

ASX and Media Release
2 August 2024

Scheme Booklet for combination with Energy Fuels registered with ASIC

Base Resources Limited (ASX & AIM: BSE) (**Base Resources**) advises that the Scheme Booklet containing key information for Base Resources shareholders in relation to the proposed combination with Energy Fuels Inc., to be effected by way of scheme of arrangement (**Scheme**), has today been registered with ASIC.

A copy of the Scheme Booklet, including the Independent Expert's Report, Notice of Scheme Meeting and sample proxy form for the Scheme Meeting is attached to this announcement and will be made available for viewing and downloading on Base Resources' website at: baseresources.com.au. For details about how Base Resources shareholders will receive the Scheme Booklet, please refer to Base Resources' announcement on 1 August 2024.

Independent Expert's Report

The Independent Expert, PwC, has concluded in the Independent Expert's Report that the Scheme is fair and reasonable and, therefore, is in the best interests of Base Resources shareholders, in the absence of a superior proposal. The Independent Expert's conclusion should be read in context with the full Independent Expert's Report, which can be found in Annexure 3 of the Scheme Booklet.

Recommendation of Base Resources Directors

The Base Resources Directors continue to unanimously recommend that Base Resources shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources shareholders. Subject to those same conditions, each Base Resources Director intends to vote all their Base Resources shares in favour of the Scheme.

Scheme Meeting

The Scheme Meeting will be held at 11.00am (Perth time) on 5 September 2024 at the Gallery Suite at the InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia and virtually via the Lumi platform, accessible using the URL <https://web.lumiconnect.com/388093896>.

Base Resources shareholders registered on the Base Resources share register at 5.00pm (Perth time) on 3 September 2024 will be entitled to vote on the Scheme¹.

All Base Resources shareholders are encouraged to vote by attending the Scheme Meeting or alternatively by completing the proxy form accompanying the Scheme Booklet.

Scheme information line

If you have any questions in relation to the Scheme or the Scheme Booklet, please contact the Base Resources Scheme information line on 1300 271 804 (within Australia) and +61 3 9938 4380 (outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday, excluding public holidays.

For further information contact:

Australian media queries

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¹ In the case of Base Resources depositary interest holders, those holders registered on the Base Resources depositary interest register at 6.00pm (London time) on 29 August 2024 will also be entitled to vote on the Scheme (by providing voting instructions in advance to the depositary, rather than in person or online at the Scheme Meeting).

This release has been authorised by the Base Resources Disclosure Committee.

About Base Resources

Base Resources is an Australian based, African focused, mineral sands producer and developer with a track record of project delivery and operational performance. The company operates the established Kwale Operations in Kenya and is developing the Toliara Project in Madagascar. Base Resources is an ASX and AIM listed company. Further details about Base Resources are available at www.baseresources.com.au.

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**BASE
RESOURCES**

Scheme Booklet

For a scheme of arrangement between Base Resources Limited (ACN 125 546 910) and its shareholders in relation to the proposed acquisition by EFR Australia Pty Ltd (ACN 676 689 419), a wholly owned subsidiary of Energy Fuels Inc.



VOTE IN FAVOUR

Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders.

The Independent Expert has concluded that the Scheme is in the best interests of Base Resources Shareholders, in the absence of a superior proposal.

This is an important document and requires your immediate attention.

You should read it entirely before deciding whether or not to vote in favour of the Scheme.

If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.

FINANCIAL ADVISER

Azure Capital

LEGAL ADVISER



**HERBERT
SMITH
FREEHILLS**

Important notices

General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet in full before making any decision as to how to vote at the Scheme Meeting.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet are defined in section 11. If a word or phrase is defined, its other grammatical forms have a corresponding meaning. The documents reproduced in the attachments to this Scheme Booklet may have their own defined terms, which sometimes differ from those in section 11.

Nature of this Scheme Booklet

This Scheme Booklet includes the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet does not constitute or contain an offer to Base Resources Shareholders, or a solicitation of an offer from Base Resources Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, Base Resources Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

Roles of ASIC, ASX and AIM

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with paragraph 411(17)(b) of the Corporations Act, that it has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearings to approve the Scheme.

A copy of this Scheme Booklet has been provided to the ASX. Neither the ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to AIM. Consequently, neither this Scheme Booklet nor the Scheme has not been reviewed, approved or disapproved by AIM, nor has AIM passed on the fairness or merits of the Scheme or upon the accuracy or adequacy of the information in this Scheme Booklet and any representation to the contrary is unlawful.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Base Resources Shareholders should vote (on this matter Base Resources Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure 6.

Notice of Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any Base Resources Shareholder may appear at the Second Court Hearing, currently expected to be held on 12 September 2024 at the Owen Dixon Commonwealth Law Courts Building, 305 William Street, Melbourne VIC 3000 and via video-link at the Peter Duraack Commonwealth Law Courts Building, 1 Victoria Avenue, Perth WA 6000. Any Base Resources Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Base Resources a notice of appearance in the prescribed form together with any affidavit that the Base Resources Shareholder proposes to rely on.

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Base Resources Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The Base Resources Directors encourage you to seek independent financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme. This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in section 8, and the views of the Independent Expert set out in the Independent Expert's Report contained in Annexure 1. If you are in doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser immediately.

Forward looking statements

Some of the statements appearing in this Scheme Booklet (including in the Independent Expert's Report) may be in the nature of forward looking statements. Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of Base Resources or Energy Fuels are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Base Resources or Energy Fuels and / or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Base Resources, Energy Fuels, or their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or any person involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

Any forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the ASX Listing Rules, the AIM Rules, NYSE Listing Rules, TSX Rules, the OBCA, the Corporations Act, UK MAR, United States securities laws or Canadian securities laws, Base Resources and Energy Fuels and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect (a) any change in expectations in relation to such statements; or (b) any change in events, conditions or circumstances on which any such statement is based.

All subsequent written and oral forward-looking statements attributable to Base Resources, Energy Fuels, or any person acting on their respective behalf are qualified by this cautionary statement.

Responsibility statements

Base Resources has prepared, and is responsible for, the Base Resources Information. Neither Energy Fuels nor any of its subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

Energy Fuels has prepared, and is responsible for, the Energy Fuels Information. Neither Base Resources nor any of its subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

The Independent Expert has prepared the Independent Expert's Report and takes responsibility for that report. The Independent Technical Specialist has prepared the Independent Technical Specialist's Report included in the Independent Expert's Report and takes responsibility for that report. The Independent Expert's Report (including the Independent Technical Specialist's Report) is included in Annexure 1.

None of Base Resources or Energy Fuels or any of their respective subsidiaries, directors, officers, employees or advisers (other than the Independent Expert in respect of the Independent Expert's Report and the Independent Technical Specialist in respect of the Independent Technical Specialist's Report) assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report or the Independent Technical Specialist's Report, except, in the case of Base Resources, in relation to the information which it has provided to the Independent Expert and the Independent Technical Specialist.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

Base Resources Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

Foreign jurisdiction disclaimers are set out in section 10.8.

Notice to Scheme Shareholders in the United States

Energy Fuels intends to rely on an exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof in connection with the consummation of the Scheme and the issuance of the Scheme Consideration. Approval of the Scheme by the Court, which will consider, among other things, the fairness of the terms and conditions of the issuance and exchange of such securities to Scheme Shareholders, will be relied upon by Energy Fuels for purposes of qualifying for the exemption pursuant to section 3(a)(10) of the US Securities Act.

Scheme Shareholders resident in the US should note that it is proposed that the Scheme Consideration be issued in exchange for the securities of a company incorporated in Australia in accordance with the laws of Australia and the Listing Rules of ASX. The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of Section 14(a) of the US Exchange Act. The Scheme is subject to disclosure requirements of Australia that are different from those of the US.

Without limiting the foregoing, the financial information included or incorporated by reference in this Scheme Booklet has not been prepared in accordance with US generally accepted accounting principles and thus may not be comparable to financial statements of US companies. Further, estimates of resources and reserves and other scientific and technical information included or incorporated by reference in this Scheme Booklet has not been prepared in accordance with Subpart 1300 and thus may not be comparable to similar information disclosed by US companies subject to the reporting and disclosure requirements of the SEC.

The Scheme Booklet has not been filed with or reviewed by the SEC or any state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet. Any representation to the contrary is a criminal offence.

The Scheme Consideration to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act or the securities laws of any state in the United States or other jurisdiction. The Scheme is not being made in any state in the United States or other jurisdiction where it is not legally permitted to do so.

Financial amounts and effects of rounding

All financial amounts in this Scheme Booklet are expressed in United States currency unless otherwise stated. A number of figures, amounts, percentages, estimates, calculations of value and fractions in the Scheme Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding. All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

Timetable and dates

All times and dates referred to in this Scheme Booklet are times and dates in Perth, Australia, unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Governmental Agencies.

External websites

Unless expressly stated otherwise, the content of the websites of Base Resources and Energy Fuels do not form part of this Scheme Booklet and Base Resources Shareholders should not rely on any such content.

Privacy

Base Resources may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in Base Resources and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act. The primary purpose of the collection of personal information is to assist Base Resources to conduct the Scheme Meeting and implement the Scheme. Without this information, Base Resources may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Base Resources Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the Scheme Meeting), authorised securities brokers, professional advisers, related bodies corporate of Base Resources, Governmental Agencies, and also where disclosure is otherwise required or allowed by law. Base Resources Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the Base Resources Share Registry in connection with Base Resources Shares, please contact the Base Resources Share Registry. Base Resources Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should ensure that they inform such an individual of the matters outlined above. Further information about how Base Resources collects, uses and discloses personal information is contained in Base Resources' Privacy Policy located at <https://baseresources.com.au/>.

Date of Scheme Booklet

This Scheme Booklet is dated 2 August 2024.

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Letter from the Chair of the Base Resources Board

Dear Base Resources Shareholders,

On behalf of the Base Resources Board, I am pleased to present you with this Scheme Booklet containing information in relation to the proposed combination of Base Resources with Energy Fuels by way of a scheme of arrangement.

This Scheme Booklet sets out details of the proposed transaction and important matters relevant to your vote in relation to the Scheme.

Scheme Consideration

If the Scheme proceeds, Base Resources Shareholders will receive 0.0260 Energy Fuels Shares for each Base Resources Share held at the Scheme Record Date. Base Resources also expects to pay an unfranked special dividend of A\$0.065 per Base Resources Share (conditional on the Scheme becoming effective).¹

The Scheme Consideration and Special Dividend together imply an offer price of approximately A\$0.287 per Base Resources Share (based on the closing price of Energy Fuels Shares on the Last Practicable Date)² and a total equity value of A\$353 million³ for Base Resources.

The implied offer price (as at the Last Practicable Date) represents a significant premium of:

- 174% to Base Resources' last closing share price prior to the Scheme Announcement Date of A\$0.105
- 159% to Base Resources' 20-day VWAP per share up to the Scheme Announcement Date of A\$0.111.

Energy Fuels Shares issued as Scheme Consideration will be quoted and eligible for trading on the NYSE and the TSX.

The Scheme can only proceed if, among other conditions, the Requisite Majorities of Base Resources Shareholders approve it. This requires more than 50% of shareholders present and voting and at least 75% of votes cast at the Scheme Meeting to be in favour of the Scheme. The Scheme also requires court approval.

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¹ Payment of the Special Dividend will be conditional on the Base Resources Board determining to pay the Special Dividend and the Scheme becoming legally effective.

² On the Last Practicable Date, Energy Fuels' closing price was US\$5.60 and the AUD:USD exchange rate was 0.6546.

³ Based on 1,227,757,577 Base Resources Shares, being Base Resources' share capital on a fully-diluted basis after accounting for the accelerated vesting of unvested Base Resources Performance Rights (as set out in section 10.3), less the number of Base Resources Shares held by the Base Resources LTIP trustee which are available for allocation to Base Resources LTIP participants.

Base Resources Directors' recommendation

Your Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders.⁴

Subject to the same conditions, each Base Resources Director that owns Base Resources Shares intends to vote their shares in favour of the Scheme (representing 1.2% of the Base Resources Shares on issue).⁵

In addition to the significant premia noted above, other reasons for the Directors' unanimous recommendation are set out in section 1.1 of this Scheme Booklet. These reasons include the following:

- the Scheme will create a leading global critical minerals group, with commodity diversification and multiple options for growth
- the Merged Group will have significantly increased capacity and optionality in relation to funding the Toliara Project, than Base Resources does standalone
- the Scheme will reduce Base Resources Shareholders' exposure to the risks associated with Base Resources' business (on a standalone basis).

There are reasons why you might consider voting against the Scheme, which are set out in section 1.2 of this Scheme Booklet. These reasons include the following:

- the risk profile of the Merged Group differs from Base Resources as a standalone entity, including exposure to risks associated with mining and processing uranium ores
- the implied value of the Scheme Consideration is not fixed and will depend on the price at which Energy Fuels Shares trade on the Implementation Date
- Base Resources Shareholders' exposure to Base Resources' assets is diluted in the Merged Group.

The Scheme Booklet also outlines the risk factors relating to implementation of the Scheme, the Merged Group and Energy Fuels Shares (as set out in sections 8.2, 8.3 and 8.4), which should be read in conjunction with the risks relating to the Base Resources Group if the Scheme is not implemented (as set out in section 8.5).

You should carefully read the Scheme Booklet in its entirety before making any decision in relation to the Scheme.

Independent Expert's opinion

The Base Resources Directors appointed PwC Securities as the Independent Expert to assess the merits of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Base Resources Shareholders, in the absence of a superior proposal.

A copy of the Independent Expert's Report is included in Annexure 1.

⁴ In relation to the unanimous recommendation of the Base Resources Directors, Base Resources Shareholders should have regard to the fact that, applying the terms of the Base Resources LTIP, the Base Resources Board has determined that, subject to the Scheme becoming effective, Base Resources' Managing Director, Mr Tim Carstens, will be entitled to receive 3,662,768 Base Resources Shares as a result of the accelerated vesting and vesting of his unvested Base Resources Performance Rights prior to the Scheme Record Date and the Special Dividend Record Date. If the Scheme is implemented, Mr Carstens will be entitled to receive the following:

- In relation to the 3,662,768 Base Resources Shares Mr Carstens will receive on vesting and exercise of his unvested Base Resources Performance Rights which are subject to accelerated vesting, Mr Carstens will receive 95,231 new Energy Fuels Shares and a Special Dividend in the amount of up to A\$238,079.82 (calculated based on (as applicable) the Scheme Consideration of 0.0260 Energy Fuels Shares per Base Resources Share and a dividend of A\$0.065 per Base Resources Share);
- a cash payment of A\$275,000 (pursuant to the satisfaction of an award opportunity made under the Base Resources STIP which is conditional on implementation of the Scheme, as previously disclosed on 22 April 2024);
- a cash payment of A\$166,110 having achieved target performance for strategic plan execution pursuant to the FY24 Base Resources STIP corporate performance criteria, as part of the overall STIP payment determined for Mr Carstens having regard to all applicable individual and corporate performance criteria; and
- 115,720 new Energy Fuels Shares (subject to a 12 month retention condition), pursuant to a retention arrangement between Mr Carstens and Energy Fuels.

Based on the closing price of Energy Fuels Shares on the Last Practicable Date of US\$5.60 per Energy Fuels Share and the AUD:USD exchange rate on the Last Practicable Date of 0.6546, the value of the new Energy Fuels Shares referred to above is approximately A\$1,804,661 (in aggregate).

If the Scheme is implemented, Mr Tim Carstens will continue to be employed as an Executive Vice President of the Merged Group on his current employment terms (comprising total fixed remuneration of A\$712,000 per annum, inclusive of statutory superannuation). Mr Carstens may be invited to participate in the Energy Fuels employee incentive schemes following implementation of the Scheme (see section 6.12 for an overview of those employee incentive schemes).

Mr Carstens will not be entitled to vote at the Scheme Meeting in respect of the 3,662,768 Base Resources Shares he will receive on vesting and exercise of his unvested Base Resources Performance Rights, as these securities will only vest if the Scheme becomes effective.

The Base Resources Board (excluding Mr Carstens) considers that, despite these arrangements (which will have no impact on the Scheme Consideration paid to Scheme Shareholders), it is appropriate for Mr Carstens to make a recommendation on the Scheme given his role in the operation and management of Base Resources and that Base Resources Shareholders would wish to know Mr Carstens' views in relation to the Scheme. Mr Carstens also considers that it is appropriate for him to make a recommendation on the Scheme.

If the Scheme is implemented, Mr Michael Stirzaker will be appointed as a non-executive director of Energy Fuels (see further information in sections 7.4(b) and 10.4). The fees payable to Mr Stirzaker as a non-executive director of Energy Fuels are a cash fee of US\$52,410 per annum (exclusive of any statutory superannuation) plus an annual equity grant, in the form of Restricted Stock Units, for a number equal in value to two times that cash fee (i.e. with an aggregate value of US\$104,820). Each Restricted Stock Unit provides the right to receive Energy Fuels Shares or cash or a combination of the two upon settlement (see section 6.12 for details). The Base Resources Board (excluding Mr Stirzaker) considers that, despite these arrangements, it is appropriate for Mr Stirzaker to make a recommendation on the Scheme and that Base Resources Shareholders would wish to know Mr Stirzaker's views in relation to the Scheme. Mr Stirzaker also considers that it is appropriate for him to make a recommendation on the Scheme.

⁵ Information regarding the Base Resources Directors' interests in Base Resources securities is set out in section 10.2.

Major shareholder support⁶

Pacific Road Capital, which holds, and/or can control the votes in relation to, 312,436,779 Base Resources Shares (representing approximately 26.5% of the Base Resources Shares) and Sustainable Capital Ltd, which holds, and/or can control the votes in relation to, 243,034,866 Base Resources Shares (representing approximately 20.6% of the Base Resources Shares) have each confirmed that they intend to vote all of the Base Resources Shares that they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Base Resources Shareholders.

As noted above, the Base Resources Directors that own Base Resources Shares also intend to vote all their shares in favour of the Scheme, subject to the conditions outlined above (representing 1.2% of the Base Resources Shares on issue).⁷

Accordingly, Base Resources Shareholders holding or controlling approximately 48.3% of the Base Resources Shares have confirmed their intention to support the Scheme (subject to the conditions outlined above).

What should you do?

The Scheme will only be implemented if approved by Base Resources Shareholders at the Scheme Meeting which is scheduled for 11.00am (Perth time) on 5 September 2024 at the Gallery Suite at the InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia and virtually via the Lumi platform, accessible using the URL <https://web.lumiconnect.com/388093896>.

Further details will be sent to Base Resources Shareholders as follows:

- Base Resources Shareholders who have elected to receive communications electronically will receive a link to download the Scheme Booklet and lodge their proxy vote and an Election Form online.
- Base Resources Shareholders who have not made any election will be mailed a letter that contains these instructions, together with a personalised hard copy proxy form and an Election Form.
- Base Resources Shareholders who have elected to receive hard copy shareholder communications will receive (by post) a printed copy of the Scheme Booklet, together with a personalised hard copy proxy form and an Election Form.

If you are a Base Resources Shareholder, you are encouraged to vote by attending the Scheme Meeting or alternatively by completing the proxy form accompanying this Scheme Booklet.

If you are a Base Resources DI Holder, you are encouraged to vote by completing and signing the Form of Instruction sent to you and returning that form to the Depository, or by completing a CREST Voting Instruction, by no later than 6.00pm (London time) on 30 August 2024.

If you wish the Scheme to proceed, it is important that you vote in favour of the Scheme.

Dividend payment currencies

Base Resources will pay the Special Dividend in Australian dollars, unless Base Resources Shareholders otherwise elect to be paid in US dollars or British pounds sterling. Details on how to make a currency election are set out in section 4.3. Base Resources DI Holders will be paid the Special Dividend in British pounds sterling.

Further information

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

If you have any questions about this Scheme Booklet or the Scheme, you are also invited to call the Base Resources Scheme information line on 1300 271 804 (within Australia) and +61 3 9938 4380 (outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday, excluding public holidays.

On behalf of the Base Resources Board, I would like to take this opportunity to thank you for your consideration of this compelling opportunity and continued support of Base Resources.

Yours faithfully,



Michael Stirzaker
Chair

Base Resources Limited

⁶ Shareholding and percentage shareholding figures are as at the Last Practicable Date.

⁷ In relation to the unanimous recommendation of the Base Resources Directors, Base Resources Shareholders should have regard to the interests of the Base Resources Directors in the outcome of the Scheme vote, which may differ from those of other Base Resources Shareholders, as further described in sections 10.2, 10.3 and 10.4 and footnote 4 (located in the letter from the Chair of the Base Resources Board).

Letter from the President and Chief Executive Officer of Energy Fuels

Dear Base Resources Shareholders,

On behalf of Energy Fuels, its Board of Directors and its management team, I am pleased to invite you to become part of the creation of a significant global critical minerals company with a focus on rare earth elements, heavy mineral sands, uranium and vanadium production.

Energy Fuels is a leading US-based uranium and critical minerals company, recognised for its responsible production of several raw materials needed for the clean energy transition, including REEs, uranium and vanadium. Energy Fuels owns and operates the White Mesa Mill in Utah, which is the only operating conventional uranium mill in the United States and has one of the largest NI 43-101-compliant uranium resource portfolios in the US, with several uranium mining projects in operation or on standby, as well as various stages of permitting and development. Energy Fuels has also proven its capability to process monazite feedstocks at its White Mesa Mill into separated REE products and plans to expand its REE separation capacity over the coming years.

We are truly excited about the opportunity to generate significant additional value for all shareholders through the combination of Base Resources and Energy Fuels. We believe the combination of projected low-cost HMS and monazite production from Base Resources' Toliara Project with Energy Fuels' demonstrated monazite processing and REE separation capability will position the Merged Group to become one of the world's leaders in both REE and HMS production. Furthermore, as the only fully integrated producer of separated REE products from monazite in the US, we expect the Merged Group to be uniquely positioned to capitalise on the US Government's drive for domestic security of supply, as well as the desire of North American and European automobile manufacturers to diversify their sources of REE products supply, to support growth in their electric and hybrid vehicle production targets.

Energy Fuels also owns the Bahia Project, an exploration stage HMS project in Brazil, and has recently entered into a binding joint venture agreement with Astron Corporation Limited for the joint ownership and development of the Donald Project, an advanced-stage HMS and rare earth development project in western Victoria, Australia. Together with the Toliara Project, these projects are expected to provide most of the feedstock needed to support the planned expansion of Energy Fuels' separated REE production at the White Mesa Mill.

We believe that having exposure to a suite of different, but complementary, lines of business, over several commodities, will enhance the upside potential for the Merged Group's shareholders, as well as provide protection during economic downturns in individual commodities. Further, we believe the Merged Group will be positioned to capitalise on opportunities countercyclically in each of the commodities we produce.

With a strong balance sheet, we believe the Merged Group will be well placed to secure funding for the planned expansion of the White Mesa Mill, the development of the Toliara, Bahia and Donald projects, as well as take advantage of other integration opportunities in the REE value chain, including potential rare earth metal, metal alloy and magnet making to serve North American and European markets.

We are looking forward to working with Base Resources' proven leadership and mineral sands operations team, all of whom are expected to join the Merged Group's management team upon implementation of the Scheme. The Base Resources team has a proven record of responsible and profitable HMS production and will continue to manage the Toliara Project as well as enhance Energy Fuels' capabilities in Australia and Brazil, enabling the Merged Group to maximize the value of its combined projects to the benefit of all shareholders.

On behalf of the Energy Fuels Board and management team, I look forward to welcoming you as Energy Fuels shareholders following implementation of the Scheme.

Yours sincerely,



Mark Chalmers
President and Chief Executive Officer

Energy Fuels Inc.

Key dates

Event	Time and date
First Court Date	1 August 2024
Date of this Scheme Booklet	2 August 2024
Time and date for determining eligibility to vote at the Scheme Meeting for Base Resources DI Holders	29 August 2024 6.00pm London time
Latest time and date for receipt of Form of Instructions or CREST Voting Instructions by the Depository from the Base Resources DI Holders for the Scheme Meeting	30 August 2024 6.00pm London time
Latest time and date for receipt of proxy forms or powers of attorney by the Base Resources Share Registry from the Base Resources Shareholders for the Scheme Meeting	3 September 2024 11.00am Perth time
Time and date for determining eligibility to vote at the Scheme Meeting for Base Resources Shareholders	3 September 2024 5.00pm Perth time
Scheme Meeting	5 September 2024 11.00am Perth time
If the Scheme is approved by Base Resources Shareholders	
Court hearing to approve the Scheme (Second Court Date)	12 September 2024
Effective Date	13 September 2024
Court order lodged with ASIC and announcement to ASX and AIM	
Last day of trading in Base Resources Shares on ASX, with trading of Base Resources Shares on ASX suspended from close of trading on ASX and trading of Base Resources DIs to be suspended from commencement of trading on AIM	
Final date for movements between the Base Resources Share Register and Base Resources DI Register	
Special Dividend Record Date (subject to the Base Resources Board determining to pay a Special Dividend)	18 September 2024 5.00pm Perth time for Base Resources Shareholders 6.00pm London time for Base Resources DI Holders
Latest time and date for receipt of Election Forms from Small Shareholders that are Base Resources Shareholders	18 September 2024 5.00pm Perth time
Latest time and date for receipt of elections via CREST for Small Shareholders that are Base Resources DI Holders	18 September 2024 1.00pm London time
Scheme Record Date (for determining entitlements to Scheme Consideration)	20 September 2024 5.00pm Perth time for Base Resources Shareholders 6.00pm London time for Base Resources DI Holders
Special Dividend Payment Date (subject to the Base Resources Board determining to pay a Special Dividend)	1 October 2024
Implementation Date	2 October 2024
Issue of Scheme Consideration	

Notes

All times and dates in the above timetable are references to the time and date in Perth, Australia, unless otherwise stated. All times and dates may be subject to change. Certain times and dates are conditional on the approval of the Scheme by Base Resources Shareholders and by the Court and satisfaction or waiver (where capable of waiver) of the other conditions to implementation of the Scheme. Any changes will be announced by Base Resources to ASX and AIM.

Due to the time zone differences between Canada and Australia, certain acts relating to the implementation of the Scheme may occur during Canada's business hours on the day before the Implementation Date so as to enable implementation to occur during Australia's business hours on the Implementation Date.

1 Key considerations relevant to your vote

1.1 Why you should vote in favour of the Scheme

(a) The Base Resources Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders

The Base Resources Directors unanimously recommend that Base Resources Shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the Base Resources Shareholders' best interests.⁸

In reaching this unanimous recommendation, the Base Resources Directors considered (among other things):

- the merits and strategic rationale of the Scheme (which are outlined in this section 1);
- the merits of continuing to operate Base Resources as a standalone entity; and
- the likelihood of a Superior Proposal emerging in the future.

Subject to the same qualifications expressed above for the Directors' unanimous recommendation, each Base Resources Director that owns Base Resources Shares intends to vote all their shares in favour of the Scheme. The interests of the Base Resources Directors in Base Resources Shares are set out in section 10.2.

Whilst the Base Resources Directors acknowledge that there may be reasons to vote against the Scheme, they believe that the advantages of the Scheme significantly outweigh the potential disadvantages (that are outlined in section 1.2). The Base Resources Directors consider that the Scheme has the potential to realise greater benefits to Base Resources Shareholders than any other alternative currently available, including Base Resources continuing as a standalone entity.

(b) The Independent Expert has concluded that the Scheme is in the best interests of Base Resources Shareholders

Base Resources appointed PwC Securities as the Independent Expert to assess the merits of the Scheme. The Independent Expert has assessed Base Resources' business and, based on this assessment, has concluded that the Scheme is fair and reasonable and, therefore, is in the best interests of Base Resources Shareholders, in the absence of a superior proposal.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annexure 1. The Base Resources Directors encourage you to read this report in its entirety.

(c) Base Resources' major shareholders are supportive and, subject to customary qualifications, will vote in favour of the Scheme

Base Resources' two largest shareholders, Pacific Road Capital and Sustainable Capital Ltd, who collectively hold 47.2% of the Base Resources Shares, have each confirmed that they intend to vote all of the Base Resources Shares that they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Base Resources Shareholders.

Pacific Road Capital holds, and/or can control the votes in relation to, 312,436,779 Base Resources Shares (representing approximately 26.5% of the Base Resources Shares) and Sustainable Capital Ltd holds, and/or can control the votes in relation to, 243,034,866 Base Resources Shares (representing approximately 20.6% of the Base Resources Shares).⁹

(d) If the Scheme becomes effective, Base Resources Shareholders are expected to receive an unfranked Special Dividend of A\$0.065 per share

The Base Resources Board currently intends to pay an unfranked Special Dividend of A\$0.065 per Base Resources Share, subject to the Scheme becoming effective. The final decision on whether to pay the Special Dividend will be made by the Base Resources Directors and depends upon several factors, including the requirements of the Corporations Act. The final decision of the Base Resources Directors will be communicated to Base Resources Shareholders by way of an ASX and AIM announcement before the Scheme Meeting.

(e) The Scheme Consideration and Special Dividend together imply an offer price that represents a significant premium to Base Resources' pre-announcement share price

Based on the closing price of Energy Fuels Shares on the Last Practicable Date¹⁰, the Scheme Consideration and Special Dividend together imply an offer price of approximately A\$0.287 per Base Resources Share, which represents a significant premium of:

- 174% to Base Resources' last closing share price prior to the Scheme Announcement Date of A\$0.105
- 159% to Base Resources' 20-day VWAP per share up to the Scheme Announcement Date of A\$0.111.

⁸ In relation to the unanimous recommendation of the Base Resources Directors, Base Resources Shareholders should have regard to the interests of the Base Resources Directors in the outcome of the Scheme vote, which may differ from those of other Base Resources Shareholders, as further described in sections 10.2, 10.3 and 10.4 and footnote 4 (located in the letter from the Chair of the Base Resources Board).

⁹ Shareholding and percentage shareholding figures are as at the Last Practicable Date.

¹⁰ On the Last Practicable Date, Energy Fuels' closing price was US\$5.60 and the AUD:USD exchange rate was 0.6546.

In addition, based on Energy Fuels' last closing share price prior to the Scheme Announcement Date¹¹, the Scheme Consideration and Special Dividend together implied an offer price of approximately A\$0.302, which represented significant premiums of:

- 188% to Base Resources' last closing share price prior to the Scheme Announcement Date of A\$0.105
- 173% to Base Resources' 20-day VWAP per share up to the Scheme Announcement Date of A\$0.111.

(f) The Scheme will create a leading global critical minerals group, with commodity diversification and multiple options for growth

The Base Resources Board believes that the combination of Energy Fuels and Base Resources will create a leading global critical minerals company, with a focus on REEs, HMS, uranium and vanadium.

Energy Fuels' White Mesa Mill in Utah is the only operating conventional uranium mill in the United States, with Energy Fuels producing uranium concentrate (i.e. yellowcake) from uranium ores delivered to the mill from a combination of Energy Fuels' own producing mines and third-party production. Energy Fuels' uranium concentrate is sold to electric utility customers in the United States producing nuclear baseload power. When warranted by market conditions, Energy Fuels also extracts and sells vanadium pentoxide from certain of the uranium ores processed at the White Mesa Mill.

Energy Fuels recently added the capability to process monazite feedstocks into commercial quantities of separated REE products at the White Mesa Mill following commissioning of its phase 1 REE separation circuit. Separated REE products have significantly higher value per tonne than monazite, and there is a greater breadth of customers for separated REE products globally than there is for monazite.

Specifically, completion of the commissioning of the phase 1 REE separation circuit enables the White Mesa Mill to process up to 10,000 tonnes of monazite per annum on a campaign basis (in lieu of uranium processing) for the production of up to 1,000 tonnes per annum of separated NdPr.

A pre-feasibility study for a phase 2 REE separation circuit was recently completed by Energy Fuels, which contemplates a dedicated mill line to enable the concurrent processing of uranium and up to 30,000 tonnes of monazite per annum to produce up to 3,000 tonnes of separated NdPr oxide per annum. As the timing and volume of monazite feedstock that Energy Fuels is able to secure becomes more certain, Energy Fuels intends to assess the potential to update the phase 2 pre-feasibility study to expand the White Mesa Mill's production capacity.

A phase 3 REE separation circuit, potentially involving the addition of the capability to separate heavy REE oxides, including dysprosium and terbium oxides, thereby adding additional revenue streams, is also being explored.

Energy Fuels anticipates arranging funding for and making a development decision on the phase 2 and 3 REE separation circuits within the next two years.

Energy Fuels anticipates supplying the separated REE products it produces to customers across a range of industries.

(g) The Scheme will enable the addition of significant potential value to the Toliara Project

The existing REE separation facility at the White Mesa Mill and its proposed expansion as part of the phase 2 REE separation circuit creates the opportunity for the Merged Group to add significant value to the Toliara Project by enabling processing of monazite produced at the Toliara Project into higher-value separated REE products.

Full realisation of this opportunity depends on the phase 2 REE separation circuit at the White Mesa Mill and the Toliara Project being funded and developed. The opportunity is also dependent on the Merged Group shipping monazite from Madagascar to Utah.

Base Resources Shareholders should note that if the Toliara Project is funded and developed, significant quantities of HMS products – i.e. ilmenite, rutile and zircon – will also be produced, in addition to monazite.

(h) The Merged Group will have significantly increased capacity and optionality in relation to funding the Toliara Project, than Base Resources does standalone

The Base Resources Board believes that the combination of Energy Fuels and Base Resources creates a larger and more diversified company, with an enhanced financial position, a higher profile in capital markets, and access to a greater range of potential funding options for development of the Toliara Project. This is equally the case for the Merged Group's other capital requirements, such as for the phase 2 REE separation circuit at the White Mesa Mill. In particular, the Base Resources Board believes that the Merged Group will be better placed to seek to secure United States Government funding support for the Toliara Project, which may be made available on more attractive terms (including at lower cost) than alternative, private sector funding sources.

Potential funding options for development of the Toliara Project (by Base Resources on a standalone basis) would be expected to include an equity funding component, which would result in Base Resources Shareholders having their existing interest in Base Resources diluted (to the extent that Base Resources Shareholders do not participate in the equity funding in proportion to their existing shareholding).

(i) Base Resources Shareholders will have continued exposure to the senior leadership team of Base Resources

Through their successful development and operation of Base Resources' Kwale Operations in Kenya over a combined period of more than 14 years, the existing senior leadership team of Base Resources has proven capability as developers and operators of mining operations in Africa. The members of the Base Resources senior leadership team are expected to remain employed with the Merged Group, providing continuity of knowledge regarding Base Resources' business, and continue to oversee the development, financing and future operation of the Toliara Project, which both Base Resources and Energy Fuels believe is critical to ensuring the Merged Group's success. The existing senior leadership team of Base Resources will also continue to oversee the completion of operations and closure of Kwale Operations and will enhance the oversight of the other mineral sands and rare earths interests of the Merged Group.

¹¹ On 19 April 2024 (being the last trading day prior to the Scheme Announcement Date), Energy Fuels' closing price was US\$5.84 per share and the AUD:USD exchange rate was 0.640.

(j) The Scheme will reduce Base Resources Shareholders' exposure to the risks associated with Base Resources' business (on a standalone basis)

By virtue of the Scheme Consideration of 0.0260 Energy Fuels Shares per Base Resources Share, on implementation of the Scheme, existing Base Resources Shareholders are expected to own approximately 16.3% of the Merged Group. Accordingly, the Scheme provides Base Resources Shareholders with a valuable opportunity to:

- hold their Energy Fuels Shares received under the Scheme and gain exposure to a larger and more diversified global critical minerals business (which includes the Toliara Project); or
- realise part (or all) of their investment in Base Resources Shares in cash, by selling some or all of their Energy Fuels Shares received under the Scheme on-market following implementation of the Scheme. Refer to section 7.8 for further information regarding how Base Resources Shareholders can sell Energy Fuels Shares received as Scheme Consideration.

If the Scheme does not proceed, the value that Base Resources Shareholders will be able to realise from their shareholdings in terms of price and future dividends will necessarily be uncertain and subject to a number of risks, including those outlined in section 8.

The Scheme reduces (or, if Energy Fuels Shares received under the Scheme are sold, removes) these risks and uncertainties for Base Resources Shareholders and allows Base Resources Shareholders to receive consideration for their investment in Base Resources at an implied value that the Base Resources Board considers to be attractive.

(k) No Superior Proposal has emerged

Since the Scheme was announced and up until the date of this Scheme Booklet, no Superior Proposal has emerged.

The Base Resources Board is not aware, as at the date of this Scheme Booklet, of any Superior Proposal that is likely to emerge. The Base Resources Directors will keep Base Resources Shareholders informed if a Superior Proposal emerges before the Scheme Meeting and will make an announcement on ASX and AIM in accordance with Base Resources' continuous disclosure obligations.

(l) The Scheme has limited conditionality

The Scheme is not subject to any financing conditions or further due diligence. Base Resources and Energy Fuels have received approval from the Competition Authority of Kenya. However, implementation of the Scheme remains conditional on the following regulatory approvals being obtained, each of which remain outstanding as at the Last Practicable Date:

- approval from the Australian Foreign Investment Review Board; and
- approval from the Malagasy Competition Council.

Energy Fuels (and where applicable, Base Resources) has filed applications containing requisite information and submissions seeking these regulatory approvals.

As at the Last Practicable Date, neither Base Resources nor Energy Fuels are aware of any reason why these regulatory approvals will not be obtained prior to the Second Court Date.

In addition, Energy Fuels has obtained conditional approval for the issue of the Energy Fuels Shares as Scheme Consideration from the TSX and approval from the NYSE subject to customary closing conditions.

The Scheme remains subject to customary conditions consistent with schemes of arrangement (including Base Resources Shareholder approval, Court approval and the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders).

(m) The Base Resources Share price is expected to fall if the Scheme does not proceed

If the Scheme does not proceed, and no comparable proposal or Superior Proposal is received by Base Resources, then the Base Resources Share price is expected to fall.

Since market close on 19 April 2024 (being the last day on which Base Resources Shares traded prior to the Scheme Announcement Date), the Base Resources Share price has increased 174% from A\$0.105 up to a closing price of A\$0.255 on the Last Practicable Date.

(n) Some Base Resources Shareholders may be eligible for scrip-for-scrip roll-over relief

Scheme Shareholders who are Australian tax residents (and are not tax residents in any other country) and who make a capital gain from the disposal of their Base Resources Shares under the Scheme may be eligible for scrip-for-scrip roll-over relief. Scrip-for-scrip roll-over relief allows these Scheme Shareholders to defer this capital gain until the Energy Fuels Shares they receive under the Scheme are sold.

Base Resources is seeking confirmation from the ATO that scrip-for-scrip roll-over relief is available for these Scheme Shareholders via a class ruling application.

Section 9 provides a general description of certain Australian taxation consequences for Scheme Shareholders.

1.2 Why you may consider voting against the Scheme

(a) You may disagree with the Base Resources Directors' unanimous recommendation and the Independent Expert's conclusion

Despite the unanimous recommendation of the Base Resources Directors to vote in favour of the Scheme and the conclusion of the Independent Expert that the Scheme is in the best interests of Base Resources Shareholders, you may believe that the Scheme is not in your best interests.

You may hold a different view from, and are not obliged to follow the recommendation of the Base Resources Directors, and you may not agree with the Independent Expert's conclusions.

(b) You may take the view that the implied offer price does not reflect the underlying value of Base Resources

On implementation of the Scheme, Base Resources Shareholders are expected to own approximately 16.3% of the Merged Group and existing Energy Fuels Shareholders are expected to own approximately 83.7%. Notwithstanding the benefits of combining the two businesses, you may take the view that the exchange ratio for the Scheme Consideration of 0.0260 does not give existing Base Resources Shareholders an appropriate share of the Merged Group.

You may also take the view that the implied offer price of A\$0.287 per Base Resources Share (based on the closing price of Energy Fuels Shares on the Last Practicable Date, and when the Special Dividend is added to the implied value of the Scheme Consideration)¹² does not reflect the underlying value of Base Resources.

Such a view should be considered having regard to the attractive premium represented by the Scheme Consideration and the Special Dividend. Refer to section 1.1(e) above for more information regarding the premium.

(c) You may not wish to be an investor in the Merged Group and you may be concerned that your exposure to Base Resources' assets is diluted in the Merged Group

If the Scheme is implemented, Base Resources Shareholders will become investors in the Merged Group and will have a reduced exposure to Base Resources' existing assets, including the Toliara Project, as part of the Merged Group.

You may wish for Base Resources to remain as a standalone entity because you invested in Base Resources to seek exposure to a company with the specific qualities of Base Resources. In particular, you may consider that, despite the risks relevant to Base Resources' potential future operations and the reasons to vote in favour of the Scheme set out in section 1.1, Base Resources may be able to return greater value from its assets by remaining a standalone entity or by seeking alternative corporate and / or financing transactions in the future. As a result, you may not want reduced exposure to Base Resources' assets through investment exposure to the Merged Group following implementation of the Scheme.

You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Base Resources or may incur transaction costs in undertaking any new investment.

(d) The risk profile of the Merged Group differs from Base Resources as a standalone entity

If the Scheme is implemented, there will be a change in the risk profile to which Base Resources Shareholders are exposed. Currently, Base Resources Shareholders are exposed to various risks as a result of their investment in Base Resources. If the Scheme is implemented, Base Resources Shareholders will be exposed to the risks of the Merged Group, including risks associated with mining and processing uranium ores and producing uranium concentrate (i.e. yellowcake), risks associated with processing other radioactive feedstocks, risks associated with operating in the United States of America (including regulatory risks) and risks associated with Energy Fuels' stated strategy of developing a global, integrated REE mining and processing business.

Further detail on risk is set out in section 8.

(e) The implied value of the Scheme Consideration is not fixed and will depend on the price at which Energy Fuels Shares trade on the Implementation Date

The Scheme Consideration is based on a fixed exchange ratio and as a result the implied value of the Scheme Consideration will change over time depending on the prevailing price of Energy Fuels Shares and the AUD:USD exchange rate. As a result, the implied value of the Scheme Consideration is not certain and is likely to change, including between the date of this Scheme Booklet and the Implementation Date (being the date that the Energy Fuels Shares are issued under the Scheme).

Assuming the AUD:USD exchange rate remains constant, the implied value of the Scheme Consideration that you receive for your Base Resources Shares will decrease if the Energy Fuels Share price decreases. However, if there is an increase in the Energy Fuels Share price, the implied value of the Scheme Consideration that you receive for your Base Resources Shares will also increase.

Notwithstanding potential short-term fluctuations in the Energy Fuels Share price (whether price decreases or increases), including between the date of this Scheme Booklet and the Implementation Date, you are encouraged to consider the potential investment in the Merged Group over the longer-term and should have regard to the potential benefits associated with an investment in the Merged Group, including those set out in section 1.1.

¹² On the Last Practicable Date, Energy Fuels' closing price was US\$5.60 and the AUD:USD exchange rate was 0.6546.

(f) You may believe that there is potential for a Superior Proposal to emerge

You may consider that a Superior Proposal could emerge in the future. The Base Resources Directors are, as at the date of this Scheme Booklet, not aware of, and have not received, any Superior Proposal.

(g) The potential tax consequences of transferring your Base Resources Shares pursuant to the Scheme may not suit your current financial position or tax circumstances

The tax consequences of the Scheme will depend on your personal circumstances. If the Scheme is implemented and the Special Dividend is paid, this may trigger adverse or unwanted taxation consequences for you. For example, the Special Dividend may be assessable to you as the Base Resources Shareholder.

Base Resources Shareholders should read the Australian tax implications of the Scheme outlined in section 9. However, section 9 is general in nature, and Base Resources Shareholders should consult with their own independent taxation advisers regarding the tax implications of the Scheme including, for non-Australian resident Base Resources Shareholders, any foreign tax consequences.

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2 Frequently asked questions

This section 2 answers some frequently asked questions relating to the Scheme. It is not intended to address all relevant issues for Base Resources Shareholders. This section 2 should be read together with all other parts of this Scheme Booklet.

