

## **GOVIEX URANIUM INC.**

# ANNUAL INFORMATION FORM FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024

May 20, 2025

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SCHEDULE "A" – AUDIT COMMITTEE CHARTER

# **INTRODUCTORY NOTES**

## ABOUT THIS ANNUAL INFORMATION FORM

This annual information form ("AIF") is dated May 20, 2025. Unless stated otherwise, all information in this AIF is stated as at December 31, 2024.

This AIF has been prepared in accordance with Canadian securities laws and contains information regarding GoviEx's history, business, mineral reserves and resources, the regulatory environment in which GoviEx does business, the risks that GoviEx faces and other important information for shareholders.

#### **Cautionary Note Regarding Forward-Looking Statements**

This AIF and the documents incorporated by reference contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information include, but are not limited to, statements pertaining to:

- expectations regarding raising capital;
- exploration, evaluation and development plans and objectives;
- estimates of its mineral reserves and mineral resources;
- the realization of mineral reserve and mineral resource estimates;
- expectations about 2025 and future market prices, production costs and global metal supply and demand;
- expectations regarding additions to its mineral reserves and resources through acquisitions and exploration;
- future royalty and tax payments and rates;
- expectations regarding possible impacts of litigation and regulatory actions;
- growth strategies;
- anticipated effects of commodity prices on future revenues;
- the timing and amount of estimated future production;
- costs of production and capital expenditures;
- success of mining operations;
- environmental risks;
- unanticipated reclamation expenses;
- title disputes or claims;
- future anticipated property acquisitions;
- the content, cost, timing and results of future exploration programs; and
- life of mine expectancies.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is based on reasonable assumptions that have been made by GoviEx as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of GoviEx to be materially

different from those expressed or implied by such forward-looking information, including but not limited to:

- changes in project parameters as plans continue to be refined;
- risks related to the volatility of the price of uranium and other metals and the anticipated sensitivity of our financial performance to such prices;
- availability of infrastructure required for the development of mining projects;
- foreign currency exchange rate fluctuations;
- general global economic conditions as may be impacted by events such as epidemics or pandemics;
- risks relating to epidemics or pandemics, including the impact of epidemics or pandemics on GoviEx's business, financial condition and results of operations;
- corruption and bribery;
- inflation risks;
- liquidity risk;
- our ability to raise capital;
- the delay or failure to obtain required financing;
- taxation risks;
- exchange controls;
- shortages or increased prices for energy and other consumables;
- failure to replace mineral reserves or material changes in mineral reserves and mineral resources, grades, production or recovery rates;
- delays or failure to obtain or retain permits or governmental approvals;
- title risks;
- risks associated with the Company's mineral assets held outside of Canada;
- political, legal and economic risks at foreign operations;
- risks related to further changes in government regimes in Africa;
- unexpected regulatory changes at foreign operations;
- litigation risks and failure of the Company to comply with laws and regulations;
- opposition from community or indigenous groups;
- conflicts of interest among directors and officers of the Company;
- reliance on key personnel;
- accidents, labour and employment disputes and other risks of the mining industry;
- actual or perceived damage to the Company's reputation;
- operational risks associated with water availability and use of chemicals in production;
- climate change-related risks;
- seasonal conditions limiting the Company's ability to achieve production forecasts;
- compliance with anti-corruption laws;
- risks related to competition and joint venture operations;
- risks related to underdeveloped infrastructure;
- actual results of current exploration activities;
- restrictions on operations;
- delays, suspensions or technical challenges associated with capital projects;
- failure of plant, equipment or processes to operate as anticipated;
- volatility of the trading price of the Common Shares;
- geotechnical failures resulting in temporary or permanent mine closures;
- risks related to actual results of current exploration activities;
- possible variations in ore reserves, grade or recoveries;
- labour pool constraints and labour disputes;
- counterparty risks;

- increased operating and capital costs;
- compliance with environmental laws and regulations;
- land reclamation and mine closure obligations;
- maintaining ongoing social license to operate;
- limitations inherent in our insurance coverage;
- compliance with financial covenants;
- our ability to integrate new acquisitions into our operations;
- cybersecurity threats; and
- those factors discussed in the section entitled "Description of the Business Risk Factors" in this AIF.

The forward-looking statements in this AIF and the documents incorporated by reference herein are based on material assumptions, including the following, which may prove to be incorrect:

- present and future business strategies and the environment in which we will operate in the future, including commodity prices, anticipated costs and ability to achieve goals;
- the Company's ability to carry on its exploration and development activities;
- the Company's ability to meet its obligations under property agreements;
- the timing and results of drilling programs;
- the discovery of mineral resources and mineral reserves on the Company's mineral properties;
- the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting;
- construction and operation of the Company's projects, including the Company's ability to continue business activities;
- the costs of operating and exploration expenditures;
- the Company's ability to operate in a safe, efficient and effective manner;
- the Company's ability to obtain and retain financing as and when required and on reasonable terms;
- dilution and mining recovery assumptions;
- the success of mining, processing, exploration and development activities;
- the accuracy of geological, mining and metallurgical estimates;
- no significant unanticipated operational or technical difficulties impacting the Company's operations;
- maintaining good relations with the communities and governments where our mines are located;
- no significant events or changes impacting the Company relating to financial, regulatory, environmental or health and safety matters;
- the Company's ability to own, maintain and operate mining properties;
- certain tax matters; and
- general economic conditions or conditions in the financial markets (including commodity prices, foreign exchange rates and inflation rates).

Although GoviEx Uranium Inc. has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. GoviEx Uranium Inc. does not undertake to update any forward-looking information that is incorporated by reference herein, except in accordance with applicable securities laws.

## **Examples of Forward-Looking Information**

This AIF and the documents incorporated by reference contain forward-looking information in a number of places, including statements pertaining to:

- the reported results in the Muntanga Technical Report;
- estimates of the mineral resources for the Muntanga Project;
- the realization of mineral resource estimates for the Muntanga Project;
- the expected capital, operational costs and production plans for the Muntanga Project;
- exploration, development and objectives for the Muntanga Project;
- the expected environmental, infrastructure, human relations, transport and logistics for the Muntanga Project;
- expectations regarding the process for and receipt of regulatory approvals, permits and licences under governmental and other applicable regulatory regimes in the regions where the Company operates;
- expectations about future market prices, production costs, and global uranium supply and demand; and
- future royalty and tax payments and rates.

## Material Risks

- No History of Revenue;
- Market Price of the Common Shares;
- Uranium Price Fluctuations;
- Foreign Subsidiaries;
- Attraction and Retention of Key Personnel Including Directors;
- Growth Management;
- Financing Risk;
- Dilution;
- Future Sales of Shares by Existing Shareholders;
- Competition;
- Conflict of Interest;
- Disclosure and Internal Controls;
- Insurance and Uninsured Risks;
- Currency Risk;
- Public Health Issues and Disease Outbreaks;
- Social Risk;
- Information Systems and Cyber Security; and
- Risks relating to Exploration Operations, including:
  - Exploration, Development and Operating Risks;
  - Environmental Risks and Hazards;
  - Governmental Regulation;
  - Environmental Regulation;
  - Changes in Climate Conditions and Regulatory Regime;
  - Permitting;
  - Title Matters;
  - African Operations; and
  - Exploration and Geological Reports.

## Currency

Unless otherwise indicated, references to "\$", "US\$", "USD" or "dollars" in this AIF are references to the lawful currency of the United States, references to "CAD" are references to the lawful currency of Canada, references to "€" or "Euro" are references to the lawful currency of the 20 European Union countries forming the Eurozone that use the common currency established under the Maastricht Treaty, references to "£" or "pound sterling" in this AIF are references to the lawful currency of the United Kingdom, references to "XOF" or "CFA francs" are references to the lawful currency of the West African Monetary Union, and references to "ZMW" or Kwacha are references to the lawful currency of the Republic of Zambia.

## Compliance with NI 43-101

As required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), GoviEx has filed technical reports detailing the technical information related to its material mineral properties discussed herein. For the purposes of NI 43-101, GoviEx's only material mineral property as of December 31, 2024, is the Muntanga Project in Zambia. Unless otherwise indicated, GoviEx has prepared the technical information in this AIF ("**Technical Information**") based on information contained in the technical report, news releases and other public filings (collectively, the "**Disclosure Documents**") available under GoviEx's profile on SEDAR+ at <u>www.sedarplus.ca</u>. Each Disclosure Document was prepared by, or under the supervision of, or approved by a Qualified Person as defined in NI 43-101. For readers to fully understand the information in this AIF, they should read the Disclosure Documents in their entirety, including all qualifications, assumptions and exclusions that relate to the Technical Information set out in this AIF which qualifies the Technical Information. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. Readers are advised that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

Mr. Jerome Randabel, MAIG, Chief Geologist of the Company, a Qualified Person as defined in Canadian National Instrument 43-101, has reviewed and approved the Technical Information contained in this AIF.

### **Classification of Mineral Reserves and Mineral Resources**

In this AIF and as required by NI 43-101, the definitions of Proven and Probable Mineral Reserves and Measured, Indicated and Inferred Mineral Resources are those used by Canadian provincial securities regulatory authorities and conform to the definitions utilized by the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") in the "CIM Definition Standards for Mineral Resources and Mineral Reserves" as adopted on May 10, 2014 ("**CIM Standards**"). The Muntanga Project technical report was written in accordance with these updated CIM Standards.

### Cautionary Note to US Investors Concerning Estimates of Mineral Reserves and Mineral Resources

The disclosure in this AIF uses Mineral Resource and Mineral Reserve classification terms that comply with reporting standards in Canada, and, unless otherwise indicated, all Mineral Resource and Mineral Reserve estimates included in this AIF have been prepared in accordance with NI 43-101 and the CIM Standards referenced therein. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Previously, the CIM Standards differed significantly from standards in the United States. The US Securities and Exchange Commission ("SEC") adopted amendments to its disclosure rules to modernize the mineral

property disclosure requirements for issuers whose securities are registered with the SEC under the Securities Exchange Act of 1934, as amended. These amendments became effective February 25, 2019 (the "**SEC Modernization Rules**") with compliance required for the first fiscal year beginning on or after January 1, 2021. The SEC Modernization Rules replace the historical disclosure requirements for mining registrants that were included in Industry Guide 7 under the United States Securities Act of 1933, as amended. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding definitions under the CIM Standards, as required by NI 43-101.

United States investors are cautioned that while the above terms are "substantially similar" to the corresponding CIM Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43- 101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules.

United States investors are also cautioned that while the SEC now recognizes "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any "indicated mineral resources" or "inferred mineral resources" that the Company reports are or will be economically or legally mineable. Further, "inferred mineral resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically.

Therefore, United States investors are also cautioned not to assume that all or any part of the "inferred mineral resources" exist. In accordance with Canadian securities laws, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

Accordingly, information contained in this AIF and the documents incorporated by reference herein containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by US companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

#### **CORPORATE STRUCTURE**

#### Name, Address and Incorporation

GoviEx Uranium Inc. ("GoviEx" or the "Company") was incorporated in the British Virgin Islands on June 16, 2006, pursuant to the BVI Business Companies Act, 2004 under the name Gobi High Power Exploration Inc. The Company changed its name to Govi High Power Exploration Inc. on February 26, 2007, and subsequently to GoviEx Uranium Inc. on September 8, 2008. Effective March 1, 2011, GoviEx was continued under the *Business Corporations Act* (British Columbia) ("BCABC") into British Columbia, Canada.

On June 19, 2014, the Company completed an initial public offering, and its class A common shares ("**Common Shares**") were listed for trading on the Canadian Securities Exchange under the symbol "GXU". The Company transferred its listing to the TSX Venture Exchange ("**TSXV**") on July 11, 2016, under the same trading symbol. The Company's Common Shares are also listed for trading on the OTCQB Venture Market under the trading symbol "GVXXF".

GoviEx's head office and registered and records office is located at 999 Canada Place, Suite 606, Vancouver, British Columbia, V6C 3E1.

#### **Intercorporate Relationships**

The following chart describes the intercorporate relationships amongst GoviEx's subsidiaries, and the percentage of voting securities held by GoviEx, either directly or indirectly and the jurisdiction of incorporation, formation, continuation or organization of each subsidiary as at the date of this AIF:



Unless otherwise noted all held as to 100%

#### **GoviEx Business Overview**

GoviEx is engaged in the acquisition, exploration and development of uranium properties. The Company holds its uranium property interests through its subsidiaries in Zambia (Muntanga Project).

GoviEx's material property is:

• A 100% interest in the mine permitted Muntanga Project in Zambia. The project includes deposits planned to be mined by open pit.

## GENERAL DEVELOPMENT OF THE BUSINESS

### **Three Year History**

#### Fiscal Year ended December 31, 2022

#### Project Developments - Muntanga Project, Zambia

In April 2022, the Company started a field program on its Muntanga Project, including a 24,500-meter drill program, a hydrogeological study and an update on the Environmental Social Impact Assessment. The Muntanga drill program focused on upgrading the inferred mineral resources, particularly associated with the Dibbwi East deposit, to the indicated category for inclusion in a planned feasibility study to start in 2023.

#### Project Developments -- Madaouela Project, Niger

On September 20, 2022, the Company released the results of a technical report titled, "A Feasibility Study for the Madaouela Project, Niger" dated effective November 1, 2022 ("**Madaouela Technical Report**"). Highlights from the Madaouela Technical Report include: 100 million pounds of  $U_3O_8$  in measured and indicated mineral resources, plus 20 million pounds in inferred resources of  $U_3O_8$ ; after-tax NPV 8% of USD 140 million and IRR of 13.3% based on a uranium price of USD 65/lb  $U_3O_8$ ; life of mine ("**LOM**") production of 50.8 million pounds  $U_3O_8$ , averaging 2.67 million pounds per annum over 19 years; intensive pilot plant testing underpinning LOM recovery of 92.2% for uranium and 80.7% for molybdenum; total initial capital costs of USD 343 million; LOM EBITDA of USD 1,570 million, at an average annual rate of USD 82.6 million and net free cash flow of USD 672 million; and grid connection with the addition of 8MW of hybrid solar power plant resulting in 26% of renewable power generation.

#### Project Developments - Falea Project, Mali

On October 31, 2022, GoviEx announced the results of the 2022 diamond drilling program on its Falea Project which program totalled 6,002 metres of NQ sized (core diameter of 47.6 mm and a hole diameter of 75.7 mm) diamond core over 12 drill holes. A total of 10 drill holes, totalling 5,201 metres were completed on the Falea exploration licence and 2 drill holes for 800 metres on the Bala licence. Highlights from the drilling program include: potential to expand uranium mineralisation, copper mineralisation expands beyond uranium mineralisation into higher sediments structures, induced polarization defines structures that drive uranium-copper mineralisation providing a better targeting tool, and gold mineralisation in the Birimian but limited zone next to the Road Fault.

### Financing Developments

On September 26, 2022, the Company announced the final receipt of the Linkwood Loan repayment, bringing the aggregate cash repayment to USD 2.25 million plus 34 million common shares of Tesoro Gold Inc. since its inception in July 2018. As a result, the USD 2.75 million Linkwood Loan was settled.

On October 25 & 27, 2022, the Company closed a bought deal private placement, underwritten by Sprott Capital Partners ("**Sprott**"), of 47.758 million units, including a partial exercise of an over-allotment option by Sprott, at CAD 0.22 per unit for total gross proceeds of CAD 10.5 million (USD 7.7 million). Each unit consists of one common share and one-half common share purchase warrant exercisable at USD 0.24 per share within three years from closing.

### Corporate Developments

On July 15, 2022, the Company announced that the Government of the Republic of Niger agreed to a deferment of 50% of the Madaouela Project's surface area taxes payable later that month. According to the terms of the deferment, GoviEx was to pay 50% of the surface area taxes due, or 1,824 million FCFA Francs (USD 2.8m), in July 2022 and the remaining 50% in December 2022. GoviEx paid USD 7.7 million in area taxes for the Madaouela Project, including 2022 and previous 3-year deferral for 2019-2021. As a result, no area taxes were outstanding on December 31, 2022.

On October 4, 2022, the Company released its first Environmental, Social and Governance ("**ESG**") report, detailing its ESG performance for the first six months of 2022. The report fully complies with the Sustainability Accounting Standards Board, International Finance Corporation and Global Reporting Initiative standards and showcases GoviEx's continued commitment to mitigating long-term impacts on the environment while progressing the interest of its stakeholders.

### Fiscal Year ending December 31, 2023

## Financing Developments

On January 9, 2023, GoviEx provided an update on the Madaouela Project financing. The initial phase involved Endeavour Financial reviewing the technical and financial information in the Madaouela Technical Report and issuing a project marketing document to prospective financiers to solicit interest in providing project related debt financing. The initial phase resulted in a preliminary short-list of approximately 20 institutions who will now move forward with the detailed due diligence phase. Prospective project financiers include a mix of commercial banks, export credit agencies, development finance institutions, equipment suppliers and alternative finance providers.

On May 11, 2023, the Company closed a CAD 15 million "bought deal" private placement led by Eight Capital and SCP Resource Finance LP (formerly known as Sprott Capital Partners LP) as lead underwriters and joint bookrunners of 85,714,200 units of the Company priced at CAD 0.175 per unit. Each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable at USD 0.19 until May 11, 2025, for one common share in the capital of the Company.

On December 22, 2023, the Company closed a CAD 13.8 million "bought deal" short form prospectus offering with Eight Capital as the sole underwriter and bookrunner of 86,250,000 units of the Company priced at CAD 0.16 per unit. Each unit consisting of one common share and one share purchase warrant. Each warrant is exercisable at USD 0.16 until December 22, 2026, for one common share in the capital of the Company.

#### Corporate Developments

On January 17, 2023, GoviEx entered into a Share Purchase Agreement ("**SPA**") with African Energy Metals Inc. ("**AEM**") to sell GoviEx's Falea Project in Mali. Under the terms of the SPA, AEM was to acquire all the issued and outstanding shares of GoviEx's wholly-owned subsidiary, Delta Exploration Mali SARL ("**Delta**"), for CAD 5.5 million, including a CAD 0.5 million cash payment and CAD 5 million AEM share issuances. The SPA was subsequently terminated due to the fact that AEM was unable to complete its obligations for closing the SPA.

On May 16, 2023, the Company announced that, following a successful drilling program in 2022 on its Muntanga uranium project in Zambia, it will expand the scope of the Feasibility Study for the Muntanga Project to include detailed engineering and design. The Company will also complete the project's Environmental and Social Impact Assessment ("ESIA") update and undertake additional drilling to target mineralisation extensions along sections at the project's Dibbwi East deposit.

On July 17, 2023, the Company announced an updated Mineral Resource Estimate ("MRE") for its wholly owned, mine permitted Muntanga Project. The Muntanga Project consists of three mining permits that cover some 720km2, and contains five deposits: Dibbwi, Dibbwi East, Muntanga, Gwabi and Njame.

On July 27, 2023 and July 31, 2023, the Company addressed the coup d'état in Niger (the "**July 2023 Coup**").

On October 11, 2023, the Company announced the publication of its 2023 Sustainability Report, covering the 12-months to June 30, 2023.

#### Fiscal Year - Fiscal Year ending December 31, 2024

#### Project Developments

On January 3, 2024, the Company announced that it has concluded an extensive drilling program in support of its ongoing feasibility study at its wholly owned, mine permitted Muntanga Project. This field work was conducted following a successful drilling program in 2022, which resulted in an updated increased mineral resource estimate reported on July 17, 2023.

On March 18, 2024, the Company announced the appointment of SGS Bateman (Pty) Limited for the commencement of Front-End Engineering Designs for the Madaouela Project and that initial ground works, including the construction of an access road was planned, to be followed by comprehensive site clearance and terracing, and then initial civil engineering construction.

On September 9, 2024, the Company announced that, as part of its strategy to expand its foothold in the Republic of Zambia, it had secured an option to acquire a 51% interest in the Lundazi exploration license (the "**Lundazi License**") from Stalwart Investments Limited (the "Transaction"). The Lundazi License covers an area of 817.9 km<sup>2</sup>, which includes formations of the Karoo Supergroup, which is recognized for its substantial sandstone hosted uranium deposits in Zambia, making it a potentially significant area for uranium exploration activities.

On October 16, 2024, the Company announced positive results from the Feasibility Study test work undertaken in 2024 for its Muntanga Project. The Company has completed an extensive metallurgical test work program at Mintek, South Africa under the supervision of SGS Bateman Pty Limited and SRK Consulting (UK) Limited.

#### Financing Developments

On March 4, 2024, the Company announced that lender due diligence for the Madaouela Project had commenced with the appointment of SLR Consulting on behalf of prospective lenders. The due diligence will evaluate environmental and social risks and ensure compliance with relevant regulations and international standards to meet lender requirements for project financing.

