Basin ENERGY

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QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 DECEMBER 2022

Key Highlights

- **Successful Initial Public Offering and commenced trading on the ASX**
- **Strong cash balance of $7.6M ensures Basin is fully funded for an aggressive 2023 exploration campaign, including maiden drilling programs at its Geikie and North Millennium projects**
- **Multiple new shallow prospects at Geikie following acquisition of airborne radiometric and magnetic data, and completion of initial ground reconnaissance surveys**
  - **10 shallow prospects have now been identified to date**
- **Commenced regional target definition airborne electromagnetic (EM) survey of Geikie**
- **Appointment of highly experienced Athabasca uranium geologist Odile Maufrais as Exploration Manager**
- **Commenced Athabasca Basin wide data compilation and prospectivity study utilising existing public data to assist with exploration targeting**
- **Commenced engagement and consultation with First Nations and stakeholder groups**
- **Strong news flow outlook with airborne EM survey results due in February to support target generation and prioritisation in the lead up to the maiden Geikie drilling program**

Basin Energy Ltd (**ASX:BSN**) ('**Basin**', or the '**Company**') is pleased to provide the quarterly report for the period ending 31 December 2022 ("**Quarter**", "**Reporting Period**") to accompany the Appendix 5B.

Exploration at Geikie

Exploration for the Quarter was focused on progressing the Geikie Uranium Project **('Geikie',** or the **'Project')** toward maiden drill testing. A total of ten shallow prospects have been identified to date, of which four have been selected as priority for Basin's initial 2023 exploration campaign. These are the GK1-GK4 prospects and are deemed favorable for high-grade basement-hosted uranium mineralisation as shown in figure 1.

Work from this Quarter has confirmed the Company's initial analysis that the Project is highly prospective for near-surface uranium mineralisation. Geikie demonstrates multiple classic characteristics of high-grade uranium deposits of the Athabasca Basin comprising coincident geophysical and geochemical anomalies, structural intersections, and lithological rheology contrasts. The Project area remains untested with extremely shallow target depths of less than 200 metres.

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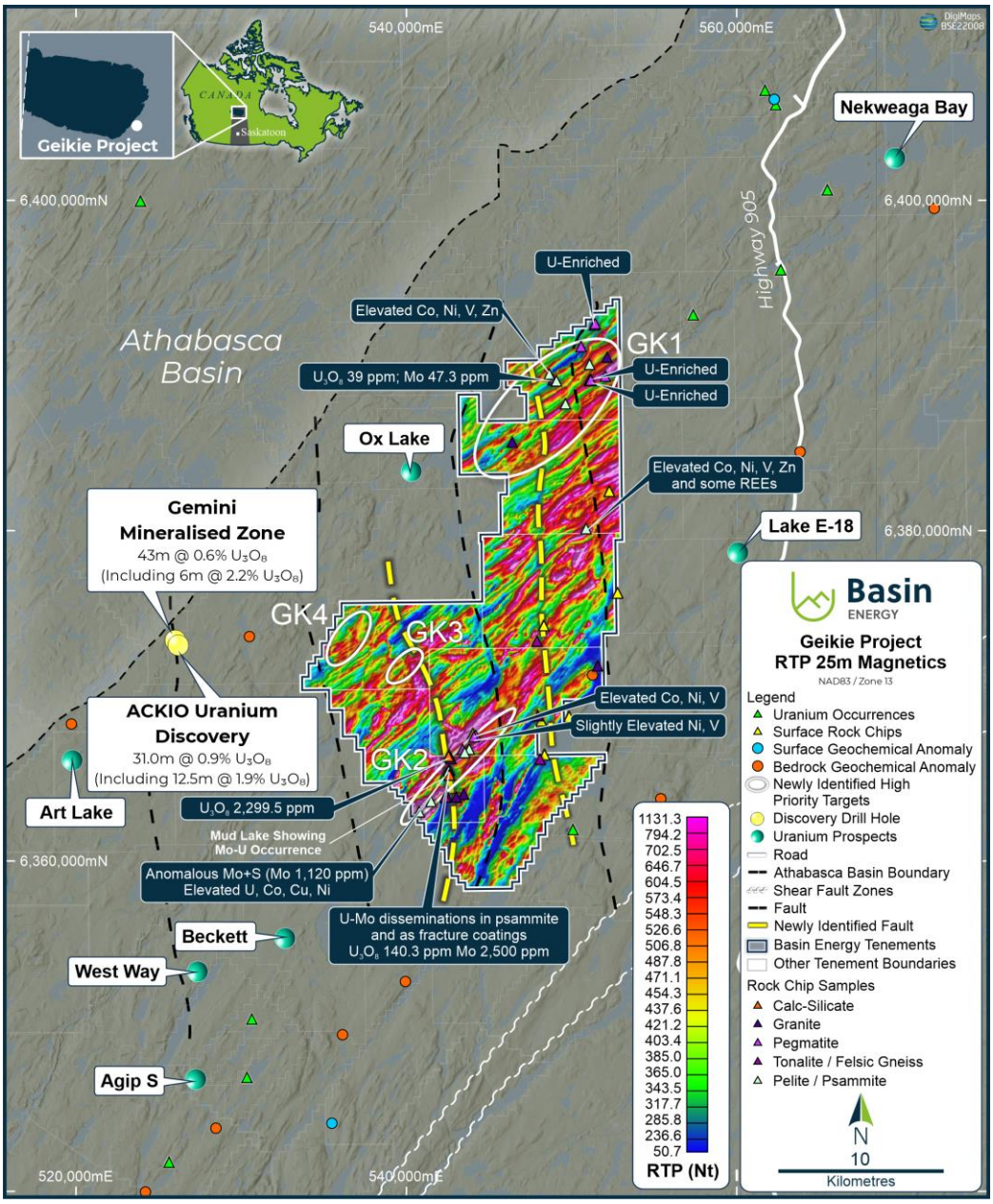