Question	Answer	More information
Overview of the Scheme		
Why have I received this Scheme Booklet?	This Scheme Booklet has been sent to you because you are a Base Resources Shareholder and you are being asked to vote on the Scheme. This Scheme Booklet is intended to help you to consider and decide on how to vote on the Scheme at the Scheme Meeting.	Section 4
What is the Scheme?	<p>The Scheme is a scheme of arrangement between Base Resources and Base Resources Shareholders that hold Base Resources Shares on the Scheme Record Date (referred to as Scheme Shareholders).</p> <p>A “scheme of arrangement” is a statutory procedure in the Corporations Act that is commonly used in transactions in Australia that may result in a change of ownership or control of a company. In addition to requiring Court approval, schemes of arrangement require a resolution to implement the scheme of arrangement to be passed by Base Resources Shareholders by the Requisite Majorities.</p> <p>If the Scheme becomes effective, EFR BidCo will acquire all of the Base Resources Shares for the Scheme Consideration. Base Resources will be delisted from ASX and the Base Resources DIs cancelled from trading on AIM. Base Resources will also become a wholly owned subsidiary of Energy Fuels.</p>	Section 4 and Annexure 4
Who is Energy Fuels?	Energy Fuels is a leading US-based uranium and critical minerals company. Further details about Energy Fuels are available in section 6 of the Scheme Booklet and on its website at www.energyfuels.com .	Section 6
Who is EFR BidCo?	<p>EFR BidCo is an Australian proprietary company limited by shares that was incorporated on 18 April 2024 and is a wholly owned subsidiary of Energy Fuels. Prior to the Scheme, it has not conducted and it will not conduct any business, and it does not currently own any assets or have any liabilities.</p> <p>If the Scheme is implemented, EFR BidCo will directly hold all the shares in Base Resources.</p>	Section 6
Recommendations, intentions and considerations		
What do the Base Resources Directors recommend?	<p>The Base Resources Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders.¹³</p> <p>The reasons for this recommendation and other relevant considerations are set out in section 1.</p> <p>The Base Resources Directors encourage you to seek independent legal, financial, taxation or other appropriate professional advice.</p>	Letter from the Chair of the Base Resources Board
What is the conclusion of the Independent Expert?	<p>The Independent Expert has concluded that the Scheme is fair and reasonable, and therefore, is in the best interests of Base Resources Shareholders, in the absence of a superior proposal.</p> <p>You should also read the Independent Expert’s Report which is contained in Annexure 3.</p>	Section 1.1(b) and Annexure 3.
What if the Independent Expert changes its conclusion?	<p>If the Independent Expert changes its opinion, this will be announced to ASX and AIM and the Base Resources Directors will carefully consider the Independent Expert’s revised opinion and advise you of their recommendation.</p> <p>The Base Resources Directors may withdraw or change their recommendation, and may terminate the Scheme Implementation Deed without paying a break fee to Energy Fuels, if in any update of, or any revision, amendment or supplement to, the Independent Expert’s Report, the Independent Expert concludes that the Scheme is not or is no longer in the best interests of Base Resources Shareholders (except where that conclusion is due to a Competing Proposal).</p>	Section 10.5(b) and 10.5(h).

¹³ In relation to the unanimous recommendation of the Base Resources Directors, Base Resources Shareholders should have regard to the interests of the Base Resources Directors in the outcome of the Scheme vote, which may differ from those of other Base Resources Shareholders, as further described in sections 10.2, 10.3 and 10.4 and footnote 4 (located in the letter from the Chair of the Base Resources Board).

Question	Answer	More information
What are the intentions of the Base Resources Directors?	Each Base Resources Director intends to vote, or procure the voting of, any Base Resources Shares owned or controlled by him or her at the time of the Scheme Meeting in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders.	Letter from the Chair of the Base Resources Board and section 1.1(a)
Are there any major Base Resources Shareholders who support the Scheme?	<p>Base Resources' two largest shareholders, Pacific Road Capital and Sustainable Capital Ltd have each confirmed that they intend to vote all of the Base Resources Shares that they hold or control in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Base Resources Shareholders.</p> <p>Pacific Road Capital holds, and/or can control the votes in relation to, 312,436,779 Base Resources Shares (representing approximately 26.5% of the Base Resources Shares) and Sustainable Capital Ltd holds, and/or can control the votes in relation to, 243,034,866 Base Resources Shares (representing approximately 20.6% of the Base Resources Shares).¹⁴</p>	Letter from the Chair of the Base Resources Board and section 1.1(c)
What choices do I have as a Base Resources Shareholder?	<p>As a Base Resources Shareholder who is eligible to vote at the Scheme Meeting, you have the following choices in relation to your Base Resources Shares:</p> <ul style="list-style-type: none"> ▪ vote in favour of the Scheme at the Scheme Meeting; ▪ vote against the Scheme at the Scheme Meeting; ▪ sell your Base Resources Shares on the ASX (or, if you hold Base Resources DIs, sell those on AIM); or ▪ do nothing. 	Annexure 6 and section 3.2
Why might you vote in favour of the Scheme?	The reasons why you may vote in favour of the Scheme are set out in section 1.1 of this Scheme Booklet.	Section 1.1
What are the reasons why you may not support the Scheme and may consider voting against the Scheme?	The reasons why you might consider voting against the Scheme are set out in section 1.2 of this Scheme Booklet.	Section 1.2
Overview of the Scheme Consideration		
What is the Scheme Consideration?	<p>If the Scheme is implemented, Base Resources Shareholders will be entitled to receive the Scheme Consideration of 0.0260 Energy Fuels Shares for each Base Resources Share held on the Scheme Record Date (currently expected to be 20 September 2024).</p> <p>The Energy Fuels Shares being issued as Scheme Consideration to Base Resources Shareholders (who are not Ineligible Foreign Shareholders or Electing Small Shareholders) are new fully paid common shares in Energy Fuels which will rank equally in all respects with all other Energy Fuels Shares on issue as at the Implementation Date.</p> <p>Base Resources Shareholders who are Ineligible Foreign Shareholders or Electing Small Shareholders will not receive Energy Fuels Shares. Instead, they will receive their pro rata share of the Net Cash Proceeds in accordance with the sale facility under the Scheme.</p>	Section 4.2
When and how will I receive my Scheme Consideration?	<p>If the Scheme is implemented, Energy Fuels must:</p> <ul style="list-style-type: none"> ▪ on the Implementation Date, issue your Energy Fuels Shares to you (or, if you are an Ineligible Foreign Shareholder or an Electing Small Shareholder, to the Sale Agent) and update the Energy Fuels' share register to record the issue of the Energy Fuels Shares forming the Scheme Consideration; and ▪ as soon as reasonably practicable after the Implementation Date, cause a DRS Advice to be sent to you in respect of the Energy Fuels Shares representing your Scheme Consideration (if you are not an Ineligible Foreign Shareholder or Electing Small Shareholders). <p>The DRS Advice will be sent to your registered address as shown in the Base Resources Share Register as at the Scheme Record Date. Energy Fuels expects that it will take between 11-20 Business Days for the DRS Advices to be received by post. Subject to the Base Resources Board determining to pay the Special Dividend and the Scheme becoming effective, the Special Dividend will be paid to you on the Special Dividend Payment Date, which is currently expected to be 1 October 2024.</p>	Sections 4.2 and 4.3

¹⁴ Shareholding and percentage shareholding figures are as at the Last Practicable Date.

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Question	Answer	More information
What is a DRS Advice?	<p>A DRS Advice is an advice received from the Energy Fuels' Transfer Agent which evidences the registration and ownership of your new Energy Fuels Shares.</p> <p>Scheme Shareholders should ensure that their mailing address and other contact details in the Base Resources Share Register are up-to-date as at the Scheme Record Date, to ensure they receive the DRS Advice.</p>	Sections 4.2 and 4.6
Will I be able to trade my Energy Fuels Shares?	<p>Yes - the Energy Fuels Shares issued as Scheme Consideration will be quoted and eligible for trading on the NYSE and the TSX. However, Energy Fuels Shares will not be quoted (and therefore not tradeable) on ASX or AIM.</p> <p>Following receipt of a DRS Advice evidencing ownership of your Energy Fuels Shares, if you wish to trade the Energy Fuels Shares you receive under the Scheme on the NYSE or the TSX, you will need to either:</p> <ul style="list-style-type: none"> ▪ instruct a stockbroker that can accept transfers of shares represented by a DRS Advice and who is able to execute trades on the NYSE or the TSX; or ▪ provide a sale instruction to the Transfer Agent under the DRS Sale Program. <p>In relation to trading through a stockbroker or share trading platform, Base Resources Shareholders should note that not all stockbrokers and share trading platforms are able to accept transfers of Energy Fuels Shares represented by a DRS Advice and execute trades on the NYSE or the TSX.</p> <p>If your existing stockbroker or trading platform is unable to accept transfers of shares represented by a DRS Advice and execute trades on the NYSE or the TSX, you may wish to establish an account with a stockbroker or share trading platform that does have the requisite capability.</p> <p>In relation to trading through the Transfer Agent's DRS Sale Program, refer to the question below for further details.</p> <p>Base Resources Shareholders are urged to carefully investigate and consider the suitability of the available arrangements for trading their Energy Fuels Shares prior to the Scheme becoming effective.</p> <p>In particular, if you wish to sell the Energy Fuels Shares you become entitled to under the Scheme:</p> <ul style="list-style-type: none"> ▪ if you are a Small Shareholder, you should consider whether or not to participate in the Sale Facility; and ▪ if you are not a Small Shareholder (or a Small Shareholder that does not wish to participate in the Sale Facility), you should consider what arrangements are appropriate for you and ensure those arrangements are able to put in place before the Implementation Date to avoid or minimise any delay between the date you receive your DRS Advice and the date on which your Energy Fuels Shares may be capable of being traded on the NYSE or the TSX. 	Sections 4.6(g) and 7.8
What is the DRS Sale Program?	<p>The Transfer Agent can facilitate the direct sale of Energy Fuels Shares via the DRS Sale Program.</p> <p>If you wish to sell your new Energy Fuels Shares via the Transfer Agent's DRS Sale Program, you can do so by providing a sale instruction to the Transfer Agent.</p> <p>All transactions under the DRS Sale Program will be conducted in United States Dollars. The Transfer Agent does not guarantee the date of sale or the price per share under the DRS Sale Program.</p> <p>Before providing a sale instruction, you should carefully consider the terms and conditions applicable to the DRS Sale Program. In order to access the DRS Sale Program, non-US holders must contact the Transfer Agent via email at helpAST@equiniti.com or phone at +1 (718) 921-8124. Non-US holders will be required to provide their account number and account registration (each as shown on the DRS Advice), the company stock name, their complete address on account and all other documentation as may be requested by the Transfer Agent. Sale instructions may also be provided by mail at 55 Challenger Road 2nd Floor, Ridgefield Park, NJ 07660 Attn: DRS Sales.</p> <p>If you have any questions regarding the DRS Sale Program (including questions in relation to providing a sale instruction and applicable terms and conditions) you can contact the Transfer Agent via email at helpAST@equiniti.com or phone at +1 (718) 921-8124.</p>	Section 7.8
Am I a Small Shareholder?	<p>You are a Small Shareholder if you hold 350,000 Scheme Shares or fewer at the Scheme Record Date.</p>	Section 4.5

Question	Answer	More information
What will Small Shareholders receive under the Scheme?	<p>If you are a Small Shareholder, you may either:</p> <ul style="list-style-type: none"> receive your new Energy Fuels Shares under the Scheme; or elect to have all of the new Energy Fuels Shares to which you would have otherwise been entitled to under the Scheme allotted to the Sale Agent, who will sell those new Energy Fuels Shares and remit the Net Cash Proceeds to Energy Fuels for distribution of the applicable pro rata proportion to each Ineligible Foreign Shareholder and Electing Small Shareholder. <p>Further information is in section 4.5 and 10.6.</p>	Sections 4.5 and 10.6
Who is an Ineligible Foreign Shareholder?	<p>Ineligible Foreign Shareholders are Scheme Shareholders whose address shown in the Base Resources Share Register at the Scheme Record Date is in a place outside:</p> <ul style="list-style-type: none"> Australia and its external territories; Canada; New Zealand; United Kingdom; United States; Cayman Islands (British Overseas Territory) (limited to the Base Resources Shareholders who are issued Energy Fuels Shares for their own account and not as an agent or on behalf of others); Kenya (limited to up to 100 current or former employees of a Base Resources Group Member); Madagascar (limited to employees of a Base Resources Group Member in respect of whom Malagasy Ministry of Finance approval is required and has been obtained prior to the Implementation Date); and such other jurisdictions as agreed to in writing by Base Resources and Energy Fuels, unless Energy Fuels (after consultation with Base Resources) determines that it is lawful and not unduly onerous or unduly impractical for Energy Fuels to issue that Scheme Shareholder with Energy Fuels Shares as Scheme Consideration. 	Sections 4.4 and 10.6
What will Ineligible Foreign Shareholders receive under the Scheme?	<p>If you are an Ineligible Foreign Shareholder, you will not receive Energy Fuels Shares under the Scheme.</p> <p>Instead, you will receive your pro rata share of the Net Cash Proceeds. Further information is in sections 4.4 and 10.6.</p>	Sections 4.4 and 10.6
How will Base Resources DI Holders receive the Scheme Consideration?	<p>Upon implementation of the Scheme:</p> <ul style="list-style-type: none"> the Base Resources Shares held by the Depositary will be transferred to EFR Bidco; the Base Resources DIs will be cancelled; and you will be issued your Scheme Consideration in the same manner as Base Resources Shareholders (see <i>When and how will I receive my Scheme Consideration?</i>). 	Sections 4.6 and 10.6
What are the Australia taxation implications of the Scheme?	<p>The Australian taxation implications of the Scheme will depend on your particular circumstances.</p> <p>Section 9 provides a general description of the Australian taxation consequences for Scheme Shareholders.</p> <p>You should seek independent professional taxation advice with respect to your particular circumstances.</p> <p>Base Resources has applied to the ATO requesting a class ruling regarding the income tax implications for Base Resources Shareholders of receiving any Special Dividend, and the availability of CGT scrip-for-scrip roll-over relief (for relevant shareholders) in respect of the Scheme Consideration to be received by Base Resources Shareholders.</p> <p>The class ruling is not expected to be issued by the ATO until after the Implementation Date (which is currently expected to be 2 October 2024).</p> <p>When the final class ruling is published by the ATO, it will be available on the ATO's website at www.ato.gov.au and Base Resources' website at www.baseresources.com.au.</p> <p>Base Resources Shareholders should monitor these websites for the final class ruling and refer to the ruling once published.</p>	Section 9

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Question	Answer	More information
Special Dividend		
What is the Special Dividend?	<p>The Base Resources Board currently intends to pay an unfranked Special Dividend of A\$0.065 in cash per Base Resources Share prior to implementation of the Scheme (conditional on the Scheme becoming effective).</p> <p>The final decision on whether or not to pay a Special Dividend will be made by the Base Resources Directors and will depend upon a number of factors, including the requirements of the Corporations Act and payment of the Special Dividend will be conditional on the Scheme becoming effective.</p> <p>The final decision of the Base Resources Directors will be communicated to Base Resources Shareholders by way of an ASX and AIM announcement before the Scheme Meeting.</p>	Letter from the Chair of the Base Resources Board and section 4.3
Will any Special Dividend be franked?	If any Special Dividend is determined, it will be unfranked.	Sections 4.3 and 9
Am I eligible to receive the Special Dividend?	If the Base Resources Board determines to pay the Special Dividend and the Scheme becomes effective, Base Resources Shareholders will be entitled to receive the Special Dividend if they hold Base Resources Shares on the Special Dividend Record Date (currently expected to be 18 September 2024).	Section 4.3
When will I receive the Special Dividend?	If the Base Resources Board determines to pay the Special Dividend and the Scheme becomes effective, the Special Dividend will be paid on the Special Dividend Payment Date (currently expected to be 1 October 2024).	Section 4.3
Will I receive the Special Dividend if the Scheme does not become effective?	If the Scheme does not become effective, the Special Dividend will not be paid.	Section 4.3
Conditions to the Scheme		
Are there any conditions to the Scheme?	<p>Yes. The conditions to the Scheme are summarised in section 10.5(b).</p> <p>As at the date of this Scheme Booklet, the Base Resources Directors are not aware of any reason why any remaining conditions to the Scheme will not be satisfied.</p>	Section 10.5(b)
What is required for the Scheme to become effective?	<p>The Scheme will become effective if:</p> <ul style="list-style-type: none"> the Scheme is approved by the Requisite Majorities of Base Resources Shareholders at the Scheme Meeting to be held on 5 September 2024 at the Gallery Suite at the InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia at 11.00am (Perth time) and virtually via the Lumi platform, accessible using the URL https://web.lumiconnect.com/388093896; the Court approves the Scheme at the Second Court Hearing; and all of the other conditions precedent to the Scheme are satisfied or waived (where capable of waiver). 	N/A
Are there any regulatory approvals required for the Scheme to become effective?	<p>Implementation of the Scheme is subject to satisfaction or waiver (where capable of waiver) of several conditions contained in the Scheme Implementation Deed, which are summarised in section 10.5(b).</p> <p>As at the Last Practicable Date, the remaining conditions that must be satisfied or waived (where capable of waiver) before the Scheme can be implemented are:</p> <ul style="list-style-type: none"> the Scheme is approved by the Requisite Majorities of Base Resources Shareholders at the Scheme Meeting; the Court approves the Scheme at the Second Court Hearing and the Court order is lodged with ASIC; approval from the Australian Foreign Investment Review Board; and approval from the Malagasy Competition Council. <p>Energy Fuels and Base Resources have obtained approval for the Scheme from the Competition Authority of Kenya.</p> <p>As at the Last Practicable Date, neither Base Resources nor Energy Fuels are aware of any reason why these regulatory approvals will not be obtained prior to the Second Court Date.</p> <p>In addition, Energy Fuels has obtained conditional approval for the issue of the Energy Fuels Shares as Scheme Consideration from the TSX and approval from the NYSE subject to customary closing conditions.</p> <p>No other regulatory approvals are required.</p>	Section 10.5(b)

2 Frequently asked questions

Question	Answer	More information
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held on 5 September 2024 at 11.00 am (Perth time) at the Gallery Suite at the InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia and virtually via the Lumi platform, accessible using the URL https://web.lumiconnect.com/388093896 .	Annexure 6
What will Base Resources Shareholders be asked to vote on at the Scheme Meeting?	At the Scheme Meeting, Base Resources Shareholders will be asked to vote on whether to approve the Scheme.	Annexure 6
What is the Base Resources Shareholder approval threshold for the Scheme?	<p>To become effective, the Scheme must be approved by the Requisite Majorities, being:</p> <ul style="list-style-type: none"> ▪ unless the Court orders otherwise, a majority in number (more than 50%) of Base Resources Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative); and ▪ at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Base Resources Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative). <p>Even if the Scheme is approved by the Requisite Majorities of Base Resources Shareholders at the Scheme Meeting, the Scheme will still be subject to the approval of the Court.</p>	Section 4.6
Am I entitled to vote at the Scheme Meeting?	If you are registered as a Base Resources Shareholder on the Base Resources Share Register as at 5.00pm (Perth time) on 3 September 2024, you will be entitled to attend and vote at the Scheme Meeting.	Section 3.2
I hold Base Resources DIs, am I entitled to vote at the Scheme Meeting?	If you are registered as a Base Resources DI Holder on the Base Resources DI Register as at 6.00pm (London time) on 29 August 2024, you will be entitled to vote on the Scheme, but you can only do so by providing voting instructions to the Depositary (so that it is received by the Depositary by no later than 6.00pm (London time) on 30 August 2024) using the Form of Instruction that has been sent to you or via the CREST voting service using a CREST Voting Instruction, as you would do for any other Base Resources general meeting. You cannot vote in person (whether yourself or by corporate representative) at the Scheme Meeting.	Section 3.2(e)
How can I vote if I can't attend the Scheme Meeting?	<p>The Scheme Meeting will be held as a hybrid meeting, and Base Resources Shareholders or their proxies, attorneys or corporate representatives can attend the meeting in person or online.</p> <p>If you are a Base Resources Shareholder and would like to vote but cannot attend the Scheme Meeting either in person or online, you can vote by appointing a proxy (including by lodging your proxy form online at www.investorvote.com.au (Control Number: 183901)) or an attorney to attend and vote on your behalf. You may also vote by corporate representative if that option is applicable to you.</p> <p>If you are a Base Resources DI Holder, you can only vote by proxy by completing, signing and returning the Form of Instruction sent to you, or by completing a CREST Voting Instruction (so that it is received by the Depositary by no later than 6.00pm (London time) on 30 August 2024). You cannot vote in person at the Scheme Meeting.</p>	Section 3.2
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting are expected to be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX (www.asx.com.au) and AIM (https://www.londonstockexchange.com/raise-finance/equity/aim) once available.	N/A
What happens to my Base Resources Shares if I do not vote, or if I vote against the Scheme, and the Scheme becomes effective and is implemented?	<p>If you do not vote, or vote against the Scheme, and the Scheme becomes effective, and you are a Scheme Shareholder, any Base Resources Shares held by you on the Scheme Record Date (currently expected to be 20 September 2024) will be transferred to EFR BidCo on the Implementation Date and you will receive the Scheme Consideration, despite not having voted or having voted against the Scheme. If you are a Scheme Shareholder and hold Base Resources DIs, you will also still receive the Scheme Consideration, despite not having voted or having voted against the Scheme, except that the Base Resources Shares held by the Depositary in respect of your Base Resources DIs will be transferred to EFR BidCo.</p> <p>If the Base Resources Board determines to pay the Special Dividend and the Scheme becomes effective, on the Special Dividend Payment Date, you will also be paid the Special Dividend in respect of any Base Resources Shares (or any Base Resources DIs, as the case may be) held by you on the Special Dividend Record Date (currently expected to be 18 September 2024).</p>	Sections 4.4, 4.6 and 10.6

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Question	Answer	More information
Other questions		
What happens if a Competing Proposal is received?	<p>If a Competing Proposal is received, the Base Resources Directors will carefully consider it.</p> <p>Base Resources must notify Energy Fuels of that Competing Proposal in accordance with the Scheme Implementation Deed.</p> <p>Base Resources Shareholders should note that Base Resources has agreed to certain exclusivity provisions in favour of Energy Fuels under the Scheme Implementation Deed.</p>	Section 10.5
Can I sell my Base Resources Shares or Base Resources DIs now?	<p>You can sell your Base Resources Shares and your Base Resources DIs on market at any time before (as applicable) the close of trading on ASX on the Effective Date or before the commencement of trading on AIM on the Effective Date at the then prevailing market price (which may vary from the Scheme Consideration).</p> <p>Base Resources intends to apply to ASX for Base Resources Shares to be suspended from trading from the close of trading on the Effective Date on ASX, and to AIM for Base Resources DIs to be suspended from trading from the commencement of trading on the Effective Date on AIM. You will not be able to sell your Base Resources Shares or Base Resources DIs on market after this date.</p> <p>Base Resources will then request to be removed from the official list of the ASX and for the cancellation of the admission of Base Resources DIs to trading on AIM shortly after the Implementation Date. Consequently, following the Effective Date, there will not be a resumption of trading on either exchange.</p> <p>If you sell your Base Resources Shares or Base Resources DIs on market prior to the Effective Date, you may pay brokerage on the sale, you will not receive the Scheme Consideration or Special Dividend and there may be different tax consequences compared to those that would arise if you retain the relevant securities until the Scheme is implemented.</p>	N/A
Profile of the Merged Group		
What is the Merged Group?	<p>If the Scheme is implemented, the Merged Group refers to the combination of Energy Fuels (and its subsidiaries) and Base Resources (and its subsidiaries) into a single corporate group with Energy Fuels as the ultimate holding company.</p> <p>Further information on the Merged Group is set out in section 7, including details on the expected profile of the group, expected synergies from the Scheme and Energy Fuels' intentions for the Merged Group.</p>	Section 7
Who will be the directors of the Merged Group?	<p>It is expected that each of the existing Energy Fuels Directors will continue as directors following implementation of the Scheme.</p> <p>Base Resources has nominated its Non-Executive Chair, Michael Stirzaker, to join the Energy Fuels board of directors, with such appointment to take effect upon implementation of the Scheme.</p>	Section 7.4
Who will senior management be?	<p>It is expected that the existing members of Energy Fuels' senior leadership team will continue following implementation of the Scheme. See section 6.2 for further details on Energy Fuels' senior management.</p> <p>It is also expected that the existing members of Base Resources' senior leadership team will remain employed with the Merged Group following implementation of the Scheme, and will continue to oversee the development and operation of the Toliara Project, and the completion of mining and closure of Kwale Operations, as well as enhance the Energy Fuels team overseeing progression of other mineral sands and rare earths interests of the Merged Group. See section 5.6 for further details on Base Resources senior leadership.</p>	Section 7.4

Question	Answer	More information
What are Energy Fuels' intentions regarding Base Resources and the Merged Group?	<p>Following implementation of the Scheme, the Merged Group's strategy will be to further establish itself as a first-tier, globally competitive critical minerals mining company, focused on REE, HMS, uranium, and vanadium production.</p> <p>The Merged Group currently intends to pursue this strategy by combining Base Resources' Toliara Project and Energy Fuels' White Mesa Mill, with its existing and planned REE separation capability, to position the Merged Group as one of the world's leaders in both REE and HMS production that is safe, environmentally responsible and reliable, while at the same time continuing to grow the Merged Group's uranium and vanadium production.</p> <p>The Merged Group will look to harness the combination of Base Resources' proven leadership and mineral sands operations team with Energy Fuels' proven leadership team in uranium and vanadium production and advancing REE capabilities, to enable the Merged Group to maximize the value of all projects to shareholders.</p> <p>Energy Fuels' current intentions in relation to the Merged Group are set out in section 7.3.</p>	Section 7.3
What are the key risks of the Merged Group?	<p>Base Resources Shareholders should be aware that there are a number of risks, both general and specific, relating to the business and operations of the Merged Group and associated with the Scheme.</p> <p>Some of the key risks relating to the business and operations of the Merged Group and associated with implementation of the Scheme are detailed in section 8.2 and 8.3.</p>	Sections 8.2 and 8.3
What is Energy Fuels' dividend framework?	Energy Fuels' dividend framework is set out in sections 6.7 and 7.3(d).	Sections 6.7 and 7.3(d)
What voting rights will Base Resources have in the Merged Group?	<p>The Scheme Consideration comprises Energy Fuels Shares.</p> <p>Accordingly, subject to the implementation of the Scheme, Base Resources Shareholders on the Scheme Record Date (other than Ineligible Foreign Shareholders and Electing Small Shareholders) will receive Energy Fuels Shares.</p> <p>Holders of Energy Fuels Shares will have the right to one vote per Energy Fuels Share.</p> <p>Further details regarding the rights of holders of Energy Fuels Shares under the relevant Canadian and US laws are set out in Annexure 1, section 1.1.</p>	Section 7.8 and Annexure 1, 1.1
Further information		
What if I have further questions about the Scheme?	<p>If you are in doubt about anything in this Scheme Booklet, you should contact your legal, financial, tax or other professional adviser.</p> <p>You are also invited to call the Base Resources Scheme information line on 1300 271 804 (within Australia) and +61 3 9938 4380 (outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday, excluding public holidays.</p>	N/A

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3 What should you do?

3.1 Step 1 – Read this Scheme Booklet

You should carefully read this Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

If you have any questions, please contact the Base Resources Scheme information line on 1300 271 804 (within Australia) and +61 3 9938 4380 (outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday, excluding public holidays.

If you are in any doubt as to what you should do, please consult your legal, financial, tax or other professional adviser without delay.

3.2 Step 2 – Vote on the Scheme

(a) Your vote is important

For the Scheme to proceed, it is necessary that a sufficient number of Base Resources Shareholders vote in favour of the Scheme at the Scheme Meeting.

(b) Who is entitled to vote?

Base Resources Shareholders registered on the Base Resources Share Register at 5:00pm (Perth time) on 3 September 2024 will be entitled to vote on the Scheme. Base Resources DI Holders registered on the Base Resources DI Register at 6.00pm (London time) on 29 August 2024 will also be entitled to vote on the Scheme (by providing a voting instruction in advance to the Depositary, rather than in person or online at the Scheme Meeting).

(c) Details of the Scheme Meeting

The Scheme Meeting to approve the Scheme will be held as a hybrid meeting, and Base Resources Shareholders or their proxies, attorneys or corporate representatives can attend the meeting in person or online.

The Scheme Meeting is scheduled to be held at 11.00am (Perth time) at the Gallery Suite at the InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia and virtually via the Lumi platform on 5 September 2024.

Base Resources Shareholders or their proxies, attorneys or corporate representative who wish to attend online can do so via the Lumi software platform accessible using the URL <https://web.lumiconnect.com/388093896>.

Base Resources DI Holders will be entitled to join the Scheme Meeting in-person or online as a guest only, but will not be entitled to vote or ask questions at the Scheme Meeting.

Further information about attending the Scheme Meeting can be found in the Notice of Scheme Meeting at Annexure 6.

(d) Base Resources Shareholders (excluding Base Resources DI Holders) - How to vote?

As the Scheme Meeting will be held as a hybrid meeting and also enable online attendance (in addition to in person attendance) Base Resources Shareholders may vote:

- **in person**, by attending the Scheme Meeting in person at the Gallery Suite at the InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia;
- **online**, by accessing the Lumi software platform using the URL <https://web.lumiconnect.com/388093896>;
- **by proxy**, by lodging a proxy form in one of the following ways:
 - **online** at www.investorvote.com.au or www.intermediaryonline.com for Intermediary Online subscribers only;
 - **by mobile** by scanning the QR Code on the proxy form and following the prompts;
 - **by mail** in the reply-paid envelope provided to Computershare Investor Services Pty Limited GPO Box 1282 Melbourne Victoria 3001, Australia; or
 - **by fax** to 1800 783 447 (in Australia) or +61 3 9473 2555 (outside Australia);
- **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting on their behalf and providing a duly executed authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it to the Base Resources Share Registry by 11.00am (Perth time) on 3 September 2024; or
- **by corporate representative**, in the case of a body corporate which is a Base Resources Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that Base Resources Shareholder and providing a duly executed certificate of appointment (in accordance with section 250D of the Corporations Act) prior to admission to the Scheme Meeting.

3 What should you do?

For an appointment of a proxy for the Scheme Meeting to be effective, the proxy's appointment (and if the appointment is signed by the appointer's attorney – the authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it), must be received by Base Resources at least 48 hours before the start of the Scheme Meeting (i.e. by 11.00am (Perth time) on 3 September 2024). Proxy appointments received after this time will be invalid for the meeting.

Further details on how to vote are contained in Annexure 6.

(e) Base Resources DI Holders – How to vote?

Base Resources DI Holders are entitled to join the Scheme Meeting in-person or online (using the URL <https://web.lumiconnect.com/388093896>) as a guest, but are not entitled to vote or ask questions at the meeting.

In order to have votes cast on their behalf at the Scheme Meeting, Base Resources DI Holders must complete and sign the Form of Instruction sent to them and return that form to the Depositary, or vote via the CREST voting service using a CREST Voting Instruction. To be effective, the Form of Instruction or the CREST Voting Instruction must be received by the Depositary, by no later than 6.00pm (London time) on 30 August 2024.

Base Resources DI Holders with Base Resources DIs in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (CREST Voting Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available at www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Depositary no later than 6.00pm (London time) on 30 August 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which Base Resources' agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Base Resources DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of a CREST Voting Instruction. It is the responsibility of the Base Resources DI Holder concerned to take (or, if the Base Resources DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

Base Resources DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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4 Overview of the Scheme

4.1 Background to the Scheme

On 22 April 2024, Base Resources announced that it had entered into a Scheme Implementation Deed with Energy Fuels and EFR BidCo, under which the parties agreed to implement the Scheme between Base Resources and its shareholders pursuant to Part 5.1 of the Corporations Act.

A full copy of the Scheme Implementation Deed was announced to the ASX (www.asx.com.au) and AIM (<https://www.londonstockexchange.com/raise-finance/equity/aim>) and published on Base Resources' website (<https://baseresources.com.au/>).

If the Scheme is approved by Base Resources Shareholders by the Requisite Majorities at the Scheme Meeting and by the Court, and if all conditions precedent are satisfied or waived (where capable of waiver), EFR BidCo will acquire 100% of the issued shares in Base Resources by way of a Scheme.

If the Scheme is not approved, the Scheme will not be implemented and Base Resources will continue as a standalone entity listed on ASX and AIM. See section 4.9 for further details on the implications if the Scheme does not become effective.

As at the Last Practicable Date, Base Resources DI Holders represented approximately 3.4% of the Base Resources Share Register. If necessary, Base Resources will seek a declaration from the Court at the Second Court Date to treat the Base Resources DI Holders who provide voting instructions to the Depository or through CREST as if they were present at the meeting. This is so that they can be included in the calculation of the number of Base Resources Shareholders present and voting at the Scheme Meeting and, in turn, the calculation of whether a majority in number of Base Resources Shareholders voted in favour of the Scheme.

The objective in seeking the declaration is to treat Base Resources DI Holders in a way that is consistent with the Base Resources Shareholders on the Base Resources Share Register. In the absence of the declaration, the Base Resources DI Holders would be represented by one proxy at the Scheme Meeting and thus would count as only one Base Resources Shareholder for the purpose of calculating the number of Base Resources Shareholders present and voting at the Scheme Meeting and calculating whether a majority in number voted in favour of the Scheme.

The granting of the declaration, as well as its terms, are at the discretion of the Court.

4.2 Overview of the Scheme Consideration

If the Scheme is implemented, Base Resources Shareholders will be entitled to receive the Scheme Consideration of 0.0260 Energy Fuels Shares for each Base Resources Share held on the Scheme Record Date (currently expected to be 20 September 2024).

Base Resources Shareholders who are Ineligible Foreign Shareholders or Electing Small Shareholders will not receive Energy Fuels Shares. Instead, they will receive an amount equal to the proportion of the Net Cash Proceeds received by Energy Fuels to which that Ineligible Foreign Shareholder or Electing Small Shareholder is entitled.

For the Base Resources Shareholders receiving the Scheme Consideration:

- this will be provided on the Implementation Date by Energy Fuels causing the Transfer Agent to update the Energy Fuels' share register to record the issuance of the Energy Fuels Shares forming the Scheme Consideration; and
- Energy Fuels will further procure that DRS Advices representing the Energy Fuels Shares forming their Scheme Consideration are sent as soon as reasonably practicable to the registered addresses of such Base Resources Shareholders.

At the Last Practicable Date, the implied value of the Scheme Consideration is approximately A\$0.222 per Base Resources Share (increasing to A\$0.287 per Base Resources Share when aggregated with the value of the Special Dividend). However, the implied value of the Scheme Consideration will vary with the market price of Energy Fuels Shares and the AUD:USD exchange rate.

After the Implementation Date, the value of the Energy Fuels Shares issued as Scheme Consideration will increase or decrease as the market price of Energy Fuels Shares changes. Scheme Shareholders will not, and are not entitled to, receive the Scheme Consideration in the form of cash (unless they are Ineligible Foreign Shareholders or Electing Small Shareholders).

Energy Fuels has no obligation to issue and will not issue any Energy Fuels Shares to an Ineligible Foreign Shareholder or Electing Small Shareholder as Scheme Consideration and instead will issue the Energy Fuels Shares that would otherwise have been issued to the Ineligible Foreign Shareholder or Electing Small Shareholder to the Sale Agent. The Sale Agent will sell or procure the sale of the Scheme Consideration and remit the Net Cash Proceeds to Energy Fuels for distribution of the applicable pro rata portion to each Ineligible Foreign Shareholder and Electing Small Shareholder. More information about the provision of the Scheme Consideration to Ineligible Foreign Shareholders and Electing Small Shareholders is set out in sections 4.4, 4.5 and 10.6.

4.3 Special Dividend

The Base Resources Board currently intends to determine and pay an unfranked Special Dividend of A\$0.065 per Base Resources Share prior to the Implementation Date, if the Scheme becomes effective. The final decision on whether or not to pay a Special Dividend and, if so, its amount will be made by the Base Resources Directors and will depend upon a number of factors, including the requirements of the Corporations Act. This decision will be communicated to Base Resources Shareholders by way of an ASX and AIM announcement before the Scheme Meeting.

If the Special Dividend is determined and the Scheme becomes effective, the Special Dividend will be paid on the Special Dividend Payment Date (currently expected to be 1 October 2024). If the Scheme does not become effective, the Special Dividend will not be determined or paid. To receive the Special Dividend, Base Resources Shareholders will need to hold their Base Resources Shares on the Special Dividend Record Date.

The Special Dividend will be paid by direct credit only and will be determined in Australian dollars. For Base Resources Shareholders, in addition to Australian dollars, the Special Dividend may also be paid in US dollars and British pounds sterling (**Foreign Designated Currencies**). Base Resources Shareholders will be paid in Australian dollars, unless they elect to be paid by direct credit in one of the Foreign Designated Currencies by specifying banking details for a financial institution in the relevant currency prior to the Special Dividend Record Date. The Special Dividend will be converted to the Foreign Designated Currencies based on applicable exchange rates on the Special Dividend Record Date. The exchange rates and corresponding amounts will be announced by no later than the Scheme Record Date (currently expected to be 20 September 2024). For Base Resources DI Holders, the Special Dividend will only be paid in British pounds sterling.

Payment of the Special Dividend will be made, and any required withholdings by Base Resources in respect of taxes will be determined, based on applicable information provided to (as applicable) Base Resources Share Registry or the Depository as at the Special Dividend Record Date.

To provide or update their banking details and ensure their other information is up-to date, Base Resources Shareholders should visit <http://www.investorcentre.com/au>. If they have already registered, they can log in using their User ID and password. If they are not a member, they will need their HIN/SRN to register. The new user registration process requires an account verification code to be mailed to the Base Resources Shareholder's registered address as an additional layer of security to protect their securityholding. Base Resources Shareholders should allow sufficient time for delivery of the verification code so that they can update their bank account details before the Special Dividend Record Date.

Base Resources Shareholders may also provide or update their banking details by completing a Direct Credit Form and returning that form to the Base Resources Share Registry prior to the Special Dividend Record Date. Direct Credit Forms can be obtained by contacting the Base Resources Share Registry:

- on 1300 271 804 (within Australia) and +61 3 9938 4380 (outside Australia) between 8.30am and 5.00pm (Melbourne time)
- by email at web.queries@computershare.com.au

Direct Credit Forms should be returned to the Base Resources Share Registry:

- by post:
Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia
- by email: web.queries@computershare.com.au

Base Resources DI Holders may also provide or update their banking details by completing a Dividend Mandate Form and returning that form to the Depository by the Special Dividend Record Date. Dividend Mandate Forms can be obtained by contacting Depository:

- by phone on +44 (0)906 999 0000 between 8.30 am and 5.30 pm (London time) Monday to Friday (excluding public holidays); or
- by email at WebCorres@computershare.co.uk.

Dividend Mandate Forms should be returned to the Depository by post to:

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol, BS99 6ZZ
United Kingdom

Alternatively, Base Resources DI Holders may provide their banking details through the CREST system by inputting a valid CREST Mandate.

Any exchange rate risk lies solely with the Base Resources Shareholders and Base Resources DI Holders (as applicable).

In assessing the value to them of a Special Dividend, Base Resources Shareholders should seek independent professional tax advice as to whether or not the receipt of a Special Dividend is beneficial to them based on their own particular circumstances. Refer to section 9 for further details.

For personal use only

4.4 Ineligible Foreign Shareholders

Restrictions in certain foreign countries may make it either impractical, unduly onerous or unlawful for Energy Fuels Shares to be issued under the Scheme to Base Resources Shareholders in those countries.

Ineligible Foreign Shareholders are Scheme Shareholders whose address is shown in the Base Resources Share Register at the Scheme Record Date as being in a place outside of:

- Australia and its external territories;
- Canada;
- New Zealand;
- the United Kingdom;
- the United States of America;
- the Cayman Islands (British Overseas Territory) (limited to the Base Resources Shareholders who are issued Energy Fuels Shares for their own account and not as an agent or on behalf of others);
- Kenya (limited to up to 100 current or former employees of a Base Resources Group Member);
- Madagascar (limited to employees of a Base Resources Group Member in respect of whom Malagasy Ministry of Finance approval has been obtained prior to the Implementation Date); and
- such other jurisdictions agreed to in writing by Base Resources and Energy Fuels,

unless Energy Fuels has determined (after consultation with Base Resources) that it is lawful and not unduly onerous or unduly impractical for Energy Fuels to issue that Scheme Shareholder with Energy Fuels Shares as Scheme Consideration when the Scheme becomes effective.

Base Resources Shareholders who are Ineligible Foreign Shareholders will not receive Energy Fuels Shares under the Scheme. Instead:

- the Energy Fuels Shares that would otherwise have been issued to the Ineligible Foreign Shareholders will be allotted to the Sale Agent and sold through the Sale Agent for their benefit; and
- Ineligible Foreign Shareholders will receive from Energy Fuels an amount equal to the proportion of the Net Cash Proceeds received by Energy Fuels from the Sale Agent to which that Ineligible Foreign Shareholder is entitled in full satisfaction of the Ineligible Foreign Shareholder's entitlement to the relevant Energy Fuels Shares.

Further information in relation to the Sale Facility is in section 10.6.

4.5 Small Shareholders

Small Shareholders are those Scheme Shareholders who hold 350,000 Base Resources Shares or fewer at the Scheme Record Date.

Each Small Shareholder may elect to have all, but not some only, of the new Energy Fuels Shares to which they are entitled allotted to the Sale Agent and sold through the Sale Facility for their benefit.

If you are a Small Shareholder (other than a Base Resources DI Holder), to make an election, you must complete and return the Election Form made available to you with this Scheme Booklet, in accordance with the instructions on that form. The deadline for receipt of an Election Form by the Base Resources Share Registry is 5.00pm (Perth time) on 18 September 2024.

If you are a Small Shareholder that is a Base Resources DI Holder, to make an election, you must provide an election instruction through CREST by following the instructions set out in Annexure 2. The deadline for receipt of CREST election instructions by the Depositary is 1.00pm (London time) on 18 September 2024.

Small Shareholders that make a valid election will not be entitled to receive any new Energy Fuels Shares. Instead, if the Scheme becomes effective, Energy Fuels will allot the new Energy Fuels Shares to which the Electing Small Shareholder would otherwise have been entitled to the Sale Agent for sale through the Sale Facility.

See section 10.6 for further information about the Sale Facility. Unless you are a trustee or nominee:

- you may only make an election under the Scheme in respect of all your Base Resources Shares; and
- if you make an election under the Scheme, it will be deemed to apply to all your Base Resources Shares regardless of whether the number of relevant Base Resources Shares you hold on the Scheme Record Date is greater or less than the number you held at the time you made your election.

If you hold a parcel of Base Resources Shares as trustee or nominee for, or otherwise on account of, more than one person, you may establish separate holdings for each of your beneficiaries and make individual elections for each holding (provided the number of Base Resources Shares held on the Scheme Record Date is 350,000 or fewer and the separate holdings are established and elections are made prior to the applicable deadline). However, you may not accept instructions from a beneficiary to make an election unless it is in respect of the Scheme Consideration attributable to all parcels of Base Resources Shares held by you on behalf of that beneficiary.

Small Shareholders may withdraw an election. If you are a Base Resources Shareholder (and not a Base Resources DI Holder), you may withdraw an election by following the instructions on the Election Form. The deadline for receipt by the Base Resources Share Registry of instructions to withdraw an election is 5.00pm (Perth time) on 18 September 2024. If you are a Base Resources DI Holder and wish to withdraw, you should contact the Depositary helpline on +44 (0) 370 702 0000. The deadline for receipt by the Depositary of instructions to withdraw an election is 1.00pm (London time) on 18 September 2024.

If your valid instructions are not received by the applicable deadline, you will be treated in accordance with your last valid election and the new Energy Fuels Shares you would have otherwise have been entitled to will be sold through the Sale Facility.

If no valid election has been received, and if the Scheme becomes effective, Energy Fuels will issue you the Scheme Consideration in consideration for your Base Resources Shares.

Furthermore, if you cease to be a Small Shareholder on the Scheme Record Date, then any election will be invalidated and you will receive the Scheme Consideration in consideration for your Base Resources Shares.

See section 10.6 for further information about the Sale Facility.

4.6 Key steps in the Scheme implementation process

(a) Scheme Meeting and Scheme approval requirements

The Base Resources Board has decided to hold the Scheme Meeting as a hybrid meeting and the Court has ordered that this meeting of Base Resources Shareholders to consider the Scheme be held at 11.00am (Perth time) on 5 September 2024 at the Gallery Suite at the InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia and virtually via the Lumi platform, accessible using the URL <https://web.lumiconnect.com/388093896>.

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- has formed any view as to the merits of the Scheme or as to how Base Resources Shareholders should vote (on this matter Base Resources Shareholders must reach their own decision); or
- has prepared, or is responsible for, the content of this Scheme Booklet.

The terms of the Scheme Resolution to be considered by Base Resources Shareholders at the Scheme Meeting are set out in the Notice of Scheme Meeting at Annexure 6.