#### Corporate Developments

On January 5, 2024, the Company announced a change to its board of directors, with the appointment of Ms. Allison Fedorkiw and resignation of Mr. David Cates.

On January 26, 2024, the Company addressed recent articles published in the wider press concerning an alleged audit of the mining sector in the Republic of Niger. This communication aimed to clarify misconceptions and reassure the Company's stakeholders and the general public.

On April 19, 2024, the Company announced that it was in discussions with the Government of the Republic of Niger regarding the commencement of its mining operations at the Madaouela Project after receiving a notice that it must commence mining at the Madaouela Project by July 3, 2024, failing which there is a risk of revocation of its mining permit.

On May 7, 2024, the Company announced that it had hosted Niger's Mines Minister, Commissaire Colonel Ousmane Abarchi, accompanied by distinguished local leaders, including the Governor of the Agadez Region and local community officials in a site visit of the Madaouela Project, as part of the Mines Minister's broader inspection of significant exploration and mining projects within the northern Agadez Region of Niger.

On June 6, 2024, the Company announced that the Republic of Niger had issued the radiological certificate that confirms the completion of radiological baseline studies for the Madaouela Project that is a regulatory requirement prior to the Company being able to start mining operations.

On July 4, 2024, the Company announced that the Niger Ministry of Mines had informed GoviEx Niger of its decision to deprive the company of its rights under a mining permit (the "**Mining Permit**") granted to GoviEx Niger (the "**Withdrawal Decision**") for the Madaouéla Project, and the Niger Council of Ministers later that month issued three decrees withdrawing the Mining Permit and abrogating the decrees granting the Mining Permit and approving the Mining Convention (together, the "**Withdrawal Decrees**"). As a result, the Company recognized an impairment of \$65 million, reducing the carrying value of the Company's interest in the Madaouela Project to nil in the second quarter ended June 30, 2024.

The Company and GoviEx Niger, the Company's wholly owned subsidiary (together the "**Companies**"), commenced arbitration proceedings (the "**Arbitration**") against the Republic of the Niger (the "**State**") under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (the "**ICSID Convention**"). The Companies commenced the Arbitration pursuant to the arbitration clause set out in the Mining Convention signed on 26 May 2007 by GoviEx Niger and the State (the "**Mining Convention**") which is governed by Nigerien Law, including the 1993 Mining Law as supplemented in 1999 and amended in 2006 (the "**Mining Code**"), on the basis that the State breached its obligations, as set out in the Mining Convention and Nigerien Law. The Companies consider that the Withdrawal Decision and Withdrawal Decrees constitute a breach of the State's obligations under the Mining Convention, the Mining Code and the Niger Civil Code, and that the conduct of the State vis-à-vis the Companies in relation to the Madaouela Project constitutes a breach by the State of its obligation to execute its undertakings in good faith.

On July 17, 2024, the Company issued a letter to stakeholders in which it discussed the Niger government's decision to withdraw the Company's mining rights did not follow the withdrawal procedure prescribed under the applicable law of Niger and that the Company was fully prepared to pursue all necessary legal avenues to defend its rights and protect its investments and had formally written to the Ministry of Mines to contest the decision and to initially seek an amicable solution as per Niger's Mining Convention.

On December 2, 2024, the Company announced the publication of its 2024 Sustainability Report, covering the 12-months to June 30, 2024.

On December 9, 2024, the Company announced the commencement of arbitration proceedings against the Republic of the Niger under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States.

## Current Fiscal Year - Fiscal Year ending December 31, 2025 (to the date of this AIF)

### Project Developments

On January 23, 2025, the Company announced the results of its Feasibility Study for the Muntanga Project, which is 100 % owned by GoviEx, is in the southeastern region of Zambia in the Siavonga and Chirundu Districts. The Project encompasses three mining licences – Muntanga (Licence no. 13880-HQ-LML), Dibbwi (Licence no. 13881-HQ-LML), and Chirundu (Licence no. 12634-HQ-LML), covering 719 km2, that are located approximately 200 km south of Lusaka, north of Lake Kariba. Additionally, the Company holds two exploration licences for Nabbanda (Licence no. 22803-HQ-LEL) and Chirundu Extension (Licence no 22075-HQLEL), and a recently granted mining licence for Kariba Valley (License no. 38555-HQ-LML) which expands the total combined area to 1,136 km<sup>2</sup>. The Muntanga and Dibbwi mining licences comprise the Muntanga, Dibbwi and Dibbwi East deposits. The Chirundu mining licence contains the Njame and Gwabi deposits. The Feasibility Study reported an after tax NPV<sub>8%</sub> of USD 243 million<sup>1</sup>, and internal rate of return (IRR) of 20.8%. Production is planned to average 2.2 million pounds U<sub>3</sub>O<sub>8</sub> per annum over 12 years at an operating costs of USD 32.2 /lb U<sub>3</sub>O<sub>8</sub>.

On April 16, 2025, the Company announced the submission of a draft Environmental and Social Impact Assessment to the Zambian Environmental Agency for the Muntanga Project.

### Financing Developments

On February 20, 2025, the Company announced that it had taken the first step in securing project financing for its Muntanga Project in Zambia by appointing Endeavour Financial as its financial advisor.

On March 20, 2025, the Company announced that it was conducting a non-brokered private placement financing to raise up to CAD 7.5 million.

On May 5, 2025, the Company closed its upsized non-brokered private placement financing, raising gross proceeds of CAD 10,470,600. A total of 209,412,000 units of the Company were sold at a price of CAD 0.05 per unit, each unit consisting of one common share and one share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share of the Company at USD 0.051 per share until May 5, 2027. In connection with the financing the Company paid an aggregate cash commission of CAD 449,436.00 and issued an aggregate of 1,702,100 finders warrants to certain arm's length finders.

<sup>&</sup>lt;sup>1</sup> At US\$ 90 per pound  $U_3O_8$ 

Each finders warrant entitles the holder thereof to purchase one additional common share of the Company at USD 0.051 per share until November 5, 2026. As at the date of this AIF, the financing remains subject to final TSX Venture Exchange acceptance for filing.

#### Corporate Developments

On February 18, 2025, the Company announced the signing of a letter of intent with the Republic of Niger, represented by the Minister of Mines to a structured roadmap that details a mutually acceptable plan to negotiate a resolution to the ongoing dispute regarding the Madaouela Project in Niger. As part of this process, the Company and GoviEx Niger Holdings Ltd. ("GoviEx Niger"), the Company's fully owned subsidiary (together the "Companies") have agreed to temporarily suspend the ongoing arbitration proceedings under the ICSID Convention while discussions continue within the agreed framework. This suspension will remain in place until a resolution is reached or until it is determined that no settlement is possible.

### Significant Acquisitions

During its most recently completed financial year, the Company did not complete any significant acquisitions for which disclosure is required under Part 8 – *Business Acquisition Report* of National Instrument 51-102 – *Continuous Disclosure Obligations*.

### **DESCRIPTION OF THE BUSINESS**

#### General

GoviEx is engaged in the acquisition, exploration and development of uranium properties in Africa and has one mine-permitted project: the Muntanga Project in Zambia.

GoviEx's primary objective is to become a significant uranium producer through the continued exploration and development of its mine-permitted project.

### Specialized Skill and Knowledge

GoviEx requires specialized skill and knowledge to conduct its exploration and development activities. Success in the mining industry requires its personnel to possess a very high level of technological sophistication and solid experience to meet the challenges of the industry. The employees, officers and directors of GoviEx include industry professionals who have extensive expertise and highly-technical experience specific to the mining industry. Such professionals provide a strong foundation of advanced knowledge and specialized mineral exploration and development experience, complemented by their demonstrated ability to succeed in the management and administration of a mineral exploration and development company.

### **Competitive Conditions**

The mining industry is highly competitive in all aspects, including the exploration for and development of new sources of supply; the acquisition of mineral interests; the construction and operation of processing facilities; and the refining, distributing and marketing of mineral products. GoviEx competes with numerous other companies in the search for and the acquisition of mineral properties. GoviEx's competitors, that may have substantially greater financial resources, staff, and facilities than those of GoviEx. GoviEx's ability to successfully bid on and acquire additional property rights, discover reserves, participate in drilling

opportunities, and identify and enter into commercial arrangements will depend upon developing and maintaining close working relationships with its future industry partners and joint operators, selecting and evaluating suitable properties, and consummating transactions in a highly competitive environment. GoviEx's ability to define mineral reserves in the future will depend not only on its ability to select and acquire suitable producing properties or prospects for exploratory drilling, but also on its ability to develop or continue development of its existing properties.

### **Global Demand and International Trade Restrictions**

The international nuclear fuel industry, including the supply of uranium concentrates, is relatively small compared to other minerals, and is heavily regulated. Worldwide demand for uranium is directly tied to the nuclear power industry, which is also subject to extensive government regulation and policies.

The uncertainty surrounding these trade matters are believed to have impacted the uranium purchasing activities of nuclear utilities, and consequently positively impacted the market price of uranium and the uranium industry as a whole. In general, trade agreements, governmental policies and/or trade restrictions are beyond the control of the Company and may affect the supply of uranium available for use in markets like the United States and Europe, which are currently the largest markets for uranium in the world.

Similarly, trade restrictions or foreign policy have the potential to impact the ability to supply uranium to developing markets, such as China and India. If substantial changes are made to regulations affecting the global marketing and supply of uranium, the Company's business, financial condition and results of operations may be materially adversely affected.

The Governments of Canada and Australia place legal constraints on the export of uranium mined within their jurisdictions to China and India due to Safe Guarding legal requirements. These issues do not impact the Company's projects at this time as they are situated in Africa, and hence the Company has access to two of the fastest grow regions for nuclear energy.

# Nuclear Energy Competes with other Viable Energy Sources

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydroelectricity. These other sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Technical advancements in, and government subsidies for, renewable and other alternate forms of energy, such as wind and solar power, could make these forms of energy more commercially viable and put additional pressure on the demand for uranium concentrates.

Governments around the world are increasingly concluding that in order to meet their net zero targets, nuclear energy will have to be part of the total energy/power mix alongside renewable energy sources. Accordingly, nuclear energy has in many regions now been included in what is defined as sustainable energy sources required to lower  $CO_2$  emissions, and countries including the USA, Canada and the UK are actively financially supporting nuclear development and particularly in reference to the development of Small Modular Reactors.

#### Volatility and Sensitivity to Uranium Prices

The Company's operations and ability to source additional financings required for its uranium exploration and development are heavily influenced by long and short term market prices of  $U_3O_8$ . Historically, these prices have seen significant fluctuations, and have been and will continue to be affected by numerous factors beyond the Company's control. Such factors include, among others: demand for nuclear power, political, economic and social conditions in uranium producing and consuming countries, public and political response to nuclear incidents, reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants, uranium supplies from secondary sources, and production levels and costs from primary uranium suppliers.

### **Environmental Protection**

GoviEx's operations are subject to environmental regulations (including environmental impact assessments and permitting) in the jurisdictions in which it operates. Such regulations cover a wide variety of matters, including, without limitation, the prevention of waste, pollution, and protection of the environment, labour regulations, and worker safety. Under such regulations, there are clean-up costs and liabilities for toxic or hazardous substances which may exist at surface or sub-surface on the Muntanga Project or which may be produced as a result of their operations. Environmental legislation and legislation relating to exploration and production of natural resources are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees. Such stricter standards could impact GoviEx's costs and have an adverse effect on results of operations. Although GoviEx believes that it will be in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect GoviEx's financial condition, results of operations or prospects.

### **Employees**

As at the year ended December 31, 2024, GoviEx and its subsidiaries had a total of 25 employees.

GoviEx uses consultants or contract personnel to perform various professional and technical services, including but not limited to drilling, construction, site surveillance, environmental assessment, and field and on-site operating services. These services are intended to minimize GoviEx's development and operating costs as well as allow its management staff to focus on directing its operations.

### Foreign Operations

GoviEx's only material property, as at December 31, 2024, is the Muntanga Project located in Zambia.

#### Social or Environmental Policies

The conduct of corporate citizenship throughout GoviEx involves the consistent application of strategies and practices that treat people and the environment with respect – while pursuing the underlying business objective of building value. Our practices are applied in all of our operations, across national boundaries and prevailing legal codes. We are committed to fulfilling the responsibilities that are implicit in our corporate citizenship values. These values are central to what we do in our work, throughout our organization. GoviEx, as appropriate, seeks to align with the International Finance Corporation ("**IFC**") Performance Standards and follows the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

In addition, GoviEx has developed and continues to review Environmental, Social and Governance ("**ESG**") policies that cover Environment, Health and Safety, Radiation, Social Economic Development, Human Rights, Stakeholder Engagement, Diversity and Inclusion, Child Labour, and Anti-Slavery. These policies and the Company's other corporate governance documents are available at <u>www.goviex.com</u>.

In December 2024 the Company released its third annual ESG report, detailing its ESG performance for the twelve-month period from July 1, 2023, to June 30, 2024. The report is compliant with Sustainability Accounting Standards Board ("SASB"), IFC and Global Reporting Initiative ("GRI") standards and showcases GoviEx's continued commitment to mitigating long-term impacts to the environment while progressing the interests of its stakeholders. The ESG report was prepared using Onyen Corporation's online ESG platform, which makes the data valuable to rating agencies and exchanges with real time criteria and materiality performance metrics.

## **Risk Factors**

The operations of GoviEx are speculative due to the nature of its business which is the acquisition, exploration and development of mining properties. These risk factors could materially affect GoviEx's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to GoviEx. The risks set out below are not the only risks GoviEx faces; risks and uncertainties not currently known to GoviEx or that GoviEx currently deems to be immaterial may also materially and adversely affect GoviEx's business, financial condition, results of operations and prospects.

# No History of Revenue

GoviEx is in the business of mineral exploration with the ultimate goal of developing and producing minerals from the Muntanga Project and other properties in which GoviEx may in the future acquire an interest. GoviEx has not commenced commercial production and has no history of earnings or cash flow from its operations. As a result, there can be no assurance that GoviEx will be able to develop any of its properties profitably or that its activities will generate positive cash flow. GoviEx will not have paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. GoviEx in the foreseeable future will rely on future equity and/or debt financing to maintain its business and develop its assets. A prospective investor in GoviEx must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of GoviEx's management in all aspects of the development and implementation of GoviEx's business activities.

# Market Price of the Common Shares

GoviEx's Common Shares are listed on the TSXV under the symbol "GXU" and traded over the counter on the OTCQB under the symbol 'GVXXF'. GoviEx's business is in an advanced stage of exploration and an investment in GoviEx's securities is highly speculative. There can be no assurance that an active trading market in GoviEx's securities will be maintained. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the Common Shares is also likely to be significantly affected by short-term changes in commodity prices or in GoviEx's financial condition or results of operations as reflected in its quarterly financial reports.

### **Uranium Price Fluctuations**

The Company's operations and ability to source additional financings required for its uranium exploration and development projects are heavily influenced by long- and short-term market prices of  $U_3O_8$ .

Market prices are affected by numerous factors beyond GoviEx's control. Such factors include, among others: demand for nuclear power; political and economic conditions in uranium producing and consuming countries; public and political response to a nuclear incident; reprocessing of used reactor fuel; the reenrichment of depleted uranium tails and the enricher practice of underfeeding; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons; the premature decommissioning of nuclear power plants; and from the build-up of Japanese utility uranium inventories as a result of the Fukushima incident) by governments and industry participants; uranium supply, including the supply from other secondary sources; production levels and costs of production; levels of supply and demand for a broad range of industrial products; substitution of new or different products in critical applications for the Company's potential products; expectations with respect to the rate of inflation; the relative strength of the US dollar and of certain other currencies; interest rates; global or regional political or economic crises; regional and global economic conditions; and sales of uranium by holders in response to such factors.

#### Foreign Subsidiaries

In the event of a dispute, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of the courts in Canada. A foreign court process may be conducted under rules and procedures that are different than those found in countries with more familiar legal systems and may not result in a fair hearing for the Company. The Company may also be hindered or prevented from enforcing its rights with respect to a government or entity or instrumentality because of the doctrine of sovereign immunity. Any adverse or arbitrary decision of a foreign court may have a materially adverse impact on the Company's business, results of operations, financial condition and prospects.

### Attraction and Retention of Key Personnel Including Directors

GoviEx has a small management team and the loss of a key individual or inability to attract suitably qualified staff could have a material adverse impact on the business of GoviEx. GoviEx may also encounter difficulties in obtaining and maintaining suitably qualified staff. The success of GoviEx depends on the ability of management to interpret market data correctly and to interpret and respond to economic, market and other conditions to locate and adopt appropriate opportunities. No assurance can be given that individuals with the required skills will continue employment with GoviEx or that replacement personnel with comparable skills can be found. GoviEx will be dependent on the services of key executives, including the directors of GoviEx and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of GoviEx, the loss of these persons or GoviEx's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

### **Growth Management**

GoviEx may have difficulty identifying or acquiring suitable acquisition targets and maintaining the organic growth which is a significant aspect of its business model. If it is unable to manage growth, GoviEx may be unable to achieve its expansion strategy, which could adversely impact its earnings per share and its future revenue and profits.

## Financing Risk

GoviEx is limited in financial resources and has no assurance that additional funding will be available for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that GoviEx will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or infinite postponement of further exploration and development of its projects with the possible loss of such properties.

## Dilution

GoviEx will require additional funds in respect of the further development of GoviEx's business. If GoviEx raises funds by issuing additional equity securities, such financing will dilute the equity interests of its shareholders.

## Future Sales of Shares by Existing Shareholders

Sales of a large number of GoviEx's Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair GoviEx's ability to raise capital through future sales of its Common Shares. GoviEx may from time to time have previously issued securities at an effective price per share which will be lower than the market price of its Common Shares. Accordingly, certain shareholders of GoviEx may have an investment profit in the Company's Common Shares that they may seek to liquidate.

## Competition

The mineral exploration and development industry is highly competitive. GoviEx competes with other domestic and international mineral exploration companies that may have greater financial, human and technical resources.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of GoviEx may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in GoviEx not receiving an adequate return on invested capital or losing its investment capital.

# **Conflicts of Interest**

Certain of the directors and officers of GoviEx also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of GoviEx and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCABC and other applicable laws.

## **Disclosure and Internal Controls**

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to the company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of reporting, including financial reporting and financial statement preparation.

## Insurance and Uninsured Risks

GoviEx's business is subject to a number of risks and hazards generally, including general liability. Such occurrences could result in damage to property, inventory, facilities, personal injury or death, damage to the properties of GoviEx, or the properties of others, monetary losses and possible legal liability. GoviEx's industry is highly regulated, and we may be subject to regulatory scrutiny for violations of regulations and laws. GoviEx could be adversely affected by the time and cost involved with regulatory investigations even if it has operated in compliance with all laws. Investigations could also adversely affect the timely payment of receivables.

Although GoviEx will maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with its operations. GoviEx may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. GoviEx might also become subject to liability which may not be insured against or which GoviEx may elect not to insure against because of premium costs or other reasons. Losses from these events may cause GoviEx to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

# Currency Risk

Currency fluctuations may adversely affect the costs that the Company incurs in its operations. Uranium is currently sold throughout the world, principally in United States dollars. The Company's costs are incurred primarily in the Zambian kwacha, Canadian dollars and United States dollars. Changes in the currency exchange rates of the United States dollars against these currencies may affect the actual capital and operating costs of the Company's projects and may affect the results presented in the Company's financial statements and cause its financial position to fluctuate. As well, such fluctuations may affect the cash flow that the Company hopes to realize from its operations. Accordingly, the Company may be exposed to exchange rate fluctuations which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Further, there is no guarantee that the Government of Zambia will not impose restrictions on the convertibility of and obligations to remit and convert to local currency in future. Such fluctuations in foreign currency or restrictions on the convertibility of and obligations to remit and convert to the currency of Zambia could have a material adverse effect on the Company's business, financial condition and results of operations.

### Public Health Issues and Disease Outbreaks

The Company's business and results of operations are subject to uncertainties arising out of public health issues. A local, regional, national, or international outbreak of an illness or contagious disease, such as a pandemic like COVID-19, could result in a general or acute decline in economic activity in the regions where we operate in or hold assets in, production and transport delays, and general business interruptions. In addition, these risks could result in an increase in the cost of supplies and equipment, delays from difficulties in obtaining required licenses, tariffs and other barriers and restrictions, labour shortages, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine or contamination of one or more of our operating sites. Any such events could have a material and adverse impact on our business, financial condition, and results of operations.