Figure 1: Initial exploration prospects GK1-GK4 at the Geikie uranium Project.

Initial exploration conducted by Basin at Geikie consisted of the acquisition of high resolution airborne radiometric and magnetic survey data, and the completion of an on ground geological mapping and rock chip sampling program.

The data resulted in a total of ten prospects areas identified for further work, and the prioritisation of four of these prospects for the immediate 2023 field season on ground exploration campaign. In addition, two previously unrecognised structural corridors were identified, further enhancing the prospectivity of the Project area.

The recommendations following this initial phase of work was to conduct a high resolution airborne electromagnetic survey ('**AEM'**), and complete initial reconnaissance prospecting to identify lithological settings before drill testing in 2023.

The recommended prospecting, mapping and sampling of high-priority targets was completed and successfully confirmed the geological interpretation of the Project area.

Figure 2: Field mapping at the GK2 prospect.

An AEM has now commenced at Geikie, designed to identify basement conductors, lithological variations and to refine the structural understanding of the area. The data is seen as a critical next step prior to finalising targets for the maiden drilling program. A helicopter-borne Versatile Time-Domain Electromagnetic ('**VTEM**') survey method was selected as most appropriate to achieve the survey objectives. Industry leaders Geotech Ltd were mobilised in mid-December to conduct the survey with an initial timeline of around 2 weeks, however inclement weather and contractor availability have delayed the completion of this survey by several weeks.

Following the finalization of the AEM survey in Q1 2023, a decision will be made on the credentials of conducting prospect scale gravity surveys or commencing immediately into drilling. Preparations for both potential programs are advanced.

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Figure 3: Field mapping at Geikie.

Appointment of Exploration Manager

During the Quarter, Mrs. Odile Maufrais was appointed as Exploration Manager. Mrs. Maufrais is an exploration geologist with over 13 years of experience and has an extensive understanding of the uranium exploration and mining industry, having worked at ORANO, one of the largest global uranium producers for 12 years on various assignments in Canada, Niger, and France.

Critically, Odile has significant Athabasca Basin specific experience, being involved on over 15 greenfield and brownfield uranium exploration projects located throughout the Basin. Her most recent roles for ORANO comprised leading various uranium exploration campaigns and being an active member of the ORANO research and development team, which involved working on trialing and implementing cost effective and streamlined drilling techniques within the Athabasca Basin. She also played a key role in the update of the National Instrument 43-101 compliant mineral resource estimate for the Midwest Main and Midwest A deposits. Mrs. Maufrais holds a Master of Science from Montpellier II University, France.