The Scheme will only become effective and be implemented if:

- it is approved by the Requisite Majorities of Base Resources Shareholders at the Scheme Meeting;
- it is approved by the Court at the Second Court Hearing; and
- the conditions precedent to the Scheme outlined in section 10.5(b) are satisfied or waived (where capable of waiver).

The Requisite Majorities to approve the Scheme are:

- unless the Court orders otherwise, a majority in number (more than 50%) of Base Resources Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Base Resources Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative).

The Court has the power to dispense with the first requirement.

Voting is not compulsory. However, the Base Resources Directors unanimously recommend that Base Resources Shareholders vote in favour of the Scheme in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders.¹⁵

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majorities of Base Resources Shareholders and the Court. If this occurs, upon implementation of the Scheme:

- if you are a Base Resources Shareholder, your Base Resources Shares will be transferred to EFR BidCo and you will receive the Scheme Consideration regardless that you did not vote on, or voted against, the Scheme; or
- if you are a Base Resources DI Holder, you will receive the Scheme Consideration, the Base Resources Shares held by the Depositary in respect of your Base Resources DIs will be transferred to EFR BidCo and your Base Resources DIs will be cancelled.

The results of the Scheme Meeting will be available as soon as possible after the conclusion of the Scheme Meeting and will be announced to the ASX (www.asx.com.au) and AIM (<https://www.londonstockexchange.com/>) once available.

¹⁵ In relation to the unanimous recommendation of the Base Resources Directors, Base Resources Shareholders should have regard to the interests of the Base Resources Directors in the outcome of the Scheme vote, which may differ from those of other Base Resources Shareholders, as further described in sections 10.2, 10.3 and 10.4 and footnote 4 (located in the letter from the Chair of the Base Resources Board).

(b) Court approval of the Scheme

In the event that:

- the Scheme is approved by the Requisite Majorities of Base Resources Shareholders at the Scheme Meeting; and
- all other conditions precedent to the Scheme (except Court approval of the Scheme) have been satisfied or waived (as applicable),

then Base Resources will apply to the Court for orders approving the Scheme.

Base Resources Shareholders and Base Resources DI Holders have the right to appear at the Second Court Hearing.

(c) Effective Date

If the Court approves the Scheme, the Scheme will become effective on the Effective Date, being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. Base Resources will, on the Scheme becoming effective, give notice of that event to the ASX and AIM.

Base Resources intends to apply to ASX and AIM for:

- Base Resources Shares be suspended from trading on ASX from the close of trading on ASX on the Effective Date,
- Base Resources DIs to be suspended from trading on AIM from the commencement of trading on AIM on the Effective Date.

Consequently, if the Court approves the Scheme, it is expected that the last day of dealings in, and registration of transfers of, Base Resources DIs on AIM will be the Business Day immediately prior to the Effective Date. To ensure the suspension of trading on AIM from commencement of trading on the Effective Date, Base Resources will make an application to the London Stock Exchange for such suspension with effect from 7.30 am (London time) on the Effective Date.

(d) Special Dividend Record Date, entitlement to any Special Dividend and Special Dividend Payment Date

If the Base Resources Directors determine to pay a Special Dividend and the Scheme becomes effective, those Base Resources Shareholders who are recorded on the Base Resources Share Register on the Special Dividend Record Date (currently expected to be 18 September 2024) will be entitled to receive the Special Dividend in respect of the Base Resources Shares they hold at that time and will be paid the Special Dividend on the Special Dividend Payment Date (currently expected to be 1 October 2024).

(e) Scheme Record Date and entitlement to Scheme Consideration

If the Scheme is implemented, those Base Resources Shareholders who are recorded on the Base Resources Share Register on the Scheme Record Date (currently expected to be 20 September 2024), will be entitled to receive the Scheme Consideration in respect of the Base Resources Shares they hold at that time.

(1) Dealings on or prior to the Scheme Record Date

For the purposes of determining which Base Resources Shareholders and Base Resources DI Holders are eligible to participate in the Scheme, dealings will be recognised only if:

- in the case of dealings in Base Resources Shares of the type to be effected using CHESS, the transferee is registered on the Base Resources Share Register as the holder of the relevant Base Resources Shares before the Scheme Record Date;
- in the case of dealings in Base Resources DIs of the type to be effected by CREST, the transferee is registered on the Base Resources DI Register as the holder of the relevant Base Resources DIs on or before the Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received by (as applicable) the Base Resources Share Registry or the Depositary before the Scheme Record Date (and the transferee remains registered as at the Scheme Record Date).

For the purposes of determining entitlements under the Scheme, Base Resources will not accept for registration or recognise any transfer or transmission applications in respect of Base Resources Shares or Base Resources DIs received after the Scheme Record Date.

(2) Dealings after the Scheme Record Date

For the purpose of determining entitlements to the Scheme Consideration, Base Resources must maintain the Base Resources Share Register and Base Resources DI Register in their respective forms as at the Scheme Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The Base Resources Share Register and Base Resources DI Registers in these forms will solely determine entitlements to the Scheme Consideration.

After the Scheme Record Date:

- all statements of holding for Base Resources Shares (other than statements of holding in favour of EFR BidCo) and Base Resources DIs will cease to have effect as documents relating to title in respect of (as applicable) Base Resources Shares or Base Resources DIs; and
- each entry on the Base Resources Share Register (other than entries on the Base Resources Share Register in respect of EFR BidCo) and each entry on the Base Resources DI Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of (as applicable) the Base Resources Shares or Base Resources DIs relating to that entry.

(f) Implementation Date

Once the Scheme is effective, on the Implementation Date (which is currently expected to be 2 October 2024), the Base Resources Board and/or the Energy Fuels Board will take or procure completion of the following steps required for the Scheme to be implemented:

- Base Resources will procure that all of the Base Resources Shares held by Scheme Shareholders and the Depositary on the Scheme Record Date will be transferred to EFR BidCo and the Base Resources DIs will be cancelled.
- In exchange, Energy Fuels will procure that each Scheme Shareholder (other than Ineligible Foreign Shareholders and Electing Small Shareholders, who should refer to sections 4.4, 4.5 and 10.6) will be issued Energy Fuels Shares as the Scheme Consideration.
- The Energy Fuels Shares representing the Scheme Consideration in respect of the Base Resources Shares held on the Scheme Record Date by all Ineligible Foreign Shareholders and Electing Small Shareholders will be allotted to the Sale Agent. The Sale Agent will then sell those Energy Fuels Shares as soon as reasonably practicable following the Implementation Date. The Sale Agent will remit the Net Cash Proceeds of those Energy Fuels Shares to Energy Fuels, who will then remit such proceeds pro rata to Ineligible Foreign Shareholders and Electing Small Shareholders (see section 10.6 for further details).
- The holders of the Energy Fuels Shares issued under the Scheme will be registered in the Energy Fuels Share Register.
- The name of EFR BidCo will be entered in the Base Resources Share Register as the holder of all of the Base Resources Shares.

All Base Resources Shares validly recorded on the Base Resources Share Register at 5.00pm (Perth time) on the Scheme Record Date (20 September 2024) (including the Base Resources Shares held by the Depositary at that time) will be transferred to EFR BidCo on the Implementation Date without any need for further action by Base Resources Shareholders or Base Resources DI Holders.

All Base Resources DIs validly recorded on the Base Resources DI Register as 6.00pm (London time) on the Scheme Record Date (20 September 2024) will be cancelled on the Implementation Date without any need for further action by Base Resources Shareholders or Base Resources DI Holders.

(g) Post-Implementation Date

As soon as reasonably practical after the Implementation Date, Energy Fuels will procure the dispatch of DRS Advices to Scheme Shareholders (other than Ineligible Foreign Shareholders or Electing Small Shareholders) representing the Scheme Consideration issued to them. Scheme Shareholders should ensure that their mailing address and other contact details in the Base Resources Share Register are up-to-date by the Scheme Record Date to ensure they receive their DRS Advice. DRS Advices will be sent to the registered addresses of Scheme Shareholders as shown in the Base Resources Share Register as at the Scheme Record Date. It is expected that DRS Advices will take between 11-20 Business Days to be received by post.

Base Resources Shareholders (other than Ineligible Foreign Shareholders and Electing Small Shareholders) will be able to trade their Energy Fuels Shares following receipt of their DRS Advice evidencing ownership of their Energy Fuels Shares. Base Resources Shareholders should note they will not be able to trade their Energy Fuels Shares before receiving their DRS Advice.

To trade the Energy Fuels Shares received under the Scheme on the NYSE or the TSX, Base Resources Shareholders will need to either:

- instruct a stockbroker that can accept transfers of shares represented by a DRS Advice and who is able to execute trades on the NYSE or TSX; or
- provide a sale instruction to the Transfer Agent under the DRS Sale Program.

Trading through a broker or share trading platform

Base Resources Shareholders should note that not all stockbrokers and share trading platforms are able to accept transfers of Energy Fuels Shares represented by a DRS Advice and execute trades on the NYSE or the TSX.

If your existing stockbroker or trading platform is unable to accept transfers of shares represented by a DRS Advice and execute trades on the NYSE or the TSX, you may wish to establish an account with a stockbroker or share trading platform that does have the requisite capability.

Trading through the Transfer Agent's DRS Sale Program

If you wish to provide a sale instruction under the DRS Sale Program, before doing so, you should carefully consider the terms and conditions applicable to the DRS Sale Program.

In order to access the DRS Sale Program, non-US holders must contact the Transfer Agent via email at helpAST@equiniti.com or phone at +1 (718) 921-8124. Non-US holders will be required to provide their account number and account registration (each as shown on the DRS Advice), the company stock name, their complete address on account and all other documentation as may be requested by the Transfer Agent. Sale instructions may also be provided by mail at 55 Challenger Road 2nd Floor, Ridgefield Park, NJ 07660 Attn: DRS Sales.

All transactions under the DRS Sale Program will be conducted in United States Dollars. The Transfer Agent does not guarantee the date of sale or the price per share under the DRS Sale Program. All proceeds will be net of any brokerage and other applicable fees.

If you have any questions regarding the DRS Sale Program (including questions in relation to providing a sale instruction and applicable terms and conditions) you can contact the Transfer Agent via email at helpAST@equiniti.com or phone at +1 (718) 921-8124.

Base Resources Shareholders are urged to carefully investigate and consider the suitability of available arrangements for trading their Energy Fuels Shares prior to the Scheme becoming effective. In particular, if you wish to sell the Energy Fuels Shares you become entitled to under the Scheme:

- if you are a Small Shareholder, you should consider whether or not to participate in the Sale Facility; and
- if you are not a Small Shareholder (or a Small Shareholders that does not wish to participate in the Sale Facility), you should consider what arrangements are appropriate for you and ensure those arrangements are able to put in place before the Implementation Date to avoid or minimise any delay between the date you receive your DRS Advice and the date on which your Energy Fuels Shares may be capable of being traded on the NYSE or the TSX.

It is the responsibility of each person who is issued Energy Fuels Shares under the Scheme to confirm their holding once they have received their DRS Advice before trading to avoid the risk of selling securities that they do not own. Any person who sells Energy Fuels Shares before they receive their DRS Advice does so at their own risk. To the maximum extent permitted by law, each of Base Resources and Energy Fuels disclaims all liability to persons who trade Energy Fuels Shares before receiving their DRS Advice.

4.7 Warranties by Scheme Shareholders

Under the terms of the Scheme, each Scheme Shareholder is taken to have warranted to Base Resources and Energy Fuels, and appointed and authorised Base Resources as its attorney and agent to warrant to Energy Fuels, on the Implementation Date, that:

- all of their Base Resources Shares (including any rights attaching to those shares) which are transferred to EFR BidCo under the Scheme will, at the date of the transfer of the Base Resources Shares to EFR BidCo, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any "security interests" within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)), and rights and interests of third parties of any kind, whether legal or otherwise (given that, in the case of the Base Resources Shares held by the Depositary, the interests of the Base Resources DI Holders in respect of the Base Resources DIs, will be extinguished upon implementation of the Scheme and the Base Resources DIs will be cancelled), and any restrictions on their transfer;
- all of their Base Resources Shares which are transferred to EFR BidCo under the Scheme will, on the date the Base Resources Shares are transferred to EFR BidCo, be fully paid;
- they have full power and capacity to sell and transfer their Base Resources Shares to EFR BidCo under the Scheme together with any rights and entitlements attaching to those shares; and
- they have no rights to be issued any Base Resources Shares, or any options, performance rights, securities or other instruments exercisable, or convertible, into Base Resources Shares.

4.8 Delisting of Base Resources on ASX and Cancellation and Delisting from AIM

Base Resources will apply for:

- the termination of the official quotation of Base Resources Shares on ASX and for Base Resources to be removed from ASX; and
- admission to trading of Base Resources DIs on AIM to be cancelled,

each to occur on a date after the Implementation Date to be determined by Energy Fuels and in accordance with the rules of, and any stipulations made by, ASX and AIM.

It is intended that the cancellation of admission of the Base Resources DIs to trading on AIM will take effect at 7.30am (London time) on the Business Day following the Implementation Date.

4.9 Implications if the Scheme does not become effective

If the Scheme does not become effective:

- Base Resources Shareholders will continue to hold Base Resources Shares and will be exposed to general risks as well as risks specific to Base Resources, including those set out in section 8.5;
- Base Resources Shareholders will not receive the Scheme Consideration;
- Base Resources Shareholders will not receive the Special Dividend;
- a break fee of US\$2.4 million (excluding GST) may be payable by Base Resources to Energy Fuels in certain circumstances. Those circumstances do not include the failure by Base Resources Shareholders to approve the Scheme at the Scheme Meeting. Further information on the break fee is set out in section 10.5;
- a reverse break fee of US\$2.4 million (excluding GST) may be payable to Base Resources by Energy Fuels in certain circumstances. Further information on the reverse break fee is set out in section 10.5;
- Base Resources will continue as a standalone entity listed on ASX and AIM with management continuing to implement the business plan and financial and operating strategies it had in place prior to 21 April 2024, being the date Base Resources, EFR BidCo and Energy Fuels entered into the Scheme Implementation Deed; and
- the Base Resources Share price may fall in the near-term if the Scheme is not implemented and in the absence of a Superior Proposal.

5 Information about Base Resources

5.1 Introduction

Base Resources is a company registered in Western Australia, Australia, and governed by the Corporations Act. Base Resources Shares are listed on the ASX. Base Resources also has Base Resources DIs issued by the Depository, which are listed on AIM.

5.2 Base Resources operations and projects

(a) Overview

Base Resources is an Australian-based, African focused mineral sands producer and developer.

Base Resources operates the established Kwale Operations in Kenya which produces a suite of mineral sand products, namely rutile, ilmenite and zircon. Base Resources is also developing the Toliara Project in Madagascar, which is founded on the large-scale Ranobe deposit containing ilmenite, rutile, zircon and monazite.

(b) Kwale Operations

Kwale Operations is located in Kwale County, Kenya, approximately 50 kilometres south of Mombasa, the principal port facility for East Africa. Kwale Operations is 100% owned and operated by Base Resources' wholly owned subsidiary, Base Titanium Limited, with the company acquiring the project in 2010. Kwale Operations is located within SML 23, a mining tenure instrument under Kenyan law. SML 23 was granted in 2004 and expires on 30 June 2025.

Mining at Kwale Operations commenced in late 2013 on the Central Dune orebody. Following depletion of the Central Dune and South Dune / Mafisini orebodies, mining is now occurring concurrently on the North Dune and Bumamani orebodies.

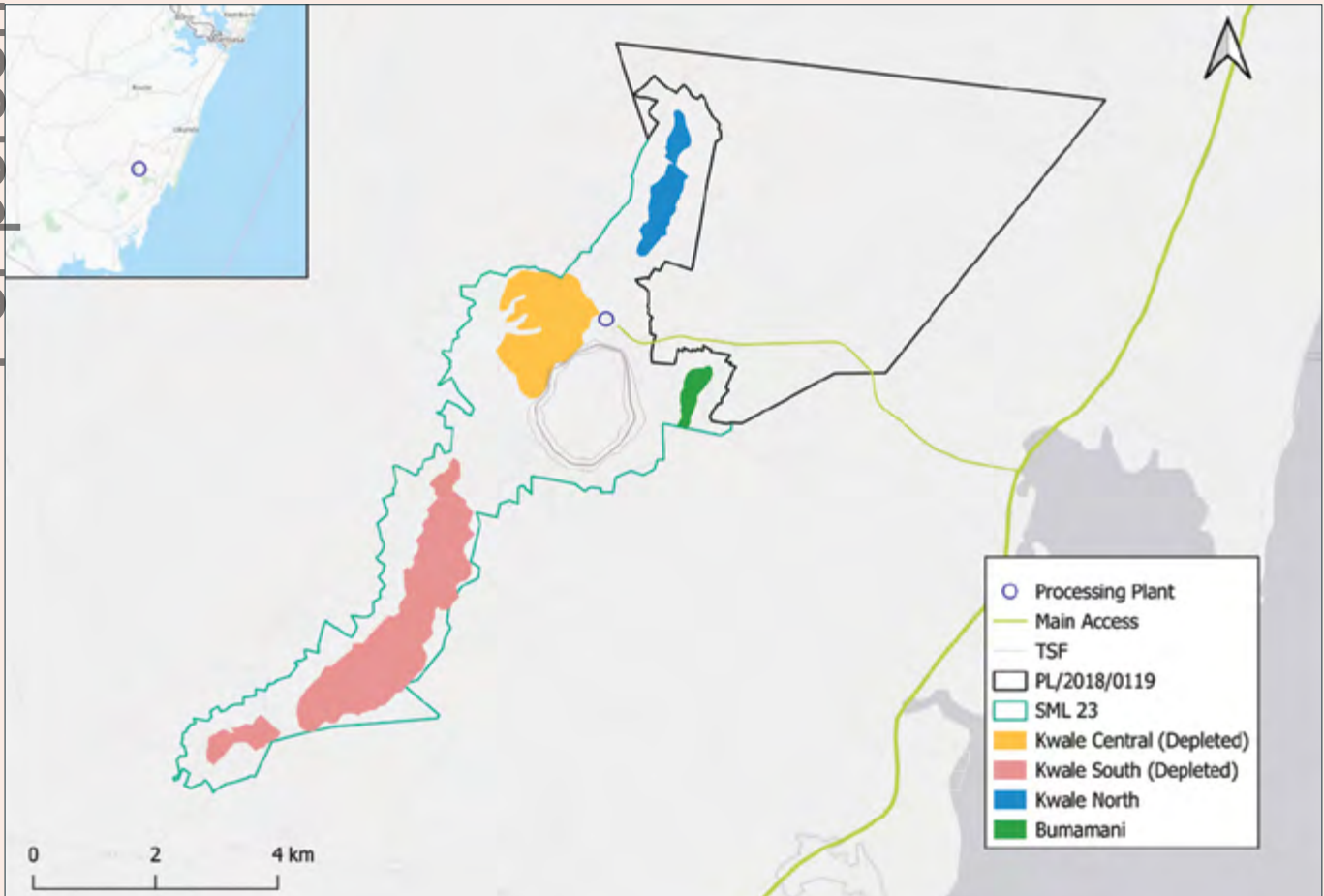


Figure 5.2.1: Schematic overview of Kwale Operations

A hydraulic mining method is employed at Kwale Operations which involves blasting the mining face directly with high pressure jets of water to create an ore slurry. The ore slurry is then pumped to the wet concentrator plant where slimes are removed before a number of gravity separation steps reject most of the non-valuable, lighter gangue minerals to produce a heavy mineral concentrate.

The heavy mineral concentrate is then processed in the mineral separation plant which cleans and separates the rutile, ilmenite and zircon minerals into finished products for sale. Low grade zircon and rutile products are also produced for sale.

For bulk sales to customers, products are transported to Base Resources' dedicated Likoni Export facility, located within the Mombasa Port. For containerised sales to customers, products are transported to the Mombasa Port's container terminal.

Mining at Kwale Operations is expected to end in December 2024 when the remaining Kwale Ore Reserves are fully depleted, with processing concluding shortly after. A detailed mine closure plan is well advanced, with US\$49.2m allocated to closure costs as at 31 December 2023. This is intended to cover all aspects of the transition of the site to a post mining state in accordance with applicable requirements and international best practice.

(c) Toliara Project

Location and tenure

The Toliara Project is located in southwest Madagascar, approximately 45km north of the regional town of Toliara and approximately 640km from the capital, Antananarivo. The Toliara Project is 100% owned by Base Resources' wholly-owned subsidiary, Base Toliara SARL.

The Toliara Project is founded on the Ranobe deposit which contains ilmenite, rutile, zircon and monazite and is located within the Toliara Exploitation Permit, a mining tenure instrument under Malagasy law. The Toliara Exploitation Permit expires in 2052. While the Toliara Exploitation Permit provides the right to exploit ilmenite, rutile and zircon (among other minerals), it does not presently provide the right to exploit monazite.



Figure 5.2.2: Toliara Project geographic location

Project studies

Base Resources acquired the Toliara Project in 2018 and since acquiring the project, has conducted several studies separately looking at the production of mineral sands and monazite.

The most recent study on the production of mineral sands was the 2021 definitive feasibility study, referred to as the Mineral Sands DFS2. The Mineral Sands DFS2 increased the scale of the Toliara Project, relative to the prior 2019 mineral sands definitive feasibility study, resulting in enhanced financial outcomes, over an increased, initial 38-year mine life.

The most recent study on the production of monazite was the monazite pre-feasibility study released in December 2023. The Monazite PFS considered the concentration of the existing waste stream from the Mineral Sands DFS2 processing facilities to produce a valuable monazite product. The table below sets out the key financial and production outcomes for the Mineral Sands DFS2 and the Monazite PFS separately and on a combined basis.

	Unit	Monazite PFS	Mineral Sands DFS2	Combined
NPV ₁₀	US\$m	999	1,008	2,006
IRR	%	78.6% ¹⁶	23.8%	32.4%
Stage 1 Capex	US\$m	71 ¹⁷	520	591
Construction Time (Stage 1)	Months	29	27	27
Stage 2 Capex	US\$m	n.a.	137	137
Payback Period (Stages 1 + 2)	Years	1.0	4.5	3.6
Production – monazite	Ktpa	21.8	n.a.	21.8
Production – ILM/RUT/ZIR	Ktpa	n.a.	1,033	1,033
Life of Mine (LOM)	Years	38	38	38
LOM Operating Costs + Royalty	US\$/t mined	0.98	3.78	4.92
LOM Operating Costs + Royalty	US\$/t produced	1,089	88	112
LOM Revenue	US\$/t produced	8,648	306	477
LOM Cash Margin	US\$/t produced	7,559	218	365
LOM Revenue: Cost of Sales Ratio	Ratio : 1	7.9	3.5	4.3
LOM Free Cash Flow	US\$m	4,733	5,922	10,655

Figure 5.2.3: Toliara DFS2 and Monazite PFS Metrics

Current suspension and Government discussions update

On-ground activities at the Toliara Project have been suspended since November 2019 when the Government of Madagascar required the suspension of activities pending agreement on the fiscal terms applying to the project.

Leveraging the in-principle agreement reached with the Government of Madagascar in 2023 on the key fiscal terms that would apply to the mineral sands aspect of the Toliara Project, discussions re-commenced in January 2024, shortly after President Rajoelina formed his new government and appointed his cabinet following his re-election in late 2023. These discussions focused on the new Mining Code’s fiscal regime and how this would apply to the whole of the Toliara Project, being both mineral sands and monazite.

Following further engagement with the Government in early 2024, and as confirmed during recent discussions, Base Resources considers in-principle agreement has been reached on the key fiscal terms that will apply to the whole Toliara Project (i.e. both mineral sands and monazite), although these remain subject to entry into binding documentation and therefore the terms remain subject to change and timing is uncertain. These key terms include applicable royalties and Base Resources’ required contributions to national and regional development projects, on achieving set milestones (such as achieving the requisite legal and fiscal stability for the project) pre and post a final investment decision. Base Resources’ current expectations are that the required contributions to national and regional development projects is likely to exceed 3% of the direct investment amount for the Toliara Project (as provided for in the new Mining Code), but that those contributions are not expected to have a material impact on the overall economics of the Toliara Project.

With the Government’s expressed support for production of monazite from the Toliara Project, the key terms also include cooperation and facilitation in satisfying the requirements under the new Mining Code for monazite to be added to the Toliara Exploitation Permit.

Engagement with the Government is now focused on agreeing the terms of the binding agreements that give effect to the in-principle agreement and other key matters for facilitating timely project progression. The immediate focus is on finalising the form of the memorandum of understanding (MoU) that records the terms agreed in-principle, the draft of which is well advanced. Once finalised, entry into the MoU requires formal approval from the Government of Madagascar and the Base Resources Board. Lifting of the Toliara Project’s on-ground suspension is expected to occur upon entry into the MoU, which Base Resources believes to be achievable in the near term.

16 The IRR and Stage 1 Capex for the Monazite Project are based on the incremental capex and operating costs for the Monazite Project as a “bolt on” enhancement to the mineral sands project.

17 The IRR and Stage 1 Capex for the Monazite Project are based on the incremental capex and operating costs for the Monazite Project as a “bolt on” enhancement to the mineral sands project.

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Discussions are also underway on the terms of the definitive investment agreement to be entered with the Government that will replace the MoU and will establish the necessary legal foundation for development of the Toliara Project. The intent is for the investment agreement to be approved and ratified by the Malagasy Parliament and have the force of law.

Following introduction of the new Mining Code, the LGIM continues to be the primary pathway for large scale projects to obtain the requisite fiscal and legal stability and ensuring appropriate protections from expropriation, both of which are critical for project financing and achieving a positive final investment decision. Among other benefits, LGIM eligibility certification would result in the agreed fiscal regime and then current Malagasy law, as supplemented and clarified by the investment agreement, being stabilised for the duration of the LGIM eligibility certification.

Timing for final investment decision

Once fiscal terms have been recorded in binding arrangements and the suspension has been lifted, Base Resources believes it would take approximately 14 months to complete the necessary work to reach a final investment decision, including:

- completion of the necessary land acquisitions;
- finalisation of funding arrangements;
- ratification of the investment agreement and LGIM eligibility certification; and
- entry into offtake agreements and major construction contracts.

5.3 Production

Mining at Kwale Operations is expected to conclude in December 2024 when the remaining estimated Ore Reserves are expected to be depleted, with processing activities to conclude shortly thereafter. Shown in the table below is Base Resources' production guidance for FY25 to the end of mine life, together with Base Resources production guidance and actual production for FY24 for comparison purposes.

Production Guidance (tonnes)	FY24 Actual Production	FY24 Guidance	FY25 – to end of mine life
Rutile	41,317	38,000 – 42,000	17,000 – 19,000
Ilmenite	159,395	145,000 – 160,000	55,000 – 63,000
Zircon	17,354	15,000 – 17,000	5,500 – 7,000

Base Resources' FY25 production guidance is based on the following assumptions:

- Mining of 6.3Mt at an average HM grade of 1.90%, with the volume coming predominantly from the remaining estimated Ore Reserves.
- HMC produced by the wet concentrator plant of 118kt.
- HMC fed into the MSP feed of 123kt.
- MSP product recoveries of 101% for rutile, 101.5% for ilmenite and 84.5% for zircon.¹⁸

5.4 Mineral Resources and Ore Reserves estimates¹⁹

Base Resources' Ore Reserves and Mineral Resources estimates for the Toliara Project and Ore Reserves estimate for Kwale Operations as at 30 June 2024 are below. In each case, the applicable Ore Reserves and Mineral Resources estimates are reported in accordance with the JORC Code. Points to note in relation to the estimates are:

- The estimates for Kwale Operations are the aggregate of the estimates for North Dune and Bumamani (with it also to be noted that the South Dune Mineral Resources and Ore Reserves were fully depleted in January earlier this year).
- The tables may be subject to slight arithmetic differences due to rounding.
- Leucoxene reported in the estimates for the Toliara Project will be split during processing between Rutile and Chloride Ilmenite depending upon product specifications.
- Monazite is not reported in the Toliara Project Ore Reserves estimate as the Toliara Exploitation Permit does not currently provide the right to exploit monazite.
- Rutile reported in the Ore Reserves estimate for Kwale Operations comprises rutile and leucoxene minerals.
- Mineral Resources are reported inclusive of Ore Reserves.
- Mineral Resources for the Toliara Project have been reported at a 1.5% HM cut-off grade.

¹⁸ With some altered ilmenite species that are not defined as "ilmenite" or "rutile" in the Kwale Mineral Resources estimate being recovered to either ilmenite or rutile final products, recoveries (or yields) of over 100% are achieved.

¹⁹ As per the Base Resources 2024 Mineral Resources and Ore Reserves Statement released on 31 July 2024.

(a) Ore Reserves estimate – Toliara Project (Ranobe deposit)

Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	Mineral Assemblage as % of HM			
						ILM (%)	RUT (%)	LEUC (%)	ZIR (%)
Proved	433	30	6.9	3.8	0.1	75	1.0	1.0	6.0
Probable	472	25	5.3	3.9	0.2	72	1.0	1.0	5.8
Total	904	55	6.1	3.8	0.1	73	1.0	1.0	5.9

(b) Ore Reserves estimate – Kwale Operations

Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	Mineral Assemblage as % of HM		
						ILM (%)	RUT (%)	ZIR (%)
Proved	6.2	0.11	1.8	33	0.9	53	16	6.3
Probable	1.4	0.03	1.8	34	3.0	50	15	5.7
Total	7.6	0.14	1.8	33	1.3	52	16	6.2

(c) Mineral Resources – Toliara Project (Ranobe deposit)

Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	Mineral Assemblage as % of HM					
						ILM (%)	RUT (%)	LEUC (%)	ZIR (%)	MON (%)	GARN (%)
Measured	597	36	6.1	4.3	0.2	74	1.0	1.0	5.9	1.9	2.2
Indicated	793	35	4.4	7.1	0.5	71	1.0	1.0	5.9	2.0	3.6
Inferred	1,190	39	3.3	9.7	0.6	69	1.0	1.0	5.8	2.0	4.3
Total	2,580	111	4.3	7.7	0.4	71	1.0	1.0	5.9	2.0	3.4

(d) Mineral Resources estimate – Kwale Operations

Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	Mineral Assemblage as % of HM		
						ILM (%)	RUT (%)	ZIR (%)
Measured	9.8	0.16	1.7	35	0.9	52	15	5.9
Indicated	3.8	0.06	1.6	37	1.7	50	14	5.5
Inferred	-	-	-	-	-	-	-	-
Total	13.5	0.22	1.6	36	1.1	51	15	5.8

5.5 Health, safety, well-being, sustainability and environment

(a) Health, safety and well-being

The Base Resources Health, Safety and Well-Being Policy articulates Base Resources' commitment to strive for zero harm and effective management of risks through a culture which does not accept unsafe behaviours and where continual improvement and honest communication of safety issues are entrenched in how Base Resources works.

Base Resources achieves this stated goal by taking positive steps to ensure:

- employees and contractors are empowered to stop work if they consider it unsafe;
- providing training to ensure employees are competent;
- encouraging employees to take personal responsibility for their health, safety and well-being;
- demonstrating visible leadership that recognises safe behaviours and consequences for unsafe actions;
- providing and maintaining a management system that supports best practice and is regularly reviewed to ensure continual improvement;
- implementing programs at work which promote physical and mental well-being for the 'whole person' at work; and
- engaging the workforce to ensure open and honest communication about health, safety and well-being issues.

No lost time injuries were recorded in FY24, resulting in a Lost Time Injury Frequency Rate of zero (per million hours worked). Up to the end of June 2024, 12.6 million hours had been worked without a single lost time injury. One medical treatment injury was sustained in FY23, where an operator slipped on the platform of a hydraulic mining unit. However, with no medical treatment injuries recorded during FY24, Base Resources' Total Recordable Injury Frequency Rate was also zero (per million hours worked).

(b) Sustainability

The Base Resources Sustainability Policy outlines Base Resources' commitment to contribute to solving the problems of people and planet profitably, without profiting from causing problems. The Base Resources Sustainability Policy is anchored in the following foundational philosophies:

- demonstrating that sustainable mining can be a reality;
- minimising environmental disturbance, restoring land and seeking opportunities for enhancement;
- listening respectfully to those with different perspectives, acting in partnership with others, and considering the full lifecycle of mining;
- recognising trade-offs between impacts (social and environmental, local and global) will naturally exist, may be challenging to reconcile but need to be navigated to produce the best collective outcome; and
- explicitly designing all aspects of the business to deliver on this core organisational purpose.

Consistent with this approach, with mining at Kwale Operations expected to end in December 2024, Base Resources is focusing on equipping its workforce for life after the closure of the Kwale Operations with programs such as recognition of prior learning.

(c) Environment

Base Resources' Environment Policy is supported by a number of principles that guide Base Resources' risk-based approach to management of its projects. This includes:

- empowering employees to work in an environmentally responsible way and stopping any activity that will result in non-compliance with policy, legal or other requirements including Equator Principles and IFC Performance Standards;
- caring for the environment by preventing pollution, maximising resource efficiency and GHG emission reduction, minimising harm and encouraging environmentally responsible behaviour in others;
- encouraging everyone to take responsibility for the environment and providing the capacity and resources for employees to fulfil their individual environmental responsibilities;
- demonstrating visible leadership that recognises environmentally responsible behaviours and also consequences for non-compliance;
- providing and maintaining an appropriate environment management system that supports best practice;
- protecting and conserving biodiversity and maintaining ecosystem services; and
- engaging the workforce and host communities and regularly reviewing performance to achieve continuous improvement.

As part of a commitment to responsible environmental stewardship, Base Resources has implemented biodiversity and conservation programs in which Base Resources collaborates with specialists and experts with the aim of rehabilitating impacted areas, improving local biodiversity and promoting conservation and sustainability. Base Resources' use of indigenous grass seed purchased from local women's groups, and planting of endemic trees grown in the Kwale Operations nursery, in rehabilitated mine areas set aside for expansion of biodiversity corridors has resulted in endemic vegetation that supports high flora and fauna biodiversity.

Lastly, Base Resources is taking advantage of the delay in progression of the Toliara Project to assess how development of the project could be adapted to benefit from emerging technologies and practices to improve efficiency and achieve lower greenhouse gas emissions.

(d) Further information

Base Resources' commitment to safety, health, well-being, sustainability and environment, including progress against targets and annual performance, is guided by Base Resources' policies and described in Base Resources' Sustainability Reports and Annual Reports, which are available to view on Base Resources' website at <https://baseresources.com.au/investors/reports/>.

5.6 Base Resources Board and senior leadership

(a) Base Resources Board

The Base Resources Board comprises the following directors:

Name	Position
Michael Stirzaker	Non-Executive Chair
Tim Carstens	Managing Director
Diane Radley	Non-Executive Director
Scot Sobey	Non-Executive Director
Sheila Khama	Non-Executive Director

(b) Base Resources senior leadership

Base Resources' senior leadership comprises the following members:

Name	Position
Tim Carstens	Managing Director
Kevin Balloch	Chief Financial Officer
Andre Greyling	General Manager – Growth
Stephen Hay	General Manager – Marketing
Chadwick Poletti	Chief Legal Officer and Company Secretary
Jean Bruno Ramahefarivo	General Manager – External Affairs (Toliara)
Denham Vickers	General Manager – Operations (Kwale)
Simon Wall	General Manager – External Affairs (Kwale)

5.7 Historical financial information

(a) Basis of preparation

This section 5.7 sets out a summary of historical financial information in relation to Base Resources for the purpose of this Scheme Booklet. The financial information has been derived from Base Resources' financial statements for the financial years ended 30 June 2023 and 30 June 2022 which were audited by KPMG and the financial half-year ended 31 December 2023 which were reviewed by KPMG.

The historical financial information of Base Resources is presented in an abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Base Resources considers that for the purposes of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to Base Resources Shareholders.

Further detail on Base Resources' financial performance can be found in:

- the financial statements for the year ended 30 June 2022 (included in the Annual Financial Report released to the ASX and AIM on 22 August 2022);
- the financial statements for the year ended 30 June 2023 (included in the Annual Financial Report released to the ASX and AIM on 28 August 2023); and
- the financial statements for the half-year ended 31 December 2023 (released to the ASX and AIM on 26 February 2024),

each of which can be found in the Base Resources' website (<https://baseresources.com.au/>), the ASX website (www.asx.com.au) or the LSE website (<https://www.londonstockexchange.com/>).

(b) Historical consolidated income statement

	Year ended 30 June 2022 US\$000s	Year ended 30 June 2023 US\$000s	Six months ended 31 December 2023 US\$000s
Sales revenue	279,117	271,434	73,116
Cost of sales	(131,656)	(121,087)	(42,259)
Profit from operations	147,461	150,347	30,857
Corporate and external affairs	(12,446)	(14,411)	(7,572)
Kwale mine closure redundancy costs	-	-	(7,715)
Community development costs	(6,178)	(7,927)	(1,884)
Selling and distribution costs	(2,954)	(2,165)	(597)
Exploration and evaluation expenditure written-off	-	(2,219)	(1,725)
Impairment losses	-	(88,857)	-
Net write-off of Kenyan VAT receivable and royalty payable	(3,012)	-	-
Business development	(1,753)	(395)	(285)
Other expenses	(3,131)	(1,690)	(631)
Profit before financing costs & income tax	117,987	32,683	10,448
Financing costs	(4,138)	(2,735)	(978)
Profit before income tax	113,849	29,948	9,470
Income tax expense	(33,108)	(34,789)	(10,942)
Net (loss)/profit for period	80,741	(4,841)	(1,472)
Other Comprehensive Income			
Foreign currency transaction differences – foreign operations	(2,795)	(2,808)	339
Total comprehensive income for the period	77,946	(7,649)	(1,133)
Earnings per share			
Basic (loss)/earnings per share (US cents per share)	6.92	(0.42)	(0.13)
Diluted (loss)/earnings per share (US cents per share)	6.80	(0.42)	(0.13)

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(c) Historical consolidated statement of financial position

	30 June 2022 US\$000s	30 June 2023 US\$000s	31 December 2023 US\$000s
Current Assets			
Cash and cash equivalents	55,447	92,889	78,856
Trade and other receivables	68,961	63,061	42,303
Inventories	15,098	23,111	21,785
Other current assets	9,099	10,336	8,792
Total current assets	148,605	189,397	151,736
Non-current assets			
Capitalised exploration and evaluation	156,069	162,933	167,584
Property, plant, and equipment	89,012	23,155	25,082
Deferred tax asset	-	1,864	1,215
Total non-current assets	245,081	187,952	193,881
Total Assets	393,686	377,349	345,617
Current liabilities			
Trade and other payables	17,652	17,951	10,065
Provisions	7,500	13,821	17,925
Deferred consideration	7,000	7,000	7,000
Other current liabilities	493	233	1,248
Total current liabilities	32,645	39,005	36,238
Non-current liabilities			
Provisions	16,534	39,472	40,470
Deferred tax liability	162	-	-
Deferred consideration	10,000	10,000	10,000
Other non-current liabilities	645	393	739
Total non-current liabilities	27,341	49,865	51,209
Total liabilities	59,986	88,870	87,447
Net Assets	333,700	288,479	258,170
Equity			
Issued capital	307,811	307,811	307,811
Treasury shares	(4,957)	(1,763)	(1,586)
Reserves	(17,811)	(20,838)	(20,581)
Retained earnings	48,657	3,269	(27,474)
Total equity	333,700	288,479	258,170

(d) Historical consolidated statement of cash flows

	Year ended 30 June 2022 US\$000s	Year ended 30 June 2023 US\$000s	Six months ended 31 December 2023 US\$000s
Cash flows from operating activities			
Receipts from customers	263,491	272,812	96,821
Payments in the course of operations	(143,437)	(127,119)	(63,107)
Income taxes paid	(41,770)	(28,326)	(8,483)
Net cash from operating activities	78,284	117,367	25,231
Cash flows from investing activities			
Purchase of property, plant and equipment	(10,947)	(28,459)	(6,124)
Payments for exploration and evaluation	(8,101)	(10,245)	(5,680)
Other	140	514	1,413
Net cash used in investing activities	(18,908)	(38,190)	(10,391)
Cash flows from financing activities			
Dividends paid	(60,912)	(38,344)	(29,949)
Purchase of treasury shares	(5,331)	(1,151)	-
Payments for selling costs	(680)	(1,209)	(289)
Net cash used in financing activities	(66,923)	(40,704)	(30,238)
Net increase/(decrease) in cash held	(7,547)	38,473	(15,398)
Cash at beginning of period	64,925	55,447	92,889
Effect of exchange fluctuations on cash held	(1,931)	(1,031)	1,365
Cash at end of period	55,447	92,889	78,856

5.8 Base Resources Directors' intentions

The Corporations Regulations require a statement by the Base Resources Directors of their intentions regarding Base Resources' business.

If the Scheme is implemented, unless agreed otherwise with Energy Fuels, Base Resources will procure that all Base Resources Directors, other than the Managing Director, resign from the Base Resources Board, and Energy Fuels will have 100% ownership and control of the Base Resources Group.

The current intentions of Energy Fuels with respect to these matters are set out in section 7.3. As noted in section 7.4, Base Resources has exercised its director nomination right under the Scheme Implementation Deed and nominated Non-Executive Chair, Michael Storzaker, to be appointed as a director of Energy Fuels, with such appointment to take effect upon implementation of the Scheme.

If the Scheme is not implemented, the Base Resources Directors intend to continue to operate Base Resources in the ordinary course of business and for Base Resources to remain listed on ASX and AIM.

5.9 Material changes in financial position (since 31 December 2023)

To the knowledge of the Base Resources Directors, there have been no material changes to the financial position of Base Resources and the Base Resources Group since 31 December 2023.

5.10 Capital structure

As at the Last Practicable Date, the capital structure of Base Resources was:

Type of security	Number on issue
Base Resources Shares	1,178,011,850
Base Resources Performance Rights	70,275,931, comprising: <ul style="list-style-type: none"> ▪ 6,599,881 vested Base Resources Performance Rights ▪ 63,676,050 unvested Base Resources Performance Rights²⁰

Additional details about the treatment of Base Resources Performance Rights in connection with the Scheme are set out in section 10.3.

5.11 Substantial holders in Base Resources Shares

As extracted from filings released on ASX on or before the Last Practicable Date, the following persons were substantial holders of Base Resources Shares:

Substantial holder	Number of Base Resources Shares	Voting power in Base Resources	Date of last notice
Pacific Road Capital II Pty Limited (ACN 151 671 733)	310,813,913 ²¹	26.60%	19 August 2019
Pacific Road Capital Management GP II Limited			
Sustainable Capital Limited	243,034,866	20.6%	24 May 2024
Mitsubishi UFJ Financial Group, Inc.	87,021,878	7.39%	29 May 2024
First Sentier Investors RQI Pty Ltd (ACN 133 312 017)			
FIL Limited	75,877,583	6.44%	5 September 2023
FIL Investments International			

In addition, Athos Capital Limited provided Base Resources with a notice pursuant to the Australian Takeovers Panel Guidance Note 20 – Equity Derivatives on 27 May 2024 which disclosed funds managed by Athos Capital Limited²² as the taker of a long cash-settled equity swap position in relation to 7.00% of the Base Resources Shares.

5.12 Litigation

In connection with its acquisition of Kvale Operations in 2010, Base Titanium Limited (**Base Titanium**) granted a 2% royalty to third parties owning or having an interest in or rights in respect of that project. There is a disagreement between Base Titanium and one of the royalty holders, Osisko Gold Royalties Ltd (**Osisko**), which holds 1.5% (of the 2%) royalty – specifically, whether, and the extent to which, the royalty applies outside the Kenyan Special Mining Lease as it existed at the time of the acquisition.

Osisko has taken formal steps to enforce its claimed rights in respect of the royalty, which Base Titanium is opposing. The directors have not disclosed an estimate of any amount for this contingent liability as a reliable estimate of the amount arising from any possible obligation cannot be made at this stage.

Other than the foregoing, as at the Last Practicable Date, Base Resources is not involved in any material legal disputes and is not party to any material litigation.

²⁰ The Base Resources LTIP trustee currently holds 9,271,349 Base Resources Shares for the purposes of allocation following vesting and exercise of Base Resources Performance Rights under the Base Resources LTIP. 49,745,727 Base Resources Shares will need to be issued to satisfy entitlements following vesting and exercise of Base Resources Performance Rights in connection with the Scheme.

²¹ Base Resources notes that Pacific Road Capital held a relevant interest in 312,436,779 Base Resources Shares as at 21 April 2024 (being the date on which Pacific Road Capital confirmed to Base Resources its intentions to vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Base Resources Shareholders).

²² Athos Capital Limited provided the notice in its capacity as investment manager of Athos Asia Event Driven Master Fund, FMAP ACL Limited, KLS Athos Event Driven Fund and New Holland Tactical Alpha Fund LP.