The Company's business and operational plans could be significantly adversely affected or disrupted by the effects of a widespread global outbreak of contagious disease. These disruptions may include disruptions resulting from (i) shortages of employees, (ii) unavailability of contractors and subcontractors, (iii) interruption of supplies from third parties upon which the Company relies, (iv) restrictions that governments impose to address the outbreak, and (v) restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others. Further, it is presently not possible to predict the extent or durations of these results of operations. Such adverse effect could be rapid and unexpected.

### Information Systems and Cyber Security

One of the Company's material assets is its operational data and intellectual property and the ability to effectively retain, and access that data is a priority for the Company. There is a risk that corporate data management systems are not implemented or utilized effectively to achieve ease of access and retrieval of timely, accurate and meaningful information about the business operations and risks to enable informed decision-making.

The Company has become increasingly dependent on the availability and integrity of the electronic information and the reliability of the information technology systems and infrastructure. The Company relies on the information technology to process, transmit and store electronic information. The Company's information technology systems may be subject to disruption, damage, or failure from a variety of sources, including without limitation, security breaches, cyber-attacks, computer viruses, malicious software, natural disasters or defects in hardware or software systems. The accessibility of the Company's corporate data may also be compromised through information security breaches.

Despite the measures put in place to protect the Company's systems and data, there can be no assurance that these measures will be sufficient to protect against such cyber-attacks or mitigate against such risks, or if such cyber-attacks or risks occur, that they will be adequately addressed in a timely manner. Such a breach could result in unauthorized access to proprietary, confidential or sensitive information, destruction or corruption of data, disruption or delay in the Company's business activities, remediation costs that may include liability for stolen assets or information, repairing system damage, legal or regulatory consequences, and a negative effect on the Company's reputation and investor's confidence.

### **Risks relating to Exploration Operations**

### Exploration, Development and Operating Risks

An investment in the Company's Common Shares is speculative due to the nature of GoviEx's involvement in the evaluation, acquisition, exploration and, if warranted, development and production of minerals.

Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by GoviEx will result in new discoveries in commercial quantities.

While GoviEx has a limited number of specific identified exploration or development prospects, management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of GoviEx depends on its ability to find, acquire and commercially develop reserves. No assurance can be given that GoviEx will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, GoviEx may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. GoviEx has no earnings record, and no producing resource properties.

GoviEx's mineral projects are in the exploration stage. Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge will not eliminate. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. GoviEx must rely upon consultants and contractors for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. There is no assurance that surface rights agreements that may be necessary for future operations will be obtained when needed, on reasonable terms, or at all, which could adversely affect the business of GoviEx.

No assurance can be given that minerals will be discovered in sufficient quantities at any of GoviEx's mineral projects to justify commercial operations or that funds required for additional exploration or development will be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; the proximity and capacity of milling facilities; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in GoviEx not receiving an adequate return on invested capital.

### Environmental Risks and Hazards

All phases of exploration and mining operations are subject to environmental regulation in the jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect exploration or mining operations. Environmental hazards may exist on the properties on which the owners or operators of exploration and mining operations hold interests which are unknown to such owners or operators at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with exploration and possible future mining operations at the Muntanga Project. To the extent such approvals are required and not obtained, exploration or possible future mining operations may be curtailed or prohibited from continuing operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in the exploration or development of mineral properties or in mining operations may be required to compensate those suffering loss or damage by reason of the exploration or mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on exploration or mining operations and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### Governmental Regulation

Mining operations and exploration activities are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupation health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating, and closing the Muntanga Project or other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of exploration or future mining operations would not proceed with the development of or continue to operate a mine. As part of their normal course operating, and development activities, such owners or operators have expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from exploration and mining operations could result in substantial costs and liabilities in the future.

# Environmental Regulation

All phases of mining and exploration operations are subject to governmental regulation, including environmental regulation. Environmental legislation is becoming stricter, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There can be no assurance that possible future changes in environmental regulation will not adversely affect exploration and mining operations. Additionally, environmental hazards may exist on a property in which the owners or operators of exploration or mining operations hold an interest which were caused by previous or existing owners or operators of the properties and of which such owners or operators are not aware at present and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

### Changes in Climate Conditions and Regulatory Regime

Mining and uranium processing operations are energy-intensive and can contribute to carbon emissions, either directly or indirectly through the use of fossil-fuel-based electricity. Consequently, the Company is subject to existing and emerging policies and regulations concerning greenhouse gas emissions, energy efficiency, and the disclosure of climate-related risks. While efforts to reduce emissions may be partially offset by improved energy efficiency, technological advancements, and the growing demand for the uranium, the evolving regulatory landscape may lead to additional transition costs at certain operations.

Numerous government bodies have already introduced or are considering regulatory changes in response to the potential impacts of climate change. Existing legislation pertaining to emission levels and energy efficiency is becoming more stringent. Consequently, the Company anticipates increased compliance costs as a result of changes in laws and regulations.

Moreover, the physical risks associated with climate change pose additional challenges for the operations. These risks include shifts in temperature and precipitation patterns, as well as the heightened occurrence of extreme weather events such as floods, droughts, forest fires, and severe storms. Such events may become more frequent, potentially necessitating production suspensions, operational reductions, or even facility closures. These physical impacts have the potential to adversely affect the cost, production, and financial performance of our operations.

### Permitting

Exploration and mining operations are subject to receiving and maintaining permits from appropriate governmental authorities. Although GoviEx believes that it currently has all required permits for their operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations or additional permits associated with new legislation. Prior to any development on the Muntanga Project, permits from appropriate governmental authorities may be required. There can be no assurance that GoviEx will continue to hold all permits necessary to develop or continue operating the Muntanga Project.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on GoviEx, resulting in increased capital expenditures or production costs, or abandonment or delays in development of the Muntanga Project.

### **Title Matters**

The Company last obtained title opinions on the Zambian mineral properties in December 2023. The acquisition of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, resource claims may be disputed. There may be valid challenges to the title of any of the mineral properties in which GoviEx holds an interest that, if successful, could impair development and/or operations thereof. A defect could result in GoviEx losing all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. Any of the mineral properties in which GoviEx holds an interest may be subject to prior unregistered liens, agreements or transfers or other undetected title defects.

There is no guarantee that title to the properties will not be challenged or impugned. GoviEx is satisfied, however, that evidence of title to each of the properties is adequate and acceptable by prevailing industry standards.

## African Operations

GoviEx's mineral operations are currently conducted in Africa, and as such GoviEx's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties may include, but are not limited to: extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; corruption; changes in taxation policies; and changing political conditions, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of or purchase supplies from a particular jurisdiction.

GoviEx's activities will be subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. A number of other approvals, licenses and permits are required for various aspects of mineral exploration and mine development. While GoviEx will use its best efforts to ensure title to its mineral properties continues into the future, these interests may be disputed, which could result in costly litigation or disruption of operations. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on GoviEx's mineral projects. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on GoviEx's operations or future profitability.

### Political Change in Niger

The political, economic, social and military environment in Niger remains uncertain in the aftermath of the July 2023 Coup. The Company's operations in Niger, and in particular the Madaouela Project, were adversely affected with by the Niger government's withdrawal of the Madaouela I mining permit and return of same to the public domain of Niger effective July 4, 2024. As a result, on December 9, 2024, the Company announced the commencement of arbitration proceedings against the Republic of the Niger under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States and recognized an impairment of \$65 million, reducing the carrying value of the Company's interest in the Madaouela Project to nil in the second quarter ended June 30, 2024. Whilst on February 18, 2025, the Company announced the signing of a letter of intent with the Republic of Niger to a structured roadmap that details a mutually acceptable plan to negotiate a resolution to the ongoing dispute regarding the Madaouela Project and, as part of this process, the temporarily suspension of the ongoing arbitration proceedings under the ICSID Convention until a resolution is reached or until it is determined that no settlement is possible, there can be no assurance that an amicable resolution to the dispute will be reached with the Niger government.

The Company does not hold political risk insurance coverage in relation to any of the Company's projects (including the Madaouela Project in Niger) for any losses that may result from certain political risks that may affect the Company's operations, business and properties.

# Exploration and Geological Report

The reported results in the Muntanga Technical Report (as defined below) are only estimates. No assurance

can be given that the estimated mineralization will be recovered. The reported results are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Estimates may require revision (either up or down) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain minerals uneconomic.

# Muntanga Project, Zambia

The Muntanga Uranium Project ("**Muntanga Project**") is 100% owned by GoviEx and reflects the consolidation of contiguous licences previously held by Denison Mines Corp. and African Energy Resources.

Ukwazi Transaction Advisory (Pty) Ltd ("Ukwazi"), SRK Consulting (UK) Limited ("SRK"), SGS Bateman (Pty) Ltd ("SGS") and Cresco Global Ltd ("Cresco") prepared a NI 43-101 technical report titled, "*NI 43-101 Technical Report: Feasibility Study of the Muntanga Uranium Project, Zambia*", dated March 7, 2025 (the "**Muntanga Technical Report**") to support the Company's feasibility study results disclosure in its news release dated January 23, 2025. Jacobus Johannes Lotheringen, B Eng (Mining Engineering), André Marcel Deiss, B.Sc. (Hons) Geology, Robert J Bowell, BSc (Geochemistry), Hons, PhD (Geochemistry) and Alan Mitchell Clegg, B.Sc. (Mining Engineering) are the authors and Qualified Persons as defined by NI 43-101 and independent of GoviEx within the meaning of NI 43-101.

In accordance with the instructions set out in Section 5.4 of Form 51-102F2 – Annual Information Form, GoviEx has reproduced below the summary from the Muntanga Technical Report. Reference should be made to the full text of the Muntanga Technical Report, which is incorporated in its entirety into this AIF by reference, and which is available for review under GoviEx's profile on SEDAR+ at <u>www.sedarplus.ca</u>.

### <u>Summary</u>

### Introduction

The Muntanga Uranium Project ("the Project") is located in the Siavonga and Chirundu Districts in the southeastern region of Zambia. The Project is controlled 100 % by GoviEx Uranium Zambia Limited, which is ultimately 100% owned and controlled by the TSX Venture Exchange-listed exploration and development company, GoviEx.

After the release on 30 November 2017 of a NI 43-101 technical report on a preliminary economic assessment ("PEA") for the Project, GoviEx conducted a further drilling programme to increase the Mineral Resource at the Project and improve the classification of the Mineral Resources. Knowledge of the geology of the orebodies increased to a point where a full feasibility study ("FS") could be carried out, enabling a Mineral Reserve to be declared and a updated NI 43-101 Technical Report issued.

GoviEx appointed Ukwazi Transaction Advisory (Pty) Ltd ("Ukwazi"), SRK Consulting (UK) Limited ("SRK"), SGS Bateman (Pty) Ltd ("SGS") and Cresco Global Ltd ("Cresco") to complete technical studies to a feasibility level of confidence for the Muntanga open pit ("OP") project, process plant and associated infrastructure. This report has been prepared in accordance with the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1, collectively referred to as "NI 43-101".

### Reliance on other experts

The qualified persons for this technical report, Jaco Lotheringen, Robert Bowell, André Deiss and Alan Clegg, have examined the historical and current data for the Project provided by GoviEx with respect to

Mineral Resources, metallurgical test work, and other project information, and have relied upon that data to support the statements and opinions presented in this report. Several other technical specialists, including GoviEx staff members, are also contributors of information in sections of this report. These contributions have been supervised and reviewed by the qualified persons and the qualified persons have taken reasonable measures to confirm the information provided by others.

## Property description and ownership

GoviEx holds sole ownership of several mining and exploration licences for uranium deposits in the Siavonga and Chirundu Districts in the southeastern region of Zambia, geographically centred at 16°22'03.31"S, 28°28'51.3"E (shown in Figure 1). These are collectively known as the Muntanga Uranium Project ("Muntanga", or "the Project"). The Project comprises three mining licences: Muntanga, Dibbwi and Chirundu, and three exploration licences: Chirundu Extension, Nabbanda and Kariba Valley (Chisebuka), all shown in Figure 2. The Muntanga and Dibbwi mining licences comprise the Muntanga, Dibbwi and Dibbwi East deposits. The Chirundu mining licence contains the Njame and Gwabi deposits. There are no agreements or encumbrances on the permits currently held by GoviEx or its subsidiaries.

The northern extent of the Project, where the Gwabi and Njame deposits are situated, is located close to the town of Chirundu, near the Zimbabwe border. The prospect areas extend south towards Siavonga and along the northern edge of Lake Kariba to Kariba Valley in the southernmost extent. The northernmost deposits of Njame and Gwabi are located approximately 100 km southeast of the Zambian capital, Lusaka. Chisebuka, further south, is approximately 180 km south of Lusaka.



Figure 1: Property location map



Figure 2: The Project site and licence boundaries

# Relevant legislation, permits and approvals

The key legislation with regard to permitting a mining project in Zambia and the applicability and status with regard to the Project are detailed in the following sections.

### The Mines and Minerals Development Act 2015

The Mines and Minerals Development Act states that all mineral rights ("MR") are vested in the President of Zambia on behalf of Zambia. This act specifies how the rights to prospect, mine and dispose of minerals can be acquired and held. It confers on the holder exclusive rights to carry on mining and prospecting operations in the mining licence area. This includes erecting the equipment needed to mine, process and transport the minerals, disposal of mining wastes, stockpiling of minerals or waste products and prospecting within the licence area. It gives preference to Zambian products, contractors and services as well as employment of citizens from construction and operation through to decommissioning.

A large-scale mining licence is granted for 25 years and the holder must maintain security and ensure that there are no illegal miners in the licence area, provide an annual audited financial statement to the Mining Cadastre Office, a return showing compliance with obligations, annual mine plans, ore recovery and production costs and produce ore resource and reserve statements every two years.

A mineral processing licence is required for mineral processing activities. However, the holder of a mining licence may construct and operate a mineral processing plant within their licence area without a mineral processing licence.

For the export of minerals, a mineral export permit issued by the Director of Mines is required. This is valid for one year and is limited to the quantities specified in the permit. For radioactive minerals, the applicant must comply with the requirements of the Ionising Radiation Protection Act 2005. GoviEx will comply with the requirements of the act and apply for an export permit for the uranium product as the project progresses.

### Water Resources Management Act 2011

The Water Resources Management Act establishes the Water Resources Management Authority ("WRMA") and defines its function and powers. The Act provides for the protection of Zambia's water resources and that the said resources should be used, developed, conserved, managed and controlled sustainably, beneficially, reasonably and equitably for the needs of the present and future generations. It provides for the management, development and utilisation of water resources to take into account climate change adaptation.

## **Ionising Radiation Protection Act 2005**

The Ionising Radiation Protection Act establishes the Radiation Protection Authority's functions and powers, and provides for the protection of the public, workers and the environment from hazards related to ionising radiation or the release of radioactive material. This act requires a licence issued by the Radiation Protection Authority which GoviEx will apply for as the project progresses.

## Zambia Wildlife Act 2015

This act makes provision for the management and conservation of wildlife in Zambia. It provides for the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Wetlands of International Importance especially as Waterfowl Habitat, the Convention on Biological Diversity, the Lusaka Agreement on Cooperative Enforcement Operations Directed at Illegal Trade in Wild Fauna and Flora and other international instruments to which Zambia is party. The Zambia Wildlife Regulations 2016 and Zambia Wildlife Order 2016 provide the mechanism to implement the Act. These may relate to measures specified under an Environmental Impact Assessment ("EIA") approved by the Zambian Environmental Management Agency ("ZEMA").

### **Environmental Management Act 2011**

The Environmental Management Act ("EMA") is the principal piece of legislation governing environmental management in Zambia. ZEMA is mandated to ensure the sustainable management of natural resources and protection of the environment, and the prevention and control of pollution. The EMA provides for public participation in environmental decision-making and access to environmental information. In particular, section 29 of the Act states that "A person shall not undertake any project that may have an effect on the environment without the written approval of the Agency, and except in accordance with any conditions imposed in that approval". The Act provides specific regulations for pollution control, water, air, waste management, pesticides and toxic substances, noise, ionizing radiation and natural resources management.

GoviEx currently holds a licence for the management of hazardous waste.

# Environmental liabilities

The Project is a greenfield exploration site with no history of previous development or industrial activity. As a result, there are no obvious current environmental liabilities. Should the Project be implemented and mining operations commence, environmental liabilities to decommission and remove infrastructure, rehabilitate disturbed areas and manage long-term effects will be incurred. A conceptual Closure Plan and cost estimate has been prepared as part of this FS.

GoviEx has established a permanent exploration camp immediately adjacent to the Muntanga deposit. Should the project not progress to an active operating mine, the camp will have to be closed, and any uranium-bearing sample material appropriately disposed of. It is probable that local communities could use the camp infrastructure.

### Accessibility, climate, local resources, infrastructure and physiography

#### Topography, elevation and vegetation

The Project area is located within the Zambezi Rift System in southern Zambia. The Zambezi River flows to the east of the area, following the border between Zambia, Zimbabwe and Mozambique.

Surface runoff is predominantly contour-controlled but occasionally fault-controlled. Lake Kariba is situated at 485 m above mean sea level and the Project region varies between 500 m and 960 m above sea level.

Vegetation typically consists of forest, which is predominantly miombo woodland mixed with munga and mopane, but there are also small areas of agricultural fields and degraded grassland.

#### Access to property

Proximity to Chirundu and Siavonga means that the area is relatively well-serviced with sealed roads and numerous gravel tracks, which lead to farms and villages.

Access to the Project is by the sealed main road running between Chirundu and Lusaka and the sealed road to Siavonga, then turning onto the sealed road leading to Munyumbwe, in Gwembe District. The main roads are in fairly good condition, but the actual Project area is located east of the main roads and accessed via gravel roads that require a four-wheel drive vehicle. The nearest commercial airport is in Lusaka, located 144 km by road from Chirundu.

### Climate

The Project has a climate described as tropical wet and dry, with very distinct wet and dry seasons. Meteorological information is obtained from the nearest station at Lusitu, approximately 40 km north-east of Muntanga with a similar elevation and climate.

Annual rainfall is recorded as between 600 mm and 720 mm, and the wet season occurs in the hottest summer months between November and March. The highest rainfall generally occurs in January/February. Maximum temperatures range from 22 °C to 46 °C and minimum temperatures range from 20 °C to 38 °C during the hottest months. The highest temperatures typically occur just prior to the onset of the rains in October. Wind speeds are greatest during this period and can range from approximately 2.5 ms<sup>-1</sup> to approximately  $3.6 \text{ ms}^{-1}$ , typically from an east-southeast direction. Lightning storms can be common during the hottest months and occasionally hailstones are experienced, associated with thunderstorms. During the wettest months of October to February, the average daily sunshine hours can range from only 4.6 hours (February) to 8.8 hours (October).

During the cooler months of April to October, rainfall varies significantly spatially and temporally. Maximum temperatures range from 23 °C to 40 °C and minimum temperatures range from 6 °C to 28 °C, with lowest temperatures occurring in June and July. Winds are typically much calmer during the colder, dry months, particularly between April and August. On average, at least nine hours of daily sunshine is generally received during the drier months of May to September.

The highest maximum temperature recorded at the Project site was 46 °C and the lowest minimum temperature that has been recorded is 6°C. Evaporation typically exceeds precipitation for most of the year. Monthly relative humidity generally ranges from a minimum of 46 % in September to a maximum of 79 % in December.

## Local resources

There are many small villages located around the Project area and approximately 10 % of the land is used for small-scale agriculture including millet and maize, sorghum, bananas, cotton and minimal animal husbandry. There are currently no industrial activities within the Project area.

According to the United States Department of Agriculture, the regional land classification indicates medium to low potential for sustainable development based upon extremely weathered and iron-rich soils. The soils are typically nutrient-deficient and not good at retaining water although they are easily worked.

## Infrastructure

Except for the main road systems described above there is limited to no infrastructure within the immediate Project area.

## Roads

As described in above, there are some sealed roads in the area which run between Lusaka, Chirundu, Siavonga and the bottom road to Munyumbwe in Gwembe District. Although they are in fairly good condition, access to the actual Project site is gravel tracks which require four-wheel drive access. Local communities rely on bicycles or carts for transport.

# **Power supply**

There are two 88/11 kV substations located at Gotagota and Chirunda, both supplied by an 88 kV transmission line from the bigger Leopards Hill Sub Station, which is supplied via 330 kV high voltage transmission lines from the Kariba North Bank Hydroelectricity Scheme. Power lines do traverse the Project area around Njame, but most of the local villages are not connected to the national power network, and households near Muntanga and Dibbwi rely on wood for heating and cooking, and candles and kerosene lamps for lighting.