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North Millennium & Marshall Project Updates

Whilst field work for the reporting period focused on Geikie, Basin continues its exploration strategy to advance its North Millennium and Marshall Uranium Projects through initial community and stakeholder engagement, along with data collation and target refinement.

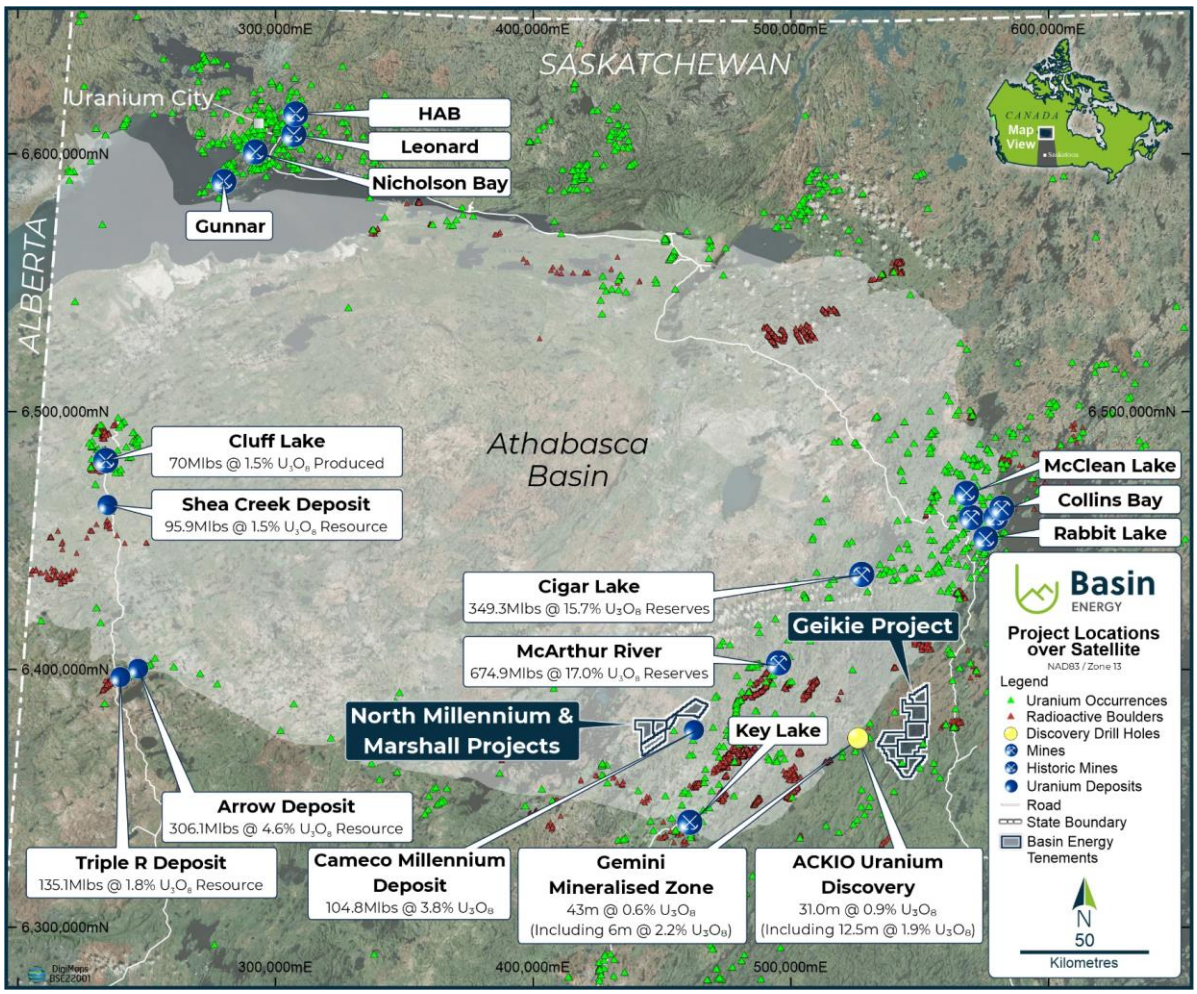

Figure 4 – Project locations in relation to the Athabasca Basin

The North Millennium Project is located 7km north of Cameco Corporation's Millennium deposit (104.8Mlb at 3.8% U3O8). Basin's exploration is focused on the interpreted extension of the Millennium Mother fault. Whilst no drilling data is known to exist within the North Millennium Project area, the review of historic ZTEM, VTEM and MEGATEM data which partially cover the project area, as well as lake and sandstone geochemistry, will be completed prior to the proposed 1H 2023 ground geophysics program, leading into a northern hemisphere summer drill campaign.

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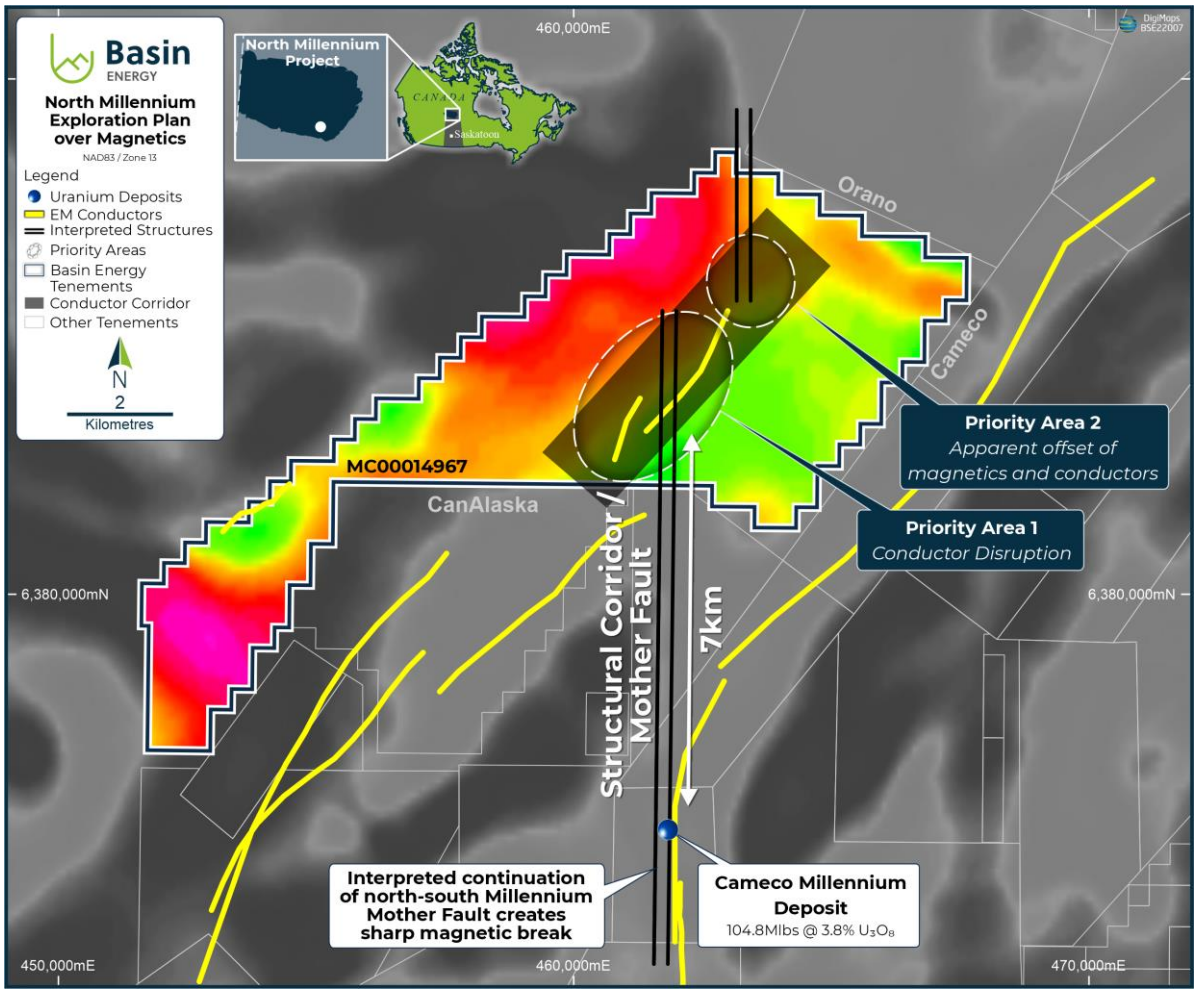