5.13 Publicly available information about Base Resources

Base Resources is a listed disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on ASX and AIM, Base Resources is subject to the ASX Listing Rules, the AIM Rules and UK MAR which require (subject to a specific exception) the continuous disclosure of any information that Base Resources may have from time to time that a reasonable person would expect to have a material effect on the price or value of Base Resources Shares.

ASX and LSE maintain files containing publicly disclosed information about all entities listed on ASX and AIM. Information disclosed to ASX and AIM by Base Resources is available on the ASX's website at www.asx.com.au and the LSE's website at (<https://www.londonstockexchange.com/>) respectively.

In addition, Base Resources is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Base Resources may be obtained from an ASIC office.

5.14 FY24 financial statements

Base Resources currently expects to release to ASX and AIM its audited financial statements for the financial year ended 30 June 2024 on or before 30 August 2024. Following the release of those financial statements, the Base Resources Board will confirm with the Independent Expert that the financial results do not change the Independent Expert's opinion that the Scheme is fair and reasonable and, therefore, in the best interests of Base Resources Shareholders, in the absence of a superior proposal.

This confirmation will be announced to ASX and AIM in advance of the Scheme Meeting. Base Resources Shareholders are encouraged to read those financial statements before deciding how to vote at the Scheme Meeting.

6 Information about Energy Fuels

The information contained in this section 6 has been prepared by Energy Fuels. The information concerning Energy Fuels and EFR BidCo and the intentions, views and opinions contained in this section 6 are the responsibility of Energy Fuels. Base Resources and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.1 Introduction

(a) Background and history

Energy Fuels is a leading US-based uranium and critical minerals company. Energy Fuels produces many of the raw materials needed for clean energy and advanced technologies, including uranium, rare earth elements and vanadium and is evaluating the recovery of radionuclides needed for emerging cancer treatments.

Energy Fuels is a leading producer of uranium in the United States, mining uranium ore and producing natural uranium concentrates that are sold to major nuclear utilities in the US and elsewhere for the production of carbon-free energy. Energy Fuels' White Mesa Mill is the only conventional uranium mill operating in the US today, has a licenced production capacity of over 8 million pounds of U3O8 per year, and also produces vanadium from various uranium-bearing ores. Energy Fuels' Nichols Ranch ISR Project, an in situ recovery uranium facility, is on standby and has a licenced production capacity of 2 million pounds of U3O8 per year. In addition to these production facilities, Energy Fuels also has one of the largest NI 43-101-compliant uranium resource portfolios in the US and several uranium and uranium/vanadium mining projects in operation or on standby, as well as at various stages of permitting and development.

In addition to its uranium production, which has been ongoing since 1980, Energy Fuels has been producing advanced REE materials at its White Mesa Mill, including a mixed REE carbonate, since 2021. Earlier this year, Energy Fuels also completed commissioning of an REE separation facility at the White Mesa Mill, enabling the production of commercial quantities of separated NdPr.

Energy Fuels has plans to further expand the White Mesa Mill's separated REE production capacity over the coming years as monazite feedstock volumes are secured, having recently completed a pre-feasibility study for the phase 2 REE separation circuit.

To secure monazite feedstock for the White Mesa Mill, Energy Fuels recently:

- acquired the Bahia Project in Brazil, which is an exploration stage HMS project prospective for titanium (ilmenite and rutile), zirconium (zircon) and REE (monazite) minerals; and
- entered into a joint venture agreement with Australian-based Astron to jointly develop the Donald Project in Australia, which is a substantially permitted ilmenite, zircon and monazite project.

Both the Bahia Project and the Donald Project have the potential to provide Energy Fuels with low-cost sources of monazite that would be transported to the White Mesa Mill for processing into separated REE products and other advanced REE materials to fuel the clean energy transition and meet critical US national security needs.

In addition, Energy Fuels routinely reviews commercial opportunities to increase shareholder value, such as joint venture and acquisition opportunities that may arise from time to time, to add to its resource portfolio.

Energy Fuels' corporate and head offices are located in Lakewood, Colorado, USA (a city in the Denver metropolitan area). Most of Energy Fuels' employees and assets are located in the United States. Energy Fuels is a US domestic issuer for the SEC reporting purposes, and the primary trading market for Energy Fuels Shares is the NYSE under the trading symbol "UUUU." Energy Fuels is also a reporting issuer in all the provinces and territories of Canada for the purposes of Canadian securities laws, and Energy Fuels Shares are also listed on the TSX under the trading symbol "EFR". Energy Fuels was incorporated on 24 June 1987 in the Province of Alberta under the name "368408 Alberta Inc." and was continued under the OBCA on 2 September 2005.

(b) Strategy

As a leading US-based uranium and critical minerals company, Energy Fuels' strategy is to create value for its shareholders and stakeholders through:

- Furthering each of Energy Fuels' complementary critical mineral businesses, by:
 - Maintaining Energy Fuels' position as a leading US producer of uranium, not only today, but also if markets improve in the future, thereby maintaining Energy Fuels' exposure to increases in the price of uranium;
 - Maintaining Energy Fuels' position as a leading US primary producer of vanadium, and to preserve its optionality to capitalise on increases in vanadium prices;
 - Seeking to establish itself as the largest and lowest cost producer of advanced REE materials in the US; and
 - Targeting to become the largest and lowest cost producer in the US of radium isotopes for use in the development of emerging cancer treatment therapeutics; and

- Continuing to prioritize sustainability and environmental stewardship, by:
 - Recycling waste materials from other facilities for the recovery of uranium, REEs and radium isotopes which would otherwise be lost to direct disposal; and
 - Expanding Energy Fuels’ contributions to the clean-up of legacy “Cold War” sites in the US.

To support this strategy, and in every facet of its business, Energy Fuels’ core values are:

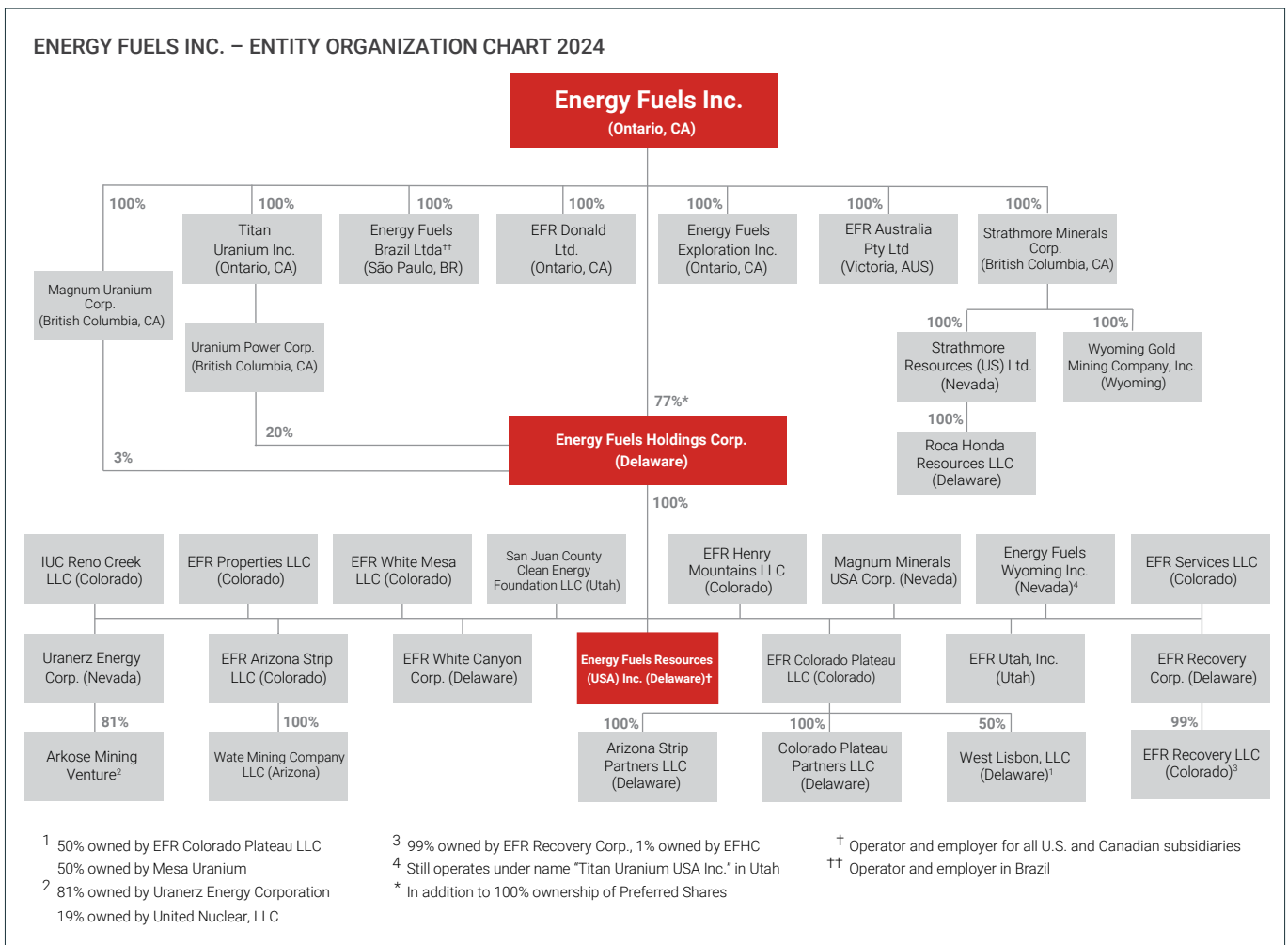
- To operate its facilities in a manner that prioritises the safety of its workers, contractors, communities, environment, and principles of sustainable development;
- To operate to leading standards of corporate governance and practice in accordance with all applicable laws and regulations; and
- To recognize the importance of the White Mesa Mill and Energy Fuels’ other facilities and mines to the clean energy transition, the production of critical minerals and national security objectives, and to maintain and operate those facilities and mines in a manner consistent with each of those goals and objectives.

(c) Overview of Energy Fuels’ Subsidiaries

Energy Fuels’ US-based assets, are held directly and indirectly by Energy Fuels’ wholly owned subsidiaries Energy Fuels Holdings Corp. and Strathmore Minerals Corp. The Bahia Project was acquired by Energy Fuels through its wholly owned subsidiary Energy Fuels Brazil Ltda. The joint venture agreement for the Donald Project (as referred to in Section 6.3(i)) was entered into by Energy Fuels’ wholly owned subsidiary EFR Donald Ltd. All of Energy Fuels’ US-based employees are employed by its subsidiary Energy Fuels Resources (USA) Inc. Several of Energy Fuels’ subsidiaries are currently inactive, have no material assets or liabilities and do not engage in any material business activities.

EFR BidCo is an Australian proprietary company limited by shares that was incorporated on 18 April 2024, and is a wholly owned subsidiary of Energy Fuels. It has not conducted any business and does not currently own any assets or have any liabilities and, prior to the Scheme, it will not conduct any business. Following implementation of the Scheme, EFR BidCo will directly hold all of the Base Resources Shares. A diagram depicting the organizational structure of Energy Fuels and its subsidiaries is set out below:

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6.2 Energy Fuels Board and senior management

(a) Board profiles

As of the date of this Scheme Booklet, the board of directors of Energy Fuels comprises the following directors:

Name and Position	Profile
J. Birks Bovaird Chair of the Board and Independent Director	For a majority of his career, Mr. Bovaird's focus has been the provision and implementation of corporate financial consulting and strategic planning services. He was previously the Vice President of Corporate Finance for one of Canada's major accounting firms. He is an independent director of Homeland Nickel, Noble Mineral Exploration Inc. and Copper Road Resources Inc. Mr. Bovaird has previously been involved with numerous public resource companies, both as a member of management and as a director. He is a graduate of the Canadian Director Education Program and holds an ICD.D designation
Mark S. Chalmers President, Chief Executive Officer and Director	Mr. Chalmers is currently the President and Chief Executive Officer of Energy Fuels, a position he has held since February 2018. Prior thereto, he was President and Chief Operating Officer and then President of Energy Fuels since July 2016. From 2011 to 2015, Mr. Chalmers served as Executive General Manager of Production for Paladin Energy Ltd., a uranium producer with assets in Australia and Africa, including the Langer Heinrich and Kayelekera mines. He also possesses extensive experience in ISR uranium production, including management of the Beverley Uranium Mine owned by General Atomics (Australia), and the Highland mine owned by Cameco Corporation (USA). Mr. Chalmers has also consulted to several of the largest players in the uranium supply sector, including BHP Billiton, Rio Tinto, and Marubeni, and until recently served as the Chair of the Australian Uranium Council, a position he held for 10 years. Mr. Chalmers is a registered professional engineer and holds a Bachelor of Science in Mining Engineering from the University of Arizona.
Benjamin Eshleman III Independent Director and Chair of the Governance and Nominating Committee	Mr. Eshleman is currently the President and Chief Executive Officer of Mesteña, LLC, a privately held energy company headquartered in Corpus Christi, Texas. As President and Chief Executive Officer, he is responsible for the oil, gas, and uranium leasing activities under 200,000 mineral acres located in South Texas. Mesteña built, operated, and mined several million pounds of uranium through its Alta Mesa plant in the mid-2000s. Mr. Eshleman also serves as Co-Manager of the Eshleman-Vogt Ranch and sits on the board of the Texas and Southwestern Cattle Raisers Association, a well-known business association advocating for landowner rights. Eshleman is a 1979 graduate of Menlo College with a Bachelor of Science in Business Administration.
Ivy V. Estabrooke Independent Director	Dr. Estabrooke is an expert in the development and commercialization of emerging technologies at the intersection of national and economic security. She currently advises government, public and private entities in optimizing their approaches to innovation and technology development for national security, economic and social impact in her role as Director, Innovation Programs and Policy for RTI International, an independent non-profit research institute. Prior thereto, Dr. Estabrooke held the role of Vice President of Operations and Corporate Affairs at IDbyDNA Inc., a venture backed commercial stage biotech company and before that as the Vice President of Corporate and Government Programs for PolarityTE, Inc. Prior public service included as the Executive Director of the Utah Science, Technology and Research Initiative and science advisor to the Governor of Utah and as a technical program manager for the US Department of the Navy. Dr. Estabrooke has a doctorate in neuroscience from Georgetown University, a master's degree in national resource strategy from the National Defense University and a bachelor's degree in biological sciences from Smith College. She serves on the board of the Girl Scouts of Utah, the Utah chapter of the National Association of Corporate Directors and is a member of the Utah District Export Council.
Barbara A. Filas Independent Director and Chair of Environment, Health, Safety and Sustainability Committee	Ms. Filas has hands-on experience with operating gold and coal mines and processing facilities; executive experience in consulting, public companies, and non-profits; and technical expertise in base and precious metals, coal, uranium and industrial metals in various engineering and environmental capacities. From 2009 to 2013, she held several roles including President and Chief Administrative officer of Geovic Mining Corp., a publicly traded company with an advanced cobalt, nickel, and manganese exploration project in Cameroon. She was President and Chief Executive of Knight Piésold and Co., a leading global mining and environmental consulting firm, where she held roles of increasing responsibility from 1989 to 2009. Prior to joining Knight Piésold, she worked at several operating mines and processing facilities. She is now a director and audit committee member of Austin Gold Corp., a publicly traded company on NYSE (AUST); and a former director of Knight Piésold Holdings Limited, a private international consultancy, and Moroccan Minerals Ltd., a private company that explored for base and precious metals in Morocco and Serbia. She currently serves as the Chair of the Board of Governors and Nominations Chair for the National Mining Hall of Fame. Ms. Filas was the first female President of the Society for Mining, Metallurgy and Exploration in 2005, the world's largest mining technical organization. She is an internationally recognized thought-leader on mining sector topics including environmental, social, and governance matters, waste management, closure, and sustainability; and has experience in both developed and developing countries on six continents. She has a degree in Mining Engineering from the University of Arizona and is a Licensed Professional Engineer.

Name and Position	Profile
Bruce D. Hansen Independent Director	<p>Mr. Hansen is the former Chief Executive Officer and a former director of General Moly Inc., having served in such capacities from 2007 to November 2020. Mr. Hansen additionally served as the Chief Financial Officer of General Moly Inc. from May 2017 to November 2020. Prior to that, Mr. Hansen was Senior Vice-President, Operations Services and Development with Newmont Mining Corporation. He worked with Newmont for ten years holding increasingly senior roles, including Chief Financial Officer from 1999 to 2005. Prior to joining Newmont, Mr. Hansen spent 12 years with Santa Fe Pacific Gold, where he held increasingly senior management roles including Senior Vice President of Corporate Development and Vice President Finance and Development. Mr. Hansen is also a director of New Moly LLC, a private molybdenum development company and is in a Senior Advisory Role with Headwall Partners an Investment banking firm focused on the steel, metals and mining industries. Mr. Hansen holds a Master of Business Administration from the University of New Mexico and a Bachelor of Science Degree in Mining Engineering from the Colorado School of Mines.</p>
Jaqueline Herrera Independent Director	<p>Ms. Herrera has over 26 years of experience in water treatment and process improvements in multiple industries including the oil refinery, petrochemical, chemical, mining & mineral processing and food and beverage industries. Ms. Herrera is currently Vice President of Sales for Ecolab Inc., a company that provides water, hygiene and infection prevention solutions and services. From 1998 to 2019 she worked for Nalco Water, an Ecolab Company and leader in water hygiene, treatment and process improvements and energy and air solutions, including global industry development for the base metals and iron ore industries. In that role, Ms. Herrera worked in the bauxite mining and alumina processing sectors in South America, the United States and the Caribbean then expanded her career into global base metals with a focus on the copper and molybdenum markets in various regions. She holds a Bachelor of Science in both metallurgical engineering and industrial engineering from the Universidad Nacional Politécnic "Antonio José de Sucre" in Venezuela, a Master of Sciences in material science from the Universidad de Oriente, Venezuela, and a Master of Business Administration in operations from the University of Phoenix, Baton Rouge, LA.</p>
Dennis L. Higgs Independent Director	<p>Mr. Higgs has been involved in the financial and venture capital markets in Canada, the United States, and Europe for over forty years. He founded his first junior exploration company in 1983 and took it public through an initial public offering in 1984. Mr. Higgs was directly involved with the founding and initial public offering of Arizona Star Resource Corp. and the listing and financing of BioSource International Inc., both of which were the subject of takeover bids. Mr. Higgs was the founding director and subsequently Executive Chair of Uranerz Energy Corporation before it was acquired by Energy Fuels. Mr. Higgs was Executive Chair of the Board of Directors of Uranerz from February 1, 2006 until June 18, 2015. He currently serves as the President and a director of Austin Gold Corp., a publicly traded company on NYSE (AUST). Mr. Higgs holds a Bachelor of Commerce degree from the University of British Columbia.</p>
Robert W. Kirkwood Independent Director and Chair of the Compensation Committee	<p>Mr. Kirkwood is a principal of the Kirkwood Companies, including Kirkwood Oil and Gas LLC, Wesco Operating, Inc., and United Nuclear LLC. Mr. Kirkwood has been with the Kirkwood Companies for over 36 years and has been involved in all aspects of oil and gas exploration and operations. Mr. Kirkwood is a graduate of the University of Wyoming with a Bachelor of Science in Petroleum Engineering.</p>
Alexander G. Morrison Independent Director and Chair of the Audit Committee	<p>Mr. Morrison is a mining executive and Certified Public Accountant with over 37 years of experience in the mining industry. Mr. Morrison currently serves as Chair of the Compensation Committee, and as a member of the Nominating and Governance Committee of National Royalty Corporation. In addition, he has held senior executive positions at a number of mining companies, most recently serving as Vice President and Chief Financial Officer of Franco-Nevada Corporation. Prior to that, Mr. Morrison held increasingly senior positions at Newmont Mining Corporation, including Vice President, Operations Services and Vice President, Information Technology; was Vice President and Chief Financial Officer of Novagold Resources Inc.; Vice President and Controller of Homestake Mining Company; and held senior financial positions at Phelps Dodge Corporation and Stillwater Mining Company. Mr. Morrison began his career with PricewaterhouseCoopers LLP after obtaining his Bachelor of Arts in Business Administration from Trinity Western University in British Columbia, Canada. Mr. Morrison is a Certified Public Accountant in Illinois and a Certified Public Accountant (CA) in British Columbia.</p>

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(b) Energy Fuels Board Interests

As at the Last Practicable Date the directors of Energy Fuels had the following beneficial ownership interest in Energy Fuels:

Name	Common Shares	Restricted Stock Units	Stock Appreciation Rights	Stock Options	Beneficial Ownership Total
J. Birks Bovaird	155,786	32,594	Nil	Nil	188,380
Mark S. Chalmers	778,885	161,788	452,937	94,118	1,487,728
Benjamin Eshleman III ⁽¹⁾	166,019	24,623	Nil	Nil	190,642
Ivy V. Estabrooke	17,856	22,428	Nil	Nil	40,284
Barbara A. Filas	125,036	24,624	Nil	Nil	149,660
Bruce D. Hansen	253,782	22,598	Nil	Nil	276,380
Jaqueline Herrera	16,701	21,297	Nil	Nil	37,998
Dennis L. Higgs	268,768	22,654	Nil	18,615	310,037
Robert W. Kirkwood ⁽²⁾	645,765	24,622	Nil	Nil	670,387
Alexander G. Morrison	155,450	27,578	Nil	Nil	183,028

Notes

- (1) Includes indirect ownership of 2,000 common shares owned by the Katherine Kilpatrick Eshleman Revocable Trust and 2,000 common shares owned by the Margaret Shinkle Eshleman Revocable Trust.
- (2) Includes indirect ownership of 228,475 common shares owned by the Kirkwood Son Trust #2.

Fees or benefits given or agreed to be given in connection with the Scheme

No fees or benefits have been given or agreed to be given to any director of Energy Fuels in connection with the Scheme.

Material Transactions with Directors

Robert W. Kirkwood, director of Energy Fuels, is a principal of the Kirkwood Companies, including Kirkwood Oil and Gas LLC, Wesco Operating, Inc., and United Nuclear LLC. United Nuclear LLC owns a 19% interest in Energy Fuels' Arkose Mining Venture, while Energy Fuels owns the remaining 81%. Energy Fuels acts as manager of the Arkose Mining Venture and has management and control over operations carried out by the Arkose Mining Venture. The Arkose Mining Venture is a contractual joint venture governed by a venture agreement dated 15 January 2008 entered into by Uranerz Energy Corp (a subsidiary of Energy Fuels) and United Nuclear LLC. United Nuclear LLC contributed US\$0.08 million, US\$0.13 million and US\$0.31 million to the expenses of the Arkose Joint Venture based on the approved budget for the years ended 31 December 2023, 2022 and 2021, respectively.

(c) Senior Management Profiles

As at the date of this Scheme Booklet, the senior management of Energy Fuels is as follows:

Name and Position	Profile
Mark S. Chalmers President, Chief Executive Officer and Director	See section 6.2(a).
David Frydenlund Executive VP, CLO and Corporate Secretary	Mr. Frydenlund is Energy Fuels' Executive Vice President, Chief Legal Officer and Corporate Secretary, a position he has held since 8 August 2022. Previously, Mr. Frydenlund was Chief Financial Officer, General Counsel and Corporate Secretary of Energy Fuels since 2 March 2018, and Senior Vice President, General Counsel and Corporate Secretary of Energy Fuels since June 2012. Mr. Frydenlund's responsibilities include all legal matters relating to Energy Fuels' activities. His expertise extends to United States Nuclear Regulatory Commission, United States Environmental Protection Agency, State and Federal regulatory and environmental laws and regulations. From 1997 to July 2012, Mr. Frydenlund was Vice President Regulatory Affairs, Counsel, General Counsel and Corporate Secretary of Denison Mines Corp., and its predecessor International Uranium Corporation (" IUC ") and was also a Director of IUC from 1997 to 2006 and Chief Financial Officer of IUC from 2000 to 2005. From 1996 to 1997, Mr. Frydenlund was a Vice President of the Lundin Group of international public mining and oil and gas companies, and prior to 1996 was a partner with the Vancouver law firm of Ladner Downs (now Borden Ladner Gervais LLP) where his practice focused on corporate, securities and international mining transactions law. Mr. Frydenlund holds a bachelor's degree in business and economics from Simon Fraser University, a master's degree in economics and finance from the University of Chicago and a law degree from the University of Toronto.

Name and Position	Profile
Curtis H. Moore Senior VP, Marketing and Corporate Development	Mr. Moore is the Senior Vice President of Marketing and Corporate Development for Energy Fuels. Prior to 2023, Mr. Moore was the Vice President of Marketing and Corporate Development for Energy Fuels Inc. He is in charge of product marketing for Energy Fuels, and is closely involved in mergers & acquisitions, investor relations, public relations, and corporate legal. He has been with Energy Fuels for over 11 years, holding various roles of increasing responsibility. Prior to joining Energy Fuels, Mr. Moore worked in multi-family real estate development, government relations and public affairs, production homebuilding, and private law practice. Mr. Moore is a licensed attorney in the State of Colorado. He holds Juris Doctor and Master of Business Administration degrees from the University of Colorado at Boulder, and a Bachelor of Arts dual degree in Economics-Government from Claremont McKenna College in Claremont, California.
Scott A. Bakken VP, Regulatory Affairs	Mr. Bakken is currently the Vice President, Regulatory Affairs of Energy Fuels. He has been with Energy Fuels since 2014, where he has held senior positions over permitting and regulatory matters relating to both Energy Fuels' conventional mine and mill operations and its ISR operations, serving most recently as Senior Director, Regulatory Affairs. Prior to joining Energy Fuels, Mr. Bakken held several positions, starting in 1997, with Cameco Corporation's US subsidiaries, Power Resources, Inc. and Cameco Resources, and with MDU Resources Group, Inc.'s mining and construction materials subsidiary, Knife River Corporation, through which he gained extensive experience in permitting and regulatory activities at mining and ISR uranium recovery facilities. Mr. Bakken is responsible for permitting and regulatory matters relating to all of Energy Fuels' operations, both conventional and ISR, and has the overall responsibility for worker health and safety policy matters at Energy Fuels.
Nathan R. Bennett Chief Accounting Officer/Interim Chief Financial Officer	Mr. Bennett is currently the Chief Accounting Officer/Interim Chief Financial Officer of Energy Fuels. From 25 August 2022 to the date of his current appointment, he served as Energy Fuels' Corporate Controller. Prior to joining Energy Fuels, he served as Controller of Antero Midstream Corporation from December 2013 to August 2022. Prior to Antero Midstream Corporation, Mr. Bennett held various positions within the assurance practice at PricewaterhouseCoopers, LLP, in Denver, Colorado from December 2010 to December 2013 and previously in Houston, Texas from January 2007 to December 2010 serving clients in the energy industry. Mr. Bennett holds a Bachelor of Science in Accounting degree, as well as a Master of Accounting degree, both from Utah State University and is a Certified Public Accountant licensed in the State of Colorado.
Bernard Bonifas Vice President, ISR Operations	Mr. Bonifas is currently the Vice President, ISR Operations of Energy Fuels. He has been with Energy Fuels since 2015, first serving as Mine Manager of the Nichols Ranch ISR Project, then as the Director of ISR Operations. Mr. Bonifas has over 30 years of experience in uranium prospecting, development, production, restoration, reclamation and decommissioning at various uranium and other mining companies around the world, including in the United States, Kazakhstan, Paraguay, Zambia, Argentina, Mexico and Gabon. Mr. Bonifas received his Bachelor of Geology in 1986 from the University of Aix-Marseille and his Diploma of Doctoral Research of Sciences in 1992 from the University of Nancy.
Daniel Kapostasy Vice President, Technical Services	Mr. Kapostasy is currently the Vice President, Technical Services of Energy Fuels. He has been with Energy Fuels since 2013, where he has held a number of positions relating to the geology and other technical aspects of Energy Fuels' conventional operations as well as Energy Fuels' expansion into REE and HMS projects. Starting in 2008, prior to joining Energy Fuels, Mr. Kapostasy worked for a uranium mining company, Strathmore Minerals Corporation as a uranium geologist. Mr. Kapostasy is currently responsible for overseeing the corporate technical team of geologists and engineers, supporting conventional operations and is involved with Energy Fuels' strategic planning and project execution. Mr. Kapostasy holds bachelors and masters degrees in Geology from the University of Dayton and Ohio State University, respectively.
Dee Ann Nazareus Vice President, Human Resources and Administration	Ms. Nazareus is the Vice President, Human Resources and Administration of Energy Fuels. She has been with Energy Fuels for 16 years, having previously served as its Director, Human Resources and Administration. Prior to joining Energy Fuels, Ms. Nazareus held human resource and administration management positions with a number of different organizations, starting in 1995. Ms. Nazareus is responsible for planning, developing, organizing, implementing, directing, and evaluating all human resource functions of Energy Fuels, in addition to being responsible for directing and managing all administrative functions of Energy Fuels.
Logan Shumway Vice President, Conventional Operations	Mr. Shumway is currently Vice President, Conventional Operations of Energy Fuels and has been with Energy Fuels since 2010, working at its White Mesa Mill. During his tenure with Energy Fuels, Mr. Shumway has served in various roles, including as Chief Metallurgist, Operations Superintendent, Mill Manager and Director, Conventional Operations. He is responsible for managing the day-to-day processing activities at the White Mesa Mill, as well as engineering and construction of the White Mesa Mill property's expanded operations into rare earths processing. Mr. Shumway attended Brigham Young University where he received degrees in chemical engineering and chemistry.
Julia C. Hoffmeier Corporate Counsel and Assistant Corporate Secretary	Ms. Hoffmeier is Energy Fuels' Corporate Counsel and Assistant Corporate Secretary, a position she has held since January 25, 2022. Prior thereto, from June 2017 to the date of her current appointment, she served as Energy Fuels' Staff Attorney. In November 2016, Ms. Hoffmeier was appointed by the Denver City Council to serve on the Denver Board of Ethics, which she did through August 2019. While on the board, she served in varying capacities as a member, Vice-Chair and Chair. Ms. Hoffmeier earned her Bachelor of Arts in music from Lewis and Clark College, graduating with honors, and her Juris Doctor from the University of Utah S.J. Quinney College of Law, graduating with a Certificate in Environmental and Natural Resource Law. She was called to the Colorado Bar in May 2016 and the Utah Bar in August 2018.

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Fees or benefits given or agreed to be given in connection with the Scheme

No fees or benefits have been given or agreed to be given to any senior management of Energy Fuels in connection with the Scheme.

Material Contracts with Directors and Executive Officers

Energy Fuels reviews all known relationships and transactions in which Energy Fuels and its directors and executive officers or their immediate family members are participants to determine whether they qualify for disclosure as a transaction with related persons under Item 404(d) of Regulation S-K of the US Exchange Act. Energy Fuels screens for these relationships and transactions through the annual circulation of a D&O Questionnaire to each member of the Energy Fuels Board and each of Energy Fuels’ officers who are a reporting person under Section 16 of the US Exchange Act.

Energy Fuels’ Code of Business Conduct and Ethics requires that any situation that presents an actual or potential conflict between a director, officer or employee’s personal interest and the interests of Energy Fuels must be reported to Energy Fuels’ Chief Legal Officer or, in the case of reports by directors, to the Chair of Energy Fuels’ Audit Committee. Generally, any related-party transaction that would require disclosure pursuant to Item 404 of Regulation S-K would require prior approval. Any waivers from these requirements that are granted for the benefit of Energy Fuels’ directors or executive officers must be granted by the Energy Fuels Board.

Except for the transaction with United Nuclear LLC as mentioned above under section 6.2(b), no transaction with a related person has been approved in accordance with these policies during the two fiscal years ended 31 December 2023 and 2022, or in any proposed transaction which has materially affected or would materially affect Energy Fuels or its subsidiaries.

6.3 Energy Fuels operations and projects

Energy Fuels’ activities consist of the White Mesa Mill, multiple conventional mining projects and an ISR mining project (complete with an ISR recovery facility on standby). A description of each of Energy Fuels’ material mineral properties are set out below.

Operation	Section
White Mesa Mill	Section 6.3(a)
Pinyon Plain Mine	Section 6.3(b)
Nichols Ranch ISR Project	Section 6.3(c)
Sheep Mountain	Section 6.3(d)
Roca Honda	Section 6.3(e)
Bullfrog	Section 6.3(f)
La Sal	Section 6.3(g)
Bahia Project	Section 6.3(h)
Donald Project	Section 6.3(i)

(a) White Mesa Mill

The White Mesa Mill is a fully licenced uranium, vanadium and REE processing facility located in southeastern Utah, approximately six miles south of the city of Blanding, Utah and is 100% owned by Energy Fuels. The White Mesa Mill is the only fully operational and licenced conventional uranium mill in the US. It is capable of functioning independently of off-site support except for commercial power from Rocky Mountain Power and as-needed supplemental water supply from the City of Blanding, Utah, and the San Juan Water Conservancy District.

The White Mesa Mill is located on 4,816 acres of private land owned in fee by Energy Fuels. Energy Fuels also holds 253 acres of mill site claims and a 320-acre Utah state lease. No facilities are planned on the mill site claims or leased land, which are used as a buffer for mill operations.

The White Mesa Mill is licenced to process 2,000 tons of mineralized material per day and to extract over 8.0 million pounds of U3O8 per year. It is primarily a uranium and vanadium recovery facility that mills uranium mineralized materials from Energy Fuels’ uranium and uranium/vanadium mines on the Colorado Plateau as well as ore purchased or toll milled from third party miners in the region, as market conditions warrant. In addition, the White Mesa Mill can recycle other uranium-bearing materials not derived from natural or native ore, known as Alternate Feed Materials, for the recovery of uranium, alone or in combination with other metals.

Energy Fuels has been producing a mixed REE carbonate, an advanced REE material, from monazite at the White Mesa Mill on a commercial basis since 2021, which is the first commercial production of a mixed REE carbonate in the US for many years. In addition, earlier this year, Energy Fuels completed construction of and commissioned its phase 1 REE separation circuit at the White Mesa Mill, making the Mill the only commercial scale REE separation facility currently in operation in the US. The phase 1 REE separation circuit has capacity to process up to 10,000 tonnes of monazite per year and produce up to 1,000 tonnes of separated NdPr per year along with a samarium plus (**Sm+**) heavy mixed REE carbonate containing dysprosium (**Dy**) and terbium (**Tb**). With the phase 1 REE separation circuit now fully operational, the Mill is available to process planned initial monazite production from Energy Fuels’ Bahia project in Brazil and the monazite production from phase 1 of the Donald Project in Australia, if and when those projects are developed and in operation.

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A pre-feasibility study for a phase 2 REE separation circuit was recently completed by Energy Fuels that includes a dedicated mill line to enable the concurrent processing of uranium and up to 30,000 tonnes of monazite per annum to produce up to 3,000 tonnes of separated NdPr oxide per annum. As the timing and volume of monazite feedstock that Energy Fuels is able to secure becomes more certain, Energy Fuels intends to assess the potential to update the phase 2 REE separation circuit pre-feasibility study to expand the White Mesa Mill's production capacity.

A phase 3 REE separation circuit, potentially involving the addition of the capability to separate heavy REE oxides, including Dy and Tb oxides, thereby adding additional revenue streams, is also being explored.

The phase 2 REE separation circuit is currently expected to be completed in 2027, followed by the phase 3 REE separation circuit in 2028, both subject to final design and receipt of required regulatory approvals.

The phase 2 REE separation circuit is expected to have sufficient capacity to process the forecasted monazite production from the Toliara Project as well as monazite from the Donald Project phase 2 expansion, if constructed, as well as any monazite production from the Bahia Project.

The Sm+ mixed heavy REE carbonate produced at the White Mesa Mill prior to completion of the phase 3 REE separation circuit is expected to either be sold in the international market as a mixed Sm+ REE carbonate or stockpiled at the White Mesa Mill for processing into Dy and Tb oxides and potentially other separated heavy REE oxides once the phase 3 REE separation circuit is fully commissioned.

The White Mesa Mill is also pursuing other opportunities to process mineralized materials from the clean-up of abandoned uranium mines on the Navajo Reservation and in the Four Corners area of the US. and is evaluating the potential recovery of radionuclides needed for emerging cancer treatments.

Additional disclosure relating to the White Mesa Mill can be found in Energy Fuels' Form 10-K filing for the year ended 31 December 2023 (Form 0-K) on pages 81-87, which is available on the Energy Fuels website at <https://www.energyfuels.com>.

(b) Pinyon Plain Mine

The following technical and scientific description of the Pinyon Plain Project is based in part on the Preliminary Feasibility Study titled "*Technical Report on the Pre-Feasibility Study on the Pinyon Plain Project, Coconino County, Arizona, USA*," dated 23 February 2023, effective as of 31 December 2022 (the **Pinyon Plain Technical Report Summary**). The Pinyon Plain Technical Report Summary was prepared in accordance with Subpart 1300 and NI 43-101 and is attached as exhibit 96.2 to the Form 10-K/A (dated 28 June 2024). For further information relating to the exploration history, sampling and drilling locations see Chapters 9-12 of the above referenced report.

The Pinyon Plain Mine is a fully permitted underground uranium mine in northern Arizona, located on a 17-acre site within the Kaibab National Forest.

Energy Fuels owns 100% of the Pinyon Plain Mine. Its property position at the Pinyon Plain Project consists of nine unpatented lode mining claims, located on US Forest Service land, covering approximately 186 acres. All claims are held in perpetuity by annual claims payments.

Between 1978 and 1994, previous owners of the project drilled 45 surface holes, including a deep water well, totalling 62,289 ft. Since 1994, exploration activities undertaken on the property have only included drilling. Prior to that, exploration activities carried out by previous owners from 1983 to 1987 included:

- Ground control source audio magneto tellurium (CSAMT) surveys
- Ground magnetics
- Ground very low frequency (VLF) surveys
- Time domain electro-magnetic surveys (TDEM)
- Surface gravity surveys
- Airborne electromagnetic (EM) surveys

During 2016 and 2017, Energy Fuels conducted an underground exploration drilling campaign during shaft sinking completing 30,314 ft. of drilling. Shaft sinking continued into 2018 finishing at a total depth of 1,470 ft.

Mineral Resource estimates were prepared for the Pinyon Plain deposit using both historical surface drill hole gamma and assay data and gamma and assay data collected during underground drilling in 2016 and 2017.

Mineral Reserve estimates for Pinyon Plain are based on the Measured and Indicated Mineral Resources as of 10 January 2023, and detailed mine designs and modifying factors such as external dilution and mining extraction factors. Mineral Resource to Mineral Reserve conversion was 100% within the Main Zone, with the remaining zones (Main- Lower and Juniper) not considered for inclusion as Mineral Reserves. No Inferred Mineral Resources were converted to Mineral Reserves.

The Pinyon Plain Mine consists of a mine shaft that extends to a final depth of 1,470 ft, and the surface mine infrastructure, which includes maintenance shops, employee offices and change rooms, a water well, an evaporation pond, a water treatment plant, explosive magazines, water tanks, a fuel tank, and a development rock stockpile. Power is available through grid power via an existing power line that terminates at the site.

Energy Fuels announced in December 2023 that it was recommencing production at the Pinyon Plain Mine, with production subsequently commencing in early 2024. This production will fulfill uranium contracts Energy Fuels entered into in 2022. Energy Fuels expects to produce 25,000 to 30,000 tons of ore from the Pinyon Plain Mine in 2024. In addition to production, Energy Fuels plans to complete an underground exploration drilling program during 2024 on the Juniper Zone of the deposit.

Additional disclosure relating to the Pinyon Plain Mine can be found in the Form 10-K on pages 88-95, which is available on the Energy Fuels website at <https://www.energyfuels.com>.

(c) Nichols Ranch ISR Project

The following technical and scientific description of the Nichols Ranch Project is based in part on the report titled "Technical Report on the Nichols Ranch Project, Johnson and Campbell Counties, Wyoming, USA" dated 22 February 2022 and effective 31 December 2021, as amended 8 February 2023 (the **Nichols Ranch Technical Report Summary**).

The Nichols Ranch Technical Report Summary was prepared in accordance with Subpart 1300 and also constitutes a PEA pursuant to NI 43-101 and is attached as exhibit 96.5 to the Form 10-K/A (dated 28 June 2024). For further information relating to the exploration history, sampling and drilling locations see Chapters 9-12 of the above referenced report.

The Nichols Ranch Uranium Complex is an existing ISR mine with associated prospective ISR properties located in Campbell and Johnson Counties, in eastern Wyoming, US.

Excluding the Jane Dough area owned by the Arkose Mining Venture, in which Energy Fuels has an 81% interest, Energy Fuels owns a 100% interest in the remaining areas comprising the Nichols Ranch ISR Project. These land holdings total 10,755 acres and comprise the following areas: the Nichols Ranch Area, Hank Area, North Rolling Pin Area, West North Butte Area, East North Butte Area and Willow Creek Area.

The exploration activities were primarily carried out by previous owners of the projects. A summary of the exploration activities undertaken in each of those areas is below:

(1) Nichols Ranch Area

Exploration drilling was conducted in the Jane Dough Area, Section 21 and 28, T43N, R76W, between the late 1960s and late 1970s by previous owners. Between 1968 and 1980 previous owners drilled 150 holes and installed 3 water wells on the Nichols Ranch and Jane Dough Areas. Previous owners completed limited drilling and exploration on the property in 1985. In the early 1990s, previous owners also completed limited drilling in the area.

In December 2005, Uranerz Energy Corporation purchased the Nichols Ranch, Jane Dough, and Hank claims groups.

Uranerz Energy Corporation began exploration drilling on the Nichols Ranch Area on 11 July 2006, and continued to 6 June 2015. A total of 1,098 holes (253 exploration holes, 105 monitor wells, and 740 production wells) were drilled during that time. A total of 51 exploration holes were drilled on the Hank Area in 2008.

(2) Arkose Mining Venture

In January 2008, Uranerz Energy Corporation entered into the Arkose Mining Venture.

Uranerz Energy Corporation commenced exploration on the Arkose Project in 2008. A total of 1,971 exploration holes were drilled on the Arkose Mining Venture from April 2008 to August 2012. A portion of the Arkose Mining Venture's holdings were subsequently incorporated into the Jane Dough portion of the Nichols Ranch Mining Unit, with Energy Fuels holding an 81% interest.

(3) North Rolling Pin Area

Mining claims were first staked in the North Rolling Pin Area sometime before 1968. Exploration drilling was conducted in the North Rolling Pin Area Sections 11, 14 and 15, T43N, R76W, between 1968 and 1982 by a previous owner. A total of 476 exploration holes were drilled including 10 core holes. The previous owner was reported to be investigating the North Rolling Pin Area for open pit mining potential but never carried those plans past the exploration phase.

In 2008 and 2009, Uranerz Energy Corporation drilled 18 exploration holes in Sections 11 and 14.

This drilling was performed to evaluate the potential for mineralization below the zones previously explored and for confirmation of the previously identified mineralization in the F Sand.

(4) West North Butte Area / East North Butte Area / Willow Creek Area

Between 1968 and 1985, previous owners drilled approximately 380 exploratory holes within the West North Butte, East North Butte, and Willow Creek Areas. From 1983 to 1985, a previous owner drilled approximately 12 exploratory holes in these areas. From approximately 1990 to 1992, a previous owner drilled approximately 5 exploratory holes. In 2006, Uranerz Energy Corporation completed an acquisition of these areas, and in 2007 and 2008, drilled approximately 127 exploratory holes.

Energy Fuels acquired Uranerz Energy Corporation in June 2015.

The primary assay data used to calculate the Mineral Resource estimate for the Nichols Ranch ISR Project is downhole radiometric log data. Calibration data for both natural gamma and prompt fission neutron geophysical logging units are available for both historical and recent drilling.

The Nichols Ranch ISR Project is an advanced stage project which is licensed to operate. Construction of the processing facility began in 2011. Plant construction and initial wellfield installation was completed in 2014 and operations were initiated in April 2014. Production of 1,265,805 pounds of uranium oxide has been reported from initiation of production through 31 December 2019, via ISR mining.

Since 2019, the Nichols Ranch portion of the Complex has been on standby due to low uranium prices.

Production from existing wellfields at the Nichols Ranch ISR Project was depleted during 2021. In order for the Nichols Ranch ISR Project to engage in future uranium production, Energy Fuels will need to incur capital expenditure to develop additional wellfields. While production at the Nichols Ranch ISR Project is currently being maintained on standby (since 2019), Energy Fuels is undertaking exploration and development activities to expand the resources at the Nichols Ranch ISR Project and to further develop a wellfield to be ready for the planned recommencement of production in late 2024 or in 2025, if market conditions continue to be strong. The planned re-commencement of mining operations at the Nichols Ranch ISR Project is expected to produce approximately 366,000 lb of U₃O₈ annually.