### Local villages and towns

The region is sparsely populated: Chirundu, Siavonga, Kafue and Lusaka are the closest major urban areas. Lusaka has a population of 3.2 million (2023). Siavonga and Chirundu are small towns with local government and town council administration offices. The two towns have banking facilities, a post office, district hospitals and general stores. There are no defined commercial areas within the immediate vicinity of the Project and grocery stores are typically located along the sealed roads to Chirundu and Siavonga. Much of the housing in the villages is typically wooden structures covered with mud. Communities are predominantly rural, mostly subsistence farmers producing maize, cotton, millet, sorghum and vegetables; the majority of crops grown are for household consumption. Charcoal is also produced for sale and used as a main fuel source alongside wood, for heating and cooking.

### Water supply and sanitation

The Project area relies on wells and boreholes for potable water and local watercourses are used as a source of irrigation. Sanitation is managed by way of pit latrines in some households. The Southern Water and Sewerage Company has a treatment plant located on the Zambezi River that supplies piped water to Siavonga, but this does not reach the Project site. GoviEx has provided 15 water boreholes to local villages.

## Education and health care facilities

There are very few schools and health facilities in the Project area and typically they have insufficient staff and resources. The main challenges faced are long distances, poor staffing levels, inadequate funding and transport.

The development of local health and school facilities through sustainable development projects carried out by the Project will benefit the local communities. To date, GoviEx, through its corporate social responsibility programme, has provided clinics for the villages of Muntanga, Sikoongo, and Chizilika, and Nurses' houses at Muntanga, Chizilika and Syamwiinga. Temporary schools have been constructed at Muntanga and Mutuba to help the local population have access to education near their locality. These temporary schools will be demolished when the mine proceeds into development and rebuilt in the new relocation areas. The company pioneered the development of schools at Hachibozu, Chizilika and Njame villages by constructing classroom blocks. At Chaanga, two laboratory classrooms were built, leading to the upgrading of the school from the primary to the secondary level. Staff houses for teachers have been constructed by GoviEx at Hachibozu, Chizilika and Muntanga.

GoviEx has also supported these sectors with the provision of solar power to facilitate the delivery of information and communication technology lessons at the Hachibozu and Muntanga schools. At Muntanga clinic, GoviEx has provided a solar system for refrigeration of medical supplies. Piped water, using solar systems, has been supplied to Hachibozu School and village, and Muntanga Clinic. Muntanga Clinic shares the facility with the adjacent Muntanga School. GoviEx is supporting three educational support programmes intended to aid GoviEx's policy of local employment and development by creating of pool of local skilled labour it can tap from as the project goes into mine development.

## Telecommunications

Telecommunications are provided to the Muntanga area by Airtel, MTN and Zamtel. Airtel and MTN provide 4G services for internet connectivity.

# Physiography

The topography is defined by geology and consists of gentle, low escarpment-type hills with steep and/or craggy scarp northwest slopes and gently sloping southeast dipping slopes.

### History

Uranium was first identified in the area in 1957 by ground survey which located five anomalous areas in the vicinity of Bungua Hill, west of Siavonga. In 1958 and 1959 Chartered Exploration found low-grade uranium mineralisation that could be followed for over 800 m of strike extent.

The main exploration took place between the late 1970s and mid 1980s initially by the Geological Survey of Zambia, followed by AGIP SpA, an Italian petroleum company. The AGIP exploration campaign included a regional ground radiometric surveying programme which highlighted numerous radiometric anomalies along the northern shores of Lake Kariba including Dibbwi and Chisebuka. Several of the anomalies were investigated via more detailed ground radiometric surveying and subsequent drilling. Their campaign predominantly focused on the Muntanga and Dibbwi deposits, and in 1983/4 a small uneconomic resource was outlined at Njame but AGIP ceased work in 1985.

Numerous historical Mineral Resource Estimates were prepared by a variety of companies and consultants using several different methodologies. Considering the successive exploration drilling completed at the project, all estimates, in general, compare favourably and demonstrate similar  $U_3O_8$  grades and tonnages. There has been no uranium production from any of the Project licence areas.

### Geological setting and mineralisation

## **Regional geology**

The Project area is situated within the Karoo Supergroup, which comprises thick, carboniferous to late Triassic age, terrestrial sedimentary strata and is widespread across much of what is now southern Africa. The Karoo Supergroup was deposited within an extensive foreland basin created when compression and accretion along the southern margin of Gondwana resulted in the formation of the Cape Fold Belt to the south. To the north, crustal extension due to thermal doming following the assembly of the Pangean supercontinent around 320 million years ago, resulted in the formation of a northeasterly trending series of rift basins (Yeo, 2010). The rifting is believed to have been associated with the breakup of Gondwanaland during the Permian Period, followed by the opening of the proto-Indian Ocean in the Jurassic; with a final episode related to the development of the East African Rift system in the late Cretaceous and early Tertiary times.

During the Cenozoic, the East African Rift System propagated south-westerly across the continent and led to the reactivation of the Karoo rift basins as well as the formation of new fault depressions, such as the Okavango Rift (Laletsang et al., 2007; Kinabo et al., 2007), the southeastern extension of the mid-Zambezi and Luangwa rift systems.

The Karoo Supergroup in the Project area consists of three formations within the Lower Karoo; the Siankondobo Sandstone Formation, overlain by the Gwembe Coal Formation, which itself is overlain by the Madumabisa Mudstone Formation. The Siankondobo Sandstone Formation consists of fine clastic sediments with a basal diamictite and conglomerate overlain by siltstones and sandstones. The Gwembe Coal Formation is comprised of carbonaceous mudstones and siltstones interspersed with coal seams and sandstones, while the Madumabisa Mudstone Formation consists of a thick sequence of non-carbonaceous grey mudstones with calcareous bands. The Madumabisa Formation is unconformably overlain by the Upper Karoo which consists of four formations; the Escarpment Grit is overlain by the Interbedded Sandstone and Mudstone Formation, followed by Red Sandstone which is finally capped by the Jurassic Bakota Basalt Formation. The Escarpment Grit comprises a 400 m thick series of continental arenaceous silici-clastic sediments with interbedded mudstones. Although locally referred to as Escarpment Grits, this group is a correlative of the Beaufort Group elsewhere in the Karoo Supergroup and contains interbedded mudstones and fine-grained sandstones, as well as grits and conglomerates.

The Project is situated in the mid-Zambezi Rift Valley. In the region, known uranium mineralisation typically occurs within the Upper Karoo whereas the Lower Karoo hosts much of the coal reserves of Zambia, Zimbabwe and South Africa. At the Project, all of the known uranium mineralisation occurs within the Escarpment Grit. Similar sandstone-hosted uranium mineral deposits occur in many of the Karoo rift basins including Letlhakane in the Kalahari Basin of Botswana and Kayelekera in the Rukuru Basin of Malawi. The underlying Madumabisa Mudstone appears to have acted as an impermeable barrier controlling the base of the mineralisation. The Escarpment Grit itself shows a wide variation in lithology which is typical of continental sediments. Uranium mineralisation appears to have been introduced after sedimentation (epigenetic) and occurs as fillings into pore spaces, fractures, joints, coatings on sand grains and occasionally along steeply dipping cross beds.

The Escarpment Grit Formation consists of coarse to very coarse-grained sandstones that are locally conglomeratic and fine upwards into more fine-grained sandstones and intercalated mudstones. Silicified wood is abundant locally. AGIP geologists historically distinguished two informal members in the Escarpment Grit suggesting a change in fluvial style. A lower "Braided Facies" member is characterised by relatively poorly sorted sandstones and pebbly sandstones with mudclasts and thin discontinuous mudstones, and an overlying "Meandering Facies" member is characterised by well-sorted upward-fining sandstones (i.e., point bar deposits) with mudclasts and pebble-lag layers, interbedded with laterally extensive mudstones.

Stratabound uranium mineralisation in the Escarpment Grit is known in the lower part of the "Meandering Facies" at Njame, and the upper part at Dibbwi. Association with boundaries between sandstone-dominated stratigraphic units suggests that permeability contrast is a factor controlling uranium mineralisation. Widespread soft-sediment folds suggest syn-depositional seismic activity and fault re-activation, with potential seismic pumping of diagenetic fluids contributing to the mineralisation event.

A geological map of the Dibbwi-Muntanga area is shown in Figure 3.

### **Regional geological structures**

The mineralised zones are offset and impacted by various faults and fractures, but the mineralisation itself does not appear to have any significant structural controls.

Regionally, the Muntanga uranium deposit and other uranium occurrences in southern Zambia, lie near the northwest margin of the Mid-Zambezi Graben. This structure is essentially a half-graben, with its faulted footwall against the Precambrian crystalline rocks on the northwestern Zambian side, and passive onlap on crystalline basement rocks on the southeastern Zimbabwean side. The Mid-Zambezi Graben is subdivided into two major sub-basins by the northeast-trending Kamativi - Chizarira - Matusadona basement block. The north sub-basin is fault-bounded on both its margins and is, hence, a true graben. Cyclic upward fining of Karoo strata (Catuneanu et al., 2005) reflects episodic, fault-controlled subsidence in the graben.

At Muntanga, Dibbwi and Dibbwi East, northeast-trending faults likely controlled deposition of the Escarpment Grit "Braided Facies", and fault-related folds may control blind mineralisation in the Dibbwi and Dibbwi East area. The Muntanga area of the Mid-Zambezi Valley is characterised by a series of northeast-trending, fault-bounded cuestas or fault blocks, uplifted to the northwest and dipping to the southeast. Three major northeast-trending anastomosing fault systems can be distinguished in the Muntanga area: the Lusitu, Dibbwi and Bungua Mountain fault zones. There are numerous minor faults of limited extent trending northwest to north.

Minor north- to northwest-trending faults, with extents of less than four kilometres, crosscut the major fault systems. In contrast with the major faults, they appear to be normal faults. These minor faults likely formed in response to differential uplift on the major faults. One of these extends southerly into the Dibbwi East mineral deposit.



Figure 3: Geological map of the Dibbwi-Muntanga area (Source: CSA, 2013) Note: This map contains historical spelling. "Dibewe" = Dibbwi, "Mutanga" = Muntanga

The Njame uranium deposit consists of Escarpment Grit exposed on a gentle dip slope which faces to the southeast. In the northwest, the slope is a much steeper scarp controlled by the position of a northwest dipping normal fault. This fault is downthrown several hundred metres to the northwest, representing one of a number of faults that have caused imbrication in the Kariba Rift. The sequence is also cut by several smaller strike-parallel normal faults, which have caused northwest block-down displacements of up to 25 m. Similarly, the eastern limit of the Njame mineralisation is a major southeast trending wrench fault that truncates the slope and the stratigraphy. The sequence is cut by several smaller strike-parallel normal faults, which have caused down displacements of the northwest block.

Gwabi uranium mineralisation forms a broadly tabular body that dips very gently to the southeast and occurs at very shallow depths of between 3 m and 29 m below surface. In the northwest, the slope is a much steeper scarp controlled by the position of a northwest dipping normal fault. Minor post-mineralisation faulting has locally caused metre-scale offsets to the mineralisation and may have truncated the mineralisation along its southern boundary.

# Mineralisation

At Muntanga, Dibbwi and Dibbwi East, uranium mineralisation appears to be later than at least some of the normal faults which cut the Escarpment Grit Formation. This is evident from the good correlation of the radiometric logging data between adjacent holes within the Muntanga deposit separated by interpreted faulting (Lusambo, 2011).

The source of the uranium is believed to be the surrounding proterozoic gneisses and plutonic basement rocks. Having been weathered from these rocks, the uranium was dissolved, transported in solution and precipitated under reducing conditions in siltstones and sandstones. Post-lithification fluctuations in the
groundwater table caused dissolution, mobilisation and redeposition of uranium in reducing, often clay-rich zones and along fractures.

Mineralisation is not strictly associated with a particular unit in the stratigraphic section. It is observed to occur in both the fine-grained and coarser material and in mudstones, especially where fractures and mud balls occur. Some mineralisation occurs in association with manganese oxide or disseminated with pyrite. Mineralisation in some bore holes is seen to occur where there was a grey alteration, limonite and feldspar alteration and in dark grey mudstones (Sakuwaha, 2011). The strata dip in the south-easterly direction and mineralisation seems to occur along dip.

Uranium mineralisation occurs in a number of different associations, namely disseminated uranium mineralisation, uranium mineralisation associated with mudstones and siltstones, fracture-hosted uranium mineralisation and primary uranium mineralisation.

At Njame, the uranium mineralisation occurs at the interface between siltstones and sandstones at redox boundaries. Approximately 25 % of the Njame mineralisation is siltstone hosted, with the balance in coarser-grained sandstones and grits. Drilling identified two main mineralised horizons; the thickest, most consistent and highest grade is the lower horizon within the second sequence from the base. Drilling was carried out along the entire length of the 5 km long system, with uranium mineralisation encountered along the entire length. The siltstone horizons are generally laterally continuous for hundreds of metres, except where younger grit/ sandstone channels have cut through them. There is a clear stratigraphic control on mineralisation at the deposit scale, although structural control may be present on a larger scale.

Similarly to Njame, the uranium mineralisation at Gwabi is related to the redox front; there is one main mineralised horizon which appears to be controlled by both lithology and the redox boundary. It is hosted by the coarse-grained sediments that are interpreted to be the along-strike continuation of the Escarpment Grits which host the Njame uranium mineralisation. Uranium mineralisation at the Gwabi deposit occurs in red, oxidised, coarse-grained sandstones, grits and pebble conglomerates which overlie a green, non-mineralised, reduced silty-shale horizon. This is interpreted to represent a major redox boundary and maybe the regional unconformity between the upper and lower Karoo.

#### **Deposit types**

The primary uranium mineralisation in the Karoo rocks of the Project conforms to a sandstone-hosted fluvial channel-type deposit. Sandstone uranium deposits are contained within medium to coarse-grained sandstones deposited in a continental fluvial or marginal marine sedimentary environment. Impermeable shale or mudstone units are interbedded in the sedimentary sequence and often occur immediately above and below the mineralised horizon. Uranium is mobile under oxidizing conditions and precipitates under reducing conditions, and thus the presence of a reducing environment is essential for the formation of uranium deposits in sandstones.

Only one Karoo uranium deposit, Lotus Energy's Kayelekera deposit in Malawi, has been developed. Kayelekera is on care and maintenance, but in October 2024 Lotus Energy released an accelerated restart plan with an eight-to-ten-month timeline to first uranium production. Other deposits have economic potential.

These deposits have some key features in common:

- All are hosted in fluvial arkosic sandstones that have undergone post-depositional faulting and uplift (tectonic inversion)
- All lie at or near the surface and hence, typically have strong surface radiometric expression

- All appear to have tabular geometry; no classic roll-front deposits have been convincingly demonstrated
- Most feature a range of mineralisation styles, including primary uranium oxides and silicates in relatively reduced sandstones, secondary uranyl phosphates or vanadates in more strongly iseoxidised sandstones and secondary mineralisation remobilised into surficial calcretes
- Mineralisation is commonly associated with stratigraphic contacts indicative of a marked drop in stream energy.

## Exploration

## Muntanga, Dibbwi, and Dibbwi East

The earliest phase of exploration for uranium in the area covering the Muntanga and Dibbwi deposit areas was conducted by AGIP in the late 1970s to the mid-1980s. AGIP carried out systematic exploration, comprising outcrop mapping, ground radiometric surveys, air-borne photographic and geophysical surveys, trenching and pitting. Regional exploration drilling was carried out in the broad Muntanga-Dibbwi area.

During 2006, a detailed aeromagnetic and radiometric survey was carried out by OmegaCorp which confirmed the position and tenor of the existing uranium prospects and identified additional targets, based on interpreted radiometric signatures.

During August and September 2013, Geotech Ltd. carried out a helicopter-borne geophysical survey of the Project. Principal geophysical sensors included a versatile time domain electromagnetic ("VTEMplus") system, and horizontal magnetic gradiometer. Ancillary equipment included a global positioning system ("GPS") navigation system and a radar altimeter. A total of 1,903 line kilometres of geophysical data were acquired during the survey. In-field data quality assurance ("QA") and preliminary processing were carried out daily during the acquisition phase. Preliminary and final data processing, including the generation of final digital data and map products, was undertaken from the office of Geotech Ltd.

Geological mapping of the Muntanga property was undertaken during August and September 2014 by Remote Exploration Services of Cape Town, South Africa. A total of 324 line kilometres of mapping traverses were completed including 1 815 mapping stations. Field mapping data were integrated with airborne geophysical data, satellite imagery and previous geological maps and interpretations to produce a revised geological map for the Muntanga property.

The Project area was covered with soil geochemical and radon surveys from 2013 to 2015. The objective of the surveys was to delineate any significant exploration targets outside of the drill-defined uranium deposits. Previous drilling had largely focused on testing airborne radiometric anomalies and the soil geochemical and radon approach allowed for possible detection of blind or buried mineralisation, particularly in areas of thick or transported regolith. Surveys were carried out in the dry months between May and November. Coincident soil and radon stations were 100 m apart on 800 m spaced northwest-southeast survey lines. Survey data and results were stored in an Access database. Prior to the implementation of the surveys, calibration exercises were conducted over known mineralisation to establish optimal methodologies.

The soil geochemical and radon surveys produced numerous anomalies across the Project area and new exploration targets were defined for follow-up. The soil geochemical and radon methods utilised adequately detected the drill-defined mineralisation and showed a reasonable correlation with radiometric anomalies, thereby confirming this exploration approach. The new exploration targets were defined based on combinations of anomalous soil uranium, soil uranium pathfinders, radon and soil radioactivity. In some cases, the targets corresponded with surficial cover (thicker soils) alluding to a buried source. Targets

located over prospective geology and structure were prioritised for follow-up. Figure 4 shows the gridded soil uranium results.



Figure 4: Gridded soil uranium results

Trenching was undertaken over priority targets to test for additional mineralised horizons outside of the drill-defined uranium deposits. The trenching provided a cost-effective follow-up methodology, before any drilling, to test targets generated from the soil geochemistry and radon surveying. Trenches provided a means of accessing the fresh bedrock, or otherwise saprock, for the in-situ determination of geology and mineralisation. Trenches were typically located along, and parallel to, the soil and radon survey lines which were roughly perpendicular to stratigraphic strike and known mineralisation. The soil and radon anomalies tended to follow stratigraphic strike parallel trends. Trenches were designed to cover the entire anomaly and to extend into the background by 1/3 to 1/2 of the anomaly width in each direction, and sampling was undertaken over intervals where elevated gamma readings were encountered.

Weak mineralisation was encountered in the majority of the trenches and a few distinct mineralised horizons were discovered. Leaching at the regolith-bedrock interface where trench samples were collected may be the reason higher grades were not encountered.

#### Gwabi and Njame

In the late 1970s to the mid-1980s, AGIP completed a major regional programme of ground radiometric surveying which identified numerous radiometric anomalies in the area along the northern shores of Lake

Kariba. A number of these anomalies were evaluated with more detailed ground radiometric surveying and a small number were subsequently tested with rotary percussion drilling, wagon drilling ("WD") and in some cases diamond drilling.

Albidon (Zambia) Limited acquired the Mugoto PLLS.250 tenement in June 2005 as part of their Munali nickel project tenement holding. The tenement was subsequently transferred to Albidon Exploration Limited in 2006 with Ministerial approval. In October 2005, Albidon Exploration Limited signed a joint venture agreement with African Energy Resources Ltd ("AFR") under which the latter would explore the eastern part of the Mugoto PLLS for uranium, coal and coal bed methane. This is the area in which both the Gwabi and Njame deposits are located.

AFR undertook a major exploration programme from 2006 to 2007, which included:

- Drilling at the Njame deposit which identified additional uranium mineralisation to that defined by AGIP
- An airborne radiometric survey identified a significant uranium anomaly at Gwabi; this was tested with surface radiometric surveying, soil sampling and
- Subsequent drilling at Gwabi which outlined uranium mineralisation.

Through 2008 and 2009, AFR then completed a series of infill drilling programmes, comprising reverse circulation ("RC") and diamond drilling ("DD") to define the extent of both the Njame and Gwabi deposits, and tighten the drilling patterns to improve confidence in the geological and Mineral Resource models.

# Photogrammetry and light detection and ranging

In 2022, Rocketmine from South Africa were contracted to carry out a photogrammetry and light detection and ranging ("LIDAR") survey using a drone platform. The areas selected for surveying covered each of the deposit areas at Dibbwi, Dibbwi East-Muntanga, Njame and Gwabi. The LIDAR data have been used in the current MRE to define the ground surface.