Figure 5 – Priority targets at the North Millennium project in relation to the Millennium uranium deposit

The Marshall Project is located 11km west of the Millennium deposit. Basin's exploration is focused on a significant basement conductor identified in historic ZTEM and VTEM data, corresponding to a magnetic low. Whilst no drilling data is known to exist within the Marshall Project area, the review of historic ZTEM and VTEM data which partially cover the Project area, as well as lake and sandstone geochemistry, will be completed prior to the proposed 1H 2023 ground geophysics program.

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Corporate

The Company was successfully admitted to the ASX on the 30 of September 2022 of the previous quarter and commenced trading on 4 October 2022.

- As of 31 December 2022, the Company held A$7.553 million in cash. The large movement in cash is associated with costs of the IPO including broker fees. Full details of the Company's cash movements during the Quarter are detailed in the attached Appendix 5B. The Company confirms that the use of funds is in line with prospectus disclosures.

- As per ASX Listing Rule 5.3.1, incurred exploration expenditures were primarily related to geophysical and prospecting surveys at the Geikie Project, including the prepayment of the ongoing AEM survey. Exploration expenditures incurred during the period is reported at A$577,000.

- As per ASX Listing Rule 5.3.2, there were no substantive mining production and development activities undertaken during the Quarter.

- In accordance with Listing Rule 5.3.5, the Company advises that payments made to related parties as disclosed in the Appendix 5B for the Quarter were A$105,000 for Director fees and Managing Director salary.

- In accordance with Listing Rule 5.3.4, below is a comparison of the Company's actual expenditure to 31 December 2022 against the estimated expenditure in the 'use of funds' statement:

Use of Funds	Per IPO Prospectus - 2-year period	Total to date - 31 December 2022
Direct Exploration Costs	$7,176,321	$898,899
Working Capital	$1,489,960	$443,558
Costs of the IPO	$958,367	$834,995
TOTAL	**$9,624,648**	**$2,177,452**

Table 1 – Use of funds

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Mining Tenement Status

The Company holds interests in three projects located within or adjacent to the Athabasca Basin in Northern Saskatchewan, Canada.

The following information is provided pursuant of Rule 5.3.3 for the current reporting period:

Project	Permit Number	Basin Ownership[1/2] October 1st, 2022	Basin Ownership[2] December 31st, 2022	Area, ha
Geikie	*MC00015156*	*40%*	*40%*	*3,312*
	MC00015157	*40%*	*40%*	*5,998*
	MC00015158	*40%*	*40%*	*5,548*
	MC00015160	*40%*	*40%*	*5,788*
	MC00015161	*40%*	*40%*	*4,308*
	MC00015162	*40%*	*40%*	*4,468*
	MC00015165	*40%*	*40%*	*4,475*
Marshall	*MC00015073*	*100%*	*100%*	*4,232*
	MC00015074	*100%*	*100%*	*2,417*
	MC00015075	*100%*	*100%*	*4,576*
North Millennium	*MC00014967*	*40%*	*40%*	*5,873*

Table 2 – Basin Energy mining tenement status

[1]Basin entered a property option agreement for 100% of the Marshall Project, and a joint venture agreement to earn up to 80% of the Geikie and North Millennium Projects on the 22nd April 2022.

[2]Status reflects the Basin Interest at completion of the IPO having met terms precedent in the Property Option Agreements, however finalisation of transfer of interests is currently in process according to normal protocols.

This announcement has been approved for release by the Board of Basin Energy.

Enquiries

Pete Moorhouse
Managing Director
pete.m@basinenergy.com.au
+61 7 3667 7449

Chloe Hayes
Investor & Media Relations
chloe@janemorganmanagement.com.au
+61 458 619 317

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Company Overview

About Basin Energy

Basin Energy (ASX: **BSN**) is a uranium exploration and development company with an interest in three highly prospective projects positioned in the southeast corner and margins of the world-renowned Athabasca Basin in Canada.