Additional disclosure relating to the Nichols Ranch ISR Project can be found in the Form 10-K filing on pages 68-80, which is available on the Energy Fuels website at <https://www.energyfuels.com>.

(d) Sheep Mountain

The following technical and scientific description of the Sheep Mountain Project is based in part on a Preliminary Feasibility Study titled "Preliminary Feasibility Study for the Sheep Mountain Project, Fremont County, Wyoming, USA" originally dated and effective as of 31 December 2021, as amended 30 January 2023 (the **Sheep Mountain Technical Report Summary**). The Sheep Mountain Technical Report Summary was prepared in accordance with both Subpart 1300 and NI 43-101 and is attached as exhibit 96.1 to the Form 10-K/A (dated 28 June 2024). For further information relating to the exploration history, sampling and drilling locations see Chapters 9-12 of the above referenced report.

The Sheep Mountain Project is located within the Wyoming Basin physiographic province at the northern edge of the Great Divide Basin. The project includes the open pit Congo Pit, comprised of the Congo, North Gap, and South Congo areas, a proposed heap leach facility, and an existing underground facility, which includes the Sheep I and Sheep II underground areas.

The Sheep Mountain Project is owned 100% by Energy Fuels, and the mineral properties at the Sheep Mountain Project comprise 218 unpatented mining claims on land administered by the US Bureau of Land Management, and approximately 640 acres within a State of Wyoming lease.

The Sheep Mountain Project was in production at various points in time between 1961 – 1982 and 1987 - 1988.

The assay data used to calculate the Mineral Resource and Mineral Reserve estimate for the Sheep Mountain Project is natural gamma radiometric log data. Core was collected by a previous owner starting in 2005 and continued by a subsequent owner in 2009 to verify historical natural gamma data but was not used for Mineral Resource estimation. Calibration data for natural gamma logs are available for both historical and recent drilling.

Energy Fuels acquired the entities which hold the Sheep Mountain Project in 2012.

Other than care and maintenance work, Energy Fuels has not performed any significant work on the Sheep Mountain Property since its acquisition.

The Sheep Mountain Project consists of the Sheep Mountain Extraction Operation (both open pit and underground), which is permitted, and the proposed Sheep Mountain Processing Operation (heap leach), which is not permitted at this time.

Additional disclosure relating to the Sheep Mountain Project can be found in the Form 10-K on pages 103-110, which is available on the Energy Fuels website at <https://www.energyfuels.com>.

(e) Roca Honda

The following technical and scientific description of the Roca Honda Project is based in part on the report titled "*Technical Report on the Roca Honda Project, McKinley County, State of New Mexico, USA*" dated 22 February 2022 (the **Roca Honda Technical Report Summary**). The Roca Honda Technical Report Summary was prepared in accordance with Subpart 1300 and also constitutes a PEA pursuant to NI 43-101 and is attached as exhibit 96.3 to the Form 10-K/A (dated 28 June 2024). For further information relating to the exploration history, sampling and drilling locations see Chapters 9-12 of the above referenced report.

The Roca Honda Project is a proposed underground uranium mine in the permitting stage, located in McKinley County, in Central New Mexico, USA in the Ambrosia Lake subdistrict, immediately northeast of the city of Grants, New Mexico.

The Roca Honda Project is 100% owned by Energy Fuels through its wholly owned subsidiary Strathmore Resources (US) Ltd. The Roca Honda Project was acquired by Energy Fuels in August 2013, through Energy Fuels' acquisition of Strathmore Resources (US) Ltd.

The Roca Honda Project covers an area of 4,440 acres and includes 163 unpatented lode-mining claims, one adjoining a New Mexico State General Mining Lease and a fee mineral interest.

The assay data used to calculate the Mineral Resource estimate for the Roca Honda Project is natural gamma radiometric log data. Core was collected by Strathmore Resources (US) Ltd during a 2007 drill program to verify historical natural gamma data but was not used for Mineral Resource estimation.

Calibration data for natural gamma logs are available for both historical and recent drilling. The majority of the data used in the Mineral Resource estimate is historical and collected by Kerr-McGee.

More than 900 historic drill exploration holes were completed on the property from the late 1960s to the early 1980s. Except for the existing shaft on Section 17, there are no mine workings, existing tailings ponds, waste deposits or other improvements or facilities at the site.

Energy Fuels has not conducted any exploration activities on Roca Honda Project since acquiring Strathmore Resources (US) Ltd in August 2013.

Additional disclosure relating to the Roca Honda Project can be found in the Form 10-K on pages 96-102, which is available on the Energy Fuels website at <https://www.energyfuels.com>.

(f) Bullfrog

The following technical and scientific description of the Bullfrog Project is based in part on the report titled "Technical Report on the Bullfrog Project, Garfield County, Utah, USA," dated 22 February 2022 (the **Bullfrog Technical Report Summary**). The Bullfrog Technical Report Summary was prepared in accordance with Subpart 1300 and NI 43-101 and is attached as exhibit 96.4 to the Form 10-K/A (dated 28 June 2024). For further information relating to the exploration history, sampling and drilling locations see Chapters 9-12 of the above referenced report.

The Bullfrog Project is in the permitting stage and consists of two separate contiguous deposits, known as Copper Bench and Indian Bench. The Bullfrog Project is located in eastern Garfield County, Utah, 17 miles north of Bullfrog Basin Marina on Lake Powell and approximately 40 air miles south of the town of Hanksville, Utah.

Energy Fuels' owns 100% of the property, and the property position at the Bullfrog Project consists of 127 unpatented mining claims located on US Bureau of Land Management land, covering approximately 2,344 acres. Surface access to conduct exploration, development and mining activities on unpatented mining claims is granted as long as certain regulations are met.

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The initial owner conducted reconnaissance in the area in 1974 and 1975, resulting in staking of the first "Bullfrog" claims in 1975 and 1976. Drilling programs were undertaken in 1977, but development of the property was discontinued in the early 1980s due to declining uranium markets.

In 1982 – 1983 a subsequent owner completed 112 drillholes delineating the Southwest and Copper Bench deposits on approximately 100 ft centers. From July 1983 to March 1984, that same owner completed a core drilling program throughout the Bullfrog property, as well as a rotary drillhole program, to delineate the Indian Bench deposit.

No further exploration was undertaken on the property. Energy Fuels acquired 100% of the Bullfrog Project (via the acquisition of the relevant holding companies) in June 2012. Energy Fuels has not performed any work on the property since the Bullfrog Project was acquired in 2012.

The assay data used to calculate the Mineral Resource estimate for the Bullfrog Project is natural gamma radiometric log data. Core was used by previous owners at various times to verify natural gamma data but was not used for Mineral Resource estimation. Calibration data for natural gamma logs are available for all drilling.

Additional disclosure relating to the Bullfrog Project can be found in the Form 10-K on pages 111-115, which is available on the Energy Fuels website at <https://www.energyfuels.com>.

(g) La Sal

The following technical and scientific description of the La Sal Project is based in part on the report titled "Technical Report on the La Sal Project, San Juan County, Utah, USA" dated 22 February 2022 (the **La Sal Technical Report Summary**). The La Sal Technical Report Summary was prepared in accordance with Subpart 1300 and NI 43-101 and is attached as exhibit 96.6 to the Form 10-K/A (dated 28 June 2024). For further information relating to the exploration history, sampling and drilling locations see Chapters 9-12 of the above referenced report.

The La Sal Project is an existing complex comprised of seven individual underground uranium mines and properties. From east to west, these are Pine Ridge (reclaimed mine), Pandora Mine, Snowball Mine, La Sal Decline, Beaver Shaft, Redd Block IV (property), and Energy Queen Mine. All the properties that make up the La Sal Project are 100% controlled by Energy Fuels' wholly owned subsidiary EFR Colorado Plateau LLC.

The La Sal Project consists of approximately 9,500 acres of mineral rights in a combination of unpatented mining claims owned by EFR Colorado Plateau LLC, unpatented mining claims leased by EFR Colorado Plateau LLC, State of Utah mineral leases, a San Juan County surface use, access, and mineral lease, and mining leases on private mineral rights, all located in the La Sal Mining District, as well as access or surface lease agreements with landowners, including ranchers, San Juan County, and the State of Utah. Energy Fuels holds 90 unpatented mining claims on various sections of both the US Forest Service and US Bureau of Land Management land across the La Sal Project. Energy Fuels leases the mineral rights on 119 claims located across the La Sal Project. These claims are held through four separate mineral leases.

Uranium and vanadium deposits were discovered east of the La Sal Project in the La Sal Creek area by the Raw Materials Division of the Atomic Energy Commission (AEC) in 1952.

Throughout the 1960s and into the 1970s, drilling progressed westward from the head of La Sal Creek canyon discovering Morrison uranium deposits at depth at the Pandora, Snowball, and La Sal mines. Drilling continued westward and intensified in the late 1970s, discovering large uranium-vanadium deposits later accessed by shafts, the Beaver Shaft and Hecla Shaft (Energy Queen Mine).

The primary method of exploration for these uranium-vanadium deposits was by surface drilling. Once mining commenced, a number of underground longhole drill holes were completed for both exploration and definition. A total of 5,104 surface holes have been drilled and 12,236 longhole (underground) holes have been drilled.

The mines and properties which comprise the La Sal Project have been in production at various points in time between the 1960s -1994 and 2006 – 2012.

Following the end of commercial mining at the La Sal Project in October 2012, the La Sal Project was placed on care and maintenance. In 2018 the La Sal, Beaver, and Pandora portions of the Complex were reopened and rehabilitated as part of a test mining program. In May 2019 the La Sal Project was placed back into care and maintenance mode.

The primary assay data used to calculate the Mineral Resource estimate for the La Sal Project is natural gamma radiometric log data. Core was collected by a previous owner to determine vanadium assays and core was collected by Energy Fuels in 2019 to verify vanadium assays and to verify natural gamma grades, where core data was available it was used in place of natural gamma data.

Energy Fuels announced in December 2023 that it was recommencing production at the La Sal Project, which is now in active production. At full production, the La Sal/Beaver and Pandora mines can each produce approximately 4,000 tons of uranium/vanadium ore per month (8,000 tons total).

Additional disclosure relating to the La Sal Project can be found in the Form 10-K on pages 116-125, which is available on the Energy Fuels website at <https://www.energyfuels.com>.

(h) Bahia Project

The Bahia Project is an exploration stage property comprised of seventeen individual ANM Process Areas between the municipalities of Prado and Caravelas in the state of Bahia, Brazil, prospective for HMS, including ilmenite, rutile, zircon and monazite. All seventeen of the Process Areas are 100% controlled by Energy Fuels' wholly owned subsidiary Energy Fuels Brazil Ltda. If the Bahia Project is put into production, it will be comprised of multiple shallow open pits.

The Bahia Project consists of approximately 15,089.71 hectares (37,300 acres) of mineral rights controlled by Energy Fuels' wholly owned subsidiary Energy Fuels Brazil Ltda.

Energy Fuels started a Phase II drilling program at the Bahia Project in the first quarter of 2024. Additional work planned in 2024 includes continuation of permitting and community engagement activities, continuation of metallurgical test work and engineering design.

Energy Fuels has not declared a Mineral Reserve or Mineral Resource estimate for the Bahia Project.

Additional disclosure relating to the Bahia Project can be found in the Form 10-K filing for on pages 126-131, which is available on the Energy Fuels website at <https://www.energyfuels.com>. Energy Fuels does not have a Technical Report Summary for the Bahia project prepared in accordance with Subpart 1300 and NI 43-101.

(i) Donald Project

The Donald Project²³ is a substantially permitted large-scale critical minerals project consisting of the ilmenite, zircon and monazite Donald deposit in the Wimmera region of Victoria, Australia, currently owned by Astron. On 26 April 2023 Astron released the results of its phase 1 definitive feasibility study relating to MIN5532 (**2023 DFS**) which was supplemented on 27 June 2023 by release of an RL2002 ore reserve update and project financial update.²⁴

On 4 June 2024 Energy Fuels, through its wholly owned subsidiary EFR Donald Ltd, entered into a joint venture agreement (**JVA**) with Astron's subsidiary Dickson & Johnson Pty Ltd (**D&J**) and certain other affiliates. Under the terms of the JVA, Astron's affiliates will contribute certain assets, including tenements MIN5532 and RL2002 constituting the Donald Project, into its subsidiary Donald Project Pty Ltd, and Energy Fuels has agreed (subject to a positive Donald FID (defined below)) to invest up to A\$183 million, and issue US\$17.5 million of Energy Fuels Shares to D&J, to earn up to a 49% interest in Donald Project Pty Ltd.

Completion of the establishment of the joint venture (**Completion**) is conditional on a number of conditions precedent, including registration of the transfer of MIN5532 and RL2002 to Donald Project Pty Ltd and Energy Fuels receiving a no objection statement from FIRB for the proposed investment. Pending Completion, Energy Fuels has agreed to fund, by way of secured interest-free loan, certain costs for developing the Donald Project (expected to be approximately A\$7.5 million, depending on the timing of Completion), which loan will be converted to shares in Donald Project Pty Ltd upon Completion. If Completion does not occur, then the interest-free loan must be repaid to Energy Fuels.

Subject to Completion occurring, Energy Fuels is required to fund (including the amount advanced under the secured loan) approximately A\$15.9 million (which is expected to be expended during 2024) from its existing working capital to be used by Donald Project Pty Ltd to update and expand the 2023 DFS and prepare for a final investment decision to proceed with the development of phase 1 of the Donald Project relating to MIN5532 (**Donald FID**) as soon as practical.

Under the terms of the JVA, both Astron and Energy Fuels have agreed to proceed with the Donald FID unless it is not commercially reasonable to proceed for one or both parties acting reasonably, including taking into consideration (at the time of Donald FID):

- if the project has been fully permitted;
- the availability of external financing;
- the cash-flow forecasts for both Energy Fuels and Astron (including under suitable downstream offtake agreements for REE concentrate (comprised primarily of monazite and also containing other REE-bearing minerals) and HMC).

Of the US\$17.5 million of Energy Fuels Shares, US\$3.5 million worth of shares will be issued to D&J at Completion, which is expected to be in the fourth quarter of 2024, and the remaining US\$14.0 million of Energy Fuels Shares will be issued to D&J upon unanimous approval of the Donald FID by D&J and Energy Fuels. If the Donald FID is approved, Energy Fuels will proceed to fund the balance of the A\$183 million to earn the agreed 49% interest in Donald Project Pty Ltd. After Energy Fuels has completed its funding of A\$183 million, further expenditure for the development of the Donald Project will be funded by Energy Fuels and D&J (guaranteed by Astron) on a pro-rata basis.

If there is no unanimous Donald FID within three years after Completion, but D&J has voted in favour of the Donald FID, then D&J has the option to buy out Energy Fuels' interest in Donald Project Pty Ltd for the fair market value as at that date. If D&J does not exercise this option, or if there is otherwise no unanimous Donald FID within three years after Completion, Energy Fuels will remain a minority shareholder in Donald Project Pty Ltd (receiving a percentage interest based on the amount funded by Energy Fuels as at that date) and all future funding will be made by the parties pro-rata in accordance with their percentage interests in Donald Project Pty Ltd.

An affiliate of Astron has been appointed as the manager of the Donald Project. The JVA provides that specified major decisions relating to the development of the Donald Project are subject to approval of Energy Fuels while it is earning in its interest, and should it earn its 49% interest. The JVA also provides for the parties to carry out further activities in relation to the proposed phase 2 of the Donald Project relating to RL2002, including the preparation of a definitive feasibility study and of a final investment decision.

Energy Fuels has entered into an offtake agreement with Donald Project Pty Ltd which provides that, subject to the Donald FID being made and commissioning of phase 1, Energy Fuels shall purchase 100% of the Donald Project REE concentrate production at a price based on market prices of the contained REE oxides, subject to a floor price below which the downstream production and sale of separated REE oxides would not be justified and Energy Fuels would not be obliged to purchase the monazite. Energy Fuels' REE concentrate offtake agreement with Donald Project Pty Ltd may be terminated in certain circumstances, including if Energy Fuels remains a minority shareholder where D&J does not exercise the option to buy out Energy Fuels or if there is otherwise no unanimous Donald FID within three years after Completion, both as described above.

Astron has the right to enter into an offtake agreement for 100% of the Donald Project's zircon and titanium minerals concentrate for processing at its mineral separation plant (which is not part of the joint venture).

The JVA also grants Energy Fuels a first right of refusal over participation in the development of Astron's Jackson deposit, which is contained in tenement RL2003 and adjoins the Donald Project to the south-west, should Astron plan to pursue such development with a third party.²⁵

²³ As defined in the JVA the Donald Project relates to the proposed development of MIN5532 and RL2002, and does not include the Jackson deposit on RL2003 which Astron has historically included in announcements concerning the Donald Rare Earth and Mineral Sands Project.

²⁴ Astron's 2023 DFS and RL2002 ore reserve update can be found on the relevant dates under ASX listing code "ATR" at

<https://www.asx.com.au/markets/trade-our-cash-market/announcements.atr> or on Astron's website <https://www.astronlimited.com.au>.

²⁵ Further information on the Donald Project and the JVA can be found on <https://www.sedarplus.com> or at Energy Fuels' website <https://www.energyfuels.com>.

6.4 Production

Energy Fuels' historical production and average realised price for the period 2021-2023 is set out in the table below:

Project or Source ⁽¹⁾	2023	2022	2021
Alternate Feed Materials⁽²⁾⁽⁹⁾			
Short Tons (000)	-	3.0	-
Avg. % U ₃ O ₈	-	3.3	-
Recovered Pounds U ₃ O ₈ (000)	-	161	-
Conventional Feed Materials⁽³⁾			
Short Tons (000)	326	0.1	-
Contained Grade % U ₃ O ₈	0.46	0.5	-
Recovered Pounds U ₃ O ₈ ⁽⁴⁾ (000)	-	1	-
Recovered Pounds V ₂ O ₅ (000)	-	-	-
Recovered Metric Tons Total Rare Earth Oxide (TREO)	260	95	120
Nichols Ranch ISR Project⁽⁵⁾			
Recovered Pounds U ₃ O ₈ (000)	0.2	0.5	0.5
Totals			
Total Pounds of U ₃ O ₈ Recovered (000)	0.2	162	-
Total Pounds of V ₂ O ₅ Recovered (000)	-	-	-
Total Metric Tons of TREO Recovered ⁽⁶⁾	260	95	120
Average Realized Price of U ₃ O ₈ Sold (US\$/lb) ⁽⁷⁾	59.42	Nil ⁽⁸⁾	Nil ⁽⁸⁾
Average Realized Price of V ₂ O ₅ Sold (US\$/lb) ⁽⁷⁾	10.98	13.67	7.87
Average Realized Price of mixed REE carbonate Sold (US\$/lb) ⁽⁷⁾	18.57	23.88	11.54

Notes:

- (1) Mineralized material is shown as being processed and pounds recovered during the year in which the materials were processed at the White Mesa Mill or at the Nichols Ranch ISR Plant, which is not necessarily the year in which the materials were extracted from the project facilities.
- (2) All alternate feed materials were processed at the White Mesa Mill. A number of different alternate feed materials were processed during the period 2021-2023. The table shows the average uranium grades and the total pounds recovered from all alternate feed materials processed at the White Mesa Mill during each of the years in that period. Because of the variability in uranium grades, pounds recovered is considered to be the relevant metric and tons fed is not considered to be relevant.
- (3) Includes uranium and TREO recovered from monazite processing.
- (4) The 1,000 pounds of the 162,000 pounds of U₃O₈ packaged in 2022 is uranium recovered from monazite processing in 2021 and 2022. This amount does not include an additional approximately 1,000 pounds of U₃O₈ recovered during 2021 and 2022, which was in process and not packaged as of 31 December 2022. All uranium recovered from monazite processing in 2021 was retained in process and not packaged in 2021. A portion of uranium recovered in 2021 was packaged in 2022, with the remainder held in process as of 31 December 2022. The uranium concentration of monazite is comparable to typical Colorado Plateau conventional ores processed at the White Mesa Mill on a regular basis. The relatively small quantities of uranium recovered from the monazite processed in 2021 and 2022 is a reflection of the low tonnage of monazite processed through the White Mesa Mill during those years.
- (5) Because the Nichols Ranch ISR Project uses ISR instead of conventional extraction methods, grade and tons of mineralized material are inapplicable to it.
- (6) TREO production is in a form of mixed REE carbonate, which is the product sold during the period.
- (7) The average realized price reflects sales during each period, which includes production from previous periods.
- (8) No uranium sales were made in 2022 or 2021.
- (9) Over the last 11 years (2013-2023), 3,735,000 pounds of a total of 6,350,200 pounds of uranium production by Energy Fuels has come from the processing of Alternate Feed Materials and other uranium recycling processes. That equates to 58.8% of Energy Fuels' total uranium production during that time.

6.5 Mineral Resources and Ore Reserves

All mineral disclosure reported in this section 6.5, has been prepared in accordance with the definition of both Subpart 1300 (a rule developed by the SEC) and NI 43-101 (a rule developed by the Canadian Securities Administrators), each of which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Accordingly, the resources and reserve estimates in this section 6.5 do not purport to be reported in accordance with or otherwise compliant with the JORC Code. See section 10.14 for further information in relation to Energy Fuels' resources and reserves reporting.

The in-situ uranium Mineral Resources and Reserves presented in Tables 6.5.1 and 6.5.2 are based on surface and underground drilling primarily conducted by operators prior to Energy Fuels acquiring the projects.

The primary data used to estimate the uranium Mineral Resources are natural gamma logs. Unlike most other commodities, natural gamma logs can be used to estimate uranium grades due to the radioactive nature of uranium. Calibrated natural gamma probes are lowered into open drill holes and are bombarded with gamma rays that are recorded on a digital or paper log. Those logs are then interpreted using calibration data to determine a grade and thickness of the mineralized zone. Laboratory assays of core samples or other logs (prompt fission neutron) are used to verify the natural gamma log grades. This method is considered best practice for uranium projects.

The following tables show Energy Fuels' estimate of Mineral Reserves and Mineral Resources as defined in Subpart 1300 and NI 43-101 as of 31 December 2023. Energy Fuels reports Mineral Resources exclusive of Mineral Reserves. Between 31 December 2022 and 31 December 2023, there were no changes to the Mineral Reserves or Mineral Resources.

The Mineral Resource and Ore Reserve estimates under the JORC Code for the Donald Project have not been included in this section 6.5 as Energy Fuels has not at the date of this Scheme Booklet earned an interest in the Donald Project. For further details on the Donald Project, please refer to section 6.3(i) and the referenced announcements of Astron and Energy Fuels.

Table 6.5.1: Mineral Reserve Estimates – In Situ Uranium as at 31 December 2023⁽¹⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾

Project	Proven Mineral Reserves			Probable Mineral Reserves			Metallurgical Recovery
	Tons (000s)	Grade (% e U ₃ O ₈)	Pounds (000s e U ₃ O ₈)	Tons (000s)	Grade (% e U ₃ O ₈)	Pounds (000s e U ₃ O ₈)	
Sheep Mountain (Congo pit) ⁽²⁾				3,498	0.132	9,248	91.9%
Sheep Mountain (Underground) ⁽³⁾				3,955	0.115	9,117	91.9%
Pinyon Plain ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	7.8	0.33	50.8	126.7	0.60	1,517	96%
Total Mineral Reserves			50.8			19,882	

Notes:

- The Mineral Reserve estimates in this table comply with the requirements of both Subpart 1300 and NI 43-101.
- Mineral Reserves are estimated at a uranium grade x thickness (G.T.) cut-off grade of 0.10 G.T. (2 ft. of 0.05% eU₃O₈) for the Congo Pit.
- Mineral Reserves are estimated at a uranium grade x thickness (G.T.) cut-off grade of 0.45 G.T. (6 ft. of 0.075% eU₃O₈) for Sheep Underground.
- Underground Mineral Reserves were estimated by creating stope shapes. The stope shapes were created using a grade envelope of 0.15% U₃O₈, with a minimum mining width of 5 ft (including hanging wall and footwall dilution), on 10 ft vertical stope heights. and 0.45 G.T. (6 ft. of 0.075% eU₃O₈) for Sheep Underground.
- The breakeven cut-off grade is 0.30% U₃O₈.
- A mining extraction factor of 95% was applied to the underground stopes, while underground development assumed a 100% mining extraction factor.
- The density varies according to the block model.
- Mineral Reserves are estimated using a long-term uranium price of US\$65 per pound U₃O₈ for Sheep Mountain and a uranium price of US\$60 per pound for Pinyon Plain. The long-term uranium price for Sheep Mountain is based on supply and demand projections for the period 2021-2035 made at the date of the Mineral Reserve calculation. The uranium price for Pinyon Plain is based on anticipated spot prices from 2023-2035 made at the time of the Mineral Reserve calculation.
- Numbers may not add due to rounding.
- The Mineral Reserves are fully excluded from the total Mineral Resources shown below.
- Mineral Reserves are 100% attributable to Energy Fuels.

Table 6.5.2: Mineral Resource Estimates – In Situ Uranium as at 31 December 2023⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽¹⁰⁾

Project	Measured Mineral Resources			Indicated Mineral Resources			Measured + Indicated			Inferred Mineral Resource			Metallurgical Recovery
	Tons (000s)	Grade (% eU ₃ O ₈)	Pounds (000s eU ₃ O ₈)	Tons (000s)	Grade (% eU ₃ O ₈)	Pounds (000s eU ₃ O ₈)	Tons (000s)	Grade (% eU ₃ O ₈)	Pounds (000s eU ₃ O ₈)	Tons (000s)	Grade (% eU ₃ O ₈)	Pounds (000s eU ₃ O ₈)	
ISR Properties													
Nichols Ranch ISR Project ⁽⁵⁾	11	0.187	41	2,924	0.106	6,142	2,935	0.106	6,183	614	0.097	1,176	71% (measured) 60.4% (indicated/ inferred)
ISR Subtotal			41			6,142			6,183			1,176	
Conventional Properties													
Pinyon Plain ⁽⁶⁾⁽⁷⁾	-	-	-	37	0.95	703	37	0.95	703	5	0.50	48	96%
Roca Honda	208	0.48	1,984	1,639	0.48	15,638	1,847	0.48	17,622	1,513	0.46	13,842	95%
Sheep Mountain ⁽⁸⁾	-	-	-	4,210	0.11	9,570	4,210	0.11	9,570	-	-	-	91.9%
Bullfrog	-	-	-	1,560	0.29	9,100	1,560	0.29	9,100	410	0.25	2,010	95%
La Sal ⁽⁹⁾	-	-	-	-	-	-	-	-	-	823	0.26	4,281	96%
Conventional Subtotal			1,984			35,011			36,955			20,181	
Total Mineral Resources			2,025			41,153			43,178			21,357	

Notes:

- (1) The Mineral Resource estimates in this table comply with the requirements of both Subpart 1300 and NI 43-101.
- (2) Mineral Resources were estimated at various % eU₃O₈ or G.T. cut-off grades. Nichols Ranch ISR Project 0.02% U₃O₈ (0.20 GT), Pinyon Plain 0.30% (Uranium Only) and 0.40% (Uranium + Copper) eqv. U₃O₈, Roca Honda 0.19% U₃O₈, Sheep Mountain 0.05% U₃O₈ (0.10 GT Open Pit) and 0.05% U₃O₈ (0.3 GT Underground), Bullfrog 0.165% U₃O₈ (0.50 GT), and La Sal 0.17% U₃O₈.
- (3) Mineral Resources were estimated using a long-term uranium price of \$65/lb. The long-term uranium price for Sheep Mountain is based on supply and demand projections for the period 2021-2035 made at the time of the Mineral Resource calculation.
- (4) Numbers may not add due to rounding.
- (5) The Nichols Ranch ISR Project is comprised of four properties: Nichols Ranch, the Hank Property, the Jane Dough Property, and North Rolling Pin. The numbers shown represent Energy Fuels' share of the Nichols Ranch ISR Project, which is less than 100% due to a portion of the Jane Dough Property being held through the Arkose Mining Venture, in which Energy Fuels has an 81% interest.
- (6) The Pinyon Plain Project was named the "Canyon Project" prior to 2020.
- (7) The Pinyon Plain Measured and Indicated Mineral Resources exclude the Proven and Probable Mineral Reserves calculated in accordance with Subpart 1300 and NI 43-101 of 1,567,800 pounds of U₃O₈ in 134,500 tons at a grade of 0.58%.
- (8) The Sheep Mountain Indicated Mineral Resource excludes the Probable Mineral Reserves calculated in accordance with Subpart 1300 and NI 43-101 of 18,365,000 pounds of eU₃O₈ in 7,453,000 tons at a grade of 0.123%.
- (9) The La Sal Project includes the Energy Queen Mine, Redd Block, Beaver, and Pandora properties.
- (10) Except for Nichols Ranch ISR Project (see note 5), Mineral Resources are 100% attributable to Energy Fuels.

Table 6.5.3: Mineral Resource Estimate – In Situ Vanadium as at 31 December 2023⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾

Project	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resource			Metallurgical Recovery
	Tons (000)	Grade (% V ₂ O ₅)	Pounds (000 V ₂ O ₅)	Tons (000)	Grade (% V ₂ O ₅)	Pounds (000 V ₂ O ₅)	Tons (000)	Grade (% V ₂ O ₅)	Pounds (000 V ₂ O ₅)	
La Sal ⁽⁶⁾	-	-	-	-	-	-	823	1.08%	17,746	75%
Total Mineral Resources (V₂O₅)	-	-	-	-	-	-	823	-	17,746	75%

Notes:

- (1) Both Subpart 1300 and NI 43-101 definitions were followed for all Mineral Resource categories.
- (2) Mineral Resources were estimated at a %U₃O₈ or G.T. cut-off grade of 0.17%.
- (3) The cut-off grade is calculated using a metal price of US\$65/lb. U₃O₈. The long-term uranium price is based on supply and demand projections for the period 2021-2035 made at the time of the Mineral Resource calculation.
- (4) No minimum mining width was used in determining Mineral Resources.
- (5) Mineral Resources are based on a tonnage factor of 14.5ft³ /ton (Bulk density 0.0690 ton /ft³ or 2.21 t/m³).
- (6) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- (7) Total may not add due to rounding.
- (8) Mineral Resources are 100% attributable to Energy Fuels.
- (9) The La Sal Project includes the Energy Queen Mine, Red Block, Beaver and Pandora properties.

Table 6.5.4: Mineral Resource Estimate – In Situ Copper as at 31 December 2023⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾

Project	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resource			Metallurgical Recovery
	Tons (000)	Grade (%Cu)	Pounds Cu (000)	Tons (000)	Grade (%Cu)	Pounds Cu (000)	Tons (000)	Grade (%Cu)	Pounds Cu (000)	
Pinyon Plain	6	9.6%	1,155	90	5.9%	10,553	4	6.5%	470	90%
Total Mineral Resources (Cu)			1,155			10,553			470	N/A

Notes:

- (1) The Mineral Resource estimates in this table comply with the requirements of both Subpart 1300 and NI 43-101.
- (2) For the Main and Juniper zones of the Pinyon Plain Project, a 0.40% uranium equivalent cut-off grade (% U₃O₈ Eq) was applied to account for both the copper and uranium mineralization. The %U₃O₈ Eq grade term is not the same as the eU₃O₈ % grade term with indicates probe rather than assay data listed elsewhere in this report. See the Pinyon Plain Project.
- (3) Mineral Resources are estimated using a long-term uranium price of US\$65 per pound and a Copper price of US\$4.00 per lb. These prices are based on independent, third-party, and market analysts' average forecasts as of 2022, and the supply and demand projections are for the period 2023 to 2035.
- (4) A copper to U₃O₈ conversion factor of 18.19 was used for converting copper grades to equivalent U₃O₈ grades (U₃O₈Eq) for cut-off grade evaluation and reporting.
- (5) Numbers may not add due to rounding.
- (6) For the Pinyon Plain Project, Mineral Resource tonnages of uranium and copper cannot be added as they overlap in the Main and Main-Lower Zones.
- (7) The Pinyon Plain Project was named the "Canyon Project" prior to 2020.
- (8) Mineral Resources are 100% attributable to Energy Fuels.

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Information required by ASX Listing Rule 5.12

Description	Commentary
<p>ASX Listing Rule 5.12.1</p> <p>The source and date of the historical estimates or foreign estimates.</p>	<p>The foreign estimates in respect of Energy Fuels operations and projects were prepared by Energy Fuels.</p> <p>All foreign estimates reported in section 6.5 have been prepared in accordance with the definition of both Subpart 1300 (a rule developed by the SEC) and NI 43-101 (a rule developed by the Canadian Securities Administrators).</p> <p>The source of Energy Fuels' foreign estimates is Energy Fuels 10-K Annual Report for the year ended 31 December 2023, which was publicly disclosed and filed with the SEC on 23 February 2024 (and amended on 28 June 2024).</p> <p>A copy of the Energy Fuels 2023 10-K Annual Report (as amended) is available on the Energy Fuels' website at https://www.energyfuels.com.</p> <p>The foreign estimates are effective as at 31 December 2023 and are the most recent available mineral resources and mineral reserves estimates for Energy Fuels' operations and projects.</p>
<p>ASX Listing Rule 5.12.2</p> <p>Whether the historical estimates or foreign estimates use categories of mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences.</p>	<p>All foreign estimates reported in section 6.5 have been prepared in accordance with the definition of both Subpart 1300 (a rule developed by the SEC) and NI 43-101 (a rule developed by the Canadian Securities Administrators).</p> <p>Energy Fuels considers the foreign estimates reported in section 6.5 to be consistent with the requirements of NI 43-101 and Subpart 1300.</p> <p>An explanation of the differences between the JORC Code, NI 43-101 and Subpart 1300 is set out in Annexure 1.</p>
<p>ASX Listing Rule 5.12.3</p> <p>The relevance and materiality of the historical estimates or foreign estimates to the entity.</p>	<p>Energy Fuels' foreign estimates are relevant and material to the Merged Group as they form a significant portion of the overall mineral reserve and mineral resource inventory.</p>
<p>ASX Listing Rule 5.12.4</p> <p>The reliability of historical estimates or foreign estimates to the entity.</p>	<p>The foreign estimates are considered reliable by Energy Fuels for the following reasons:</p> <ul style="list-style-type: none"> the foreign estimates have been prepared in accordance with NI 43-101 and Subpart 1300 and restated (mostly recently) in Energy Fuels' 2023 10-K Annual Report; and the methodologies for preparing the mineral resources and ore reserves have not changed significantly in comparison to previous reporting.
<p>ASX Listing Rule 5.12.5</p> <p>To the extent known, a summary of work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical or foreign estimates.</p>	<p>Key geological, mining and metallurgical assumptions used in the estimation of mineral resources and ore reserves are based on operating experience and historical performance and are supported by pre-feasibility studies and/or initial assessments prepared in accordance with both the requirements of Subpart 1300 and NI 43-101.</p> <p>A summary of the key assumptions, including (as applicable/relevant) metallurgical recoveries, cut-off grades, stope shapes (for underground reserves), mining extraction factors, density, uranium and copper price assumptions, mining widths, tonnage factors and a copper conversion factor are set out in the tables in section 6.5.</p> <p>A summary of the relevant exploration activities for each of the projects is included in section 6.3 (including cross-references to documents filed with the SEC which contain further information).</p>
<p>ASX Listing Rule 5.12.6</p> <p>Any more recent estimates or data relevant to the reported mineralisation available to the entity.</p>	<p>No more recent estimates have been completed on Energy Fuels' operations and projects since the mineral reserves and mineral resources disclosed in the Energy Fuels' 2023 10-K Annual Report.</p>
<p>ASX Listing Rule 5.12.7</p> <p>The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with Listing Rules Appendix 5A (JORC Code).</p>	<p>If the Scheme is implemented, Base Resources will apply to be delisted from the ASX and Energy Fuels will instead comply with both Subpart 1300 and NI 43-101 in respect of resources and reserves reporting for both the relevant Energy Fuels Material Projects and Base Resources Material Projects.</p> <p>As such, Energy Fuels has no intention to present the foreign estimates in accordance with the JORC Code or otherwise to verify them for this purpose.</p>

Description	Commentary
<p>ASX Listing Rule 5.12.8</p> <p>The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.</p>	<p>As disclosed in section 6.3:</p> <ul style="list-style-type: none"> ▪ Energy Fuels plans to complete an underground exploration drilling program during 2024 on the Juniper Zone of the deposit. ▪ Energy Fuels is undertaking exploration and development activities to expand the resources at the Nichols Ranch ISR Project and to further develop a wellfield to be ready for the planned recommencement of production in late 2024 or in 2025. ▪ Energy Fuels started a Phase II drilling program at the Bahia Project in the first quarter of 2024. Additional work planned in 2024 includes continuation of permitting and community engagement activities, continuation of metallurgical test work and engineering design. <p>Energy Fuels intends to fund its evaluation and exploration expenditure from working capital.</p>
<p>ASX Listing Rule 5.12.9</p> <p>A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates stating that:</p> <ul style="list-style-type: none"> ▪ The estimates are historical estimates or foreign estimates and are not reported in accordance with the JORC Code; ▪ A competent person has not done sufficient work to classify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and ▪ It is uncertain that following evaluation and/or further exploration work that the historical estimates or foreign estimates will be able to be reported as mineral resource or ore reserves in accordance with the JORC Code. 	<p>Energy Fuels' cautions that the mineral resources and mineral reserves estimates disclosed in this Scheme Booklet for its projects are not reported in accordance with the JORC Code.</p> <p>A competent person has not done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code.</p> <p>It is uncertain that following evaluation and/or further exploration work that the foreign estimates would be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.</p>
<p>ASX Listing Rule 5.12.10</p> <p>A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must include the information referred to in rule 5.22(b) and (c).</p>	<p>See section 10.15(b).</p>

6.6 Environment Health, Safety and Sustainability

(a) Overview

Safety, health, protection of the environment and corporate responsibility are of paramount importance to Energy Fuels. As set out in Energy Fuels' Environment, Health, Safety and Sustainability Policy (**EFR EHSS Policy**), Energy Fuels operates its facilities in a manner that puts the safety of its workers, contractors, communities, environment, and principles of sustainable development above all else.

(b) EHSS Committee

The Environment, Health, Safety and Sustainability Committee (the **EFR EHSS Committee**) of the Energy Fuels Board monitors and guides Energy Fuels in developing and implementing the EFR EHSS Policy, including maintaining radiation exposures not only within regulatory limits but as low as reasonably achievable through an extensive internal audit program, as well as monitoring programs to identify and mitigate risks to the environment, human health and safety across Energy Fuels' operations. The EFR EHSS Committee also monitors Energy Fuels' sustainability program, including Energy Fuels' efforts to pro-actively evaluate its policies, procedures and activities to ensure they meet Energy Fuels' sustainability goals and objectives.

On a quarterly basis, the EFR EHSS Committee reviews in both quantitative and qualitative terms: the status of operations; environmental matters; health and safety matters as compared to the US Mine Safety and Health Administration's publicly reported national averages; inspections and any findings, citations or violations resulting therefrom; licensing and permitting matters; and any litigation relating to each of Energy Fuels' conventional mines, ISR facilities, and White Mesa Mill. The EFR EHSS Committee also determines whether anything has come to the attention of management that would indicate that the EFR EHSS Policy was not properly implemented during the quarter, and whether any violations of the EFR EHSS Policy during the quarter were identified.

Energy Fuels' Sustainability Report is available on its website at www.energyfuels.com.

(c) Environmental and Social Efforts and Impacts

Uranium is the fuel for carbon-free baseload nuclear power. In addition to producing uranium from mines, Energy Fuels recycles other companies' Alternate Feed Materials at the White Mesa Mill for the extraction of uranium that would otherwise have been permanently disposed of, thereby reducing the need for new mining by maximizing extraction of existing sources and limiting the number of constituents ultimately disposed of. Energy Fuels also recovers previously disposed of uranium and vanadium by recycling the White Mesa Mill's tailings solutions. Furthermore, its production of mixed REE carbonate and separated NdPr, allows Energy Fuels to provide crucial links in a commercially viable US REE supply chain for use in key green energy technologies, such as solar panels, wind turbines, and electric and hybrid motors. In addition, Energy Fuels' program for the potential recovery of radioisotopes for use in the production of targeted alpha therapy (**TAT**) therapeutics for cancer treatments involves recycling the White Mesa Mill's existing process streams for the recovery of valuable radioisotopes that have traditionally been considered wastes and have been permanently disposed of.

Energy Fuels' operations are located primarily in rural and underserved areas and support the local economies, directly through the taxes Energy Fuels pays to local authorities and the salaries and wages Energy Fuels pays to its employees and to numerous third-party contractors, but also indirectly through the "multiplier effect" to the communities as a whole. Indeed, as one of the largest private employers in San Juan County, Utah, the White Mesa Mill is a very significant factor in the local economy.

In furtherance of its sustainability objectives, Energy Fuels established the San Juan County Clean Energy Foundation which contributes to the communities surrounding the White Mesa Mill by providing funding to support local priorities. The Foundation focuses on supporting education, the environment, health/wellness, and local economic development in the City of Blanding, San Juan County, Indigenous and other area communities.

6.7 Dividend Framework

Energy Fuels has not declared cash dividends on Energy Fuels Shares to date. Energy Fuels anticipates that it will retain any earnings to support operations and to finance the growth of its business (including the pursuit of its strategy outlined in section 6.1(b)). Therefore, Energy Fuels does not expect to pay cash dividends in the foreseeable future.

Any future determination to pay cash dividends will be at the discretion of the Energy Fuels Board and will be dependent on the financial condition, operating results and capital requirements of Energy Fuels, and other factors that the Energy Fuels Board deems relevant.

6.8 Historical financial information

(a) Overview

The historical financial information of Energy Fuels set out in this section 6.8 comprises of:

- Energy Fuels historical consolidated statements of operations for the quarter ended 31 March 2024 and the years ended 31 December 2023, 31 December 2022 and 31 December 2021 (the **Energy Fuels Historical Statements of Operations**);
- Energy Fuels historical consolidated balance sheet for the quarter ended 31 March 2024 and the years ended 31 December 2023, 31 December 2022 and 31 December 2021 (the **Energy Fuels Historical Balance Sheet**); and
- Energy Fuels historical consolidated statements of cash flows for the quarter ended 31 March 2024 and the years ended 31 December 2023, 31 December 2022 and 31 December 2021 (the **Energy Fuels Historical Statements of Cash Flows**),

(collectively, the **Energy Fuels Historical Financial Information**).

The Energy Fuels consolidated financial statements, including all notes to those consolidated financial statements and a description of Energy Fuels' significant accounting policies can be found in:

- the historical unaudited consolidated financial statements of Energy Fuels for the quarter ended 31 March 2024 included in Energy Fuels' Quarterly Report on Form 10-Q, filed with the SEC on 3 May 2024;
- the historical audited consolidated financial statements of Energy Fuels for the years ended 31 December 2023 and 2022, included in the Energy Fuels Annual Report for the year ended 31 December 2023, filed with the SEC on 23 February 2024, as amended June 28, 2024; and
- the historical audited consolidated financial statements of Energy Fuels for the years ended 31 December 2022 and 2021, included in the Energy Fuels Annual Report for the year ended 31 December 2022, filed with the SEC on 8 March 2023, as amended on 1 June 2023.

The full reports are available on the Energy Fuels' website: <https://www.energyfuels.com>.

This section 6.8 should be read in conjunction with the risks to which Energy Fuels is subject and the risks associated with the Scheme as set out in section 8.

(b) Basis of Preparation

The Energy Fuels Historical Financial Information is intended to present Base Resources Shareholders with information to assist them in understanding the historical financial performance, financial position and cash flows of the Energy Fuels. Energy Fuels management is responsible for the preparation and presentation of the Energy Fuels Historical Financial Information.

The Energy Fuels Historical Financial Information has been prepared in a manner consistent with Energy Fuels' accounting policies applied by Energy Fuels in preparing the Energy Fuels Quarterly Report for the quarter ended 31 March 2024 and the Annual Reports for the years ended 31 December 2023, 31 December 2022 and 31 December 2021. The accounting principles used in the preparation of the Energy Fuels Historical Financial Information are consistent with those set out in Energy Fuels' Quarterly Report for the quarter ended 31 March 2024 and the Annual Reports for the years ended 31 December 2023, 31 December 2022 and 31 December 2021.

The Energy Fuels Historical Financial Information for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 have been derived from the Energy Fuels consolidated financial statements prepared for the Energy Fuels Annual Reports for the respective years. These consolidated financial statements were prepared in accordance with United States Generally Accepted Accounting Principles (US GAAP). Energy Fuels' consolidated financial statements for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 were audited by KPMG LLP, Independent Registered Public Accounting Firm for Energy Fuels, in accordance with the standards of the Public Company Accounting Oversight Board (United States).