# Drilling

Drilling at the Dibbwi East, Dibbwi, and Muntanga deposits was completed in three major phases. Historically, drilling was conducted by AGIP and the Zambian Geological Survey (1973 to 1984), followed later by OmegaCorp and Denison (2006 to 2012), and most recently by GoviEx between 2021 and 2024, which was predominately comprised of infill drilling at Dibbwi East and limited confirmation drilling at the Muntanga and Dibbwi deposits. In 2024, the drilling consisted mostly of sterilisation drilling around the proposed infrastructure and relocation sites.

Drilling at the Gwabi and Njame deposits was managed by AFR and completed between 2006 and 2009. GoviEx conducted limited drilling at Njame and Gwabi from 2022 to 2024.

Summaries of annual drilling completed on the main deposit areas are provided in Table 1. The drilling techniques used on the Project include diamond core drilling, RC, down-the-hole ("DTH") hammer, air core ("AC") and percussion WD. 954 DD holes totalling 73 209 m and 2 284 percussion holes totalling 157 358 m were drilled. Further drilling of 989 holes of all types totalling 68 369 m was completed on areas adjacent to the main deposits for sterilisation and infrastructure geotechnical purposes.

Deposit	Period	DDH holes	DDH metres	Percussion holes	Percussion metres
Dibbwi East	1980 to 2024	174	21 569	508	59 978
Dibbwi	1980 to 2024	222	20 193	204	16 762
Muntanga	1980 to 2024	350	21 484	612	30 711
Njame	2006 to 2024	162	8 115	671	36 899
Gwabi	1980 to 2024	46	1 848	289	13 008
Total		954	73 209	2 284	157 358

 Table 1: Project deposit drilling summary

#### Muntanga, Dibbwi and Dibbwi East deposits

Prior to 2006, AGIP and the Zambian Geological Survey undertook drilling across the Muntanga and Dibbwi licence areas (circa 1980). Several hundred drill holes were completed, and the main known deposits were identified, along with a number of prospects. However, due to insufficient historical records being available to verify the reliability of these data, all drill hole information from the time frame has been excluded from the MRE process.

During the OmegaCorp/ Denison tenure (2006 to 2012), RC and DD were the principal methods of exploration and delineation drilling after initial geophysical surveys.

In 2006, OmegaCorp drilled DDH to twin previous drilling at the Muntanga deposit. Results confirmed the broad tenor of the earlier mineralised intercepts. From 2007 to 2008, Denison completed work on the Muntanga deposits, focussing on the Muntanga and Dibbwi areas. The work included an appraisal of all available data and from this information, Denison produced several databases covering Muntanga along with other prospects.

A two-phase drilling campaign resumed in April 2011. Phase 1 drilling on Dibbwi East and Muntanga targets commenced in April and ended in July 2011. The results for Phase 1 confirmed the continuity of uranium mineralisation identified in the 2008 drilling programme at Dibbwi East, with a northeast-southwest strike length greater than 2.5 km.

Based on the encouraging results obtained with the Phase 1 drilling over the Dibbwi East area, a Phase 2 drilling programme was completed between August to October 2011. This drilling programme discovered primary mineralisation at depth and increased the strike length to 4.0 km. In 2012, the primary targets for drilling were the Dibbwi East, Dibbwi and Muntanga deposit areas, to further delineate and infill within the deposit footprints.

During the 2021 to 2023 drilling campaigns, GoviEx carried out drilling mostly on the Dibbwi East deposit to infill the existing drill pattern to a 100 m line spacing with drill holes at 50 m between holes. Selected areas were drilled at a closer spacing of 25 x 25 m to assess the continuity of mineralisation for MRE purposes. Uranium grade data were determined using a downhole gamma probe. DDH made up approximately 10 % of the total drilling meterage, with several holes drilled to collect metallurgical samples, and others drilled to twin historical holes for data validation purposes. DDH were drilled on all deposits by GoviEx during the 2021 and 2022 drilling campaigns.

The 2023 drilling programme was driven by the success of the 2021 to 2022 exploration efforts and the updated MRE reported on July 17, 2023. During the second half of the year, a total of 15,835 m of infill drilling was conducted across 160 drill holes, primarily at the Dibbwi East and Muntanga deposits. The focus was on upgrading Inferred Mineral Resources into the Indicated category by improving drill hole

spacing and expanding the Dibbwi East open pit Mineral Resource. DD was undertaken to validate gamma and radon corrections in downhole logs, with twin holes drilled to match earlier percussion drilling. Additionally, 14 geotechnical holes were completed across all deposits to optimise pit wall geometry. Hydrogeological work included 29 holes to assess dewatering needs, along with nine water bores and pump testing to support future water supply planning. Geotechnical investigations involved the digging of 119 shallow test pits to evaluate soil characteristics for infrastructure design, including leach pads and waste dumps.

Building on the progress made in 2023, the 2024 drilling programme focused on sterilisation drilling around proposed pit areas, mine plant locations, and resettlement zones. The drilling was done to ensure the identification of non-mineralised zones suitable for infrastructure placement and community relocation. The company did hydrogeological drilling to secure water supply for the processing plant. These activities further refine project planning and align with the broader pre-construction objectives.

All DD holes were logged for lithology, structure, alteration, mineralisation and geotechnical characteristics. In 2009, data were entered into DHLogger software on laptops in the field and then transferred into a Fusion database. Hard copies of drill logs are stored at the site. In 2021 and 2022, the DDH core data were collected using the Seequent MX Deposit Application, with data stored directly in the cloud. Most of the core mark-ups and photography were done on the drill pad so that the quality of the core was not lost during transport to the core farm. The core was then logged geologically using the descriptions outlined above and then marked up for sampling.

Prior to core logging, down-hole geophysical probe information was reviewed, with the major lithological contacts, structures and mineralised horizons being inferred from the gamma and conductivity readings. These inferences are then reviewed alongside the core. The core was then measured and metre marked, and the core recovery, longest piece and scintillometer readings were recorded

Down-hole geophysical logging was done with the use of down-hole geophysical probes, which measure the electrical properties of the rock from which lithologic information can be derived and natural gamma radiation, from which an indirect estimate of uranium content can be made. Parameters measured by the down-hole geophysical probes are conductivity, resistivity, self-potential, single-point resistance, deviation, and natural gamma.

Data from the 2006 to 2012 drilling programme was converted by Denison used an in-house developed computer program known as GAMLOG to convert the measured cps of the gamma rays into an equivalent per cent  $U_3O_8$  ("eU<sub>3</sub>O<sub>8</sub>%"), while down-hole gamma data collected by GoviEx from 2021 to 2024 were converted into eU<sub>3</sub>O<sub>8</sub> using the ALT Wellcad software supplied by an external geophysical contractor, Terratec Geophysical Services.

# Njame and Gwabi deposits

Drilling was carried out by AFR using a combination of DDH, RC and AC techniques. The AC method was only used at the early-stage exploration at Njame in 2006, and all subsequent drilling at the Njame and Gwabi deposits was completed by RC and DDH techniques.

RC drilling was used for obtaining suitable samples for MRE at these deposits and was carried out along drill lines spaced between 25 m and 50 m apart along prospective anomalies.

The majority of the DDH drilling was completed in 2008 and was carried out by Capital Drilling (Zambia) Limited.

Collar positions for all holes were initially established using handheld GPS. Drill sites and access were cleared using a bulldozer when required and the drill position was re-marked using handheld GPS. Upon hole completion, each drill hole was left with a Polyvinyl chloride ("PVC") collar tube cut at ground level. The collar coordinates were re-checked using handheld GPS. Subsequently, most drillhole collars were surveyed with a differential GPS by a professional surveyor and Lusaka-based Rankin Engineering.

AFR used well-documented procedures for RC and DDH sample logging. In general, RC chips were logged immediately after drilling whereas the core was logged after being carefully joined up and marked on a V-trough. The information recorded included lithological, structural, geotechnical, weathering/ oxidation and mineralogical logs. For cored holes, the mineralised zones of each were selected at the discretion of the logging geologist.

GoviEx completed three drill holes on each of the Njame and Gwabi deposits in 2022 for data confirmation and geometallurgical sampling. Logging and sampling procedures used for these holes are consistent with the procedures described above for drilling completed on the Muntanga, Dibbwi and Dibbwi East deposit drilling campaigns.

# Data verification

# Data verification by previous companies

Limited down-hole radiometric quality assurance/ quality control ("QAQC") data are available to support the historical drilling completed prior to 2006, however Denison's drilling campaigns, which represent the majority of historical data for the Muntanga, Dibbwi and Dibbwi East deposits, used a variety of systematic checks and standards for routine checking and calibration of down-hole radiometric logging tools.

CSA Global ("CSA") conducted data verification exercises in 2009 and 2012 to support the historical MRE updates completed by CSA. The following items were included in their data verification process, including exploration protocols used by Denison:

- Core sampling, sample preparation and assaying
- QAQC procedures
- Drill hole collar and down-hole deviation surveys
- Down-hole radiometric logging procedures and results and
- Database validation.

No material issues were identified by CSA regarding data collected by Denison.

AFR completed twin hole drilling of RC and DDH to confirm AC holes, as well as DDH to confirm RC holes. A total of 23 twins were completed and compared versus the original holes during the exploration programmes at Njame and Gwabi. Although some of the holes were not directly comparable due to extra sampling requirements, the results indicate that the comparison between twin holes is generally acceptable.

# Data verification by SRK

As part of the 2021 and 2022 drilling campaigns, check surveys were conducted on a limited number of historical drill hole collars to verify the location and relative position of the historical collars to drill holes completed by GoviEx. Through this verification exercise, it was determined that the UTM WGS84 drill hole collar coordinates for the historical drill holes were on average approximately 7.25 m off in the easting coordinate and 0.15 m off in the northing coordinate. Therefore, all historical collar coordinates for drill holes located on the Muntanga, Dibbwi and Dibbwi East deposits were shifted to align with the 2021 to 2023 survey locations.

In addition, all drill hole collar elevations were adjusted to align with the 2023 LIDAR survey conducted on the Project area in in Quarter ("Q") 2023. All drill hole collar adjustments were completed in preparation for Mineral Resource estimation purposes.

SRK conducted a review of the Project drill hole assay database, comparing database entries to the original Lab assay certificates. Approximately 10 % of historical assay database entries and 85 % of recent assay database entries were validated against the original Lab assay certificates, and no errors were noted.

SRK reviewed the down-hole radiometric and  $eU_3O_8$  profiles for all 2021 and 2023 drill holes, and where radon contamination was identified, adjusted (corrected) the  $eU_3O_8$  profiles to produce a more robust  $eU_3O_8$  grade profile.

## Mineral processing and metallurgical testing

Metallurgical testwork on Muntanga has been conducted since the 1980s by various groups. Heap leaching of Chirundu ore has previously been evaluated, in the late 1980s testing by the government laboratory. The testwork resulted in uranium recoveries up to 90 % at low sulfuric acid consumption rates of less than 5 kg/t ore leached. Similar results were reported by Denison for Muntanga and reported in the previous PFS (SRK, 2016).

From historic and recent geometallurgical and mineralogical studies, two key issues were assessed:

- Efficiency of natural liberation of uranium from the matrix of quartz from the conglomerate phases; and
- The occurrence and mineralogy of uranium phases, including grain size, association and liberation.

The studies identified that most of the primary uranium occurs as uraninite (over 80 %) with autunite and uranophane occurring in the oxide ore. In addition, trace coffinite was also identified as well as fine grained rutile-uraninite intergrows. The vast majority (more than 90 %) of the U-bearing mineral particles studied in the test programme were liberated to whilst less than 10 % remained unliberated. The U-bearing minerals in the latter category were predominantly attached to the quartz boundaries.

Between 50 % to 60 % of the U-bearing particles in the test programme were associated with quartz, but the average grain size was small so that the proportion of the total deportment was low at approximately 2 %. The U-bearing mineral autunite was associated within the pores of the host rock (sandstone), not within the clay cement. The data suggests that the timing of the U mineralisation was post-depositional, which is supported by the low association between the U-bearing minerals and the quartz grains and clay cement.

In the FS study reported here, metallurgical test work was performed on five composites, from all the prospects, with Muntanga and Dibbwi East accounting for approximately 80 % of M&I Resources. The samples were sourced from existing drillcore from the 2023 drilling programme. They were:

- Composite 1: Dibbwi East Oxidised; coarse oxidized sandstone containing visible secondary uranium minerals of autunite, umhoite and carnotite
- Composite 2: Dibbwi East Reduced; black reduced siltstone-sandstone mixed containing finer grained groundmass with some lithoclasts
- Composite 3: Muntanga + Njame; Both samples were fine grained grey to green sandstone-siltstone mix with some graphitic and pyritic material
- Composite 4: Gwabi Oxidised; medium grained sized oxidized siltstone

• Composite 5: Dibbwi Main Oxidised; coarse oxidized sandstone containing visible secondary uranium minerals of autunite, umhoite and carnotite.

The application of curing acid optimisation test protocols provided for a substantial reduction in the leach cycle in the columns to between 20 and 60 days. Most of the uranium dissolves in the curing stage and washes out during initial irrigation. The application of curing acid provides a means to introduce the acid rapidly and evenly throughout the bed and avoid acid limitation within zones of poor solution contact.

High uranium dissolutions of 90 % and above were achieved in the columns which contained Muntanga and Dibbwi East ores. Only the Gwabi ore yielded lower dissolutions of 75 %.

Slumping was minimal (less than 1.7 %) as measured by a decrease in the height of bed. Slumping was also reduced by compacting the agglomerates during loading to between 1.46 t/m<sup>3</sup> to 1.49 t/m<sup>3</sup> by hammering on the sides of the column. This prevents further compaction during leaching on account of agglomerates "settling" to a higher bulk density during wetting. Moreover, no permeability restraints were observed during irrigation in the columns at 10 L/m<sup>2</sup>/h. Compared with test heaps, columns are also known to provide "wall support" which is absent in heaps.

The good permeability may be attributed to a low percentage of silt plus clay (-75  $\mu$ m) material in the feed solids. The silt plus clay fraction is known to block pores if it is present in amounts greater than 10 % to 14 %. Even though the samples contained a large percentage of sand, normally classified as -2 mm or -4 mm, this is not associated with poor permeability, although it is associated with increased surface area and moisture content. During the leach, however, decrepitation resulted in an increase in the fines (-75  $\mu$ m) content to 15 %, close to the recommended limit, although this did not translate into permeability restraints in the columns. Hydrodynamic column tests on the residues indicated that the columns operated close to saturation on account of the high fines content generated during the leach.

Uranium dissolutions by one-metre section and by size class were uniform, suggesting that there was no reagent limitation down the height of the column, nor is uranium finely disseminated/ locked in coarser rocks. In other words, the crush size has little effect on the uranium dissolution, as the uranium is liberated, even in the coarser rocks.

The resulting flowsheet will comprise the following stages:

- Primary crushing and ore sorting at satellites (if mined), sorted ore trucked to Central plant using a road-going hauling fleet
- Primary crushing of ore from Central pits
- Secondary and tertiary crushing of combined ore
- Agglomeration with sulfuric acid and stacking
- Heap leaching to produce a pregnant leachate solution containing uranium, iron and other impurities followed by ripeos (spent ore) reclamation and disposal
- Recovery of uranium from pregnant leachate solution using ion exchange, with barren solution recycled to the heap
- Concentration of ion exchange eluate by nanofiltration, with recycling of recovered acid to ion exchange elution
- Neutralization of excess acid in NF concentrate using lime
- Precipitation of iron with sodium hydroxide
- Precipitation of uranium using hydrogen peroxide
- Calcining and packaging to produce U<sub>3</sub>O<sub>8</sub>.

#### Mineral Resource estimates

The Mineral Resource model prepared by SRK considered 2,366 historical drill holes drilled between 2005 and 2012, and 468 drill holes drilled by GoviEx from 2021 to 2023. The MRE work was completed by André Marcel Deiss, Pr.Sci.Nat., P.Geo. an "independent qualified person" as this term is defined in NI 43-101. The effective date of the Mineral Resource statement is January 31, 2024.

In the opinion of SRK, the MREs reported herein are reasonable representations of the global uranium Mineral Resources found in the Project at the current level of sampling. The Mineral Resources have been estimated in conformity with the generally accepted Canadian Institute of Mining, Metallurgy and Petroleum "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated November 29, 2019, and "Definition Standards for Mineral Resources and Mineral Reserves" published May 10, 2014, and are reported in accordance with the Canadian Securities Administrators' NI 43-101 standards of disclosure for mineral projects. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserves.

The database used to estimate the Project MRE was audited by SRK. SRK believes that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for uranium mineralisation and that the sample data are sufficiently reliable to support Mineral Resource estimation. Figure 5 shows a location map of the Project's uranium deposits.



Figure 5: Location map of the Muntanga uranium deposits

The Mineral Resource evaluation methodology involved the following procedures:

- Database compilation and verification
- Review of Njame and Gwabi's historical MRE
- Construction of grade shell wireframe models for the boundaries of uranium mineralisation for the Muntanga, Dibbwi and Dibbwi East deposits
- Data conditioning (compositing and capping) for geostatistical analysis and variography
- Block modelling and grade interpolation
- Mineral Resource classification and validation
- Assessment of "reasonable prospects for economic extraction" and selection of appropriate cutoff grades ("COG")
- Preparation of the Mineral Resource statement.

The Mineral Resource drill hole database for the Project contains 2,834 drill holes totalling 191,751 m of drilling; 468 of these drill holes were drilled by GoviEx between 2021 and 2023 totalling 52,924 m of drilling. The database contains 33,280 uranium ( $U_3O_8$ ) assays and 114,364 m of down-hole radiometric probe data converted in equivalent  $U_3O_8$  (eU<sub>3</sub>O<sub>8</sub>) grade data for MRE purposes.

For the Gwabi and Njame deposits, mineralisation domains were generated using the three-dimensional ("3D") software package Gemcom Surpac<sup>®</sup> ("Surpac"). Uranium mineralisation occurs in fine to coarsegrained sedimentary units consisting of siltstone, sandstones, pebbly/gritty sandstones, and grits-to-pebble conglomerates. Mineralised lenses occur as sub-parallel layers with shallow dips of  $2^{\circ}$  to  $5^{\circ}$  to the southeast at Njame, and to the east-northeast at Gwabi, and were defined using a 100 ppm U<sub>3</sub>O<sub>8</sub> COG.

At Njame, the main concentration of uranium mineralisation occurs at the contact between sedimentary sequences where there is rapid change from fine to coarse sediments. At Gwabi, the main concentration of uranium mineralisation is hosted in a 10 m to 20 m thick coarse-grained sandstone located above a thick siltstone/ mudstone unit.

For the Muntanga, Dibbwi and Dibbwi East deposits, mineralisation domains used were defined based on grade shells generated using a 100 ppm  $eU_3O_8$  COG with an 80 ppm  $eU_3O_8$  cut-off low-grade halo. The updated mineralisation domain models incorporate additional drill hole information and database QAQC conducted since the previous MREs were completed in 2009 for Muntanga and Dibbwi (CSA, 2009); and 2012 for Dibbwi East (RPA, 2012); 2017 for all three deposits (SRK); 2023 for Muntanga and Dibbwi (SRK, 2023) and 2023 for Dibbwi East (SRK, 2023). 3D grade shells were generated using Leapfrog software predicated on  $eU_3O_8$  grade data obtained from down-hole radiometric probing.

The resulting block model quantities and grade estimates were reviewed to determine the portions of the MRE having "reasonable prospects for eventual economic extraction" ("RPEEE") from an open pit mine. SRK considers that the blocks located within the conceptual pit envelopes show RPEEE and can be reported as a Mineral Resource as reported in Table 2.

Table 2: Mineral Resource statement the Muntanga Uranium Project, Zambia, effective date, January 31,2024.

Category	U <sub>3</sub> O <sub>8</sub> cut-off [ppm]	Deposit	Tonnes [Mt]	U <sub>3</sub> O <sub>8</sub> Grade [ppm]	U <sub>3</sub> O <sub>8</sub> Metal [Mlb]
Managurad	110	Gwabi	1.1	254	0.6
Measured	90	Njame	2.5	358	2.0
Indicated	90	Muntanga	8.6	369	7.0

Category	U <sub>3</sub> O <sub>8</sub> cut-off [ppm]	Deposit	Tonnes [Mt]	U <sub>3</sub> O <sub>8</sub> Grade [ppm]	U <sub>3</sub> O <sub>8</sub> Metal [Mlb]
	90	Dibbwi	3.2	253	1.8
	90	Dibbwi East	31.3	372	25.7
	110	Gwabi	2.7	374	2.2
	90	Njame	1.0	306	0.7
Total M&I			50.4	359	40.0
	90	Muntanga	3.4	278	2.1
	90	Dibbwi	1.0	213	0.5
Inferred	90	Dibbwi East	7.1	252	3.9
	110	Gwabi	0.2	272	0.1
	90	Njame	1.1	329	0.8
Total inferred			12.8	263	7.4

\*Notes

1. The effective date of the Mineral Resource statement is January 31, 2024. The QP for the estimate is André Deiss, Pr.Sci.Nat., P. Geo., Associate Consultant (Resource Geology) of SRK Consulting (Canada) Inc.

