint venture that is held jointly by Forum (38.8%) and NexGen Energy Ltd. (28.6%) with Forum as the Operator. Other partners in the joint venture are Cameco Corporation (20.1%) and AREVA Resources Canada Inc. (12.5%). Some positive drill results from last year include 1.61% U308 over 5.5 metres at the Maurice Bay Deposit. At Otis West the results were 0.95% U308 over 0.3 metres within a 30 metre wide zone of radioactivity. Zone A contained 263 ppm U308 over 4.8 metres and Maurice Bay East contained 166 ppm U308 over 1.8 metres and up to 0.56% boron. Previous drill results at Otis West contained 0.21% over 24.5 metres including 1.8% U308 over 0.5 metres.

### CLEARWATER PROJECT

The Clearwater Project is 100% owned by Forum and is on trend with Fission's Triple-R discovery in the Athabasca Basin. Uracon Resources can earn up to 51 % interest by spending \$3 million in exploration over three years and \$6 million over five years. Two recent drill holes returned some positive results. In hole CW-10, uranium values of 84.9 ppm U308 were

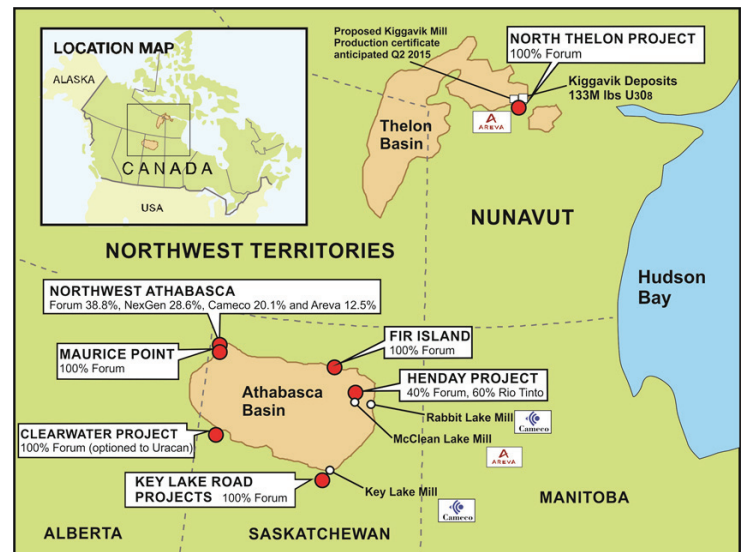
found over a six metre interval. In hole CW-11, uranium values of 36.5 ppm U308 were found over a 12 metre interval.

### FIR ISLAND PROJECT

The Fir Island property straddles the northern margin of the Athabasca Basin and the regionally important Black Lake fault. The historic Nisto uranium mine is directly adjacent to the property boundary which provides evidence that the Black Lake fault is fertile. Cameco's Centennial deposit on the southern margin of the Basin with 33.9 metres of 8.78% U3O8 reported from drilling also occurs along this major trend. Forum's recent drill results indicate that this is a newly emerging uranium mineralized corridor.

### THE NORTH THELON PROJECT

The North Thelon project is located on the eastern margin of the Thelon Sandstone Basin which is about 50 km west of Baker Lake, Nunavut. The project is located next to Cameco's Aberdeen and Turqavik projects and adjacent to Areva's Kiggavik uranium project. At the Kiggavik project the ore will be processed at an on-site mill which will produce 7.8 million pounds of U308 per year over a mine life of 17 years. A production certificate is expected this year.



## Management



**RICHARD MAZUR:**  
**PRESIDENT, CEO  
AND DIRECTOR**

Mr. Mazur P Geo, MBA has held positions in the international mining and exploration sector for over 35 years. He has worked as a project geologist, financial analyst, and senior executive in uranium, base metals, diamonds, gold, coal and industrial metals. Currently he is a Director of Alto Ventures Ltd., Impact Silver Corp., and Midnight Sun Mining Corp.



**KEN WHEATLEY:**  
**VICE PRESIDENT,  
EXPLORATION**

Mr. Wheatley is a Professional Geoscientist (P Geo) who has 35 years of uranium exploration experience in Canada most recently with AREVA Resources Inc. which is one of the world's largest uranium and production companies.

Ken has an impressive record with eight uranium deposit discoveries, four of which became producing mines in the Athabasca Basin. He managed the Kiggavik/Sissons project for AREVA that has a 133 million pound uranium deposit in the Thelon Basin where Forum has a strategic land position.



**DR. BOEN TAN:**  
**CHIEF GEOLOGIST**

Dr. Tan has 40 years of uranium exploration experience. He was instrumental in the development of the Key Lake uranium deposit and the development of the Key Lake Mine which produced 195 million pounds of U308 at a grade of 2.5% over a 15 year mine life from 1983 to 1997. Dr. Tan continued to monitor the exploration and diamond drilling of UEM (Uranerz Mining and Exploration) and their joint ventures until 1998. He then was a consultant to a number of uranium companies and joined Forum in 2005 as the Chief Geologist. He received the 2007 Outstanding Achievement Award from the Association of Professional Engineers and Geoscientists of Saskatchewan.



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