The Energy Fuels Historical Financial Information as at and for the quarter ended 31 March 2024 has been derived from Energy Fuels' interim consolidated financial statements prepared for the Energy Fuels 10-Q Quarterly Report for the quarter ended 31 March 2024. These interim consolidated financial statements in Energy Fuels' 10-Q Quarterly Report were prepared in accordance with US GAAP and the applicable rules and regulations of the SEC for interim financial information. Accordingly, they do not include all of the information and footnotes required by US GAAP for full financial statements.

The Energy Fuels Historical Financial Information is presented in US\$ and unless otherwise noted, is rounded to nearest US\$ millions.

The Energy Fuels Historical Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements, or comparative information that is required by US GAAP applicable to full financial statements or financial statements prepared in accordance with the applicable rules and regulations of the SEC.

(c) Energy Fuels Historical Statements of Operations

Table 6.8.1 Energy Fuels Historical Statements of Operations

Energy Fuels Historical Statements of Operations for the quarter ended 31 March 2024, and the years ended 31 December 2023, 31 December 2022 and 31 December 2021 are set out in the table below.

	Three months ended 31 March 2024	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
(expressed in thousands of US dollars, except per share amounts)				
Revenues				
Uranium concentrates	\$25,314	\$33,278	\$-	\$-
Vanadium concentrates	-	871	8,778	74
Alternate Feed Materials, processing and other	112	931	1,615	1,725
Mixed REE carbonate	-	2,848	2,122	1,385
Total revenues	25,426	37,928	12,515	3,184
Costs applicable to revenues				
Costs applicable to uranium concentrates	11,052	15,318	-	-
Costs applicable to vanadium concentrates	-	551	3,769	48
Costs applicable to mixed REE carbonate	-	2,312	1,317	1,235
Underutilized capacity production costs applicable to mixed REE carbonate	-	-	2,758	531
Total costs applicable to revenues	11,052	18,181	7,844	1,814
Other operating costs and expenses				
Exploration, development and processing	2,805	15,531	9,346	10,750
Standby	1,333	7,476	13,221	9,462
Accretion of asset retirement obligations	276	1,192	1,556	1,284
Selling, general and administration	7,939	27,915	25,486	15,299
Total operating income (loss)	2,021	(32,367)	(44,938)	(35,425)
Other income (loss)				
Gain on sale of assets	-	119,257	366	35,733
Other income (loss)	1,617	13,142	(15,372)	1,140
Total other income (loss)	1,617	132,399	(15,006)	36,873
Income (loss) before income taxes	-	100,032	(59,944)	1,448
Income tax expense	-	(276)	-	-
Net income (loss)	3,638	99,756	(59,944)	1,488
Foreign currency translation adjustment	-	-	(3,889)	(365)
Other comprehensive loss	-	-	(3,889)	(365)
Comprehensive income (loss)	3,638	99,756	(63,833)	1,083
Net income (loss) attributable to:				
Owners of Energy Fuels	\$3,639	\$99,862	\$(59,849)	\$1,541
Non-controlling interests	(1)	(106)	(95)	(93)
	\$3,638	\$99,756	\$(59,944)	\$1,448
Comprehensive income (loss) attributable to:				
Owners of Energy Fuels	\$3,639	\$99,862	\$(63,738)	\$1,176
Non-controlling interests	(1)	(106)	(95)	(93)
	\$3,638	\$99,756	\$(68,833)	\$1,083
Basic net income (loss) per common share	\$0.02	\$0.63	\$(0.38)	\$(0.01)
Diluted net income per common share	\$0.02	\$0.62	\$(0.38)	\$(0.01)

(d) Energy Fuels Historical Balance Sheet

Table 6.8.2 Energy Fuels Historical Balance Sheet

Energy Fuels Historical Balance Sheet for the quarter ended 31 March 2024, and the years ended 31 December 2023, 31 December 2022 and 31 December 2021 are set out in the table below.

	As of 31 March 2024	As of 31 December 2023	As of 31 December 2022	As of 31 December 2021
(expressed in thousands of US dollars)				
ASSETS				
Current assets				
Cash and cash equivalents	\$54,780	\$57,445	\$62,820	\$112,517
Marketable securities	140,796	133,044	12,192	494
Trade and other receivables, net of allowance for credit losses of \$223, as of 31 March 2024, 31 December 2023, 31 December 2022 and 31 December 2021.	854	816	519	3,954
Inventories	28,245	38,868	38,155	30,772
Prepaid expenses and other current assets	3,394	2,522	9,529	1,568
Property, plant and equipment and other assets held for sale, net	-	-	12,375	-
Total current assets	228,069	232,695	135,590	149,305
Mineral properties	122,406	119,581	83,539	83,539
Property, plant and equipment, net	29,799	26,123	12,662	21,983
Inventories	3,826	1,852	2,465	1,368
Operating lease right of use asset	1,174	1,219	1,376	408
Investments	1,297	1,356	19,329	38,538
Other long-term receivables	1,499	1,534	1,537	-
Restricted cash	17,717	17,579	17,449	20,305
Total assets	\$405,787	\$401,939	\$273,947	\$315,446
LIABILITIES & EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	\$5,317	\$10,161	\$6,929	\$5,764
Operating lease liability	209	199	59	324
Deposits for assets held for sale	-	-	6,000	-
Asset retirement obligation and other liabilities held for sale	-	-	5,636	27
Total current liabilities	5,526	10,360	18,624	6,115
Operating lease liability	1,064	1,120	1,319	145
Asset retirement obligations	11,175	10,922	9,595	13,660
Deferred revenue	332	332	-	-
Total liabilities	18,097	22,734	29,538	19,920
Equity				
Share capital	738,297	733,450	698,493	685,903
Common shares, without par value, unlimited shares authorized; shares issued and outstanding 163,651,897 as of 31 March 2024, and 162,659,155 as of 31 December 2023, 157,682,531 as of 31 December 2022 and 156,262,199 as of 31 December 2021.				
Accumulated deficit	(352,619)	(356,258)	(456,120)	(396,271)
Accumulated other comprehensive income (loss)	(1,946)	(1,946)	(1,946)	1,943
Total shareholders' equity	383,732	375,246	240,427	291,575
Non-controlling interests	3,958	3,959	3,982	3,951
Total equity	387,690	379,205	244,409	295,526
Total liabilities and equity	\$405,787	\$401,939	\$273,947	\$315,446

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(e) Energy Fuels Historical Statements for Cash Flows**Table 6.8.3 Energy Fuels Historical Statement of Cash Flows**

Energy Fuels Historical Statements of Cash Flows for the quarter ended 31 March 2024, and the years ended 31 December 2023, 31 December 2022 and 31 December 2021 are set out in the table below.

	Three months ended 31 March 2024	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
(expressed in thousands of US dollars)				
OPERATING ACTIVITIES				
Net income (loss)	\$3,638	\$99,756	\$(59,944)	\$1,448
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depletion, depreciation and amortization	668	2,751	3,269	3,189
Share-based compensation	1,345	4,625	4,641	2,158
Accretion of asset retirement obligations	276	1,192	1,556	1,284
Unrealized foreign exchange (gain) loss	702	(431)	(2,080)	129
Unrealized (gain) loss on investments	-	(15,472)	16,808	(6,311)
Realized loss on investments	-	10,491	-	-
Realized gain on marketable securities	(212)	(1,141)	-	-
Gain on sale of assets	-	(119,257)	(366)	(35,733)
Realized gain on convertible note redemptions and sale	-	(1,430)	-	-
Change in value of warrant liabilities	-	-	-	8,078
Other, net	(24)	84	(93)	(156)
Changes in current assets and liabilities:				
Marketable securities	(540)	530	456	(795)
Inventories	8,719	(100)	(8,571)	(3,219)
Trade and other receivables	(60)	(237)	1,837	(1,249)
Prepaid expenses and other current assets	(850)	423	(8,886)	(257)
Accounts payable and accrued liabilities	(4,821)	2,807	1,671	2,140
Net cash provided by (used in) operating activities	8,841	(15,409)	(49,702)	(29,294)
INVESTING ACTIVITIES				
Additions to property, plant and equipment	(4,783)	(15,437)	(1,996)	(1,368)
Additions to mineral properties	(2,476)	(6,782)	-	-
Acquisition of mineral properties	-	(22,491)	-	-
Purchases of marketable securities	(64,730)	(174,622)	(11,435)	-
Maturities of marketable securities	57,165	79,041	-	2,554
Purchase of investments without a readily determinable fair value	-	(1,324)	-	-
Deposits for assets held for sale	-	-	6,000	-
Proceeds from sale of assets	-	56,875	366	2,000
Proceeds from convertible note redemptions and sale, net	-	60,887	-	-
Net cash provided by (used in) investing activities	(14,824)	(23,853)	(7,065)	3,186

	Three months ended 31 March 2024	Year ended 31 December 2023	Year ended 31 December 2022	Year ended 31 December 2021
(expressed in thousands of US dollars)				
FINANCING ACTIVITIES				
Issuance of common shares for cash, net of issuance costs	4,788	31,813	7,886	106,208
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	(837)	(918)	(884)	(538)
Cash received from exercise of stock options	103	970	753	2,375
Cash received from exercise of warrants	-	-	-	9,840
Cash paid to settle and fund employee income tax withholding due upon exercise of stock appreciation rights	(552)	(1,533)	(11)	(256)
Cash received from non-controlling interest	-	83	126	311
Net cash provided by financing activities	3,502	30,415	7,870	117,940
Effect of exchange rate fluctuations on cash held in foreign currencies	(46)	12	(66)	5
Less: restricted cash related to assets held for sale	-	-	(3,590)	-
Plus: release of restricted cash related to sale of assets	-	3,590	-	-
Net change in cash, cash equivalents and restricted cash	(2,527)	(5,245)	(52,553)	91,837
Cash, cash equivalents and restricted cash, beginning of period	75,024	80,269	132,822	40,985
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$72,497	\$75,024	\$80,269	\$132,822
Supplemental disclosure of cash flow information:				
Cash paid during the period for interest	\$65	\$186	\$25	\$54
Increase (decrease) in accounts payable and accrued liabilities for property, plant and equipment and mineral properties	(18)	701	(161)	182
Non-cash investing and financing transactions:				
Acquisition of convertible note	\$-	\$59,457	\$-	\$-
Issuance of common shares for consulting services	\$-	\$-	\$205	\$242

6.9 Material changes in financial position (since 31 March 2024)

To the knowledge of the directors of Energy Fuels, there have been no material changes to the financial position of Energy Fuels since 31 March 2024.

6.10 Capital structure

Common Shares

Energy Fuels is authorised to issue an unlimited number of common shares, of which 163,670,085 are issued and outstanding as at the Last Practicable Date. As of the Last Practicable Date, there are:

- options outstanding to purchase up to 1,033,866 common shares at exercise prices ranging from US\$1.76 to US\$8.60,
- restricted stock units redeemable for 644,156 common shares, and
- stock appreciation rights outstanding to receive 1,016,745 common shares or cash (at the election of the Energy Fuels) at exercise prices ranging from of US\$6.47 to US\$7.36.

Holders of common shares are entitled to one vote per common share at all meetings of shareholders. The holders of common shares are also entitled to receive dividends as and when declared by the Energy Fuels Board and to receive a pro rata share of the assets of Energy Fuels available for distribution to the holders of common shares in the event of the liquidation, dissolution or winding-up of Energy Fuels. There are no pre-emptive, conversion or redemption rights attached to the common shares.

Preferred Shares

Energy Fuels is authorised to issue an unlimited number of preferred shares issuable in series and unlimited number of Series A preferred shares. The preferred shares issuable in series will have the rights, privileges, restrictions and conditions assigned to the particular series upon the Energy Fuels Board approving their issuance. The Series A preferred shares issuable are non-redeemable, non-callable, non-voting and have no right to dividends. There are no Series A preferred shares or any other series of preferred shares currently on issue.

6.11 Corporate governance

(a) Overview

Energy Fuels’ corporate governance framework is underpinned by its Corporate Governance Manual and the charters and key practices of its board committees. Full copies of Energy Fuels’ corporate governance documents can be found on the Energy Fuels’ website at <https://www.energyfuels.com/governance>.

(b) Energy Fuels Board

The highest level of oversight at Energy Fuels resides with the Energy Fuels Board. The Energy Fuels Board is responsible for overseeing Energy Fuels’ business strategy. The directors of Energy Fuels bring a broad range of backgrounds, experiences and talents, along with ethnic, racial and gender diversity to Energy Fuels’ governance process. As at the Last Practicable Date, the Energy Fuels Board comprised 10 directors (9 independent non-executive directors and one executive director), with 30% female representation among independent directors.

All Energy Fuels Board committee members are independent directors, except for Mark S. Chalmers, the President and Chief Executive Officer of Energy Fuels, who sits on the EFR EHSS Committee to provide management insight into the Committee’s deliberations, with the remaining majority of the Committee comprised of independent directors. Energy Fuels’ Corporate Governance Manual sets out the following guidelines for board governance:

Director Assessment	Assessment of the Energy Fuels Board occurs through various means as determined by Energy Fuels’ Governance and Nominating Committee, including: surveys, interviews, group discussions and other similar means. As part of the annual nomination process, the Chair of the Energy Fuels Board, with the Chair of Energy Fuels’ Governance and Nominating Committee, reviews individual director contribution in terms of meeting attendance, preparedness, participation, value added contribution and other responsibilities, in part through annual ‘Board Effectiveness Assessments’ completed by each Director.
Independence	The Energy Fuels Board, at the recommendation of its Governance and Nominating Committee, assesses and makes final determinations on independence periodically and at least annually.
Board size	Under the current by-laws of Energy Fuels, the board of directors consists of a minimum of three members and a maximum of 15.
Board composition	The Energy Fuels Board considers skills, qualifications and diversity in deciding on nominees. When evaluating candidates, the Energy Fuels Governance and Nominating Committee shall consider diversity from a number of aspects, including but not limited to gender, age, race, ethnicity and cultural diversity. In addition, when assessing and identifying potential new members to join the Energy Fuels Board or the executive team, the Energy Fuels Governance and Nominating Committee and the Energy Fuels Board, as applicable, shall consider the current level of diversity on the Energy Fuels Board and the executive team.
Director election	Directors are elected each year by Energy Fuels Shareholders at the annual meeting of shareholders. The Energy Fuels Board proposes nominees to the Energy Fuels Shareholders for election to the Energy Fuels Board.
Chair	The Chair of the Energy Fuels Board is a non-executive position but may be held by an internal director. The positions of Chair of the Energy Fuels Board and CEO at Energy Fuels are not to be the same individual.

(c) Energy Fuels Board Committees

The Energy Fuels Board is assisted in carrying out its responsibilities by four core board committees: the Audit Committee, the Governance and Nominating Committee, the Compensation Committee and the EHSS Committee.

Audit Committee

The Energy Fuels Audit Committee is responsible for assisting the Energy Fuels Board in fulfilling its oversight responsibilities of Energy Fuels. In so doing, the Audit Committee provides an avenue of communication among the external auditor, management, and the Energy Fuels Board. The Audit Committee’s purpose is to ensure the integrity of financial reporting and the audit process, and that sound risk management and internal control systems are developed and maintained. In pursuing these objectives, the Audit Committee oversees relations with the external auditor, reviews the effectiveness of the internal audit function, and oversees the accounting and financial reporting processes of Energy Fuels and audits of financial statements of Energy Fuels. The Audit Committee has also been delegated, by and on behalf of the Energy Fuels Board, direct and primary oversight of Energy Fuels’ cybersecurity risk exposures and the steps taken by management to monitor, mitigate and manage/respond to cybersecurity risks and incidents.

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Governance and Nominating Committee

The Energy Fuels Governance and Nominating Committee has the general responsibility for developing and monitoring Energy Fuels' approach to corporate governance issues and for identifying and recommending to the Energy Fuels Board nominees for appointment or election as directors. The Governance and Nominating Committee's responsibilities include the following: assessing the effectiveness of the Energy Fuels Board as a whole, the Chair of the Energy Fuels Board, the committees of the Energy Fuels Board and the contribution of individual directors on a periodic basis; ensuring that, where necessary, appropriate structures and procedures are in place to ensure that the Energy Fuels Board can function independently of management; periodically examining the size of the Energy Fuels Board, with a view to determining the impact of the number of directors upon effectiveness; identifying individuals qualified to become new board members and recommending to the Energy Fuels Board all director nominees for election or appointment to the Energy Fuels Board; assessing directors on an ongoing basis; and recommending to the Energy Fuels Board the members to serve on the various committees. In addition, the Governance and Nominating Committee reviews Energy Fuels' disclosure of its corporate governance practices in Energy Fuels' proxy statement each year.

Compensation Committee

The Energy Fuels Compensation Committee has the responsibility of reviewing and recommending to the Energy Fuels Board Energy Fuels' compensation policies and reviewing such policies on a periodic basis to ensure they remain current, competitive and consistent with Energy Fuels' overall goals. The Compensation Committee also has the authority and responsibility to review and approve corporate goals and objectives relevant to the CEO's compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and making recommendations to the Energy Fuels Board with respect to the CEO's compensation level (including salary incentive compensation plans and equity-based plans) based on this evaluation, as well as making recommendations to the Energy Fuels Board with respect to any employment, severance or change of control agreements for the CEO. The ultimate decision relating to the CEO's compensation rests with the Energy Fuels Board, taking into consideration the Compensation Committee's recommendations, corporate and individual performance, and industry standards.

The Compensation Committee has also been delegated the task of reviewing and approving for named executive officers, other than the CEO, all compensation (including salary, incentive compensation plans and equity-based plans) and any employment, severance or change of control agreements, although the ultimate decision relating to any equity incentive-based compensation grants rests with the Energy Fuels Board. The experience of board and committee members who are also involved as management of, or board members or advisors to, other companies also factor into decisions concerning compensation.

Environment, Health, Safety and Sustainability Committee

The EHSS Committee assists the Energy Fuels Board in fulfilling its oversight responsibilities for environmental, health, safety and sustainability matters. The mandate of the EHSS Committee is to oversee the development and implementation of policies and leading practices relating to environmental, health, safety and sustainability issues in order to ensure compliance with applicable laws, regulations and policies in the jurisdictions in which Energy Fuels and its subsidiaries carry on business. Due to the complexity of REEs, uranium and vanadium exploration, mining, recovery and milling, a member of management sits on the EHSS Committee to ensure that technical expertise is properly brought before the EHSS Committee.

6.12 Energy Fuels employee incentive schemes

Omnibus Equity Incentive Compensation Plan

Energy Fuels currently has an Omnibus Equity Incentive Compensation Plan. Under this plan the Energy Fuels Board may, in its discretion grant, from time to time, stock options, restricted stock, restricted stock units, deferred stock units, performance shares, performance units, stock appreciation rights and other forms of equity to employees, directors, officers and consultants of Energy Fuels and its affiliates. The number of Energy Fuels Shares reserved for issuance under the Omnibus Equity Incentive Compensation Plan cannot exceed 10,000,000 of the then issued and outstanding Energy Fuels Shares from time to time (of which the aggregate number of common shares that may be issued under all full-value awards shall not exceed 7,500,000).

Stock options vest and become exercisable at such times and on the occurrence of such events, and are subject to such restrictions and conditions, as the Energy Fuels Board in each instance approves.

A Stock Appreciation Right or "**SAR**" entitles the holder to receive the difference between the fair market value of an Energy Fuels Share at the date of exercise and the grant price. At the discretion of the Energy Fuels Board, the payment may be in cash, Energy Fuels Shares or some combination thereof.

Restricted Stock are awards of Energy Fuels Shares that are subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events, over a period of time, as determined by the Energy Fuels Board.

Restricted Stock Units, or "**RSUs**", are similar to Restricted Stock but rather than involving an issue of Energy Fuels Shares at the outset, instead provide a right to receive Energy Fuels Shares or cash or a combination of the two upon settlement. Both Restricted Stock and RSUs are subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events, over a period of time, as determined by the Energy Fuels Board.

To the extent required by relevant law, holders of Restricted Stock have voting rights during the restricted period, however, holders of RSUs have no voting rights until and unless Energy Fuels Shares are issued on the settlement of such RSUs.

Deferred Share Units or "**DSUs**" are awards denominated in units that provide the holder with a right to receive Energy Fuels Shares or cash or a combination of the two upon settlement, with the number of Energy Fuels Shares (or amount of the cash payment) determined based on the share price performance of Energy Fuels Shares at the time of settlement.

Performance Shares are awards, denominated in Energy Fuels Shares. The value of Performance Shares is determined at the time they are payable and is a function of the extent to which corresponding performance criteria have been achieved. Performance Units are equivalent to Performance Shares but are denominated in units. The Energy Fuels Board may pay earned Performance Shares or Performance Units in the form of cash or Energy Fuels Shares equal to the value of the Performance Share or Performance Unit at the end of the performance period. The Energy Fuels Board may determine that holders of Performance Shares or Performance Units be credited with consideration equivalent to dividends declared by the Energy Fuels Board and paid on outstanding Energy Fuels Shares.

Uranerz Nonqualified Stock Option Plan

On 18 June 2015, in connection with Energy Fuels' acquisition of Uranerz Energy Corporation, Energy Fuels issued 2,048,000 stock options, by assuming the then-existing stock options granted pursuant to the Uranerz 2005 Stock Option Plan, as amended on 10 June 2009 (the **2005 Stock Option Plan**). As of the Last Practicable Date, there were 20,115 stock options outstanding under the 2005 Stock Option Plan (the **Uranerz Replacement Options**). These options are now exercisable for Energy Fuels Shares, adjusted to take into account the share exchange ratio applicable to that acquisition. No further stock options will be granted pursuant to the 2005 Stock Option Plan. The Uranerz Replacement Options have varying expiry dates with the last stock options expiring in June 2025.

LTIP and Equity Awards

The equity awards for the Senior Executive Officers for each fiscal year are approved by the Energy Fuels Board, based on the overall financial performance of Energy Fuels, levels of equity awards provided by benchmark companies, any target equity award percentages of base salary set out in individual employment agreements, and particularly the achievement of objective measures and individual performance of the Senior Executive Officer, and based on recommendations and general input from the President and CEO of Energy Fuels. Generally, the target equity award amounts for the Senior Executive Officers are set at competitive levels relative to equity awards granted within Energy Fuels' current peer group as a percentage of base salary, and each Senior Executive Officer's actual equity award is based on how well the Senior Executive Officers and Energy Fuels collectively met the annual long-term performance goals set by the Board in the Energy Fuels Long Term Incentive Plan.

For all other salaried employees, equity grants are determined at the discretion of the Energy Fuels Board, upon the recommendation of the President and CEO of Energy Fuels, based on the overall financial performance of Energy Fuels, levels of bonuses provided by benchmark companies, and individual performance.

Equity incentives may be made subject to specific vesting requirements, which may include vesting over a particular period of time or in response to the achievement of other performance-based metrics. In addition, the Energy Fuels Board may, from time to time, grant additional equity awards to one or more employees, in special circumstances, at the discretion of the Energy Fuels Board.

STIP and Cash Bonuses

Along with the establishment of competitive base salaries and long-term equity incentives, one of the objectives of Energy Fuels' employee incentive strategy is to encourage and recognize strong levels of performance by linking the overall performance and contributions of employees to the corporate objective of maximizing value for Energy Fuels' shareholders.

The cash bonuses for Energy Fuels' Senior Executive Officers for each fiscal year are approved by Energy Fuels Board, based on the overall financial performance of Energy Fuels, levels of bonus opportunities provided by benchmark companies, any target bonus percentages of base salary set out in individual employment agreements, and particularly the achievement of objective measures and individual performance of the Senior Executive Officer, and based on recommendations and general input from the President and CEO of Energy Fuels. Generally, the target cash bonus levels for the Senior Executive Officers are set at competitive levels relative to cash bonus targets for similar roles within Energy Fuels' current peer group as a percent of base salary, and each Senior Executive Officer's actual bonus is based on how well the Senior Executive Officers and Energy Fuels collectively met the annual performance goals set by the Energy Fuels Board in Energy Fuels' Short Term Incentive Plan.

For all other salaried employees, cash bonuses are determined at the discretion of the President and CEO of Energy Fuels based on the overall financial performance of Energy Fuels, levels of bonuses provided by benchmark companies, and individual performance.

In addition, the Energy Fuels Board may, from time to time, grant additional cash bonuses to one or more employees, in special circumstances, in its discretion.

6.13 Substantial holders in Energy Fuels Shares

As at the Last Practicable Date, the substantial shareholders of Energy Fuels were:

Substantial holder	Number of Energy Fuels Shares	Voting Power in Energy Fuels Shares ⁽³⁾
BlackRock, Inc. ⁽¹⁾	11,749,826	7.18%
ALPS Advisors, Inc. ⁽²⁾	9,498,428	5.80%
Global X Management ⁽¹⁾	8,657,232	5.29%
Total	29,905,486	18.27%

Notes:

- (1) The beneficial ownerships reported for BlackRock, Inc. and GXMC are based on their respective 13G filings dated 31 December 2023.
- (2) The beneficial ownership reported for ALPS Advisors, Inc. is based on its 13F filing dated 31 December 2023.
- (3) Based on 163,670,085 Common Shares outstanding on the Last Practicable Date.

6.14 Recent Energy Fuels Share Price History

The following chart shows the performance of Energy Fuels Shares on the TSX over the last 12 months:



The following chart shows the performance of Energy Fuels Shares on the NYSE over the last 12 months:



As at close of trading on the NYSE and the TSX on the Last Practicable Date:

- the last recorded trading price of Energy Fuels Shares on NYSE and the TSX was US\$5.60 and CAN\$7.75, respectively; and
- the lowest and highest closing prices of Energy Fuels Shares during the previous three months were US\$5.18 and US\$7.00, respectively, on the NYSE, and CAN\$7.13 and CAN\$9.53, respectively, on the TSX.

As at 19 April 2024, being the last trading day prior to the Scheme Announcement Date, the closing price of Energy Fuels Shares on NYSE and the TSX was US\$5.84 and CAN\$8.06, respectively.

6.15 Energy Fuels' Interests in Base Resources Shares

(a) Interests in Base Resources Shares

As at the Last Practicable Date, none of Energy Fuels or any of its Associates had any Relevant Interest (as defined in section 608 and 609 of the Corporations Act) or voting power in any Base Resources Shares.

(b) No dealings in Base Resources Shares in previous four months

None of Energy Fuels or any of its Associates have provided, or agree to provide, consideration for Base Resources Shares under any purchase or agreement during the four months before the Last Practicable Date.

(c) No inducing benefits given during previous four months

During the four months before the Last Practicable Date, none of Energy Fuels or any of its Associate gave, or offered to give, to another person which was likely to induce the other person or an Associate of the other person to vote in favour of the Scheme or dispose of any Base Resources Shares, and which is not offered to all Base Resources Shareholders, other than the benefit to Tim Carstens as disclosed in section 10.4(e).

(d) Benefits to current Base Resources officers

Other than the benefit to Tim Carstens as disclosed in section 10.4(e), and the appointment of Michael Stirzaker to join the Energy Fuels board of directors as disclosed in section 7.4, none of Energy Fuels or any of its Associates has agreed to make any payment or give any benefit to any current director, secretary or executive officer of Base Resources in connection with or which is conditional on the outcome of the Scheme.

6.16 Other material disclosures

Other than as disclosed in this section 6 and in this Scheme Booklet generally, there is no information regarding Energy Fuels, or its intentions regarding Base Resources, that is material to the making of a decision by a Base Resources Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of Energy Fuels as at the date of this Scheme Booklet that has not been previously disclosed to Base Resources Shareholders.

6.17 Publicly available information about Energy Fuels

Energy Fuels is a US domestic issuer for SEC reporting purposes, and a reporting issuer in all of the provinces and territories of Canada for purposes of Canadian securities laws. As such, Energy Fuels is subject to regular reporting and disclosure obligations in the United States under the United States Securities Act of 1933, as amended, and in Canada under applicable securities laws. In addition, as Energy Fuels is listed on the NYSE and the TSX, Energy Fuels is subject to the NYSE and the TSX Rules.

Information publicly disclosed by Energy Fuels is available on EDGAR (<https://www.sec.gov/edgar>) and SEDAR+ (<https://www.sedarplus.com>) and. Base Resources Shareholders may obtain a copy of Energy Fuels' 2023 Annual Report from Energy Fuels' website (<https://www.energyfuels.com/>).

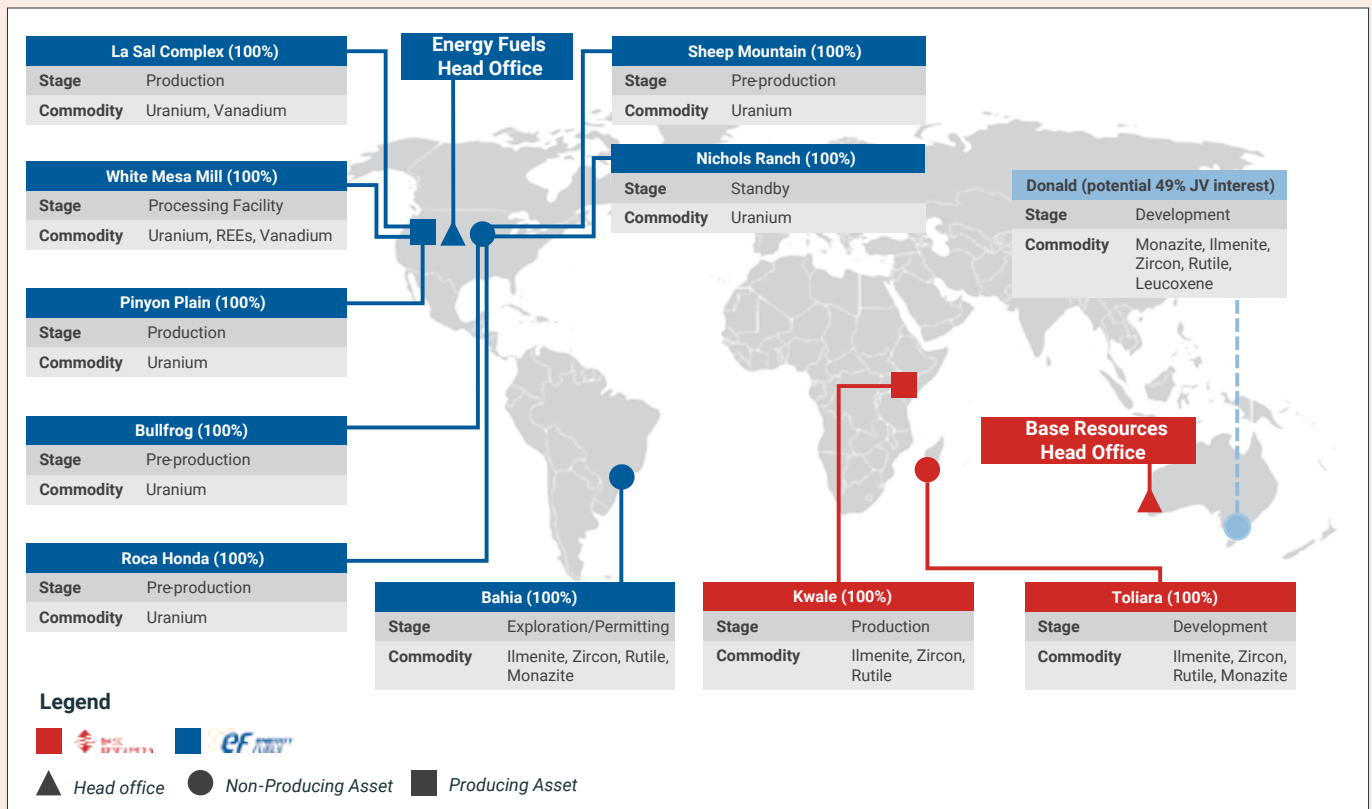
7 Information about the Merged Group

The section 7 contains information in relation to the Merged Group if the Scheme is implemented.

The statements set out in this section 7 are statements of current intention only based on the facts and information known to Energy Fuels and Base Resources at the time of preparing this Scheme Booklet that concern Energy Fuels and Base Resources, which may change as new information becomes available, as circumstances change or as the Merged Group further develops its strategic focus and outlook.

7.1 Overview of the Merged Group

Following implementation of the Scheme, the Merged Group will have the following portfolio of operating and development projects:



Notes:

- (1) Only projects with current NI 43-101 Resources / Reserves shown; For ease of presentation, US assets have been grouped based on classification and their location as per the map may not be indicative of their actual location
- (2) Energy Fuels has entered a Joint Venture Agreement with Astron to earn up to a 49% joint venture interest in the Donald Project
- (3) The Toliara Exploitation Permit does not presently provide a right to exploit monazite.

These assets are described in more detail in sections 5.2 and 6.3.

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7.2 Synergies

Energy Fuels believes the Scheme, if implemented, has the potential to unlock significant value for the Merged Group due to readily identifiable synergies, as outlined below:

- The combination of Base Resources' Toliara Project with Energy Fuels' White Mesa Mill, the only fully operating, licensed uranium mill in the United States, with existing and planned monazite crack-and-leach processing and rare earth separation capability (combined with Energy Fuels' existing development projects outlined in section 6.3), has the potential to position the Merged Group as one of the world's leaders in both REE and HMS production.
- Once the Toliara Project is in production, the project has the potential to be a low-cost and large-scale HMS project. In addition to its ilmenite, rutile (titanium) and zircon (zirconium) production, the Toliara Project also contains large quantities of monazite which is a rich source of the 'magnet' REEs used in electric vehicles and a variety of clean energy and advanced technologies. As this monazite will be a byproduct of the Toliara Project's ilmenite, rutile and zircon production, it is expected to be recovered at a low incremental cost of production and therefore be globally competitive.
- Once the Toliara Project is in production, the available monazite would provide a large portion of the feed material needed for Energy Fuels' expanding REE production facility at its White Mesa Mill.
- Processing low-cost Toliara Project monazite at the White Mesa Mill into separated rare earth elements is expected to set a new paradigm for US-REE production and is expected to position the Merged Group as a first-tier REE producer, as well as a first-tier ilmenite, rutile and zircon producer.
- The Scheme, if implemented, will also complement and further strengthen the Merged Group's uranium production capability, as monazite from the Toliara Project would provide sustainable quantities of low-cost uranium production at the White Mesa Mill, which would supplement the Merged Group's US sourced uranium production.
- With a strong balance sheet, Energy Fuels believes the Merged Group will be well placed to secure funding for the planned expansion of the White Mesa Mill, the development of the Toliara, Bahia and Donald projects, as well as take advantage of other integration opportunities in the REE value chain, including potential rare earth metal, metal alloy and magnet making to serve North American and European markets.
- With Energy Fuels currently being the only fully integrated producer of separated REE products from monazite in the US and the Merged Group having the potential to go further upstream, the Merged Group will be positioned to support the US Government's critical minerals and national security objectives.
- Base Resources has a proven leadership and mineral sands operations team with a strong track record of responsible and profitable production at its now winding down Kwale Operations, all of whom are expected to join the Merged Group's management team upon implementation of the Scheme. If the Scheme is implemented, the Base Resources team will continue to manage the Toliara Project and will enhance the Merged Group's capability to develop its projects in Australia and Brazil.
- With the White Mesa Mill's unique, US based REE production capability, the Merged Group will be positioned to unlock significant value from the Toliara Project's potential low-cost monazite production, in a manner that Energy Fuels believes few, if any, other facilities are capable of at this time. This potential addition of a low-cost source of REE raw materials to Energy Fuels' US REE production infrastructure, along with a sustainable low-cost source of uranium production and HMS assets, is expected to deliver significant synergies for the Merged Group.

7.3 Energy Fuels' current intentions

(a) Overview

This section 7.3 sets out Energy Fuels' current intentions in relation to Base Resources and the Merged Group if the Scheme is implemented.

(b) Corporate Structure

If the Scheme is implemented:

- Base Resources will become a wholly owned indirect subsidiary of Energy Fuels; and
- Base Resources will request to be removed from the official list of ASX and for the cancellation of the admission of Base Resources DIs to trading on AIM.

(c) Strategy

Following implementation of the Scheme, the Merged Group's strategy will be to further establish itself as a first-tier, globally competitive critical minerals mining company, focused on REE, HMS, uranium, and vanadium production.

To that end, Energy Fuels currently intends that the Merged Group would pursue the following specific strategic initiatives:

- Complete mining and then rehabilitation of Kwale Operations in accordance with all commitments, laws and regulations and in a manner that sets a high standard for rehabilitation of mining projects in Africa and establishes a reputation for excellence in the full life cycle of mining;
- Complete permitting and development of and operate the Toliara Project as one of the world's leaders in HMS and monazite production;
- Continue with the exploration, permitting, evaluation and if determined feasible, proceed with development and operation of the Bahia Project;
- Complete the activities required to make a phase 1 final investment decision on the Donald Project, and if a positive final investment decision is made, continue with the development of the Donald Project;

- Continue with the engineering, design and permitting of the planned phase 2 and phase 3 REE separation circuits at the White Mesa Mill and development of those facilities;
- Continue current uranium production at the Merged Group's White Mesa Mill, proceed with planned uranium production at the Nichols Ranch ISR Project as market conditions warrant, and continue mining of uranium ore from Pinyon Plain, La Sal, Pandora and, as market conditions warrant, Whirlwind mines;
- Continue with permitting of uranium mining at the Merged Group's Roca Honda, Sheep Mountain and Bullfrog mining projects, as market conditions warrant;
- Continue with current and planned vanadium production at the Merged Group's White Mesa Mill from ore mined from La Sal, Pandora and Whirlwind mines, and potentially from the recycling of tailings solutions at the White Mesa Mill, as market conditions warrant;
- Continue to advance the White Mesa Mill's alternate feed material uranium recycling and abandoned uranium mine clean-up programs, and the evaluation of the recovery of radium at the White Mesa Mill for use in emerging targeted alpha therapy cancer therapeutics;
- Leverage the Merged Group's anticipated position as the only fully integrated producer of separated REE products from monazite in the US (and as a potential producer of critical minerals sourced from Australia), to seek available financial and other support from US and Australian government agencies and other offices that provide such support for critical mineral projects;
- Evaluate any opportunities for acquisitions of additional HMS, REE, uranium, vanadium or other critical mineral properties that may arise, as well as take advantage of other opportunities in the HMS and rare earth industries as they present, including potential opportunities in rare earth metal-, metal alloy- and magnet-making.

Through the combination of Base Resources' proven leadership and mineral sands operations team with Energy Fuels' proven leadership team in uranium and vanadium production, recycling activities and rapidly advancing REE capabilities, the Merged Group is anticipated to be well-placed to execute its strategy and pursue the above initiatives.

(d) Dividend Framework

Energy Fuels has not declared cash dividends on Energy Fuels Shares to date. Energy Fuels anticipates that it will retain any earnings to support operations and to finance the growth of the Merged Group's business (including the pursuit of the strategy outlined in section 7.3(c)). Therefore, Energy Fuels does not expect to pay cash dividends in the foreseeable future.

Any future determination to pay cash dividends will be at the discretion of the Energy Fuels Board and will be dependent on the financial condition, operating results and capital requirements of the Merged Group, and other factors that the Energy Fuels Board deems relevant.

(e) Current Base Resources Employees

Base Resources' workforce is expected to continue in their existing roles following implementation of the Scheme, subject to arrangements regarding the composition of the Merged Group Board and senior management, as set out in section 7.4 (and noting the planned end of production at the Kwale Operations as described in section 5.2(b)).

(f) Employee Incentive Arrangements

The Base Resources LTIP will no longer be applicable following implementation of the Scheme and will be replaced by Energy Fuels existing incentive arrangements as described in section 6.12. The Base Resources STIP will remain in place for the financial year ending 30 June 2025, after which time this incentive will be transitioned to an appropriate Merged Group incentive program based on Energy Fuels' STIP and cash bonus plans described in section 6.12.

(g) Delisting

If the Scheme is implemented, Base Resources will request to be removed from the official list of the ASX and for the cancellation of the admission of Base Resources DIs to trading on AIM shortly after the Implementation Date. Following its delisting from the ASX and AIM, Base Resources Shareholders will no longer be able to acquire or trade in Base Resources Shares on the ASX or the Base Resources DIs on AIM.

(h) Headquarters

If the Scheme is implemented, the Merged Group's head office will be located at Energy Fuels' corporate offices in Lakewood, Colorado, USA. Base Resources' existing office in West Perth, Australia, will continue to operate and is intended to be the headquarters of the Merged Group's mineral sands and monazite feedstock division.

7.4 Board and management

(a) Existing Energy Fuels directors

It is expected that each of the existing Energy Fuels directors will continue as directors following implementation of the Scheme. See section 6.2 for further details of the Energy Fuels directors.

(b) Base Resources Directors appointed to the Energy Fuels Board

If the Scheme is implemented, Energy Fuels will invite one current Base Resources director to join the Energy Fuels Board on similar terms as Energy Fuels' existing non-executive directors as set out in section 6.2. Base Resources has nominated its Non-Executive Chair, Michael Stirzaker, to join the Energy Fuels Board, with such appointment to take effect upon implementation of the Scheme.

(c) Management

It is expected that the existing members of Energy Fuels' senior leadership team will continue following implementation of the Scheme. See section 6.2 for further details of Energy Fuels' senior management.

It is also expected that the existing members of Base Resources' senior leadership team will remain employed with the Merged Group following implementation of the Scheme, and will continue to oversee the development and operation of the Toliara Project, and the completion of mining and closure of Kwale Operations, as well as enhance the Energy Fuels team overseeing progression of other mineral sands and rare earths interests of the Merged Group.

7.5 Reserves and resources

Details of Base Resources' resources and reserves are set out in section 5.4.

Details of Energy Fuels' resources and reserves are set out in section 6.5.

7.6 Capital structure

(a) Share capital

The table below summarises the outstanding Energy Fuels Shares that will be on issue on the Implementation Date:

Timing	Number
On issue as at the date of this Scheme Booklet	163,670,085
To be issued under the Scheme	31,921,697
Pro Forma	195,591,782

Note:

- (1) Based on the fixed exchange ratio of 0.0260 Energy Fuels Shares per Base Resources Share and 1,227,757,577 Base Resources Shares on issue, being:
 - (a) the aggregate of the number of Base Resources Shares on issue as at the Last Practicable Date; *plus*
 - (b) the number of further Base Resources Shares to be issued to satisfy applicable entitlements following exercise of the vested Base Resources Performance Rights that will be on issue after the Scheme becomes effective; *less*
 - (c) the number of Base Resources Shares held by the Base Resources LTIP trustee which are available for allocation to Base Resources LTIP participants.
- (2) This assumes the Energy Fuels Shares that may be issued to Astron as set out in section 6.3(i) are not issued prior to the Implementation Date and no other securities are issued by Energy Fuels, including by exercise of options, on or before the Implementation Date.

(b) Pro forma ownership

It is anticipated that on the Implementation Date, Base Resources Shareholders will collectively own approximately 16.3% of the Energy Fuels Shares based on the pro-forma calculation of the Merged Group's share capital set out in section 7.6(a) above.

7.7 Pro Forma Historical balance sheet of the Merged Group

(a) Overview

The pro forma historical financial information of the Merged Group in this section 7.7 comprises the Merged Group pro forma historical balance sheet as at 31 December 2023 (**Merged Group Pro Forma Historical Balance Sheet**).

This section 7.7 should also be read in conjunction with the risks to which Energy Fuels and the Merged Group are subject to and the risks associated with the Scheme, as set out in section 8.

(b) Basis of preparation

The Merged Group Pro Forma Historical Balance Sheet presented in this section 7.7 is intended to present Base Resources Shareholders with information to assist them in understanding the Merged Group Pro Forma Historical Balance Sheet. Energy Fuels management are responsible for the preparation and presentation of the Merged Group Pro Forma Historical Balance Sheet (other than the reclassified consolidated statement of financial position of Base Resources as at 31 December 2023 which underpins (in part) the Merged Group Pro Forma Historical Balance Sheet).

The Merged Group Pro Forma Historical Balance Sheet has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Merged Group Pro Forma Historical Balance Sheet has been prepared in accordance with US GAAP and a manner consistent with Energy Fuels accounting policies applied by Energy Fuels in preparing the Energy Fuels Annual Report for the year ended 31 December 2023, using the assumptions set out in section 7.7(d).

The Merged Group Pro Forma Historical Balance Sheet presents the Energy Fuels Historical Balance Sheet following the acquisition of Base Resources, assuming the Scheme had been approved and the acquisition completed on 31 December 2023 for the Merged Group Pro Forma Historical Balance Sheet.