2. Mineral Resources are prepared in accordance with CIM Definition Standards (CIM, 2014) and the CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM, 2019).

3. Mineral Resources are constrained within an optimised pit shell using a uranium price of USD 100 /lb U<sub>3</sub>O<sub>8</sub>, mining costs of USD 3.30 /t, processing costs of USD 9.00 t ore, additional mining costs of USD 0.55 /t, G&A costs of USD 1.50 /t, Transport costs of USD 1.50 and a royalty of 5%.

4. Mineral Resources are reported at a U<sub>3</sub>O<sub>8</sub> COG within the optimised pit shell and are inclusive of Mineral Reserves.

5. Mineral Resources are inclusive of mineralisation in the 80 ppm halo but reported above the relevant cut-off and classed as Inferred Resources. This mineralisation represents approximately 5 % of the total Mineral Resources metal (Mlb).

6. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves in the future.

7. All figures have been rounded to reflect the relative accuracy of the estimate.

#### Mineral Reserve estimate

The QP accepting the professional responsibility for the open pit Mineral Reserve estimates section is Mr Jaco Lotheringen Pr Eng, member of the SAIMM (Registration number: 401237) and registered as a professional engineer at the ECSA (Registration number: 20030022). This section relates specifically to the Muntanga and Dibbwi East Mineral Reserve estimates completed for this technical report and based on the Mineral Resource models and estimates as reported in Table 2. Project base case economic analysis shows that the Project life of mine ("LOM") plan, used to estimate the Mineral Reserves, provides a positive net present value of the free cash flow, confirming that the Mineral Reserves are economically viable, and that economic extraction can be justified. The author is not aware of any additional mining, metallurgical, infrastructure, permitting, or other factors not presented in this report that could materially affect the Mineral Reserve estimate.

During the course of the FS, financial analysis showed that the mining schedules for Dibbwi, Gwabi and Njame are value accretive, but would not earn sufficient returns under current market conditions. Based on this, the simplified project development strategy was developed to focus on the Muntanga and Dibbwi East deposits only. The LOM plan and hence the Mineral Reserve estimate thus exclude these satellite deposits.

To conform with NI 43-101 standards, the Mineral Reserve estimate was derived from Measured and Indicated ("M&I") Mineral Resources only. The M&I MRE are listed in Table 2 are reported inclusive of the associated Mineral Reserve.

The conversion of the Mineral Resource estimate to a Mineral Reserve estimate followed a conventional approach, commencing with open pit optimisation techniques incorporating economic parameters and other modifying factors.

The ultimate (optimal) pit outlines (shells) were used to create practical and detailed open pit designs accounting for the inclusion of batters, berms and haul roads.

These pit designs then provided the ore and waste mining inventories for a detailed production schedule that demonstrates viable open pit mining. This schedule, which in turn provides the physical basis for cash flow modelling, is described in the economic analysis section of the FS.

The resulting Mineral Reserve estimate for the Project is shown in Table 3.

<u> </u>	, ,	1 2		
Mar and Decome also	Tonnes	U <sub>3</sub> O <sub>8</sub> Grade	U <sub>3</sub> O <sub>8</sub> Contained	Contribution
Nineral Reserve class	[Mt]	[ppm]	[Mlb]	[%]
Muntanga pit				
Proven	-	-	-	0
Probable	8.4	331	6.12	100
Subtotal	8.4	331	6.12	
Dibbwi East pit				
Proven	-	-	-	0
Probable	31.2	317	21.86	100
Subtotal	31.2	317	21.86	
Total project				
Proven	-	-	-	0
Probable	39.6	320	27.99	100
Total Mineral Reserve	39.6	320	27.99	

## Table 3: Muntanga Mineral Reserve statement, in-pit inventory on January 1, 2025

Notes:

- 1. All figures are rounded to reflect the relative accuracy of the estimate and have been used to derive sub-totals, totals and weighted averages. Such estimates inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, Ukwazi does not consider them to be material.
- 2. The Concession is wholly owned by, and exploration is operated by GoviEx.
- 3. The standard adopted in respect of the reporting of Mineral Reserves for the Project, following the completion of required technical studies, is in accordance with the NI 43-101 guidelines and the 2014 CIM Definition Standards, and have an Effective Date of January 1, 2025.
- 4. The Open Pit Mineral Reserves are reported with engineered pit designs using a cut-off grade per area varying between 70.1 ppm U<sub>3</sub>O<sub>8</sub> and 85.1 ppm U<sub>3</sub>O<sub>8</sub>, which is based on a selling price of USD80 /lb U<sub>3</sub>O<sub>8</sub>, reference mining cost of USD 3.30 /t rock, additional ore mining cost of USD 0.55 /t ore, additional ore hauling cost of USD 0.18 /t ore-km, incremental depth mining cost of USD 0.05 /t/10m bench, processing cost of USD9.00 /t ore, royalty of 5 %, G&A of USD1.50 /t ore, port costs of 1.50 /lb U<sub>3</sub>O<sub>8</sub> and recoveries varying per location between 74.6 % and 93.3 %.
- 5. The Open Pit Mineral Reserves are derived from a regularized block models of 5 m x 5 m x 2.5 m (Muntanga) and 10 m x 10 m x 2.5 m (Dibbwi East) and include an additional dilution and 5 % mining loss.
- 6. Jaco Lotheringen of Ukwazi is an appropriate "independent qualified person" as defined in National Instrument 43-101 and has completed site inspections of the deposit

# Mining methods

For context, the mine site layout is shown in Figure 6. The main features shown are:

- The Muntanga and Dibbwi East open pits
- The Muntanga and Dibbwi East waste dumps
- Surface haul routes

- The Central processing complex, including run of mine ("ROM") tip, crushers and conveyors, heap leach facility ("HLF"), processing plant, offices and mining workshops and offices
- Spent ore dump
- Stockpile area.

Mining follows conventional drill and blast, shovel and truck mining practice. The sequence of mining activities is conventional and is generally as follows:

- Grade control drilling delineates the ore zones
- A grade control model will developed as basis for the design of blast limits and digging blocks
- Ore, waste or mixed blocks will be blasted to design, according to layouts based on hole patterns and powder factors to suit ground conditions
- Trim blasts and perimeter blasting techniques will be used to ensure pit wall profiles are cut to the correct angle and to minimise wall damage
- Diesel/ hydraulic excavators will load the blasted rock onto a fleet of articulated dump trucks ("ADT") of 25 m<sup>3</sup> capacity
- Ore was scheduled to be hauled directly to the ROM crusher, and waste material will be hauled to the surface dumps or dumped in-pit once sufficient pit floor space is available.

The mining schedule was based on a ROM production rate of 3.5 million tonnes per annum ("Mtpa"). ROM production was scheduled to commence at the Muntanga deposit, due to its low 1.21 stripping ratio ("S/R") and progress to the Dibbwi East pit (with a 4.29 S/R). On depletion of the Muntanga pit, Dibbwi East will serve as the sole ROM production feed.

The Muntanga mine design and schedule were based on a cutback mining approach starting with a northeastern boxcut and progressing westwards in a series of 40 m-wide mining benches. In-pit dumping will take place once sufficient void space is created. Since the ore body outcrops at the northern side of the pit and dips at a haulable gradient of approximately  $6^\circ$ , pit access will be gained via the outcrop or by means of temporary in-pit ramps with a minimum 120 m allowance between any two mining benches.

While Muntanga initially produces the bulk of the ore, Dibbwi East makes up for the shortfall as the Muntanga pit depletes to sustain the overall mining production profile. Dibbwi East was scheduled based on three pushbacks. Mining will commence at the first pushback, with scheduled pre-stripping of the second pushback to support a sustainable production profile during the Muntanga pit depletion.



Figure 6: Mine site layout

The equipment selected for the development of the mining schedule includes the following items of major equipment (the number required for steady-state mining in brackets):

- Drilling: Sandvik DI650i drill rigs (three to four required depending on schedule requirements)
- Excavators: Caterpillar 395 (seven to eight required)
- Dump trucks: Cat 745 ADT (45 to 49 required).

Appropriate support equipment includes dozers, front-end loaders ("FELs"), graders, water and diesel bowsers, secondary rock breakers, water pumps, mobile lighting plants, tractors loaders backhoe ("TLBs"), site-use buses and light delivery vehicles ("LDVs").

Specifications from the original equipment manufacturers ("OEMs") were used to estimate the number of units required, operating cost and replacement schedule.

The total tonnage mined each year is shown in Figure 7. Over the LOM, a total of 183.8 million tonnes ("Mt") of material was schedule, comprising 39.6 Mt of ore at a grade of 320 ppm  $U_3O_8$  and 144.2 Mt of waste.



Figure 7: LOM schedule annual material movements and progressive strip ratio

# **Recovery** methods

The central processing plant ("CPP") was designed to handle a total of 3.5 Mtpa of ROM material sourced from the central Muntanga and Dibbwi East mining sites and, if mined in the future, sorted ore from the Dibbwi, Gwabi and Njame satellite mining sites. The mix of ore from the respective pits will vary over time.

Processing of the ROM ore to produce a saleable  $U_3O_8$  product takes place in three stages:

- 1. **Ore preparation:** ROM ore hauled from the pits is placed into the ROM tipping bin and enters three stages of crushing, before undergoing agglomeration in preparation for leaching
- 2. **Heap leach:** The agglomerated ore is placed on the HLF for leaching. The pregnant leach solution is pumped to the uranium recovery and purification plant, and the spent ore is placed on the spent ore dump after rinsing
- 3. Uranium recovery and purification: Uranium recovery by ion exchange ("IX") is followed by the recovery of  $U_3O_8$  by eluting the uranium-loaded resin using a sulfuric acid solution. The eluate undergoes a nanofiltration process facilitating sulfuric acid recovery for recycling to the elution process. Following this, the concentrated solution is dosed with hydrated lime and sodium hydroxide to neutralise residual acid and remove deleterious minerals such as iron, after which it is dosed with hydrogen peroxide, leading to uranyl peroxide precipitation. The precipitate is dewatered and calcined, and the final product and packed into drums as  $U_3O_8$  or yellowcake.

The overall process flow sheet is shown in Figure 8.



Figure 8: Block diagram of the CPP

Because of their different geochemical properties, the  $U_3O_8$  recovery rate differs from orebody to orebody. The recovery for Dibbwi East oxide ore was estimated at 91.3 %, 89.7 % was estimated for the Dibbwi East reduced ore, and the Muntanga reduced ore recovery was estimated at 93.0 %. Over the life of mine, the 39.6 Mt of ore fed to the plant yields 25.3 Mlb of  $U_3O_8$ .

# Project infrastructure

**Primary access roads:** The Project's primary access roads ("PARs") connect plant and mine sites to the nearest national road. They will be used during construction and operation and will be used by local traffic. Figure 9 shows the PARs for the project. The main PAR for Muntanga and Dibbwi East joins the national D500 road to the Central site and requires a bridge to be built over the Machinga River.

**General Central complex infrastructure:** The process plant design includes offices, changerooms, dining facilities and other infrastructure required by the general departments of the Project not directly involved in production activities.

**Mining infrastructure:** Infrastructure to support all aspects of the mining operation was developed. This includes hauls roads, a mining infrastructure complex, offices, workshops, change houses, ROM pads and waste rock dumps ("WRDs").

**Water management:** Infrastructure to manage all water-related requirements for the Project was designed. This includes stormwater, surface water, groundwater, potable and process water, pit dewatering (both inpit and interception dewatering), and water quality management and monitoring **Bulk power supply:** Power supply is required at the various plant, mine and accommodation sites. Muntanga will connect via a new, dedicated connection to the Siavonga 330 kV/132 kV/33 kV substation, which is adjacent to the Kariba Dam requiring 11 kV switchgear supplied by the grid feeding the site's electrical distribution system, from whence it is part of the design of each area.



Figure 9: Access roads for Muntanga, Dibbwi East and Dibbwi

# Marketing studies and contracts

This section provides an overview of the fundamental principles of the uranium market and how the derived  $U_3O_8$  is sold into the market; transported; and transformed for use in nuclear reactors. As such the following elements will be described:

- Understand the position and role of uranium within the nuclear fuel cycle
- Analyse U<sub>3</sub>O<sub>8</sub> demand with particular reference to the U<sub>3</sub>O<sub>8</sub> requirements of the world's reactors

- Explain the transformation of U<sub>3</sub>O<sub>8</sub> into uranium hexafluoride and the role of the conversion facilities that provide such a service
- Summarise the requirements for transportation of U<sub>3</sub>O<sub>8</sub> from the Project to the conversion facilities
- Examine the contractual relationship between GoviEx as the uranium producer and the conversion facilities.

Since 2011 the key impact on primary uranium demand was excess inventories throughout the supply pipeline. Increasing nuclear energy production and primary uranium supply constraints have resulted in declining inventories. The uranium miners have reduced their inventories to just-in-time levels through supply reductions, sell down of surplus inventories, on-market purchases and in the case of Kazatomprom, the sale of its surplus inventory to the financial fund Yellow Cake.

Utility inventories have been declining as long-term contracts have unwound, and utilities have undertaken active inventory control. This has been compounded by the uncertainty associated with geo-political factors, especially affecting the United States of America ("USA"), including the Iranian sanctions, Russia Suspension Agreement and Section 232/Nuclear Fuel Working Group. During 2020 and into the start of 2021, utilities were affected by COVID-19, and nuclear energy generation decreased by approximately 4 % in 2020, resulting in a 20 % to 30 % decline in annual purchases.

In late 2021, the activity of Sprott Physical Uranium Trust, and in 2022, the disturbances in the Russian sphere of influence have dramatically focussed the industry's attention on the security of fuel supply issues and have increased the uncertainty faced by buyers and sellers alike.

Inventories on conversion and enrichment material have been declining, as highlighted by the rising price and increasing concerns on conversion and enrichment capacity in the medium to long term.

The increasing supply constraint and declining inventories have already been noted by the improving uranium price. Based on history alone, uranium prices can make swings when future production levels are uncertain due to the long lead times required to bring new projects online. Since the actions taken by Cameco and Kazatomprom to constrain supply, and the recent market impacts of Sprott Physical Uranium Trust and conflicts in the Russian sphere of influence, the uranium price has responded positively.

In July 2023, the military coup in Niger resulted in political instability in the region and saw international and regional sanctions imposed on the military junta. Consequently, the mining and shipping of Nigerien uranium has been seriously curtailed. Niger has been supplying over 20 % of European Union uranium in recent years.

In early 2024, the announcement by Kazatomprom that their forecast production targets would not be met caused more uncertainty in the market and put upward pressure on long-term contract prices, which rose from United States Dollar ("USD") 56 /lb in June 2023 to USD 80 /lb in June 2024.

Coupled with this was the legislation enacted in the United States of America in 2024 to ban imports of Russian nuclear fuel, subject to possible waivers in the next three years 2025 to 2027. This heightened uncertainty has put further upward pressure on nuclear fuel prices.

The QPs view is that for Muntanga a base price of USD 90 /lb should be applied to the valuation, with sensitivity analysis at USD 80 /lb and USD 70 /lb to the downside and USD 100 /lb and USD 110 /lb to the upside as this will cover the widest range of potential scenarios.

#### Environmental studies, permitting, and social or community impact

An environmental impact assessment ("EIA") was prepared for the Chirundu (Njame and Gwabi) sites in 2008. This was based on baseline data collected between March 2007 and February 2008 (AFR, 2008). Similarly, an environmental impact study was prepared for the Project in 2009 by African Mining Consultants ("AMC") as part of the Denison Feasibility Study (MDM, 2009).

As of March 2025, AMC is in the final stages of a full environmental and social impact assessment ("ESIA") process that builds on the earlier studies but includes a comprehensive update of the baseline studies and assessment of the impacts based on the new project design. GoviEx is committed to developing the Project to International Finance Corporation standards and the ESIA process has been scoped to achieve this. The Project will result in the resettlement of a number of villages and accordingly AMC are developing a Resettlement Action Plan("RAP").

The potential environmental impacts of the Project are being systematically assessed using the sourcepathway receptor framework. An environmental management plan ("EMP") will form part of the AMC deliverable. AMC plans to finalise the ESIA in Q1 2025 and submit the report for regulatory comment and approval towards the end of Q1. The regulatory consultation process for the ESIA and Resettlement Action Plan ("RAP") is expected to take approximately 6 -12 months.

The ESIA report will describe what are effectively two phases in the project life:

- 1. Phase one focuses on the central Muntanga and Dibbwi East area.
- 2. Phase two describes the development of the satellite deposits at Dibbwi, Njame and Gwabi.

The Project will require the resettlement of local communities at all five project sites. AMC are in the process of finalising the detailed resettlement plan. Full community baseline and household surveys have been completed and the asset inventory cut-off date, November 2024, has been communicated to the people affected by Phase 1 of the Project, which involves those impacted by mining at Muntanga and Dibbwi East.

Phase 2 will impact the communities and farmers at Dibbwi, Njame and Gwabi. These groups have been included in all communications to date and have been comprehensively surveyed. These areas may only be disturbed five to seven years into the project life and resettled later in the life of the mine.

The total number of people subject to physical resettlement and Muntanga and Dibbwi East is 958. The phasing of the resettlement programme is described in more detail in Section 20.3.2.

#### Capital and operating costs

Capital and operating costs for the Project were derived by the technical teams working in each aspect of the Project. In general, capital costs were obtained by deriving bills of quantities ("BOQs") based on the designs and issuing requests for quotations to the market in packages comprising the BOQs and/or a pricing schedule, along with detailed specifications. The responses were evaluated for financial and technical merit and used as a basis for the capital cost estimate. If responses were not received on a package, database rates from similar projects were used. Mobile equipment capital costs were based on quotations received from the original equipment manufacturers or their agents.

Operating costs were based on some common factors such as diesel and electricity prices, which were obtained from suppliers and applied to each component of the project. Labour rates were obtained from Zambian mining industry benchmarking in a report by Align Advisors: "Benchmark Salary Report, Zambian Mining Industry 2024" and applied to all labour in the Project. Each technical team drew up

detailed labour schedules for their component of the Project. Operating costs were generally estimated using first principles, for example calculating the usage per tonne/ year/ pound of a consumable and multiplying it by the appropriate unit price.

Initial capital expenditure ("Capex") is the expenditure required to purchase the initial mining fleet, develop the processing plant and build all roads and infrastructure, up to the point where mining production can commence and revenue is received. The total initial Capex is USD 282 million as shown in Table 4.

Sustaining capital is required thereafter to maintain production levels at the target throughout the LOM, including equipment purchases and replacement, and expansion of facilities such as the HLF, waste and spent ore dumps. This totals USD 101 million over the LOM, of which 93 % is for the replacement of primary mining equipment.

Total LOM capital is USD 383 million.

Development Capital [USD '000]	Total	2025	2026	2027
Mining equipment	36 887	0	0	36 887
Mining infrastructure	14 099	570	7 657	5 872
Processing plant	137 721	143	44 753	92 825
Heap leach pads	24 200	2 663	12 497	9 040
Heap leach stacking and reclaiming	25 592	0	11 028	14 564
Power	20 020	934	11 829	7 257
Roads	9 658	6 843	1 770	1 045
Water management	5 824	0	971	4 854
General & administration	4 061	385	1 183	2 493
Resettlement action plan	3 885	647	3 237	0
Total initial Capex	281 948	12 185	94 926	174 837

Table 4: Initial development capital

The LOM Opex is shown in Table 5 on a total, unit cost per ROM tonne, unit cost per  $U_3O_8$  pound and percentage basis. Mining and processing costs make up 87 % of the operating costs.

Opex [USD '000]	USD/ ROM t	USD/ lb U <sub>3</sub> O <sub>8</sub>	% of Total
Mining	9.55	14.94	46.4
Mining infrastructure	0.19	0.29	0.9
Processing	8.37	13.09	40.7
Stacking	0.85	1.34	4.2
Reclaiming	0.35	0.55	1.7
G&A	0.42	0.66	2.1
Power rebate	-0.13	-0.20	-0.6
Product transport	0.93	1.46	4.5
Closure	0.05	0.07	0.2
Total Opex	20.58	32.20	100

#### Table 5: Operating cost summary

#### Economic analysis

The economic analysis was conducted by building a discounted cash flow model for the project, using the financial assumptions detailed in Table 6 and the production, Capex, Opex and project implementation schedule discussed above. The model is built in real terms, based on January 1, 2025 USD.