Directors & Management

Pete Moorhouse	**Managing Director**
Blake Steele	**Non-executive Chairman**
Cory Belyk	**Non-executive Director**
Jeremy Clark	**Non-executive Director**
Peter Bird	**Non-executive Director**
Ben Donovan	**NED & Company Secretary**
Odile Maufrais	**Exploration Manager**

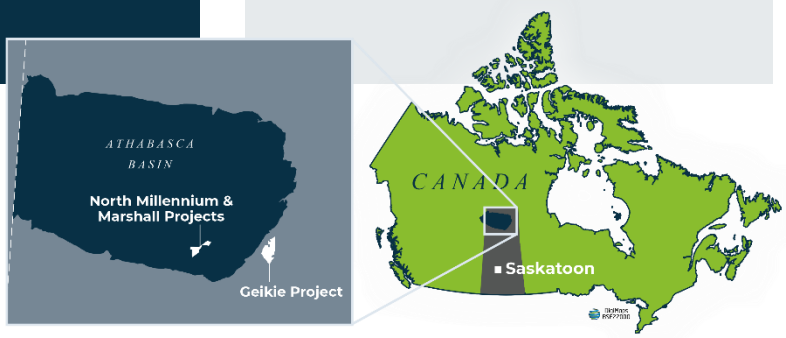
Basin Energy
ACN 655 515 110

Projects
North Millennium
Geikie
Marshall

Shares on Issue
81,229,697

Options
13,300,000

ASX Code
BSN



Investment Highlights

- **Direct exposure to high grade uranium** within the world class uranium mining district of the Athabasca Basin, Saskatchewan, Canada – a top three global uranium producer for over 45 years
- **Experienced and dedicated team** with relevant uranium exploration and development track record
- **Walk-up exploration targets** with permitting in place to commence exploration concurrently with IPO and to be drilling within 6 months
- **Uranium is a re-emerging clean energy source,** leveraged to the global low carbon economy megatrends
- **Leveraging an extensive high-quality geological database** assembled over decades, with significant recent exploration success
- **Committed to sustainable resource development** and minimising environmental impact
- **Strategically located** near world-class high-grade uranium discoveries, mining and processing operations with a constant uranium mining industry for 65 years
- **Located in Saskatchewan, a globally attractive and proven mining jurisdiction** – Ranked 2nd in Fraser Institute 2021 global mining investment attractiveness index

Competent Persons Statement, Resource Figure Notes and Forward-Looking Statement

The information in this announcement that relates to exploration results was first reported by the Company in accordance with ASX listing rule 5.7 in the Company's prospectus dated 22nd August 2022 and announced on the ASX market platform on 30th September 2022, and data announced in subsequent ASX press releases by Basin Energy relating to exploration activities. The information included within this release is a fair representation of available information compiled by Odile Maufrais, a competent person who is a Member of the Australian Institute of Geoscientists. Odile Maufrais is employed by Basin Energy Ltd as Exploration Manager. Odile Maufrais has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Odile Maufrais consents to the inclusion in this presentation of the matters based on his work in the form and context in which it appears.

All resource figures shown within this document of deposits within the Athabasca, unless stated are quoted from the International Atomic Energy Agency (IAEA) Tecdoc 1857. Resources are global and include mined resource and all classification of remaining resource. Resource Size (U3O8) is the amount of contained uranium (in Mlbs U3O8) and average grade (in % U3O8) of the deposit/system. This number is presented without a specific cut-off grade, as the cut-off value differs from deposit to deposit and is dependent on resource calculation specifications. Discrepancies between values in this field and other values in the public domain may be due to separate cut-off values used, or updated values since the writing of this document. For system entries, the values for the size were obtained by adding the individual deposits values whereas average grade values were derived using a weighted average of the individual deposits.

This announcement includes certain "Forward-looking Statements". The words "forecast", "estimate", "like", "anticipate", "project", "opinion", "should", "could", "may", "target" and other similar expressions are intended to identify forward looking statements. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast cash flows and future expansion plans and development objectives of Basin Energy involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

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