The Merged Group Pro Forma Historical Balance Sheet comprises:

- the Energy Fuels historical consolidated balance sheet as at 31 December 2023 as extracted from the consolidated financial statements for Energy Fuels for the year ended 31 December 2023 (refer to section 6.8);
- the reclassified consolidated statement of financial position of Base Resources as at 31 December 2023 as extracted from the consolidated financial statements of Base Resources for the half year ended 31 December 2023, and subject to certain reclassifications (refer to section 5.7 and Table 7.7.2); and
- the pro forma adjustments (as explained by the accompanying notes to the Merged Group Pro Forma Historical Balance Sheet in section 7.7(c)).

The consolidated financial statements of Base Resources for the half year ended 31 December 2023 were prepared with the recognition and measurement principles of the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**), were reviewed by KPMG, in accordance with Australian Auditing Standards, and an unqualified limited assurance conclusion was issued. As further discussed in section 6.8, the consolidated financial statements for Energy Fuels for the year ended 31 December 2023 were prepared in accordance with US GAAP and audited by KPMG LLP, Independent Registered Public Accounting Firm for Energy Fuels.

Implementation of the Scheme remains subject to the satisfaction of various Conditions Precedent, including Base Resources Shareholder approval, Court, regulatory and other approvals. Energy Fuels notes that the Scheme has not been implemented, and may never be implemented, including due to reasons outside of Energy Fuels control.

The pro forma adjustments are based upon currently available information and certain assumptions that Energy Fuels believes are reasonable. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the Merged Group Pro Forma Historical Balance Sheet.

The actual adjustments to the Energy Fuels financial statements will depend upon a number of factors and additional information that will be available on or after the implementation of the Scheme. Accordingly, the actual adjustments that will appear in the Energy Fuels financial statements will differ from these pro forma adjustments, and those differences may be material.

Energy Fuels conducted an initial review of the Base Resources financial statements and the accounting policies of Base Resources to determine material differences in accounting policies and financial statement presentation between Energy Fuels and Base Resources that may require alignment or reclassification to conform to Energy Fuels accounting policies and financial statement presentations. The assessment of differences between IFRS and US GAAP is based on Energy Fuels management's best estimates which remain subject to change as additional information becomes available.

Energy Fuels prepares its financial statements on the basis of a fiscal year ended 31 December and its presentation currency is USD. The financial statements of Base Resources have historically been prepared on the basis of a fiscal year ended 30 June and Base Resources presentation currency is USD. The Merged Group Pro Forma Historical Balance Sheet is presented in USD and, unless otherwise noted, rounded to the nearest USD thousand.

Due to its nature, the Merged Group Pro Forma Historical Balance Sheet does not represent the Merged Group's actual or prospective financial position and is provided for informational purposes only.

The Merged Group Pro Forma Historical Balance Sheet contained in section 7.7 is presented in an abbreviated form as it does not include all the disclosures, statements or comparative information that are required by:

- US GAAP applicable to full financial statements or to financial statements prepared in accordance with the applicable rules and regulations of the SEC; and
- IFRS applicable to full financial statements or financial statements prepared in accordance with the Corporations Act 2001.

(c) Pro Forma Historical Balance Sheet

Table 7.7.1: Merged Group Pro Forma Historical Balance Sheet as at 31 December 2023

	Energy Fuels US\$000s	Reclassified Base Resources ¹ US\$000s	Pro Forma Adjustments US\$000s	Notes	Pro Forma Merged Group US\$000s
ASSETS					
Current assets					
Cash and cash equivalents	57,445	78,856	(64,740)	2, 3	71,561
Marketable securities	133,044	-	-		133,044
Trade and other receivables	816	42,303	-		43,119
Inventories	38,868	21,785	9,409	3, 5	70,062
Prepaid expenses and other current assets	2,522	8,792	-		11,314
Total current assets	232,695	151,736	(55,331)		329,100
Mineral properties	119,581	167,584	(30,084)	3	257,081
Property, plant and equipment, net	26,123	24,063	-	1	50,186
Inventories	1,852	-	-		1,852
Operating lease right of use asset	1,219	1,019	-	1	2,238
Investments	1,356	-	-		1,356
Other long-term receivables	1,534	-	-		1,534
Restricted cash	17,579	-	-		17,579
Total assets	401,939	344,402	(85,415)		660,926
LIABILITIES & EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	10,161	19,835	-	1	29,996
Operating lease liability	199	331	-	1	530
Contingent consideration	-	7,000	10,000	2	17,000
Asset retirement obligation and other liabilities held for sale	-	8,778	-	4	8,778
Deferred revenue	-	294	-	1	294
Total current liabilities	10,360	36,238	10,000		56,598
Operating lease liability	1,120	739	-	1	1,859
Asset retirement obligations	10,922	40,406	-	4	51,328
Contingent consideration	-	10,000	(10,000)	2	-
Deferred revenue	332	-	-	1	332
Deferred income tax liability	-	(1,215)	2,493	1, 2, 3	1,278
Other non-current liabilities	-	64	-	1	64
Total liabilities	22,734	86,232	2,493		111,459
Equity					
Share capital	733,450	307,811	(129,049)	2, 3	912,212
Common shares	-	(1,586)	1,586	2, 3	-
Accumulated deficit	(356,258)	(20,581)	20,581	2, 3	(356,258)
Accumulated other comprehensive loss	(1,946)	(27,474)	18,974	2, 3	(10,446)
Total shareholders' equity	375,246	258,170	(87,908)		545,508
Non-controlling interests	3,959	-	-		3,959
Total equity	379,205	258,170	(87,908)		549,467
Total liabilities and equity	401,939	344,402	(85,415)		660,926

Notes to Pro Forma Adjustments

(1) Reclassifications

The following reclassifications were made to Base Resources consolidated statement of financial position as at 31 December 2023 to conform to Energy Fuels presentation.

Table 7.7.2: Reclassified consolidated statement of financial position of Base Resources as at 31 December 2023

Base Resources Financial Statement Line	Base Resources Historical Amount US\$000s	Reclassification US\$000s	Base Resources Historical Reclassified US\$000s	Energy Fuels Financial Statement Line
Assets				Assets
Current assets				Current assets
Cash and cash equivalents	78,856	-	78,856	Cash and cash equivalents
Trade and other receivables	42,303	-	42,303	Trade and other receivables
Inventories	21,785	-	21,785	Inventories
Other current assets	8,792	-	8,792	Prepaid expenses and other current assets
Total current assets	151,736	-	151,736	Total current assets
Capitalised exploration and evaluation	167,584	-	167,584	Mineral properties
Property, plant and equipment	25,082	(1,019) ¹	24,063	Property, plant and equipment, net
		1,019 ¹	1,019	Operating lease right of use asset
Deferred tax asset	1,215	(1,215) ⁸	-	
Total assets	345,617	(1,215)	344,402	Total assets
Liabilities				Liabilities
Current liabilities				Current liabilities
Trade and other payables	10,065	9,770 ^{4,5,6}	19,835	Accounts payable and accrued liabilities
Deferred consideration	7,000	-	7,000	Contingent consideration
		331 ²	331	Operating lease liability
Provisions	17,925	(9,147) ^{4,6}	8,778	Asset retirement obligation and other liabilities held for sale
Other current liabilities	1,248	(1,248) ^{2,3,5}	-	
		294 ³	294	Deferred revenue
Total current liabilities	36,238	-	36,238	Total current liabilities
		739 ²	739	Operating lease liability
Deferred consideration	10,000	-	10,000	Contingent Consideration
Provisions	40,470	(64) ⁷	40,406	Asset retirement obligations
Other non-current liabilities	739	(675) ^{2,7}	64	Other non-current liabilities
		(1,215) ⁸	(1,215)	Deferred income tax liability
Total liabilities	87,447	(1,215)	86,232	Total liabilities
Equity				Equity
Issued capital	307,811	-	307,811	Share capital
Treasury shares	(1,586)	-	(1,586)	Common shares
Reserves	(20,581)	-	(20,581)	Accumulated deficit
Retained earnings	(27,474)	-	(27,474)	Accumulated other comprehensive loss
Total equity	258,170	-	258,170	Total equity

For personal use only

- ¹ Right of use assets have been reclassified from property, plant and equipment to a separate right of use assets – operating leases line item to conform with Energy Fuels presentation.
- ² Lease Liabilities of have been reclassified from other current/other non-current liabilities to a separate operating leases liabilities line item to conform with Energy Fuels presentation.
- ³ Deferred revenue has been reclassified from Other current liabilities to a separate Deferred revenue net line to conform with Energy Fuels presentation.
- ⁴ Employee leave liabilities has been reclassified from provisions to Accounts payable and accrued liabilities line item to conform with Energy Fuels presentation.
- ⁵ Income tax payable has been reclassified from Other current liabilities to Accounts payable and accrued liabilities line item to conform with Energy Fuels presentation.
- ⁶ A provision for Kwale Operations employee redundancies at end of mine life has been reclassified from Provisions to Accounts payable and accrued liabilities line item to conform with Energy Fuels presentation.
- ⁷ Non-current employee leave liabilities have been reclassified from provisions to Other non-current liabilities line item to conform with Energy Fuels presentation.
- ⁸ Deferred tax asset has been reclassified to Deferred income tax liability to present a net position of deferred taxes for the Merged Group.

(2) Pro Forma adjustments

The following adjustments have been made for the purposes of preparing the Pro Forma Historical Balance Sheet:

- Payment of the unfranked Special Dividend of US\$52.2 million in cash (being A\$0.065 per Base Resources Share) that the Base Resources Board currently intends to pay prior to implementation of the Scheme (conditional on the Scheme becoming effective).
- Payment of transaction costs related to the Scheme, estimated to be US\$8.5 million for Energy Fuels and US\$4.0 million for Base Resources.
- Elimination of the existing Base Resources issued capital and equity reserves upon consolidation into the Energy Fuels Group.
- Recognition of a deferred tax liability upon fair valuation of inventory.
- The re-classification of non-current contingent consideration of US\$10 million reclassified to a current liability, due to the acceleration of the US\$17.0 million deferred consideration payable in relation to Base Resources' acquisition of the Toliara Project, which will be accelerated upon the change of control of Base Resources that occurs upon implementation of the Scheme. US\$7.0 million of the contingent consideration was already classified as current.

(3) Purchase consideration and allocation

The Transaction will be accounted for using the acquisition method of accounting, as prescribed in Accounting Standards Codification 805, Business Combinations, (ASC 805), under US GAAP, which requires an allocation of the purchase price to the assets acquired and liabilities assumed, based on their fair values as of Implementation Date. As of the date of this Scheme Booklet, Energy Fuels has not completed the detailed valuation study necessary to arrive at the required final estimates of the fair value of Base Resources' assets to be acquired and liabilities to be assumed and the related allocations of purchase price.

A final determination of the fair value of Base Resources' assets and liabilities, including property, plant and mine development, will be based on the actual property, plant and mine development of Base Resources that exist as of the Implementation Date and, therefore, cannot be made prior to the implementation of the Scheme. In addition, the value of the purchase consideration to be paid by Energy Fuels upon the implementation of the Scheme will be determined based on the closing price of Energy Fuels Shares on the Implementation Date. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analysis is performed. The preliminary pro forma adjustments have been made solely for the purpose of providing the Merged Group Pro Forma Historical Balance Sheet presented herein. Energy Fuels has estimated the fair value of Base Resources' assets and liabilities based on discussions with Base Resources' management, preliminary valuation studies, due diligence and information presented in Base Resources' filings with the ASX.

Upon implementation of the Scheme, a final determination of fair value of Base Resources' assets and liabilities will be performed. Any increases or decreases in the fair value of assets acquired and liabilities assumed upon completion of the final valuations will result in adjustments to the Merged Group Pro Forma Historical Balance Sheet. The final purchase price allocation may be materially different than that reflected in the pro forma purchase price allocation presented herein.

Purchase Consideration

The total preliminary estimated purchase price of approximately US\$178.8 million was determined as at the Last Practicable Date, based on the issued and outstanding Base Resources Shares, which includes the 59,017,076 of Base Resources Performance Rights outstanding that have already or will vest and be exercised before the Scheme Record Date. The number of Energy Fuels Shares to be issued under the Scheme is based on the number of Base Resources Shares that will be on issue as at the Scheme Record Date multiplied by the 0.0260 exchange ratio, adjusted for fractional shares.

The value of the final purchase consideration will be based on the actual closing price per Energy Fuels Share on the Implementation Date, which could differ materially from the assumed Energy Fuels Share price used to estimate purchase consideration for the purposes of the Merged Group Pro Forma Historical Balance Sheet. No effect has been given to any other new Base Resources Shares that may be issued or granted subsequent to the date of this Scheme Booklet and before the Implementation Date (other than the 49,745,727 of Base Resources Shares to be issued in relation to the vesting and exercise of 59,017,076 of Base Resources Performance Rights prior to the Scheme Record Date).

No new Base Resources Performance Rights will be issued between the date of this Scheme Booklet and the Implementation Date.

The closing share price for an Energy Fuels Share is a determining factor in arriving at the final purchase consideration, the share price assumed for the total preliminary purchase price is the closing price of Energy Fuels Shares on 25 July 2024 (US\$5.60 per share), the Last Practicable Date.

Share Consideration	Shares	Per Share US\$	Preliminary Purchase Consideration US\$000s
Energy Fuels Shares exchanged for outstanding Base Resources Shares	31,921,697	\$5.60	\$178,762
Total Preliminary Purchase Price			\$178,762

Note: Assumes 31,921,697 Energy Fuels Shares will be exchanged for 1,227,757,577 Base Resources Shares expected to be outstanding as at the Scheme Record Date. Base Resources Shareholders will receive 0.0260 Energy Fuels Shares per Base Resources Share.

Preliminary Purchase Price Allocation

The table below summarises the preliminary allocation of purchase price to the assets acquired and liabilities assumed of Base Resources for the purposes of the Merged Group Pro Forma Historical Balance Sheet as if the Scheme had occurred on 31 December 2023:

Preliminary Purchase Price Allocation	US\$000s
ASSETS	
Cash and cash equivalents	22,616
Trade and other receivables	42,303
Inventories	31,194
Mineral properties	137,500
Property, plant and equipment, net	24,063
Other assets	9,811
Total assets	267,487
LIABILITIES	
Accounts payable and accrued liabilities	19,835
Contingent consideration	17,000
Asset retirement obligation	49,184
Deferred income tax liability	1,278
Other liabilities	1,428
Total liabilities	88,725
Total Preliminary Purchase Price	178,762

As part of the preliminary allocation of purchase price, the following assets have been adjusted to reflect their fair values:

- Mineral properties – the fair value of the Toliara Project has been adjusted to US\$137.5 million, reflecting the difference between the purchase consideration and the fair value of all other assets and liabilities. This reduction in the value of Mineral properties is within the valuation range for the Toliara Project in the Independent Expert Report.
- Inventories - Base Resources inventory of heavy mineral concentrate and finished products has been adjusted to the estimated net selling price less all costs still to be incurred in converting the inventory to a saleable product, resulting in an increase in carrying value of US\$9.4 million. Base Resources consumables stores inventory carrying value is considered to approximate fair value due to their short term nature as mining at Kwale Operations is expected to end in December 2024 when the remaining Kwale Ore Reserves are fully depleted.

(4) Asset Retirement Obligations

Under US GAAP, the initial recognition of the asset retirement obligation is recognised at fair value, generally utilising a present value technique to estimate the liability discounted at a credit-adjusted risk-free interest rate, and further adjusted for inflation and market risk premium. Subsequently, period-to-period revisions to either the timing or amount of the original estimate of undiscounted cash flows are treated as separate layers of the obligation.

Under IFRS, asset retirement obligations are generally measured as the best estimate of the expenditure to settle the obligation utilising a present value technique to estimate the liability, discounted at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Subsequently, period-to-period revisions for changes in the estimate of expected undiscounted cash flows or discount rate are re-measured for the entire obligation by using an updated discount rate that reflects current market conditions as of the balance sheet date.

The Merged Group Pro Forma Historical Balance Sheet does not reflect the impact of converting Base Resources asset retirement obligation and related asset retirement expenses on a US GAAP basis as it is impractical to re-estimate the impact of period-to-period revisions to the timing or amount of the original reclamation liability over historical periods using the layering approach and credit-adjusted risk-free rates. In addition, the impact of converting asset retirement obligation from IFRS to US GAAP is not meaningful because, under the acquisition method of accounting, asset retirement obligations are recorded at fair value as of the closing date of the Transaction. Therefore, Energy Fuels has reflected the adjustment to recognise the asset retirement obligation at its estimated fair value on the Implementation Date.

7.8 Energy Fuels Shares

The Energy Fuels Shares provided as Scheme Consideration will rank equally in all respects with all other Energy Fuels Shares on issue from the time of issue.

Subject to receiving all applicable approvals (noting that obtaining those approvals is a condition precedent to implementation of the Scheme), the Energy Fuels Shares will be listed and traded on the NYSE and the TSX.

Energy Fuels Shares will not be quoted or traded on the ASX or AIM. Accordingly, investors who wish to trade Energy Fuels Shares on the open market must do so on the NYSE or the TSX. Such trades must be either:

- undertaken through a broker entitled to trade on the NYSE or the TSX; or
- providing a sale instruction to the Transfer Agent under the DRS Sale Program.

It is the responsibility of Base Resources Shareholders to ensure that appropriate arrangements are in place if they wish to hold and trade Energy Fuels Shares on the NYSE or the TSX.

Before providing a sale instruction under the DRS Sale Program, you should carefully consider the terms and conditions applicable to the DRS Sale Program. In order to access the DRS Sale Program, non-US holders must contact the Transfer Agent via email at helpAST@equiniti.com or phone at +1 (718) 921-8124. Non-US holders will be required to provide their account number and account registration (each as shown on the DRS Advice), the company stock name, their complete address on account and all other documentation as may be requested by the Transfer Agent. Sale instructions may also be provided by mail at 55 Challenger Road 2nd Floor, Ridgefield Park, NJ 07660 Attn: DRS Sales. All transactions under the DRS Sale Program will be conducted in United States Dollars. The Transfer Agent does not guarantee the date of sale and the price per share under the DRS Sale Program. All proceeds will be net of any brokerage and other applicable fees.

As trading in Energy Fuels Shares on the NYSE will be in US dollars, and on the TSX will be in Canadian dollars, the Australian dollar value of the Energy Fuels Shares will depend on the AUD:USD and USD:CAD exchange rate.

Base Resources Shareholders who receive Energy Fuels Shares should note that Energy Fuels has applied to the NYSE and TSX and sought to obtain any consents or approvals necessary for the Energy Fuels Shares provided as Scheme Consideration to be quoted on the NYSE and TSX as soon as reasonably practicable following the Implementation Date.

Energy Fuels will procure the dispatch of a DRS Advice to Base Resources Shareholders (who are not Ineligible Foreign Shareholders or Electing Small Shareholders) in respect of the Energy Fuel Shares they are entitled to under the Scheme as soon as reasonably practicable after the Implementation Date. DRS Advices will be sent to the registered addresses of Base Resources Shareholders as shown in the Base Resources Share Register as at the Scheme Record Date. It is expected that DRS Advices will take between 11-20 Business Days to be received by post.

Base Resources Shareholders receiving Energy Fuels Shares under the Scheme should note the following in relation to trading their Energy Fuels Shares after the Implementation Date:

(a) Timing for trading

Trading on the NYSE and the TSX will only be able to occur following receipt of the DRS Advice in respect of their Energy Fuels Shares. Consequently, Base Resources Shareholders will not be able to trade their Energy Fuels Shares prior to receiving their DRS Advice.

It is the responsibility of each person who is issued Energy Fuels Shares as Scheme Consideration to confirm their holding before trading to avoid the risk of selling shares they do not own. Any person who sells their Energy Fuels Shares received as Scheme Consideration before they have confirmed their holding in their DRS advice or sells their shares before they receive their DRS Advice does so at their own risk. To the maximum extent permitted by law Energy Fuels disclaims any liability to persons who trade their Energy Fuels Shares received as Scheme Consideration before they receive their DRS Advice.

(b) Available exchanges for trading

The Energy Fuels Shares will be listed and able to be freely traded on the NYSE and the TSX. The shares will not be listed on the ASX or AIM and there will be no alternative instrument through which Energy Fuels Shares will be able to be traded on the ASX or AIM.

(c) Trading through a broker or share trading platform

If you wish to trade the Energy Fuels Shares you receive under the Scheme on the NYSE or the TSX, you will need to instruct a stockbroker who is able to accept transfers of shares represented by a DRS Advice and execute trades on the NYSE or TSX.

Base Resources Shareholders are urged to check:

- whether their current arrangements for holding their Base Resources Shares will be suitable and allow them to trade their Energy Fuels Shares on the NYSE or the TSX; and
- what, if any, terms and conditions may apply.

Base Resources Shareholders should note that not all stockbrokers and share trading platforms are able to accept transfers of Energy Fuels Shares represented by a DRS Advice and execute trades on the NYSE or TSX.

Specifically, not all Australian stockbrokers and major Australian share trading platforms are able to accept transfers of shares represented by a DRS Advice and execute trades on the NYSE and TSX. Further, even if the capability exists, not all clients of Australian stockbrokers may have signed up for services that would allow their Australian stockbroker to accept transfers of shares represented by a DRS Advice.

It is the responsibility of Base Resources Shareholders to ensure that appropriate arrangements are in place if they wish to trade the Energy Fuels Shares they receive.

If your existing stockbroker or share trading platform is unable to accept transfers of shares represented by a DRS Advice and execute trades on the NYSE or the TSX, then you may either sell your Energy Fuels via the Transfer Agent (refer below) or establish an account with a stockbroker or share trading platform that does have the requisite capability.

In this regard, there are stockbrokers and share trading platforms that are able to accept transfers of shares represented by a DRS Advice and execute trades on NYSE or the TSX who may be able to provide Base Resources Shareholders with advice and assistance in relation to the process for, and the likely time required in respect of, opening an appropriate securities trading account.

Base Resources Shareholders should also be aware that the rates and charges that will be payable by Base Resources Shareholders in relation to the operation of an appropriate securities trading account will vary depending on the stockbroker or platform, and such rates and charges may, or may not be significant in comparison to the value of your shareholding. If you are contacting any other stockbroker platform, they cannot give you any advice on the merits of the Scheme, nor give any financial, tax, investment or legal advice in connection with the Scheme.

(d) DRS Sale Program

If your existing stockbroker is unable accept transfers of shares represented by a DRS Advice and to execute trades on the NYSE or the TSX (or you otherwise do not wish to directly engage a broker to sell your Energy Fuels Shares), you may consider trading your Energy Fuels Shares via the DRS Sale Program which is operated by the Transfer Agent.

Before providing a sale instruction under the DRS Sale Program, you should carefully consider the terms and conditions applicable to the DRS Sale Program. In order to access the DRS Sale Program, non-US holders must contact the Transfer Agent via email at helpAST@equiniti.com or phone at +1 (718) 921-8124. Non-US holders will be required to provide their account number and account registration (each as shown on the DRS Advice), the company stock name, their complete address on account and all other documentation as may be requested by the Transfer Agent. Sale instructions may also be provided by mail at 55 Challenger Road 2nd Floor, Ridgefield Park, NJ 07660 Attn: DRS Sales.

All transactions under the DRS Sale Program will be conducted in United States Dollars. The Transfer Agent does not guarantee the date of sale or the price per share under the DRS Sale Program. All proceeds will be net of any brokerage and other applicable fees.

If you have any questions regarding the DRS Sale Program (including questions in relation to providing a sale instruction and applicable terms and conditions) you can contact the Transfer Agent, via email at helpAST@equiniti.com or phone at +1 (718) 921-8124.

Base Resources Shareholders are urged to carefully investigate and consider the suitability of available arrangements for trading their Energy Fuels Shares prior to the Scheme becoming effective. In particular, if you wish to sell the Energy Fuels Shares you become entitled to under the Scheme:

- if you are a Small Shareholder, you should consider whether or not to participate in the Sale Facility; and
- if you are not a Small Shareholder (or a Small Shareholder that does not wish to participate in the Sale Facility), you should consider what arrangements are appropriate for you and ensure those arrangements are able to put in place before the Implementation Date to avoid or minimise any delay between the date you receive your DRS Advice and the date on which your Energy Fuels Shares may be capable of being traded on the NYSE or TSX.

8 Risks

8.1 Introduction

In considering the Scheme, Base Resources Shareholders should be aware that there are a number of risk factors, both general and specific, associated with the Scheme.

This section 8 describes a number of risks associated with:

- the implementation of the Scheme (section 8.2);
- the business and operations of the Merged Group (section 8.3);
- Energy Fuels Shares (section 8.4); and
- the Base Resources Group, if the Scheme is not implemented (section 8.5).

A number of these risks are, or will be, risks to which Base Resources Shareholders are already exposed. However, the nature of the Merged Group's business will differ from that of Base Resources as a standalone business and Base Resources Shareholders may be subject to additional risks in respect of the Merged Group.

In deciding whether to vote in favour of the Scheme, Base Resources Shareholders should read this Scheme Booklet carefully and consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Base Resources Shareholders. In addition, this section 8 is a summary only and does not purport to list every risk that may be associated with an investment in the Merged Group or holding Energy Fuels Shares now or in the future. There also may be additional risks and uncertainties not currently known to Base Resources or Energy Fuels which may have a material adverse effect on the Merged Group's operating and financial performance and the value of Energy Fuels' Shares.

The information contained in sections 8.3 and 8.4 has been prepared by Energy Fuels (other than any information regarding the Base Resources Group contained in, or used in the preparation of, the information regarding the Merged Group) and other than as set out in this paragraph, Base Resources and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

8.2 Risks relating to the implementation of the Scheme

The implementation of the Scheme will involve several business and operational risks, including risks outside of the control of Base Resources and Energy Fuels, which could negatively impact the Merged Group. These risks include, but are not limited to, those set out below.

(a) Change in risk and investment profile

On and from the Implementation Date, Base Resources Shareholders who receive Energy Fuels Shares under the Scheme will be exposed to risks relating to Energy Fuels, the Merged Group and the integration of Base Resources and Energy Fuels. These changes in risk and investment profile may be considered a disadvantage by some Base Resources Shareholders.

(b) Failure to realise benefits, including synergies

On and from the Implementation Date, the Merged Group will pursue those strategies, operational objectives and benefits contemplated by this Scheme Booklet, including the synergies detailed in section 7.2 and the strategies set out in sections 6.1(b) and 7.3(c). There is a risk that the Merged Group may not achieve the strategies, operational objectives and benefits (in whole or in part) or that they will not materialise, or will not materialise to the extent that the Merged Group contemplates, or they will be delayed. This may occur due to matters beyond the control of the Merged Group. A failure to achieve these strategies, operational objectives and benefits could have an adverse impact on the Merged Group's operations, financial performance and financial position. There is also a risk that the Merged Group will not benefit (in whole or in part) from the synergies detailed in section 7.2, or they will be delayed.

(c) Transaction and transaction related costs may be incurred

Both Energy Fuels and Base Resources have incurred, and will incur, significant costs associated with the Scheme and combining the Energy Fuels and Base Resources businesses. Fees and expenses related to the Scheme include financial adviser fees, filing fees, taxes, legal and accounting fees and regulatory fees. Some of these fees will be paid regardless of whether the Scheme is implemented or becomes effective.

The Merged Group will incur costs associated with combining the two companies, however it is difficult to predict the amount of these costs before the integration process begins. The Merged Group may incur additional unanticipated costs as a consequence of difficulties arising from efforts to integrate the companies.

(d) Implementation of the Scheme is subject to a number of conditions

Implementation of the Scheme is conditional upon satisfaction of the following conditions precedent (each of which are outstanding as at the Last Practicable Date):

- approval of the Scheme by Base Resources Shareholders and the Court;
- receipt of regulatory approvals, including:
 - approval by the Foreign Investment Review Board of Australia; and
 - approval by the Malagasy Competition Council.

See section 10.5(b) for a full list of conditions precedent (including those conditions which have been satisfied prior to the Last Practicable Date).

There can be no assurance that any or all such approvals will be obtained or will be obtained in a timely manner. Even if such approvals or conditional approvals are obtained, no assurance can be given as to the terms, conditions and timing of the approvals or whether they will be acceptable to Energy Fuels (in terms of any impact on the Scheme or the Merged Group's operations). In addition, Energy Fuels and Base Resources may (subject to compliance with relevant laws) waive certain of these conditions either before or after the Scheme Meeting without requiring the further approval of Base Resources Shareholders.

(e) The Scheme Implementation Deed may be terminated in certain circumstances

Each of Energy Fuels and Base Resources has the right to terminate the Scheme Implementation Deed in certain circumstances. For instance, either party may terminate the Scheme Implementation Deed if there is or may be a failure of a Condition Precedent to be satisfied or waived (where capable of waiver) in accordance with its terms and Energy Fuels and Base Resources are unable to agree on a revision to the terms of the Scheme Implementation Deed after such failure of the Condition Precedent or the Scheme has not become Effective by 11:59pm (Perth time) on the End Date (being 20 December 2024, or such later date as agreed between the parties). Failure to complete the Scheme could negatively impact the trading price of Base Resources Shares or otherwise adversely affect Base Resources' business.

(f) The exchange ratio is fixed and will not be adjusted in the event of any change in either Energy Fuels' or Base Resources' share price

Upon implementation of the Scheme, Base Resources Shareholders as of the Scheme Record Date will be entitled to receive 0.0260 Energy Fuels Shares per Base Resources Share.

This exchange ratio was fixed in the Scheme Implementation Deed and will not be adjusted to reflect changes in the market price of either Base Resources Shares or Energy Fuels Shares before the Implementation Date or changes in the AUD:USD exchange rate. Share price changes may result from a variety of factors (many of which are beyond Energy Fuels' and Base Resources' control), including the following:

- changes in Energy Fuels' and Base Resources' respective businesses, operations and prospects;
- investor behaviour and strategies, including market assessments of the likelihood that the Scheme will be implemented, including related considerations regarding Court approval and regulatory clearance of the Scheme;
- interest rates, general market and economic conditions and other factors generally affecting the price of Energy Fuels Shares and Base Resources Shares; and
- federal, state and local legislation, governmental regulation and legal developments in the businesses in which Energy Fuels and Base Resources operate.

The price of an Energy Fuels Share at the Implementation Date will vary from its price on the date on which the Scheme Implementation Deed was executed, on the date of this Scheme Booklet and on the date of the Scheme Meeting. The same applies to the AUD:USD exchange rate. As a result, the market value represented by the exchange ratio will also vary.

(g) Market response to the Scheme or significant delays in implementation of the Scheme could negatively affect the price of the Energy Fuels Shares or have an adverse impact on the Merged Group's business and operations

The market price of Energy Fuels Shares may vary significantly from the price on the date of the Scheme Implementation Deed. Negative market response to the Scheme or any significant delays in implementation of the Scheme could negatively affect the market price of Energy Fuels Shares. In addition, there can be no assurance that the conditions precedent to the Scheme will be satisfied in a timely manner or at all. If implementation of the Scheme is delayed, the market price of Energy Fuels Shares (and therefore of the Merged Group) may decline significantly, particularly to the extent the market price reflects a market assumption that the Scheme will be implemented in a particular timeframe. Share price changes may result from a variety of factors that are beyond the Merged Group's control, including:

- market assessment of the likelihood of the Scheme being implemented;
- changes in the respective businesses, operations or prospects of Energy Fuels or Base Resources, including their respective ability to meet earnings estimates;
- governmental or litigation developments or regulatory considerations affecting Energy Fuels or Base Resources or the sectors in which they operate;
- general business, market, industry or economic conditions;
- the worldwide supply/demand balance for REEs, uranium, vanadium, ilmenite, leucoxene, rutile, zircon and monazite and the prevailing commodity price environment; and
- other factors beyond the Merged Group's control, including those described elsewhere in this section 8.

(h) Tax consequences for shareholders

If the Scheme is successfully implemented, there may be tax consequences for Scheme Shareholders. These tax consequences will vary depending on a number of factors, including the place of residence of Scheme Shareholders and their individual tax circumstances.

A summary of the general Australian income tax, stamp duty and GST consequences that may be applicable to the Base Resources Shareholders participating in the Scheme is set out in section 9.

Base Resources Shareholders are encouraged to seek independent professional advice regarding the individual tax consequences that they may be subject to.

(i) The Merged Group may not realise the anticipated benefits of the Scheme and the integration of Base Resources may not occur as planned

The Scheme has been pursued by Energy Fuels with the expectation that its implementation will result in an increase in sustained profitability and enhanced growth opportunities for the Merged Group. These anticipated benefits will depend in part on whether Base Resources' and Energy Fuels' operations can be integrated in an efficient and effective manner.

The performance of the Merged Group's operations after implementation could be adversely affected if, among other things, the Merged Group is not able to achieve the anticipated savings and synergies expected to be realised in pursuing the Scheme, or retain key employees to assist in the integration and operation of Base Resources and Energy Fuels. The implementation of the Scheme may pose special risks, including one-time write-offs, restructuring charges and unanticipated costs. In addition, the integration process could result in diversion of the attention of management and disruption of existing relationships with suppliers, employees, customers and other constituencies of each company.

(j) Energy Fuels is a foreign company and a foreign issuer

Energy Fuels is incorporated under the laws of the province of Ontario, Canada and is listed on the NYSE and the TSX and is a US domestic issuer for SEC reporting purposes. As such, Energy Fuels is subject to foreign corporations and securities laws and regulations (including as to corporate governance requirements), which may differ from the corresponding laws that are applicable to companies in an investor's place of residence (including Australia).

It may be more difficult for shareholders to enforce their legal rights against the Merged Group (which will be organised and managed outside Australia) than if the Merged Group was organised, managed and resident solely in Australia. Additionally, the common law and statutory rights of shareholders under the laws of Canada and the United States may be more limited or less favourable than corresponding rights available to shareholders under Australian law.

Refer to Annexure 1 for a comparison between relevant Australian, Canadian and United States laws.

(k) United States and Canadian disclosure standards

Energy Fuels is (and therefore the Merged Group will be) a US and Canadian issuer that is required to prepare and file its periodic and other filings in accordance with US and Canadian securities laws. As a result, certain information about Energy Fuels that is contained in this Scheme Booklet, including any financial statements, was prepared in accordance with US and Canadian disclosure regulations, rather than the requirements that would apply to Base Resources or other issuers in Australia. Because US and Canadian disclosure requirements are different from Australian disclosure requirements, the information about Energy Fuels contained in its public filings including any financial statements may not be comparable to similar information available about Base Resources or other Australian issuers.

Please refer to section 1.1(b) of Annexure 1 for a comparison of relevant Australian, US and Canadian corporate laws as they relate to Base Resources and Energy Fuels (and therefore the Merged Group).

(l) The Merged Group's public filings of mineral resources will differ to Australian disclosure requirements

Energy Fuels' mineral reserve and mineral resource estimates in connection with mining operations that are material to its business or financial condition have been prepared in accordance with NI 43-101 and Subpart 1300. Base Resources' reporting of Ore Reserves and Mineral Resource estimates comply with the reporting requirements of, and are based on, the confidence categories defined in the JORC Code, and the reporting requirements of Chapter 5 of the ASX Listing Rules. Base Resources has not been involved in the preparation of any Energy Fuels' mineral reserves and mineral resources estimates.

Subpart 1300, NI 43-101 and the JORC Code have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, but embody different approaches and definitions.

Expectations regarding the mineral reserves and mineral resources of Energy Fuels and the Ore Reserves and Mineral Resources of Base Resources following the implementation of the Scheme will remain subject to adjustment, pending continuing review of Base Resources' mineral resources in accordance with NI 43-101 and Subpart 1300. Future adjustment may occur due to new information, exploration work, price assumptions, future divestments and acquisitions and other ongoing factors, as well as the different standards under NI 43-101 and Subpart 1300. No assurances can be made that all historical Base Resources Ore Reserves or Mineral Resource Estimates will be recognised as Energy Fuels mineral reserves or mineral resources and any differences may be material.

(m) The Merged Group's Pro-Forma Historical Balance Sheet may not be indicative of the actual financial condition of the Merged Group

The Merged Group Pro Forma Historical Balance Sheet included in section 7.7 is presented for illustrative purposes only to show the effect of implementation of the Scheme and should not be considered to be an indication of the financial condition or results of operations of the Merged Group following implementation. For example, the Merged Group Pro Forma Historical Balance Sheet has been prepared using the historical consolidated balance sheet of Energy Fuels and consolidated statement of financial position of Base Resources for certain specific periods and do not represent a financial forecast or projection. The Merged Group Pro Forma Historical Balance Sheet in section 7.7 is based in part on certain assumptions regarding the Scheme and certain adjustments and assumptions have been made regarding the Merged Group after giving effect to the Scheme. The information upon which these adjustments and assumptions have been made is preliminary, and these types of adjustments and assumptions are difficult to make with complete accuracy, and other factors may affect the Merged Group's results of operations or financial condition following implementation of the Scheme.

In addition, in preparing the Merged Group Pro Forma Historical Balance Sheet contained in this Scheme Booklet, effect has been given to, among other things, implementation of the Scheme and the issuance of the Scheme Consideration. The Merged Group Pro Forma Historical Balance Sheet does not reflect all of the costs that are expected to be incurred in connection with the Scheme. For example, the impact of any costs incurred in integrating Energy Fuels and Base Resources is not reflected in the Merged Group Pro Forma Historical Balance Sheet. See the notes to the Merged Group Pro Forma Historical Balance Sheet in section 7.7 for further details.

Accordingly, the Merged Group Pro Forma Historical Balance Sheet included in this Scheme Booklet does not necessarily represent the Merged Group's financial position had Energy Fuels and Base Resources operated as a combined entity during the periods presented, or of the Merged Group's financial position following implementation of the Scheme.

The actual financial position of the Merged Group following implementation may not be consistent with, or evident from, the Merged Group Pro Forma Historical Balance Sheet. In addition, the assumptions used in preparing the Merged Group Pro Forma Historical Balance Sheet may not prove to be accurate, and other factors may affect the Merged Group's financial position following implementation of the Scheme. Any potential decline in the Merged Group's financial position may cause a significant decrease in the Merged Group share price.

(n) The Merged Group may face new tax risks in certain Base Resources operating jurisdictions

Base Resources has operations and conducts business in certain jurisdictions in which Energy Fuels subsidiaries do not currently operate or conduct business, being Australia, Kenya, Madagascar and Mauritius, which may increase the Merged Group's susceptibility to sudden tax changes. Taxation laws in these jurisdictions are complex, subject to varying interpretations and applications by the relevant tax authorities and subject to changes and revisions in the ordinary course. In addition, following implementation of the Scheme, the Merged Group may be subject to tax liabilities that may exist at Base Resources or that may arise in connection with the implementation of the Scheme which are currently unknown. Any unexpected taxes imposed on the Merged Group could have a material and adverse impact on the Merged Group's financial position.

(o) The market price of Energy Fuels Shares may be adversely affected as a result of the Scheme

On implementation of the Scheme, a significant number of additional Energy Fuels Shares will be issued and available for trading in the public market. The increase in the number of Energy Fuels Shares may lead to sales of such shares or the perception that such sales may occur, either of which may adversely affect the market for, and the market price of, Energy Fuels Shares.

8.3 Risks related to the Merged Group's business and operations

The Merged Group's business and industry will be subject to a number of business and operation risks, including risks that are outside of its control, which could negatively impact the Merged Group's actual results. These risks include, but are not limited to, those set out below.

(a) Lifting of the suspension of the Toliara Project, agreement of fiscal terms and early stage development

Development of the Toliara Project is dependent on lifting the current suspension of on-ground activities imposed by the Government of Madagascar pending agreement on the fiscal terms applicable to the project. There is no certainty that binding fiscal terms for the Toliara Project will be agreed and that the suspension will be lifted or that these milestones will be achieved on reasonably timely basis.

Once the suspension is lifted, development of the Toliara Project is dependent on several factors including, but not limited to:

- securing requisite fiscal and legal stability – e.g. through eligibility certification under the LGIM;
- ratification by Parliament of an investment agreement (or similar) recording the agreed fiscal terms and also providing necessary legal clarifications in relation to applicable law;
- having monazite included as a mineral for exploitation on the Toliara Exploitation Permit on a timely basis or at all;
- securing requisite land access for the Toliara Exploitation Permit and the Toliara Project's associated infrastructure;
- access to adequate capital to fund development;
- obtaining regulatory consents and approvals necessary for, or exemptions beneficial to, development and production on a timely basis or at all;
- commodity prices and securing necessary offtakes on reasonable terms;
- geotechnical conditions;
- recruitment and retention of appropriately skilled and experienced employees, contractors and consultants; and
- maintaining positive relations with host communities and regional and national governments/officials.

(b) Closure of Kwale Operations

The closure of Kwale Operations and conclusion of mining and processing activities is subject to several risks for the Merged Group including, but not limited to:

- adequate financial provisioning for closure and rehabilitation;
- environmental contamination, including soil erosion and water pollution;
- potential harm to personnel on site during closure, including employees and contractors;
- meeting and adherence to evolving regulations and standards, as well as international industry good practice;
- managing community and Government relations and expectations and addressing any concerns;
- technical challenges in implementing effective rehabilitation methods;
- long-term monitoring as part of ensuring rehabilitation effectiveness and management of the tailings storage facility;
- maintaining public trust and social licence through communication and engagement; and
- resolving on acceptable terms current and potential legal disputes, including with community, government and government related bodies, third party royalty holders and site employees (for example, over contractual obligations, severance packages, and associated employment termination issues).

(c) Donald Project Joint Venture

The ability of Energy Fuels to earn its 49% interest in the Donald Project is dependent on Completion occurring for the purposes of the JVA and the Donald FID being unanimously passed by Energy Fuels and Astron (as described in section 6.3(i)). The development of the Donald Project and the ability of the parties to approve the Donald FID and to develop and operate the project is dependent on a number of factors including, but not limited to:

- the project being fully permitted, including receiving approval of the work authority for the phase 1 mine plan and additional regulatory approvals required for the mining, transport and export of REE concentrate;
- an evaluation of the economics of phase 1 taking into account: the conclusions and recommendations in the Updated Phase 1 DFS; expected REE concentrate and HMC recoveries from the planned facilities; the development plan and budget for phase 1, and cash flow forecasts for both the joint venturers;
- Energy Fuels having secured commitments for satisfactory offtake and/or sales agreements for the separated REE products expected to be produced at the White Mesa Mill from the Donald Project REE concentrate;
- Astron and/or Donald Project Pty Ltd having secured commitments for satisfactory offtake and/or sales agreements for HMC;
- Donald Project Pty Ltd having secured commitments for non-recourse and/or government-backed debt financing for the project development costs required in addition to Energy Fuels' A\$183 million earn-in amount;
- Donald Project Pty Ltd having secured certain land rights and/or access agreements for the project including its associated infrastructure;
- Donald Project Pty Ltd maintaining and renewing tenements relating to the Donald Project including MIN5532 whose current term expires in 2030 (and for phase 2 the conversion of RL2002 into a mining lease);
- counter party risk in relation to Astron's ability to perform its obligations under the JVA and related transaction documents;
- obtaining all required local, state and federal consents and approvals required on a timely basis; and
- securing construction and engineering contracts, as well as equipment and spare parts, on acceptable terms and in accordance with project requirements.

(d) Risks related to the jurisdictions in which the Merged Group operates

The Merged Group and its businesses, and the industries in which they operate, are subject to a number of risks related to the jurisdictions in which the Merged Group operates, including risks that are outside of its control, which could negatively impact on the Merged Group's actual operation and financial results. These risks include, but are not limited to:

(1) Foreign Currency Risks

The Merged Group's operations will be subject to foreign currency fluctuations. The Merged Group's operating expenses and revenues are primarily incurred in US dollars, while some of its cash balances and expenses are measured in Canadian dollars. The operations of Base Resources are also primarily conducted in US dollars, but Base Resources conducts some of its business in currencies other than the US dollar (including, Australian dollars, Kenyan Shillings and Malagasy Ariary). The fluctuation of the Canadian dollar, Australian dollar, Kenyan Shilling and Malagasy Ariary in relation to the US dollar will consequently have an impact on the Merged Group's profitability and may also affect the value of its assets and shareholder's equity.

In addition, any strengthening of the US dollar relative to the Canadian dollar, Australian dollar, the Kenyan Shilling or the Malagasy Ariary, makes the Merged Group's mineral extraction and recovery less competitive in relation to similar activities in other countries and could have a material impact on the Merged Group's cash flows and profitability as well as affect the value of its assets and shareholders' equity.