Parameter	Units	Value	Comment
Uranium price	USD/ lb U <sub>3</sub> O <sub>8</sub>	90	
Corporate income tax rate	%	30	Percent of taxable income, sourced from Zambian tax legislation
Government royalties	%	5	Percent of revenue, sourced from Zambian mining legislation
Discount rate	% p.a.	8	See derivation below
Valuation base date	Date	January 1, 2025	
Tax depreciation rate	Years	5	
Capital expenditure contingency	%	10	Percent of initial capital expenditure

#### Table 6: Financial assumptions applied in valuation

The cashflows for the project over its life are shown in Figure 10. The Project returns USD 672 million in free cash flow, resulting in a net present value ("NPV") (at 8 %) of USD 243 million and an internal rate of return ("IRR") of 20.8 %. On a cash basis, the Project pays back by October 2031, within 3.5 years of first revenue.



Figure 10: Project cash flows

Table 7 presents a summary of the financial performance of the Project, including a unit cost analysis.

Table 7:	Financial	performance	summarv
1 4010 / .	1 manorai	periormanee	Summary

Item	LOM	Product unit	ROM unit
Item	[USD million]	[USD/ lb U <sub>3</sub> O <sub>8</sub> ]	[USD/t ROM]
Revenue			
$U_3O_8$ Revenue	2 279.8	90.00	57.51
Opex costs			
Mining	378.5	14.94	9.55
Processing*	379.4	14.98	9.57
Other costs	57.9	2.29	1.46
Royalties	114.2	4.51	2.88
Total Opex	930.0	36.71	23.46
Corporate income tax			
Tax	294.8	11.64	7.44
Capex			
Mining	144.2	5.69	3.64
Processing	193.8	7.65	4.89
Infrastructure	36.7	1.45	0.93
G&A	4.1	0.16	0.10
RAP	3.9	0.15	0.10
Total Capex	382.6	15.10	9.65
Financial performance			
Free cash flow	672.4	26.55	16.96
Net present value @ 8%	242.6		
Internal rate of return	20.8%		

\* Processing cost includes HLF stacking and reclaiming

The sensitivity of NPV to changes in the  $U_3O_8$  price, Capex and Opex is shown in Figure 11.



Figure 11: NPV sensitivity to changes in U<sub>3</sub>O<sub>8</sub> price, Opex and Capex

## Adjacent properties

There are no mining properties immediately adjacent to the Project licences.

## Other relevant data and information

#### The satellite pits: Dibbwi, Gwabi and Njame

The scope of work for this FS included five pits: the central pits, Muntanga and Dibbwi East; and the satellite pits, Dibbwi, Gwabi and Njame. The FS work was done to the same level for all five pits, including mine schedules, heap leach and processing plants, waste rock and spent ore dumps, infrastructure, power supply, water management, access roads, environmental and resettlement plans. However, the small scale, higher capital requirements and operating costs of the satellite operations relative to the Central pits detracted from the financial performance of the overall project, and the Project was reduced a Central-only operation.

However, under the right market conditions, the satellite pits have the potential to be economically attractive, and the FS work has developed these projects to a point at which they could be implemented. The satellite pits have the following characteristics:

- 1. The satellites would be mined at 0.5 Mtpa
- 2. There will be no process plant or HLF at the satellites
- 3. The satellites would be equipped with a radiometric ore sorting system, "Rados", which would reject ore at a grade of less than 90 ppm  $U_3O_8$  and reduce the volume of plant feed to 0.35 Mtpa while increasing the feed grade
- 4. The sorted ore would be trucked with a road-capable side-tipper fleet to the Central plant, where it would be fed into the second crushing stage. The Rados reject will be placed on the WRDs at the satellite pits.
- 5. Dibbwi would be mined first, given its proximity to Central and hence reduced trucking costs, followed by Gwabi and then Njame

Table 8 shows a summary of the LOM production for the satellite pits. A total of 25.0 Mt of material was scheduled, of which 6.5 Mt is ore, at an average grade of 300 ppm. Radiometric sorting by the Rados system reduces this to 4.6 Mt at an increased grade of 408 ppm. After processing in the Central uranium processing and refining plant with an average recovery of 89.1 %, the high-grade ore could yield 3.4 Mt of saleable  $U_3O_8$  product.

The ROM production scheduled from the satellite pits was not included in the Mineral Reserve estimate as part of the Project and did not form part of the Project valuation.

Production parameter	Units	Gwabi	Niame	Dibbwi	Total
ROM		0 1 401	i (juiito	Dicowi	10111
Annual steady-state ROM	Mtpa	0.5	0.5	0.5	0.5
Waste	Mt	6.2	11.2	1.0	18.4
Ore	Mt	3.4	2.3	0.9	6.5
Total mined	Mt	9.6	13.5	1.9	25.0
Stripping ratio	t:t	1.8	4.9	1.1	2.8
ROM ore grade	ppm U <sub>3</sub> O <sub>8</sub>	322	300	220	300
Contained U <sub>3</sub> O <sub>8</sub>	Mlb	2.4	1.5	0.4	4.3
Mining duration	years	7.3	5.1	1.8	13.8
Rados sorted ore					
Mass pull	%	70	70	70	70
U <sub>3</sub> O <sub>8</sub> recovery	%	90	90	90	90
Annual high-grade ore	Mtpa	0.35	0.35	0.35	0.35
High-grade sorted ore volume	Mt	2.4	1.6	0.6	4.6
Sorted ore grade	ppm U <sub>3</sub> O <sub>8</sub>	436	408	298	408
Contained U <sub>3</sub> O <sub>8</sub>	Mlb	2.3	1.4	0.4	4.1
Uranium processing and refining					
U <sub>3</sub> O <sub>8</sub> recovery	%	73.1	93.0	92.2	81.9
Saleable U <sub>3</sub> O <sub>8</sub> product	Mlb	1.7	1.3	0.4	3.4

 Table 8: Satellite pit production summary

At the FS base price of USD 90/ lb, the saleable production volumes from Table 8 result in the LOM revenue of USD 303.5 million. Applying the LOM costs to the revenue gives the earnings before interest and tax ("EBIT") shown in Table 9.

The average EBIT margin is 28 %, with both Gwabi and Njame exceeding 30 %. Dibbwi shows a negative margin due to the high Capex relative to ore volume (only 14 % of satellite ROM production). Value engineering approaches such as reducing infrastructure by operating out of Central or trucking directly to Central (as the distance to Central is far shorter than Gwabi and Njame) without implementing Rados can be explored.

Satellite EBIT	Units	Gwabi	Njame	Dibbwi	Total	USD/t ROM	USD/ lb U <sub>3</sub> O <sub>8</sub> product
U <sub>3</sub> O <sub>8</sub> product	M lb	1.7	1.3	0.4	3.4		
U <sub>3</sub> O <sub>8</sub> sales price	USD/lb	90.00	90.00	90.00	90.00		
Revenue	USD million	150.1	119.5	33.9	303.5	46.38	90.00
Capex	USD million	-23.7	-19.2	-18.0	-60.9	-9.31	-18.07
Opex	USD million	-80.2	-59.9	-18.9	-159.0	-24.30	-47.16
Total costs	USD million	-103.9	-79.1	-36.9	-220.0	-33.62	-65.23
FCF before tax	USD million	46.2	40.4	-3.1	83.5	12.76	24.77
FCF before tax margin	%	31	34	-9	28	28	28

#### Table 9: Satellite EBIT

#### Inferred material in the mining schedule

Waste material in the mining schedule presented in Figure 7 includes mineralised material from Inferred Mineral Resources. As the schedule stands, this material will be blasted, loaded and then hauled to the WRD. At Dibbwi East this mineralised material comprises 5.4 Mt at an average grade of 217 ppm, and at Muntanga 465 kt at an average grade of 283 ppm, giving a total for the Project of 5.8 Mt at a grade of 222 ppm.

Please note that this mineralised material contains Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, and there is no certainty that any value will be realised from them.

# Inferred material out of the mining schedule

To investigate the potential contribution to the Project of the Inferred Resources, the Whittle pit shell optimisation was run using the same parameters as the Measured- and Indicated Mineral Resources-only case. This produced a bigger pit shell (the "Inferred pit shell") which completely encloses that used to develop the selected Mineral Reserve mine schedule.

The resulting additional mineralised material was obtained by subtracting material from the selected pit shell (designed pit) from the Inferred pit shell. This has the potential to bring an additional 6.6 Mt of mineralised material from Indicated and Inferred Mineral Resources (of which 40 % is Indicated and 60 % Inferred Mineral Resources) at an average grade of 278 ppm into the mining schedule.

Please note that this mineralised material contains Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves, and there is no certainty that any value will be realised from them.

#### Interpretation and conclusions

Ukwazi and SRKs interpretations of the geology, Mineral Resources and feasibility level studies of mining, infrastructure and processing options for the Project are as follows:

 Ukwazi, SRK and SGS have completed technical studies to a feasibility level of confidence for the Project. The Project development plan envisions mining a total of 39.6 Mt of ore at an average grade of 320 ppm U<sub>3</sub>O<sub>8</sub>, with the average process recovery of 90.5 % yielding a total of 25.3 Mlb of saleable yellowcake product over the 12-year LOM

- Initial capital costs were estimated at USD 282 USD million and sustaining capital at an additional USD 101 million. The total average operating cost (excluding royalties) over the life of the operation was estimated at USD 20.6 /ROM t or USD 32.2 /lb saleable U<sub>3</sub>O<sub>8</sub>
- A long-term uranium price of USD90 /lb U<sub>3</sub>O<sub>8</sub> was applied in the base case financial analysis. The DCF model for the project shows a total LOM net free cash of USD 673 million, which at a discount rate 8 % gives an after-tax NPV of USD 243 million, with an IRR of 20.8%.

The conclusion of this FS is that the Project demonstrates technical and economic feasibility and is in a position to advance to the next stage of project development. A total Mineral Reserve of 39.6 Mt has been stated.

## Recommendations

The following recommendations are provided to advance the understanding of the geology, mineralisation controls, Mineral Resources (and possibly the Mineral Reserves) for the Project:

- Continue development of litho-structural models for the Project deposits, incorporating major fault interpretations within the vicinity of active mine areas or proposed future project infrastructure
- Continue infill drilling to support the conversion of Inferred to Indicated Mineral Resources
- Continue further exploration of other potential orebodies in the Goviex licence areas
- Additional assay sampling to support further refinement of the Ra-grade correlation used to convert down-hole probe data into equivalent uranium grades
- Continue to assess for radon contamination within future drilling programmes and correct downhole gamma signatures accordingly to mitigate the potential for over-estimation of grade due to radon
- Additional density analysis should be conducted on future drill programmes to refine tonnage estimates.

There are several components of the process design that can be optimised by future testwork.

- The control of iron leaching in the heap, and hence peroxide consumption, can be optimised by recirculating solutions continuously through a number of cycles using small lab columns
- The final product precipitation process can be optimised with respect to impurity deportment, particularly iron. These tests can be done using PLS produced by the small column tests described above, using lime sourced from Zambia
- Finally, rheology work can be done using the gypsum and uranium slurries produced above, to finalise parameters for sizing the various thickening and filtration equipment.

#### **DIVIDENDS AND DISTRIBUTIONS**

GoviEx has not paid any cash dividends or distributions since its incorporation. GoviEx currently intends to retain future earnings, if any, for use in its business and does not anticipate paying dividends on its common shares in the foreseeable future. Any determination to pay any future dividends will remain at the discretion of GoviEx's board of directors and will be made taking into account its financial condition and other factors deemed relevant by the board. There are no restrictions that prevent GoviEx from paying dividends or distributions. GoviEx is limited in its ability to pay dividends on its common shares by generally applicable restrictions under corporate law referred to "solvency tests".

#### **DESCRIPTION OF CAPITAL STRUCTURE**

#### **Common Shares**

The authorized share capital of GoviEx consists of an unlimited number of Class A common shares (also referred to herein as "Common Shares") and an unlimited number of Class B common shares. As of May 20, 2025, there are 1,022,062,190 Class A common shares issued and outstanding. No Class B common shares are issued and outstanding.

Holders of common shares are entitled to receive notice of any meetings of shareholders of GoviEx, to attend and to cast one vote per common share at all such meetings. Holders of common shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the common shares entitled to vote in any election of directors may elect all directors standing for election. Holders of common shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by GoviEx's board of directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of GoviEx are entitled to receive on a pro rata basis the net assets of GoviEx after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of common shares with respect to dividends or liquidation. The common shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

#### **Share Options**

Number of Share Options	Exercise Price per Share Option (CAD)	Expiry Date
7,125,000	0.14	27-Aug-2025
1,000,000	0.31	18-Mar-2026
500,000	0.273	29-Jun-2026
8,500,000	0.245	27-Aug-2026
500,000	0.39	01-Dec-2026
12,870,000	0.225	27-Sep-2027
13,371,294	0.115	15-Aug-2028
17,730,000	0.05	20-Aug-2029

The following table sets out the number of Common Shares issuable pursuant to outstanding share options as of the date hereof, along with the exercise price and expiry of the share options.

#### Warrants

The following table sets out the number of Common Shares issuable pursuant to outstanding share purchase warrants as of the date hereof, along with the exercise price and expiry date of the warrants.

Number of Warrants	Exercise Price per Warrant	Expiry Date
34,264,286	USD 0.15	06-Aug-2025
1,607,142	CAD 0.14	06-Aug-2025 <sup>(1)</sup>
23,106,499	USD 0.24	25-Oct-2025
772,500	USD 0.24	27-Oct-2025
85,714,200	USD 0.19	11-May-2025
86,250,000	USD 0.16	22-Dec-2026
3,152,250	CAD 0.16	22-Dec-2025 <sup>(2)</sup>
209,412,000	USD 0.051	05-May-2027 <sup>(3)</sup>
1,702,100	USD 0.051	05-Nov-2026 <sup>(1)(4)</sup>

<sup>(1)</sup> Finder's Warrants.

(2) Exercisable until December 22, 2025, for units consisting of one (1) Common Share and one (1) share purchase warrant. Each share purchase warrant underlying the units issued on exercise of such units is itself exercisable at USD 0.16 until December 22, 2026, for one (1) Common Share.

- <sup>(3)</sup> Exercisable until May 5, 2027, for one (1) Common Share at USD 0.051 per share.
- <sup>(4)</sup> Exercisable until November 5, 2026, for one (1) Common Share at USD 0.051 per share.

#### MARKET FOR SECURITIES

#### **Trading Price and Volume**

The Common Shares of the Company are listed and posted for trading in Canada on the TSXV under the symbol "GXU" and are also traded over the counter on the OTCQB under the symbol 'GVXXF'.

The following table sets forth information relating to the trading of the Common Shares on the TSXV for the months indicated since the beginning of the most recently completed financial year.

Month	High (CAD) <sup>(1)</sup>	Low (CAD) <sup>(1)</sup>	Volume <sup>(1)</sup>
May 1-16, 2025	0.06	0.05	6,848,200
April 2025	0.06	0.04	16,612,900
March 2025	0.065	0.035	39,124,500
February 2025	0.05	0.035	12,943,800
January 2025	0.07	0.03	67,736,000
December 2024	0.06	0.0425	19,288,400
November 2024	0.075	0.055	10,237,900
October 2024	0.13	0.07	15,202,400
September 2024	0.16	0.045	40,072,000
August 2024	0.06	0.045	13,456,800
July 2024	0.085	0.05	25,371,400
June 2024	0.105	0.075	12,431,900
May 2024	0.12	0.08	21,250,600
April 2024	0.15	0.08	34,880,400
March 2024	0.185	0.115	30,220,900
February 2024	0.22	0.155	18,060,300
January 2024	0.22	0.145	38,819,800

<sup>(1)</sup> Trading prices and trading volume for the TSXV only. Trading prices and trading volume for the OTCQB are not included in the information in this table.

#### **Prior Sales**

During the most recently completed financial year, GoviEx issued the following securities that are not listed or quoted on any marketplace:

Date of Issuance	Type of Security	<b>Exercise Price</b>	Number of Securities
August 21, 2024	Share Options	CAD 0.05	17,730,000 <sup>(1)</sup>

<sup>(1)</sup> Exercisable until August 20, 2029.

# ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at December 31, 2024 and as at the date of this AIF, none of the securities of GoviEx are held, to the Company's knowledge, in escrow.

# **DIRECTORS AND OFFICERS**

## Name, Occupation and Security Holdings

The following table sets forth the name, province/state and country of residence, position held with GoviEx and principal occupation of each person who is a director and/or an officer of GoviEx.

Name, Province/State and <u>Country of Residence</u>	Position(s) with GoviEx <sup>(1)</sup>	Period served as Director	Principal Occupation <sup>(2)</sup> for the Past Five Years
<b>Govind Friedland</b> New York, USA	Director and Executive Chairman; and member of the Environmental, Social and Governance Committee	2007 to date	Executive Chairman of the Company (December 2011 – present); director of the Company (March 2007 – present)
<b>Daniel Major</b> <i>Kent, UK</i>	Director and Chief Executive Officer	2012 to date	Chief Executive Officer of the Company (October 2012 – present)
Salma Seetaroo London, UK	Director; member of the Nominating and Corporate Governance Committee; and member of the Environmental, Social and Governance Committee	2021 to date	Chief Executive Officer of Ivoirienne de Noix de Cajou S.A. (2018 – present); and Cashew Coast (2021 – present)
Eric Krafft Principality of Monaco	Director; member and Chair of the Human Resources and Compensation Committee; member of the Audit Committee; member of the Nominating and Corporate Governance Committee	2021 to date	Director of Star Clipper Ltd. (2006 – present); Chief Executive and owner of Star Clipper Ltd., a sailing ship cruise line.

Name, Province/State and <u>Country of Residence</u>	Position(s) with GoviEx <sup>(1)</sup>	Period served as Director	Principal Occupation <sup>(2)</sup> for the Past Five Years
<b>Benoit La Salle</b> <i>Québec, Canada</i>	Director; member and Chair of the Nominating and Corporate Governance Committee; member of the Audit Committee	2012 to date	President and Chief Executive Officer of Aya Gold & Silver Inc. (April 2020 – present), Chief Executive Officer of Windiga Energy Inc. (September 2012 – present); Chairman of Sama Resources Inc. (October 2012 – present);
Christopher Wallace British Columbia, Canada	Director; member and Chair of the Audit Committee; member and Chair of the Environmental, Social and Governance Committee; member of the Human Resources and Compensation Committee	2015 to date	Managing Director, Origin Merchant Partners (2015 – present)
Allison-Marie Fedorkiw British Columbia, Canada	Director; member of the Human Resources and Compensation Committee, and member of the Environmental, Social and Governance Committee	January 2024 to date	Jan 2018 – May 2021, Principal Consultant at Human Ecology Consulting Inc. May 2021 – Present, President and Principal Consultant at Human Ecology Consulting Global Inc.
Lei Wang British Columbia, Canada	Chief Financial Officer	Not applicable	Chief Financial Officer of the Company (2015 – present)
<b>Rodrigo Romo</b> British Columbia, Canada	Corporate Secretary	Not applicable	Corporate Secretary of the Company (2015 – present)

<sup>(1)</sup> Directors of GoviEx hold office until the conclusion of each annual general meeting. Officers are appointed by the Board and serve at the pleasure of the Board.

<sup>(2)</sup> The information as to principal occupation of a director or officer of the Company is not within the knowledge of the management of the Company and has been furnished by each director/officer.

As at the date of this AIF, the directors and executive officers of GoviEx, as a group, beneficially owned, directly and indirectly, or exercised control or direction over 144,247,706 Common Shares, representing approximately 14.1% of the total number Common Shares outstanding before giving effect to the exercise of share options and share purchase warrants held by such directors and executive officers.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as disclosed below, no director or executive officer of GoviEx:

(a) is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including GoviEx) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive

days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

- (b) or a shareholder holding a sufficient number of securities of GoviEx to affect materially control of GoviEx, (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including GoviEx) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to bankrupt to bankrupt to bankrupt to bankrupt or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, and
- (c) or a shareholder holding a sufficient number of securities of GoviEx to affect materially the control of GoviEx, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Benoit La Salle was the President, Executive Officer and director of Algold Resources Ltd. ("Algold") and Ms. Seetaroo was a director of Algold when 1) the Autorité des marches financiers and the Ontario Securities Commission issued a cease trade order ("CTO") against Algold on June 22, 2020 for having failed to file its annual financial statements and related CEO and CFO certifications for the fiscal year ended December 31, 2019.; and 2) Algold filed under the Bankruptcy and Insolvency Act in February 2021. A proposal made in the context of a notice of intention was approved by the creditors and homologated by the court on March 26, 2021. Under such proposal, Algold became a wholly owned subsidiary of Aya Gold & Silver Inc., effective as of June 11, 2021. The CTO was revoked effective May 31, 2021 to allow for closing of said proposal which included the reorganization of Algold.

#### **Conflicts of Interest**

Some of the proposed directors and officers of GoviEx or a subsidiary of GoviEx are or may be engaged in business activities on their own behalf and on behalf of other corporations, and situations may arise where some of the directors may be in potential conflict of interest with GoviEx. Conflicts, if any, will be subject to the procedures and remedies under the BCABC. This legislation states that where a director has such a conflict, that director must, at a meeting of GoviEx's directors, disclose his or her interest and refrain from voting for or against the approval of such participation or such terms unless otherwise permitted. In accordance with the laws of the Province of British Columbia, the directors and officers of GoviEx are required to act honestly, in good faith and in the best interests of shareholders.

#### PROMOTERS

Govind Friedland, the Company's Executive Chairman, may be considered to be a promoter of the Company within the meaning of relevant Canadian securities legislation by reason of his initiative and involvement in the formation and establishment of the Company.

As of the date of this AIF, Mr. Friedland owns 45,322,089 Common Shares, representing approximately 4.4% of the Company's issued and outstanding Common Shares.

Other than compensation received by Mr. Friedland in his personal capacity as director, officer or employee of the Company, and the grant of incentive stock options in the ordinary course as disclosed elsewhere in this AIF, nothing of value, including money, property, contracts, options or rights of any kind will be received by the promoter directly or indirectly from the Company.

#### LEGAL PROCEEDINGS AND REGULATORY ACTIONS

#### Legal Proceedings

On December 9, 2024, the Company announced that the Company and GoviEx Niger Holdings Ltd. ("GoviEx Niger"), the Company's wholly-owned Nigerien subsidiary (together the "Companies") had commenced arbitration proceedings (the "Arbitration") against the Republic of the Niger under the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (the "ICSID Convention") in relation to the Madaouela Uranium Project. The Companies commenced the Arbitration pursuant to the arbitration clause set out in the Mining Convention signed on 26 May 2007 by GoviEx Niger and the State (the "Mining Convention") which is governed by Nigerien Law, including the 1993 Mining Law as supplemented in 1999 and amended in 2006 (the "Mining Convention and Nigerien Law.

On February 18, 2025, the Company announced that the Companies had signed with the Republic of Niger, represented by the Minister of Mines (together, the "Parties") a letter of intent agreeing to a structured roadmap that details a mutually acceptable plan to negotiate a resolution to the ongoing dispute regarding the Madaouela Uranium Project in Niger. This roadmap letter formalizes the recent discussions held during and subsequent to the 2025 Mining Indaba conference, in Cape Town, where both Parties engaged in constructive negotiations aimed at finding an amicable resolution. As part of this process, the Companies have agreed to temporarily suspend the ongoing Arbitration proceedings under the ICSID Convention while discussions continue within the agreed framework. This suspension will remain in place until a resolution is reached or until it is determined that no settlement is possible.

#### **Regulatory Actions**

No penalties or sanctions were imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2024.

No penalties or sanctions were imposed by a court or regulatory body against GoviEx that would likely be considered important to a reasonable investor in making an investment decision.

GoviEx did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2024.

#### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, none of the directors, executive officers, or shareholders beneficially owning or exercising control or direction over, directly or indirectly, Common Shares of the Company carrying more than 10% of the voting rights attached to all Common Shares outstanding, and no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect GoviEx or any of its subsidiaries.

The Company is a shareholder of Global Mining Management Corporation ("GMM") along with a number of private and publicly listed companies (collectively, the "GMM Parties"). GMM provides, on a cost-recovery basis, shared services to the GMM Parties including, but not limited to the Vancouver office space, furnishings, equipment and communications facilities in Vancouver. The GMM Parties also share the costs of employing administrative and certain management personnel in these offices. In 2024, the Company's share of these costs was \$376,000 (2023: \$372,000).

## TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's Common Shares is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

## MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, GoviEx entered into the following material contracts (i) during the most recently completed financial year, or (ii) before the most recently completed financial year if such material contract is still in effect:

- 1. October 25, 2022, Warrant Indenture between the Company and Computershare Trust Company of Canada as warrant agent, providing for the issue of warrants related to the bought deal private placement financing offering completed by the Company in October 2022.
- 2. May 11, 2023, Warrant Indenture between the Company and Computershare Trust Company of Canada as warrant agent, providing for the issue of warrants related to the bought deal private placement financing offering completed by the Company in May 2023.
- 3. December 22, 2023, Warrant Indenture between the Company and Computershare Trust Company of Canada as warrant agent, providing for the issue of warrants related to the bought deal short form prospectus offering completed by the Company in December 2023.

#### **INTERESTS OF EXPERTS**

Jacobus Johannes Lotheringen, B Eng (Mining Engineering), André Marcel Deiss, B.Sc. (Hons) Geology, Robert J Bowell, BSc (Geochemistry), Hons, PhD (Geochemistry) and Alan Mitchell Clegg, B.Sc. (Mining Engineering) are the authors and Qualified Persons as defined by NI 43-101 in connection with the Muntanga Technical Report which was prepared in accordance with NI 43-101 and from which technical information contained in this AIF has been derived.

The Muntanga Technical Report is available on SEDAR+ at <u>www.sedarplus.ca</u> under GoviEx's profile and a summary of the report is contained in this AIF under "Description of the Business – Muntanga Project, Zambia".

Jacobus Johannes Lotheringen, B Eng (Mining Engineering), André Marcel Deiss, B.Sc. (Hons) Geology, Robert J Bowell, BSc (Geochemistry), Hons, PhD (Geochemistry) and Alan Mitchell Clegg, B.Sc. (Mining

Engineering) did not hold any securities of GoviEx or of any associate or affiliate of GoviEx when they prepared the report referred to above or following the preparation of such report nor did they receive any direct or indirect interest in any securities of GoviEx or of any associate or affiliate of GoviEx in connection with the preparation of such report. None of Jacobus Johannes Lotheringen, B Eng (Mining Engineering), André Marcel Deiss, B.Sc. (Hons) Geology, Robert J Bowell, BSc (Geochemistry), Hons, PhD (Geochemistry) and Alan Mitchell Clegg, B.Sc. (Mining Engineering) is currently expected to be elected, appointed or employed as a director, officer or employee of GoviEx or of any associate or affiliate of GoviEx.

PricewaterhouseCoopers LLP ("**PwC**") audited GoviEx's financial statements for its financial year ended December 31, 2024. PwC has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the Chartered Professional Accountants of BC Code of Professional Conduct and any applicable legislation or regulations.

#### AUDIT COMMITTEE

GoviEx's audit committee (the "Audit Committee") is responsible for monitoring GoviEx's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of GoviEx's external auditors. The committee is also responsible for reviewing GoviEx's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors of GoviEx.

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to GoviEx's board of directors. A copy of the charter is attached hereto as Schedule "A".

The following are the current members of the Audit Committee:

Christopher Wallace	Independent	Financially literate
Eric Krafft	Independent	Financially literate
Benoit La Salle	Independent	Financially literate

All three members of the Audit Committee are "independent" and "financially literate" as those terms are defined by National Instrument 52-110 *Audit Committees* ("**NI 52-110**").

#### **Relevant Education and Experience**

Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

#### Christopher Wallace

Mr. Wallace has over 40 years of banking and corporate finance experience. He is a Managing Director of Origin Merchant Partners in Vancouver, Canada. He previously served as the Managing Partner of Second City Capital Corporation, a US\$100 million private equity and mezzanine loan fund. He also was the Chief Operating Officer of Canadian Maple Leaf Financial Corporation, a publicly traded Merchant Bank, until 1998 when he left the firm to set up Stirling Mercantile Corporation. Mr. Wallace has been a director of

various boards, including Greening Donald Company Ltd., The Rockford Corporation, and Bennett Environmental Inc. He graduated from Queen's University, Ontario, Canada, with a BA Hons. in Economics.

## Eric Krafft

Mr. Eric Krafft is a Swedish shipowner and industrial investor. He is chief executive and owner of Star Clippers, a sailing ship cruise line. Non-maritime investments are focused on mining and natural resources positioned to benefit from the trends of increased electrification, electric mobility and energy storage. As a consequence of investments in current cycle new uranium producers, he is also a substantial shareholder of the Company. Mr. Krafft is a Non-Executive Director and largest shareholder of a Canadian listed issuer, which is developing European projects focused on materials such as rare earth elements and graphite needed for the electrification of society. Until 2006, Mr. Krafft was the managing owner of Trafalgar Shipping/ Dragon Maritime, a China based dry bulk shipping operation. Prior to this, he worked in corporate finance for DVB Bank AG, a German specialist transportation finance bank. Mr. Krafft worked mainly in Mergers & Acquisitions in London and Equity Capital Markets in New York. Mr. Krafft holds a Master of Science; Shipping, Trade & Finance, from City University London, UK.

## Benoit La Salle

Mr. La Salle, FCPA, FCA, has over 25 years of experience in the development and operation of mining projects in West Africa. In 1980, Mr. La Salle founded Grou, La Salle & Associates, Chartered Accountants. He has served on the boards of several public companies and is the former Chairman of the Board of Plan International Canada, one of the world's largest non-governmental organizations. Mr. La Salle is a Fellow Chartered Accountant, a member of the Quebec Order of Chartered Accountants and the Canadian Institute of Chartered Accountants. Mr. La Salle holds a Bachelor of Commerce degree from McGill University and a Master of Business Administration degree from IMEDE, Switzerland.

#### **Pre-Approval Policies and Procedures**

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by GoviEx's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

#### **External Auditor Service Fees**

The aggregate fees billed by GoviEx's external auditors in the last two fiscal years for the categories as disclosed are as follows:

Financial Year Ending December 31	Audit Fees	Audit Related Fees	Tax Compliance/Preparation Fees	All Other Fees
2024	CAD 146,000	Nil	CAD 40,250	Nil
2023	CAD 78,500	Nil	CAD 91,459	Nil
#### Exemption in Section 6.1 of NI 52-110

Section 6.1 of NI 52-110 provides an exemption for a venture issuer from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110. GoviEx is voluntarily filing this AIF.

### **ADDITIONAL INFORMATION**

Additional information relating to GoviEx can be found on SEDAR+ at <u>www.sedarplus.ca</u>. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of GoviEx's securities and securities authorized for issuance under equity compensation plans is contained in the management information circular of GoviEx for its annual meeting of shareholders filed on SEDAR+ at <u>www.sedarplus.ca</u>. Additional financial information is provided in GoviEx's audited financial statements and management's discussion and analysis for its financial year ended December 31, 2024, which are available on SEDAR+ at <u>www.sedarplus.ca</u>.

#### SCHEDULE "A"

### GOVIEX URANIUM INC. AUDIT COMMITTEE CHARTER

#### I. Purpose

The primary objective of the Audit Committee (the "Committee") of GoviEx Uranium Inc. (the "Company") is to act as a liaison between the Board and the Company's independent auditors (the "Auditors") and to assist the Board in fulfilling its oversight responsibilities with respect to (a) the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the qualification, independence and performance of the Auditors and (d) the Company's risk management and internal financial and accounting controls, and management information systems.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditors.

The responsibilities of a member of the Committee are in addition to such member's duties as a member of the Board.

### II. Organization

The Committee shall consist of three or more directors of the Company and shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company.

The members of the Committee and the Chair of the Committee shall be appointed by the Board. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes. The chair of the Committee shall have an ordinary vote.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

### III. Meetings

The Committee shall meet as frequently as circumstances require, but not less frequently than four times per year. The Committee shall meet at least quarterly with management, the Company's financial and accounting officer(s) and, as may be required, the Auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

The Chair of the Committee shall be an independent chair who is not Chair of the Board. In the absence of the appointed Chair of the Committee at any meeting, the members shall elect a chair from those in

attendance at the meeting. The Chair, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each upcoming meeting.

The Committee will appoint a Secretary who will keep minutes of all meetings. The Secretary may be the Company's Corporate Secretary or another person who does not need to be a member of the Committee. The Secretary for the Committee can be changed by simple notice from the Chair.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee as well as the other directors in advance of the meeting.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee. The Company's accounting and financial officer(s) and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.

# IV. Authority and Responsibilities

The Board, after consideration of the recommendation of the Committee, shall nominate the Auditors for appointment by the shareholders of the Company in accordance with applicable law. The Auditors report directly to the Audit Committee. The Auditors are ultimately accountable to the Committee and the Board as representatives of the shareholders.

The Committee shall have the following responsibilities:

### (a) Auditors

- 1. Recommend to the Board the independent auditors to be nominated for appointment as Auditors of the Company at the Company's annual meeting; approve the remuneration to be paid to the Auditors for services performed; approve all auditing services to be provided by the Auditors; be responsible for the oversight of the work of the Auditors, including the resolution of disagreements between management and the Auditors regarding financial reporting; and recommend to the Board and the shareholders the termination of the appointment of the Auditors, if and when advisable.
- 2. When there is to be a change of the Auditor, review all issues related to the change, including any notices required under applicable securities law, stock exchange or other regulatory requirements, and the planned steps for an orderly transition.
- 3. Review the Auditor's audit plan and discuss the Auditor's scope, staffing, materiality, and general audit approach.
- 4. Review on an annual basis the performance of the Auditors, including the lead audit partner.
- 5. Take reasonable steps to confirm the independence of the Auditors, which include:

(a) Ensuring receipt from the Auditors of a formal written statement in accordance with applicable regulatory requirements delineating all relationships between the Auditors and the Company;

(b) Considering and discussing with the Auditors any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the Auditors;

(c) Approving in advance any non-audit related services provided by the Auditor to the Company, and the fees for such services, with a view to ensure independence of the Auditor, and in accordance with applicable regulatory standards, including applicable stock exchange requirements with respect to approval of non-audit related services performed by the Auditors; and

(d) As necessary, taking or recommending that the Board take appropriate action to oversee the independence of the Auditors.

- 6. Review and approve any disclosures required to be included in periodic reports under applicable securities law, stock exchange and other regulatory requirements with respect to non-audit services provided by the Auditors.
- 7. Confirm with the Auditors and receive written confirmation at least once per year (i) indicating that the Auditors are a member in good standing with a public accountability board (PAB) and comparable bodies to the extent required and disclosing any sanctions or restrictions imposed by the PAB and such other comparable bodies; and (ii) responding to any other reasonable request of the Audit Committee for confirmation as to their qualifications to act as the Company's Auditors.
- 8. Consider the tenure of the lead audit partner on the engagement in light of applicable securities law, stock exchange or applicable regulatory requirements.
- 9. Review all reports required to be submitted by the Auditors to the Committee under applicable securities laws, stock exchange or other regulatory requirements.
- 10. Receive all recommendations and explanations which the Auditors place before the Committee.

#### (b) Financial Statements and Financial Information

- 11. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's annual audited financial statements, including disclosures made in management's discussion and analysis, prior to filing or distribution of such statements and recommend to the Board, if appropriate, that the Company's audited financial statements be included in the Company's annual reports distributed and filed under applicable laws and regulatory requirements.
- 12. Review and discuss with management, the financial and accounting officer(s) and the Auditors, the Company's interim financial statements, including management's discussion and analysis, and the Auditor's review of interim financial statements, prior to filing or distribution of such statements.
- 13. Review any earnings press releases of the Company before the Company publicly discloses this information.
- 14. Be satisfied that adequate procedures are in place for the review of the Company's disclosure of financial information and extracted or derived from the Company's financial statements and periodically assess the adequacy of these procedures.
- 15. Discuss with the Auditor the matters required to be discussed by applicable auditing standards requirements relating to the conduct of the audit including:

(a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices;

(b) the management letter provided by the Auditor and the Company's response to that letter; and

(c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, or personnel and any significant disagreements with management.

- 16. Discuss with management and the Auditors major issues regarding accounting principles used in the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles. Review and discuss analyses prepared by management and/or the Auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative approaches under generally accepted accounting principles.
- 17. Review any report under applicable securities law, stock exchange or other regulatory requirements, including any reports required to be included in statutory filings, including in the Company's annual proxy statement.

## (c) Ongoing Reviews and Discussions with Management and Others

- 18. Obtain and review an annual report from management relating to the accounting principles used in the preparation of the Company's financial statements, including those policies for which management is required to exercise discretion or judgments regarding the implementation thereof.
- 19. Periodically review separately with each of management, the financial and accounting officer(s) and the Auditors; (a) any significant disagreement between management and the Auditors in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information and (c) management's response to each.
- 20. Periodically discuss with the Auditors, without management being present, (a) their judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
- 21. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by the Auditors or management and the resulting financial statement impact. Review with the Auditors or management the extent to which any changes or improvements in accounting or financial practices, as approved by the Committee, have been implemented.
- 22. Review and discuss with management, the Auditors and the Company's independent counsel, as appropriate, any legal, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including applicable changes in accounting standards or rules, or compliance with applicable laws and regulations, inquiries received from regulators or government agencies and any pending material litigation.

- 23. Enquire of the Company's financial and accounting officer(s) and the Auditors on any matters which should be brought to the attention of the Committee concerning accounting, financial and operating practices and controls and accounting practices of the Company.
- 24. Review the principal control risks to the business of the Company, its subsidiaries and joint ventures; and verify that effective control systems are in place to manage and mitigate these risks.
- 25. Review and discuss with management any earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as any financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be done generally (i.e. discussion of the types of information to be disclosed and the types of presentations made).
- 26. Review and discuss with management any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses. Obtain explanations from management of all significant variances between comparative reporting periods.
- 27. Review and discuss with management the Company's major risk exposures and the steps management has taken to monitor, control and manage such exposures, including the Company's risk assessment and risk management guidelines and policies.

#### (d) Risk Management and Internal Controls

- 28. Review, based upon the recommendation of the Auditors and management, the scope and plan of the work to be done by the Company's financial and accounting group and the responsibilities, budget and staffing needs of such group.
- 29. Ensure that management has designed and implemented effective systems of risk management and internal controls and, at least annually, review and assess the effectiveness of such systems.
- 30. Approve and recommend to the Board for adoption policies and procedures on risk oversight and management to establish an effective system for identifying, assessing, monitoring and managing risk.
- 31. In consultation with the Auditors and management, review the adequacy of the Company's internal control structure and procedures designed to insure compliance with laws and regulations, and discuss the responsibilities, budget and staffing needs of the Company's financial and accounting group.
- 32. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- 33. Review the internal control reports prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting and (ii) the Auditors' attestation, and report, on the assessment made by management.

34. Review the appointment of the chief financial officer and any key financial executives involved in the financial reporting process and recommend to the Board any changes in such appointment.

## (e) Other Responsibilities

- 35. Create an agenda for the ensuing year and confirm a timetable for the Audit Committee for the ensuing year.
- 36. Review and approve related-party transactions if required under applicable securities law, stock exchange or other regulatory requirements.
- 37. Review and approve (a) any change or waiver in the Company's code of ethics applicable to senior financial officers and (b) any disclosures made under applicable securities law, stock exchange or other regulatory requirements regarding such change or waiver.
- 38. Establish, review and approve policies for the hiring of employees or former employees of the Company's Auditors.
- 39. Review and reassess the duties and responsibilities set out in this Charter annually and recommend to the Nominating and Corporate Governance Committee and to the Board any changes deemed appropriate by the Committee.
- 40. Review its own performance annually, seeking input from management and the Board.
- 41. Perform any other activities consistent with this Charter, the Company's articles and by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

# V. Reporting

The Committee shall report regularly to the Board and shall submit the minutes of all meetings of the Audit Committee to the Board (which minutes shall ordinarily be included in the papers for the next full board meeting after the relevant meeting of the Committee). The Committee shall also report to the Board on the proceedings and deliberations of the Committee at such times and in such manner as the Board may require. The Committee shall review with the full Board any issues that have arisen with respect to quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance or independence of the Auditors or the performance of the Company's financial and accounting group.

### VI. Resources and Access to Information

The Committee shall have the authority to retain independent legal, accounting and other consultants to advise the Committee.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities. The Committee has direct access to anyone in the organization and may request any officer or employee of the Company or the Company's outside counsel or the Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee with or without the presence of management. In the performance of any of its duties and responsibilities, the Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations.

The Committee shall consider the extent of funding necessary for payment of compensation to the Auditors for the purpose of rendering or issuing the annual audit report and recommend such compensation to the Board for approval. The Audit Committee shall determine the funding necessary for payment of compensation to any independent legal, accounting and other consultants retained to advise the Committee.