(2) The Merged Group's operations outside the United States and Canada require compliance with a number of United States, Canadian and international regulations, violations of which could have a material adverse effect on the business, consolidated results of operations, and consolidated financial condition

The Merged Group's operations require compliance with a number of United States, Canadian, Australian, African and other international regulations. For example, the operations are subject to the United States Foreign Corrupt Practices Act (**FCPA**), which prohibits certain companies and their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. The operations are also subject to the Corruption of Foreign Public Officials Act (**CFPOA**), which is the Canadian equivalent of the FCPA. The Merged Group's activities create the risk of unauthorized payments or offers of payments by its employees, agents, or joint venture partners that could be in violation of anti-corruption laws, even though some of these parties are not subject to the Merged Group's control. The Merged Group cannot assure that any internal control policies and procedures and training and compliance programs for its employees and agents with respect to the FCPA and CFPOA, it may have in place at any time will protect it from reckless or criminal acts committed by its employees or agents. The Merged Group is also subject to the risks that its employees, joint venture partners, and agents outside of the United States may fail to comply with other applicable laws. Allegations of violations of applicable anti-corruption laws have resulted and may in the future result in internal, independent, or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, and the Merged Group may be subject to other liabilities, which could have a material adverse effect on its business, consolidated results of operations and consolidated financial condition.

(3) Risks associated with carrying on the Merged Group's business in foreign countries

The Merged Group faces a number of risks related to conducting business operations in foreign countries including heightened risks of political instability, expropriation of assets, business interruption, increased taxation, import/export controls, unilateral modification of concessions and contracts. The Merged Group also faces the typical risks associated with doing business in foreign countries, including: different market and economic forces, resulting from new business environments with new competitors and different consumer preferences; dealing with local suppliers who may have a strong foothold in the area; the need to build up brand awareness and trust in a new market; different customer and supplier demographics; language and cultural barriers; extreme weather events and natural disasters that can present a sustained business risk relating to supply logistics and other factors; the additional requirements of foreign legal systems; the impacts of foreign tax requirements; the need to comply with foreign regulations and operations compliance; the need to comply with foreign legal systems, including as they relate to contract enforceability; the requirement to stay abreast of and remain in compliance with changing laws and regulations; and the lack of purchasing power parity compared to domestic competitors. Any number of these risks could have a material adverse effect on the Merged Group's operations, liquidity and financial condition.

(4) Risks associated with a Brazilian federal or state government enacting or managing a conservation unit or environmental protection area

In respect of the Bahia Project, there is a risk of a Brazilian federal or state government enacting or managing a conservation unit or environmental protection area or implementing a management plan in connection therewith that could impact planned production at or restrict the Merged Group's ability to or prevent the Merged Group from mining significant portions of the Bahia Project. Such an action could have a material adverse effect on the Merged Group's operations, liquidity and financial condition.

(5) Operating in Africa

Base Resources' operations in Africa may expose the Merged Group to uncertain social, political or economic conditions and other risks. The Scheme may give rise to certain actions being taken by foreign Government Agencies or other counterparties, whereby such Government Agencies or other counterparties could seek to assert rights of expropriation, renegotiation or nullification of existing concessions, contracts and pricing benchmarks, challenges to title to properties or mineral rights or delays renewing licences and permits. Such Government Agencies or other counterparties may also seek to impose onerous fiscal policy, onerous regulation, changes in law or policy governing existing operations, financial constraints and unreasonable taxation.

There is also a risk that foreign public officials or Government Agencies will act unreasonably towards the Merged Group. There can be no assurance that these foreign public officials or Government Agencies or other counterparties will not take the steps noted above in respect of Base Resources' current operations and, if any such steps are taken, there can be no assurance that sufficient remedies will be available to recoup the investments that have been made to date in such areas. The occurrence of any such events in respect of Base Resources' current operations in such foreign nations could adversely affect the Merged Group's business and results of operations and the ability of the Merged Group to achieve the anticipated benefits of the Scheme.

(e) Dependence on the issuance of license amendments and renewals, which cannot be guaranteed

The Merged Group must maintain regulatory licenses and permits in order to operate the White Mesa Mill and Nichols Ranch ISR Project and conventional mines, which are subject to renewal from time to time and are required in order to operate in compliance with applicable laws and regulations. In addition, depending on the Merged Group's business requirements, it may be necessary or desirable to seek amendments to one or more of its licenses or permits from time to time. While Energy Fuels has been successful in renewing its licenses and permits on a timely basis in the past and in obtaining such amendments as have been necessary or desirable, there can be no assurance that such license and permit renewals and amendments will be issued by applicable regulatory authorities on a timely basis or at all in the future for the Merged Group.

(f) Results of operations are significantly affected by the market prices of REEs, HMS, uranium and vanadium, which are cyclical and subject to substantial price fluctuations

The Merged Group's earnings and operating cash flow will be particularly sensitive to the long- and short-term changes in the market prices of REEs, uranium and vanadium, as well as HMS and their components, including the prices for ilmenite, rutile and zircon, which could impact planned production levels or the feasibility of production of HMS and monazite from the Bahia Project, Toliara Project and the Donald Project and any other HMS projects and which could impact monazite supply for the REE carbonate and separated REE product production. Among other factors, these prices also affect the value of the Merged Group's resources, reserves and inventories, as well as the market price of Energy Fuels Shares.

Market prices are affected by numerous factors beyond the Merged Group's control. With respect to uranium, 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 or fear of a nuclear incident; reprocessing of used reactor fuel, the re-enrichment 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, and government actions such as, for instance, any plans included in President Biden's 2024 fiscal budget and those taken pursuant to the US Uranium Reserve Program. With respect to vanadium, such factors include, among others: demand for steel; the potential for vanadium to be used in advanced battery technologies; political and economic conditions in vanadium producing and consuming countries; world production levels; and costs of production. With respect to REEs, such factors include, among others: demand for REEs; political and economic conditions in REE producing and consuming countries; REE-bearing ore supply from secondary sources; international interest in the purchase of mixed REE carbonate and separated REE products, absent a US-based separation facility; public and political response to REE initiatives at the White Mesa Mill; governmental investment in domestic REE infrastructure; world production levels; costs of production; risks associated with foreign governmental actions, policies, laws, rules, regulations and foreign state subsidized enterprises, with respect to REE production and sales, which could impact REE prices available to the Merged Group and impact its access to world and domestic markets for the supply of REE-bearing ores and the sale of mixed REE carbonate and other separated REE products and services to world and domestic markets; and other government actions, including licensing and import requirements. With respect to HMS and its components including the prices for ilmenite, rutile and zircon, such factors include, among others: demand for titanium dioxide and zircon; political and economic conditions in HMS producing and consuming countries; other government actions, including licensing and import requirements; geopolitical factors; world production levels; exploration, mining, processing, refining and other costs of production; grades of HMS supplies; scale of mining method; growth in end-use demand of titanium and zircon, including GDP growth in consuming countries; available mineable deposits and upgrading facilities; currency fluctuations; and other market demand and supply dynamics.

Other factors relating to the prices of REEs, HMS, uranium and vanadium include: levels of supply and demand for a broad range of industrial products; substitution of new or different products in critical applications for the Merged Group's existing 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, vanadium, mixed REE carbonate and other separated REE products and services, and HMS by holders in response to such factors. If prices are below the Merged Group's cash costs of extraction or recovery and remain at such levels for any sustained period, it may determine that it is not economically feasible to continue commercial extraction, recovery or processing at any or all of the Merged Group's projects or other facilities and may also be required to look for alternatives other than cash flow to maintain the Merged Group's liquidity until prices recover. The Merged Group's expected levels of REEs, HMS, uranium and vanadium recovery and other business activity are dependent on its expectation and the industry's expectations of REEs, HMS, uranium and vanadium prices, which may not be realized or may change. In the event the Merged Group concludes that a significant deterioration in expected future REEs, HMS, uranium or vanadium prices has occurred, it will assess whether an impairment allowance is necessary which, if required, could be material.

The Merged Group's profitability is directly related to the market prices of REEs, HMS, uranium and vanadium, recovered. The Merged Group may, from time to time, undertake commodity and currency hedging programs with the intention of maintaining adequate cash flows and profitability to contribute to the long-term viability of the business. The Merged Group anticipates selling forward in the ordinary course of business if, and when, it has sufficient assets and recovery to support forward sale arrangements and forward sale arrangements are available on suitable terms. There are, however, risks associated with forward sale programs. If the Merged Group does not have sufficient recovered product to meet its forward sale commitments, it may have to buy or borrow (for later delivery back from recovered product) sufficient product in the spot market to deliver under the forward sales contracts, possibly at higher prices than provided for in the forward sales contracts, or potentially default on such deliveries. In addition, under forward contracts, the Merged Group may be forced to sell at prices that are lower than the prices that may be available on the spot market when such deliveries are completed. Although the Merged Group may employ various pricing mechanisms within the Merged Group's sales contracts to manage its exposure to price fluctuations, there can be no assurance that such mechanisms will be successful. There can also be no assurance that the Merged Group will be able to enter into additional term contracts for future sales of uranium, vanadium, mixed REE carbonate or other separated REE products at prices or in quantities that would allow us to successfully manage the Merged Group's exposure to price fluctuations.

(g) Some of the Merged Group's mineral properties may never be put into a state of production

In addition to the Toliara Project and Donald Project as described above, depending on REEs, HMS, uranium and vanadium prices, some of the Merged Group's mineral properties may never be put into a state of production. Two of the Merged Group's projects have Mineral Reserves as defined by Subpart 1300 and NI 43-101 – the Sheep Mountain Project and the Pinyon Plain Project. Because the probability of an individual prospect ever having Mineral Reserves as defined by Subpart 1300 and NI 43-101 is uncertain, the Merged Group's other properties may not contain any Mineral Reserves. Even if Mineral Reserves are identified, depending on commodity prices, the Merged Group may not put a property into a state of production due to insufficient capital or other reasons. Any funds spent on exploration, construction, development, extraction and recovery on any properties that are not put into production may be lost. The Merged Group does not know with certainty that economically recoverable uranium exists on all of its properties as defined by Subpart 1300 and NI 43-101. Further, although Energy Fuels is undertaking uranium extraction activities at the White Mesa Mill and is mining at several of its properties at current commodity prices, the lack of established Mineral Reserves on a number of the properties means that it is uncertain as to the Merged Group's ability to continue to generate revenue from its operations. The Merged Group may never discover additional uranium in commercially exploitable quantities and, depending on commodity prices, its identified deposits currently classified as Mineral Resources may never qualify as commercially mineable Mineral Reserves. The Merged Group will continue to attempt to acquire the surface and mineral rights on lands that it thinks are geologically favourable or where it has historical information in its possession that indicates uranium mineralization might be present.

The exploration and, if warranted, construction relating to or development of mineral deposits involves significant financial and other risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenditures are required to establish Mineral Reserves by drilling and to construct mining and processing facilities at a site. The Merged Group's operations and activities are subject to the hazards and risks normally incident to exploration and production of uranium, precious and base metals, any of which could result in damage to life or property, environmental damage and possible legal liability for such damage. While the Merged Group may obtain insurance against certain risks, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Merged Group cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the Merged Group's future earnings and competitive position and, potentially, its financial viability.

(h) Risks associated with the Merged Group's REE business

There are a number of risk inherent to the Merged Group's REE activities, which include the following:

- The risk of achieving and maintaining an adequate supply of monazite feed for processing at the White Mesa Mill. Although Energy Fuels has acquired the Bahia Project, it is currently at the exploration and permitting stage and is not an operating mine. The same consideration applies to the Toliara Project and the Donald Project, although the Toliara Project is at a more advanced stage. As a result, the Merged Group does not currently own its own operating monazite-bearing mine(s) and is completely dependent on contractual arrangements for its REE feed sources at this time. There can be no guarantee that the Merged Group will be able to secure adequate monazite supply over the long-term at suitable prices or that the Bahia Project, Toliara Project or the Donald Project will be developed into operating monazite-producing mines. In addition, the price the Merged Group may be required to pay for monazite sands is subject not only to commercial factors but also to the risk of influence by foreign policy and/or foreign state-owned enterprises. The Merged Group will evaluate potential acquisitions of additional mines or resource properties and joint ventures with mine or resource property owners, but there can be no guarantee that any such acquisitions or joint ventures can be realized on acceptable terms. Further, to the extent the Merged Group is required to purchase monazite ore sources and rely on REE separation facilities located outside the US, the Merged Group may be at a transportation cost disadvantage compared to processing facilities in China or elsewhere that may be closer to potential ore sources and/or REE separation facilities;

- The risk of being able to contract to sell the White Mesa Mill's REE product at satisfactory prices. The Merged Group has entered into one sales contract with an REE separation facility and intends to secure potential sales contracts with other REE separation facilities for the sale of the mixed REE carbonate produced at the White Mesa Mill and with NdPr and other REE oxide users for any separated REE products produced by the Merged Group, but there can be no guarantee that any such contracts will be entered into on satisfactory terms, or at all, or extended, in the future. If the Merged Group is not able to secure adequate contracts for the sale of its mixed REE carbonate or separated REE products, the Merged Group may be required to hold the Merged Group's mixed REE carbonate and other separated REE products in inventory until they can be sold at reasonable prices, which would require the commitment of the Merged Group's cash resources while the REE product is being held in inventory. The Merged Group would also bear the risk that the REE product may not be able to be sold at reasonable prices in the future, either due to a lack of a market for the purchase of the Merged Group's mixed REE carbonate or other separated REE products and/ or a reduction in REE commodity prices and, hence, the Merged Group bears the risk of a reduction in the value of the Merged Group's mixed REE carbonate or other separated REE products. The Merged Group anticipates that the US government may take steps to support the development of a US supply chain for REEs through price support or other mechanisms, but there can be no guarantee that any such support will be given, or if given, would benefit the Merged Group;
- The risk of process failures in the production of mixed REE carbonates or separated REE products, such as the Merged Group's ability to continue producing mixed REE carbonate and/or separated REE products at commercial specifications and on a commercial scale at acceptable costs, which could prevent future commercial production of mixed REE carbonate and/or separated REE products at the White Mesa Mill cost-competitively or at all;
- The risk that the Merged Group may not be able to increase the Merged Group's sources of natural monazite sands or other ores in amounts sufficient to sustain cost-competitive production of mixed REE carbonate or separated REE products at the White Mesa Mill or elsewhere;
- The inability of the Merged Group to successfully or cost-competitively process other types of REEs and uranium-bearing ores and materials at the White Mesa Mill, such as those produced from coal-based resources or Alternate Feed Materials;
- The inability of the Merged Group to successfully enhance and modify existing Mill facilities to commission or otherwise construct and operate its planned REE separation circuits at the White Mesa Mill or elsewhere, and potentially other downstream REE activities, including metal-making and alloying, in the future at the White Mesa Mill or elsewhere, at acceptable costs or at all;
- The risk of: permit and license challenges, the failure to obtain or retain any needed permit or license amendments, or changes in regulatory attitudes or interpretations. The White Mesa Mill can produce mixed REE carbonate, along with uranium, from uranium ore and REE-bearing monazite sand ores, but additional permitting or licensing may be required to permit certain of the Merged Group's planned REE separation circuits and facilities and potential REE metal and metal alloy facilities at the White Mesa Mill or elsewhere. The existing licensing regime and any new or existing permits or licenses or amendments that may be required are subject to challenge, which could delay or prevent existing production or any new construction, as well as any separation and other activities;
- The current shortage of supply of REEs and the resulting prices for REEs, and the fear that supplies of REEs may not be forthcoming on a timely basis to meet new demands for REEs, such as for permanent magnets for EVs, may encourage end-users to substitute away from REEs to advance and use other technologies to meet consumer demands for end products, which could result in a significant reduction in demand for and prices of REEs. Sustained reductions in the price of REEs would impact the Merged Group's returns from its REE initiatives and could render them infeasible;
- The risk that further exploration, permitting and development work on the Bahia Project may result in a determination by the Merged Group that developing a mine on the property is not feasible;
- The risks associated with HMC production at the Energy Fuels' (and ultimately the Merged Group's) Bahia Project or any other HMS project acquired by the Merged Group in the future, and the risks associated with HMC pricing could impact the profitability of mining the Bahia Project or any such other HMS projects, which could impact the supply of monazite available to the Merged Group from such projects;
- The risk of conducting exploration and mining activities in Brazil, including: the need to rely on English/Portuguese translations provided by third parties; variations in laws, labour practices, and social norms that could impact the Merged Group's ability to conduct business in a timely and effective manner; and delays caused by cross-border logistics, such as import and export processes; and
- Increases in the supply of REEs through the addition of new mines and/or REE processing facilities could increase the global supply of REEs and reduce the price of REEs and REE products. Sustained reductions in the price of REEs would impact the Merged Group's returns from its REE initiatives and could render them unfeasible.

(i) Public acceptance of nuclear energy and competition from other energy sources is unknown

Growth of the uranium and nuclear industry will depend upon continued and increased acceptance of nuclear technology as an economic means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, including the risk of a nuclear incident and fears of nuclear incidents in the event of terrorism, wars, insurrections or natural disasters, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. Nuclear energy competes with other sources of energy, including oil, natural gas, coal, hydroelectricity and renewable energy sources. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydroelectricity may result in lower demand for uranium concentrates. Increased government regulation and technical requirements may make nuclear energy uneconomic, resulting in lower demand for uranium concentrates. Technical advancements and government subsidies in 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.

(j) Unfavourable media coverage of mining or nuclear energy could negatively affect the Merged Group's business

The Merged Group may be subject to media coverage relating to mining and the production of uranium and other forms of nuclear energy, as well as the production of mixed REE carbonate, separated REE products, HMS and the extraction and concentration of radioisotopes for use in TAT medical treatments, some of which can be inaccurate, non-objective or politically motivated. As a result, the Merged Group may be frequently required to address or respond to such media coverage, which can be costly and time-consuming. Such inaccurate and non-objective media coverage can also negatively impact public perception of the Merged Group's activities, the market for the Merged Group's securities, government relations, permitting activities and legal challenges.

(k) The White Mesa Mill has historically been run on a campaign basis as sufficient feed materials are available, and there can be no assurance that sufficient mill feed will be available in the future to sustain future campaigns

The White Mesa Mill has historically operated on a campaign basis, whereby mineral processing occurs as mill feed, cash needs, contract requirements and/or market conditions may warrant. Each milling campaign is subject to receipt of sufficient mill feed that would allow operating the White Mesa Mill on a profitable basis and/or recover a portion of its standby costs. The Merged Group will continue with its commercial production of mixed REE carbonate and is performing modifications and enhancements to the White Mesa Mill's circuits to allow for the separation of REE oxides. However, there can be no assurance that sufficient conventional ores, Alternate Feed Materials, suitable tailings pond solutions and/or other sources of mill feed will be available in the future, or that planned increases to production of mixed REE carbonate and separated REE products will be successful, so as to allow the operation of the White Mesa Mill on a profitable basis and/or recover a portion of the White Mesa Mill's standby costs at any time.

(l) There can be no guarantee that the Merged Group will be able to enter into additional new term sales contracts in the future for REEs, HMS, uranium or vanadium on suitable terms and conditions

The Merged Group will continue to strategically pursue uranium sales commitments with pricing expected to have both fixed and market-related components. Energy Fuels believes that recent price increases and volatility and the recent focus on security of supply in light of Russia's ongoing invasion of Ukraine have increased the potential for the Merged Group to make uranium sales and procure additional term sales contracts with utilities at pricing that sustains production and covers corporate overhead. However, there can be no guarantee that the Merged Group will be able to enter into additional long-term contracts for the delivery of significant amounts of uranium at satisfactory prices in the future. Fixed-price long-term contracts for vanadium are generally not available and Energy Fuels' existing contract for the sale of mixed REE carbonate is at prices that vary with the prices of REEs. Thus, there can be no guarantee that the Merged Group will be able to enter into long-term contracts for the delivery of significant amounts of vanadium, mixed REE carbonate or other separated REE products or HMS at satisfactory prices in the future. The failure to enter into new term sales contracts on suitable terms could adversely impact operations and mining activity decisions and resulting cash flows and income.

(m) Vanadium mineral resource estimates for the La Sal Complex are based in part on White Mesa Mill production records

For the La Sal Complex uranium-vanadium property, vanadium assay results are not available for all drill holes such that the vanadium mineral resource estimate is in part based on a ratio of vanadium to uranium supported by actual mill production records from the White Mesa Mill. There is a risk that the use of a ratio based on White Mesa Mill production records may increase the potential uncertainty in vanadium grades.

(n) The Merged Group may be unable to raise debt financing as may be required or desirable

The Merged Group may not be able to raise debt financing as may be required or desirable for planned expansion of its operations or for the development of projects with third parties in which it has a joint venture or other interest. The failure to raise debt financing on suitable terms or at all when required or desirable could have a material adverse effect on operations and financial conditions of the Merged Group.

(o) The Merged Group may be unable to timely pay its debt obligations

The Merged Group may from time to time enter into arrangements to borrow money in order to fund operations, project developments and expansion plans, and such arrangements may include covenants that restrict the Merged Group's business in some way. The Merged Group may also from time to time acquire properties whereby certain payment obligations owed to the seller are paid by it over time, with the seller's sole remedy for non-payment by the Merged Group being re-acquisition of the property. Events may occur in the future, including events out of the Merged Group's control, that would cause it to fail to satisfy its debt or financing instruments. In such circumstances, or if the Merged Group were to default on its obligations under such debt or financing instruments, the amounts drawn in accordance with the underlying agreements may become due and payable before the agreed maturity date, and the Merged Group may not have the financial resources to repay such amounts when due.

Although all of the Energy Fuels (and ultimately the Merged Group's) reclamation obligations are bonded, and cash and other assets have been reserved to secure a portion but not all the bonded amounts, to the extent the bonded amounts are not fully collateralized, the Merged Group will be required to provide additional cash to perform its reclamation obligations when they occur. In addition, the bonding companies have the right to require increases in collateral at any time, failure of which would constitute a default under the bonds. In such circumstances, the Merged Group may not have the financial resources to perform such reclamation obligations or to increase such collateral when due.

(p) The Merged Group may need additional financing in connection with the implementation of its business and strategic plans from time to time

The exploration, construction, development and acquisition of mineral properties and the ongoing operation of mines and other facilities, including the Toliara Project and the Donald Project, requires a substantial amount of capital and may depend on the Merged Group's ability to obtain financing through joint ventures, debt financing, equity financing or other means. The Merged Group may accordingly need further capital in order to take advantage of further opportunities or acquisitions. The Merged Group's financial condition, general market conditions, volatile REEs, HMS, uranium, and vanadium markets, volatile interest rates, legal claims against it, a significant disruption to its business or operations, or other factors may make it difficult to secure financing necessary for the expansion of mining activities or to take advantage of opportunities for acquisitions. Further, volatility in the credit markets may increase costs associated with debt instruments due to increased spreads over relevant interest rate benchmarks, or may affect the Merged Group's ability, or the ability of third parties it seeks to do business with, to access those markets. Continued volatility in equity markets, specifically including energy and commodity markets, may increase the costs associated with equity financings due to a low share price and may create the potential need for the Merged Group to offer higher discounts and other value (e.g., warrants). There is no assurance that the Merged Group will be successful in obtaining required financing as and when needed on acceptable terms, if at all.

(q) Historical negative cash flows from operations which may require a need for additional financing in connection with the implementation of the Merged Group's business and strategic plans from time to time

Energy Fuels has had negative cash flow from operations in prior years, and at low commodity prices a number of its mining properties would be on standby, making it less likely that the Merged Group, following implementation of the Scheme, would be able to generate positive cash flows from operations in those circumstances. If the Merged Group cannot generate positive cash flows from operations, its ability to fund its operations and implement its business plans may depend on its ability to obtain financing through joint ventures, debt financing, equity financing or other means. There can be no assurance that the Merged Group will be able to achieve and maintain positive cash flow from operations to fund its financing needs. Further, if cash flows from operations are negative, there is no assurance that the Merged Group will be able to raise additional funds, if needed, or that if any such additional funds are raised, that the Merged Group will be able to raise such funds on commercially attractive terms. If the Merged Group does not achieve positive cash flows or is unable to raise additional funds when needed, it may not be able to continue to fund its operations.

(r) Costs associated with decommissioning and reclamation of properties

For so long as the Merged Group remains the owner and operator of the White Mesa Mill, Kwale Operations, the Nichols Ranch ISR Project and numerous REEs, HMS, uranium and uranium/vanadium projects and other facilities located in the US, Brazil, Africa and elsewhere, and certain other permitting, construction, development and exploration properties, the Merged Group is obligated to ultimately reclaim or participate in the reclamation of its properties upon the occurrence of certain predetermined criteria using closely monitored and carefully developed, approved methods. The Merged Group's reclamation obligations in the US are bonded, and cash and other assets have been reserved to secure a portion, but not all, of the bonded amounts. Although the Merged Group's financial statements will record a liability for the asset retirement obligation, and the bonding requirements are generally periodically reviewed by applicable regulatory authorities, there can be no assurance or guarantee that the ultimate cost of such reclamation obligations will not exceed the estimated liability to be provided on the financial statements. Further, to the extent the bonded amounts are not fully collateralized, the Merged Group will be required to come up with additional cash to perform its reclamation obligations when they occur.

Decommissioning plans for Energy Fuels' properties in the US have been filed with applicable regulatory authorities. These regulatory authorities have accepted the decommissioning plans in concept, not upon a detailed performance forecast, which has not yet been generated. Over time, further regulatory review of the decommissioning plans may result in additional decommissioning requirements, associated costs and the requirement to provide additional financial assurances, including as the properties approach or go into decommissioning. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulatory authorities. The decommissioning and rehabilitation plan for Kwale Operations has been filed with the Kenyan National Environment Management Authority and is undergoing review. While Base Resources has made provision in its financial statements for the estimated costs of this decommissioning and rehabilitation for Kwale Operations, there can be no assurance or guarantee that the ultimate cost of such decommissioning and rehabilitation will not exceed the estimated liability provided in the financial statements.

(s) The Merged Group's mineral properties may be subject to defects in title or risks of forfeiture

The Merged Group has investigated its right to explore and exploit all of its material properties and, to the best of its knowledge, those rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to the Merged Group's detriment. There can also be no assurance that the Merged Group's rights will not be challenged or impugned by third parties, including by governments, surface owners, and non-governmental organizations.

The validity of unpatented mining claims on US public lands is sometimes difficult to confirm and may be contested. Due to the extensive requirements and associated expense required to obtain and maintain mining rights on US public lands, the Merged Group's properties are subject to various title uncertainties common to the industry with the attendant risk that there may be defects in title. In addition, certain lands have been withdrawn around the Grand Canyon National Park, including most recently in the newly established Ancestral Footprints of the Grand Canyon National Monument, from location and entry under the Mining Law of 1872.

All of Energy Fuels' properties located on the Arizona Strip, with the exception of its Wate property and certain exploration properties held by Energy Fuels' subsidiary, Arizona Strip Partners LLC, are located within the withdrawn lands and boundaries of the Grand Canyon National Monument. No new mining claims may be filed on the withdrawn lands and no new plans of operations may be approved, other than plans of operations on mining claims that were valid at the time of withdrawal and that remain valid at the time of plan approval. Whether or not a mining claim is valid must be determined by a mineral examination conducted by US Bureau of Land Management or the US Forest Service, as applicable. The mineral examination, which involves an economic evaluation of a project, must demonstrate the existence of a locatable mineral resource and that the mineral resource constitutes discovery of a valuable mineral deposit.

Energy Fuels' believes that all of its material Arizona Strip projects are on valid mining claims that would withstand a mineral examination. Further, the Arizona 1 Project has an approved plan of operations which, absent modification, would not require a mineral examination. Although the Pinyon Plain Project also has an approved plan of operations, which, absent modification, would not require a mineral examination, the US Forest Service performed a mineral examination at that mine in 2012, and concluded that the underlying mining claims are valid existing rights (a decision which has been subject to a court challenge). However, market conditions may postpone or prevent the performance of mineral examinations on certain other properties and, if a mineral examination is performed on a property, there can be no guarantee that the mineral examination would not result in one or more of the Merged Group's mining claims being considered invalid, which could prevent a project from proceeding.

Certain of the Merged Group's properties, or significant portions thereof, are mineral leases that have fixed terms, both with state and private parties. Certain of the Merged Group's properties are subject to other agreements that may affect its ability to explore, permit, develop and operate them, including surface use, access and other agreements. There can be no guarantee that the Merged Group will be able to renew or extend such leases and agreements on favourable terms or at all. The failure to renew any such leases or agreements could have a material adverse effect on the Merged Group's operations.

The granting of mineral rights in Brazil is performed in four steps: exploration authorization, right to request a mining concession, mining concession request and mining concession grant. Each step requires that certain actions must be taken, results must be achieved by the Merged Group, and in some circumstances approvals must be obtained, within certain time periods, which can be extended or renewed in certain circumstances by the Brazilian National Mining Agency ("ANM"). The Merged Group's mineral rights in Brazil are at risk of being forfeited if the Merged Group fails to take the required actions, fails to achieve the required results or fails to obtain the required approvals, within the required time frames and ANM declines to extend or renew such time frames.

(t) Inability to secure access rights to certain properties which may prevent the Merged Group from exploring and/or advancing such properties

Energy Fuels is currently in the process of negotiating and clarifying access rights to certain of its properties, such as the Roca Honda Project and the Wate Project, with private landholders. There can be no guarantee that Energy Fuels will be able to negotiate or clarify such access rights on favourable terms, or at all. The failure to negotiate or clarify such access rights on suitable terms could have a material adverse effect on the Merged Group's operations.

(u) The Merged Group may not realise the anticipated benefits of previous acquisitions

The Merged Group may not realise the anticipated benefits of Energy Fuels acquiring: the Sheep Mountain Project in 2012; Denison Mines Corp.'s US Mining Division in 2012, including the White Mesa Mill, certain of the Arizona Strip Properties, the Bullfrog Project, the La Sal Project and the Donald Project; Strathmore in 2013, including the Roca Honda Project; Uranerz in 2015, including the Nichols Ranch ISR Project; and the Bahia Project in Brazil in 2023, due to integration, operational and REE, HMS, uranium and/or vanadium market challenges. The Merged Group's success following those acquisitions will depend in large part on the success of its management in valuing the acquired assets and integrating the acquired assets into the Merged Group. Failure to properly value the assets and to achieve such integration and to mine or advance such assets could result in failure to realize the anticipated benefits of those acquisitions and could impair the Merged Group's results of operations, profitability and financial results.

(v) No assurances that prepared estimates of future uranium, uranium/vanadium and REE (monazite) extraction and recovery will be achieved

The Merged Group may from time to time prepare estimates of future REEs, HMS, uranium, vanadium or other mineral extraction and recovery, or increases in REEs, HMS, uranium, vanadium or other mineral extraction and recovery, for particular operations, or relating to its ability to increase REEs, HMS, uranium, vanadium or other mineral extraction and recovery in response to increases in commodity prices, as market conditions warrant or otherwise. No assurance can be given that any such extraction and recovery estimates will be achieved, nor can assurance be given that extraction or recovery increases will be achieved in a cost effective or timely manner. Failure to achieve extraction and recovery estimates or failure to achieve extraction and recovery in a cost effective or timely manner could have an adverse impact on future cash flows, earnings, results of operations and financial conditions of the Merged Group. These estimates are based on, among other things, the following factors: the accuracy of Mineral Resource and Mineral Reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of mineralized materials, such as hardness and presence or absence of particular metallurgical characteristics; the accuracy of estimated rates and costs of extraction, recovery and processing; assumptions as to future commodity prices; assumptions relating to changes in laws, regulations or policies, or lack thereof, that could impact the cost and time required to obtain regulatory approvals, licenses and permits; assumptions relating to obtaining required licenses and permits in a timely manner, including the time required to satisfy environmental analyses, consultations and public input processes; assumptions relating to challenges to or delays in the licensing and permitting process; and assumptions regarding any appeals or lack thereof, or injunctions or lack thereof, relating to any approvals, licenses or permits.

The actual REEs, HMS, uranium, vanadium or other mineral extraction and recovery may vary from estimates for a variety of reasons, including, among others: actual mineralized material extracted, mined or recovered varying from estimates of grade, tonnage, dilution, metallurgical and other characteristics; short-term operating factors relating to the Mineral Resources and Mineral Reserves, such as the need for sequential construction or development of mineralized materials or deposits and the processing of new or different mineral grades; risk and hazards associated with extraction, mining and recovery; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures and cave-ins; unexpected labour shortages or strikes; varying conditions in the commodities markets; and delays in obtaining or denial, challenges or appeals of regulatory approvals, licenses and permits or renewals of existing approvals, licenses or permits.

(w) The Merged Group will need to continuously add to its Mineral Reserve and Mineral Resource base and expand its sources of Alternate Feed Materials

The majority of Energy Fuels' properties do not contain any Mineral Reserves under Subpart 1300 and NI 43-101.

Energy Fuels' material Mineral Resources are located at the Nichols Ranch ISR Project, the Pinyon Plain Project, the Roca Honda Project, the Sheep Mountain Project, the Bullfrog Project and the La Sal Project. These projects will be the Merged Group's primary sources (and potential sources) of current and future uranium concentrates. Unless other Mineral Resources or Mineral Reserves are discovered or extensions to existing resource bodies are found, sources of extraction, production and recovery for uranium concentrates will decrease over time as the current Mineral Resources and Mineral Reserves (contained at the Pinyon Plain and Sheep Mountain mines) are depleted. There can be no assurance that the Merged Group's future exploration, construction, development and acquisition efforts will be successful in replenishing the Mineral Resources or finding or developing Mineral Reserves.

In addition, while Energy Fuels believes that many of the Merged Group's properties will eventually engage in extraction or mining activities, such as the Toliara Project and the Donald Project, there can be no assurance that they will be placed into such activities, or that they will be able to replace current extraction or mining activities.

Energy Fuels also recovers uranium by processing Alternate Feed Materials at the White Mesa Mill. There can be no assurance that additional sources of Alternate Feed Materials will be forthcoming in the future on commercially acceptable terms or otherwise, or that the Merged Group will be successful in receiving all required regulatory approvals, licenses and permits on a timely basis to allow for the receipt and processing of any such Alternate Feed Materials.

In addition, Energy Fuels relies on monazite for the mixed REE carbonate and separated REE products produced at the White Mesa Mill. There can be no assurance that additional sources of monazite will be forthcoming in the future on commercially acceptable terms or otherwise, or that the Bahia Project, which is currently in its exploration and development phase, will be commercially profitable for the Merged Group.

(x) Sales of REEs, HMS, uranium and vanadium products expose the Merged Group to the risk of non-payment

Sales of REEs, HMS, uranium and vanadium products expose the Merged Group to the risk of non-payment. Energy Fuels manages, and the Merged Group will continue to manage this risk by monitoring the credit worthiness of its customers and requiring prepayment or other forms of payment security from customers with an unacceptable level of credit risk. Most of the Merged Group's uranium sales are, and will continue to be, to major nuclear utilities, which pose a relatively low risk of non-payment due to their large size and capitalization.

(y) The Merged Group is dependent on business partners, government and third-party consents and approvals

Energy Fuels has a number of joint ventures and other business relationships from time to time relating to its properties and projects, including key projects, such as the Arkose Mining Venture and the Donald Project, which can restrict its ability to act unilaterally with respect to those projects in certain circumstances. There can be no assurances that the Merged Group will be able to maintain relationships with such joint venture and business partners to allow for satisfactory exploration, permitting, construction, development, extraction, mining, recovery or milling relating to any such projects. The Merged Group's operations and activities are also dependent from time to time on receiving government and other third-party consents and approvals. There can be no assurances that all such consents and approvals will be forthcoming when required.

(z) Relationship with employees may be impacted by changes in labour relations

None of Energy Fuels' operations or activities currently directly employ unionized workers who work under collective agreements (but noting that Base Resources is a party to a collective bargaining agreement for a significant portion of its Kwale Operations workforce). However, there can be no assurance that Energy Fuels' employees or the employees of contractors will not become unionized in the future (or in relation to Base Resources, that it will not become the subject of industrial action in relation to the portion of its Kwale Operations workforce that work under a collective agreement), which may impact the Merged Group's operations and activities. Any lengthy work stoppages may have a material adverse impact on the Merged Group's future cash flows, earnings, results of operations and financial condition.

(aa) Dependence on key personnel and qualified and experienced employees

The Merged Group's success will largely depend on the efforts and abilities of certain senior officers and key employees, some of whom are approaching retirement. Certain of these individuals have significant experience in the REE, HMS and uranium industries. The number of individuals with significant experience in these industries is small. While the Merged Group does not foresee any reason why such officers and key employees, including those from Base Resources and Energy Fuels, will not remain with the Merged Group, other than through retirement, if for any reason they do not, the Merged Group could be adversely affected. Key person life insurance has not and will not have been obtained for any these individuals, other than for the Energy Fuels Chief Executive Officer.

The Merged Group's success will depend on the availability of qualified and experienced employees to work in the Merged Group's operations and its ability to develop, attract and retain such employees. The number of individuals with relevant mining and operational experience in the Merged Group's key industries, especially the US uranium and REE industries as well as HMS, is small. As the Merged Group grows there is a risk that it may not be able to grow its qualified workforce and management team in pace with the growth of its business and activities, which could hamper its growth efforts.

(ab) Certain directors may be in a position of conflict of interest with respect to the Merged Group due to their relationship with other resource companies

Some of the Merged Group's directors may also be directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. One of the consequences will be that corporate opportunities presented to a director may be offered to another company or companies with which the director is associated and may not be presented or made available to us. The Merged Group's directors are required by law to act honestly and in good faith with a view to the best interests of the Merged Group, to disclose any interest which they may have in any project or opportunity of the Merged Group, and to abstain from voting on such matter. Conflicts of interest that arise will be subject to and governed by the procedures prescribed in the Merged Group's Code of Business Conduct and Ethics and by the OBCA.

(ac) Investors in jurisdictions outside of Canada may have difficulty bringing actions and enforcing judgments under their respective jurisdiction's securities laws against an Ontario corporation

Although Energy Fuels' primary trading market is the NYSE, a majority of the outstanding voting securities are held by US residents, Energy Fuels is a US domestic issuer for SEC reporting purposes, and substantially all of its assets, operations and employees are in the US, Energy Fuels is incorporated in Ontario and, as a result, investors in the US or in other jurisdictions outside of Canada (including Australia) may have difficulty bringing actions and enforcing judgments against the Merged Group, its directors, its executive officers and its experts based on civil liabilities provisions of the federal securities laws or other laws of the US or any state thereof or the equivalent laws of other jurisdictions of residence.

(ad) An information security incident, including a cybersecurity breach, could have a negative impact to the Merged Group's business or reputation

The Merged Group relies on both internal IT systems and networks and those of third parties and their vendors to process and store sensitive data, including confidential research, business plans, financial information, process technology, intellectual property and personal data that may be subject to legal protection. The extensive information security and cybersecurity threats, which affect companies globally, pose a risk to the security and availability of these IT systems and networks, and to the confidentiality, integrity, and availability of the Merged Group's sensitive data. Energy Fuels has continuously assessed, and the Merged Group will continue to assess, these threats and makes investments to increase internal protection, detection and response capabilities, as well as to ensure the Merged Group's third-party providers have the required capabilities and controls to address this risk on an ongoing basis.

In addition, the Merged Group may provide confidential and proprietary information to its third-party business partners in certain cases where doing so is necessary to conduct its business. While the Merged Group may obtain assurances from those parties that they have systems and processes in place to protect such data and, where applicable, that they will take steps to ensure the protections of such data by third parties, those partners may nonetheless also be subject to data intrusion or otherwise compromise the protection of such data. Any compromise of the confidential data of customers, consumers, suppliers, partners, employees or the Merged Group, or failure to prevent or mitigate the loss of or damage to this data through breach of the IT systems or other means, could substantially disrupt operations, harm customers, consumers, employees and other business partners, damage reputation, violate applicable laws and regulations, subject the Merged Group to potentially significant costs and liabilities and result in a loss of business that could be material.

To date, Energy Fuels and Base Resources have not experienced any material impact to the business or operations resulting from information or cybersecurity attacks; however, because of the frequently changing attack techniques, along with the increasing volume and sophistication of the attacks paired with the increasingly high exposure of the Merged Group due to its efforts to compete internationally in the REE industry, there is the potential for the Merged Group to be targeted and adversely impacted. The Merged Group may not maintain cybersecurity insurance having sufficient coverage to cover all financial losses, or any at all, in the event of an information security or cyber incident.

(ae) The Merged Group may compromise or lose its proprietary technology or intellectual property in certain circumstances, which could result in a loss in the Merged Group's competitive position and/or the value of its intangible assets

The increased reliance on technology, coupled with the Merged Group's developing REE and radioisotope initiatives, which involve novel technology developed in part by Energy Fuels and in part by others and by consultants, may expose the Merged Group to material risks of theft or loss of proprietary technology and other intellectual property, including technical data, business processes, data sets or other sensitive information. Among the risks faced by the Merged Group are:

- failure to obtain patents or trade rights when available;
- failure to adequately contractually establish rights to proprietary technology and other intellectual property in joint venture situations or other situations where the Merged Group and its co-venturers, other business associates or consultants may be jointly contributing to the development of proprietary technology and other intellectual property;
- failure to adequately limit rights or access to unprotected proprietary technology and other intellectual property;
- failure to adequately identify and enforce infringements of proprietary technology and other intellectual property;
- the risk of theft of technology, data and intellectual property through a direct intrusion by private parties or foreign actors, including those affiliated with or controlled by state actors;
- the risk of reverse engineering by joint venture partners or other parties, including those affiliated with state actors, and any patents the Merged Group may have being subsequently infringed or know-how or trade secrets being stolen; and
- the Merged Group may be required to compromise protections or yield rights to technology, data or intellectual property in order to conduct business in or access markets in a foreign jurisdiction, either through formal written agreements or due to legal or administrative requirements in the host nation.

Energy Fuels has taken, and the Merged Group will continue to take, what it considers to be reasonable steps to protect its proprietary technology and intellectual property, but there can be no assurance that it will successfully protect its proprietary technology and intellectual property in all circumstances. There is therefore a risk that the Merged Group may compromise or lose its proprietary technology and intellectual property in certain circumstances, which could result in a loss in the Merged Group's competitive position and/or the value of its intangible assets.

(af) May be required to provide financial statements of one or more of the Merged Group's equity method investees in its annual reports on Form 10-K and rely on its equity method investees to provide the Merged Group with these financial statements to fulfill its SEC reporting obligations

Energy Fuels (and ultimately the Merged Group) accounts for its economic ownership interest in its equity method investments using the equity method of accounting or at fair value using the fair value option (collectively, the **equity method investees**). Pursuant to Rule 3-09 of Regulation S-X (**Rule 3-09**), the Merged Group may be required to provide in its annual reports on Form 10-K financial statements for these equity method investees (the **Regulation S-X Financial Statements**). If required to provide Regulation S-X Financial Statements for these equity method investees, the Energy Fuels has relied, and the Merged Group may in the future rely, on these equity method investees to provide it with their Regulation S-X Financial Statements. In addition, Energy Fuels (and ultimately the Merged Group) does not control the financial reporting process of its equity method investees and cannot change the way in which these equity method investees report their respective financial results.

These equity method investees may not provide the Regulation S-X Financial Statements necessary to enable to complete the SEC filings on a timely basis or at all. If the Merged Group is required to provide Regulation S-X Financial Statements for any of its equity method investees and are unable to do so, it may cause the Merged Group to no longer be deemed timely and current with its SEC reporting obligations. In such event, the Merged Group could become ineligible to use a registration statement on Form S-3. In addition, the SEC may not declare effective any registration statement filed in connection with an offering that requires the financial statements under Rule 3-09 to be included. Any resulting inability to complete a registered offering may materially adversely impact the business, liquidity position, growth prospects, financial condition and results of operations of the Merged Group.

(ag) The method of accounting for equity investments in other companies held by the Merged Group could result in material changes to its financial results that are not fully within its control

Energy Fuels (and ultimately the Merged Group) accounts for investments over which it exerts significant influence, but not control, over the financial and operating policies through the fair value option of ASC Topic 825 – Financial Instruments. Changes in the fair value of these investments are recognized in Other Income (Loss) in the Consolidated Statements of Operations and Comprehensive Income (Loss). The resulting related gains or losses are not fully within the control of the Merged Group and could be material.

(ah) The Merged Group's operations and business are subject to global economic risks

In the event of a general economic downturn or a recession, there can be no assurance that the Merged Group's business, financial condition and results of operations would not be materially adversely affected. During the global financial crisis of 2007-2008, economic problems in the US and Eurozone caused deterioration in the global economy as numerous commercial and financial enterprises either went into bankruptcy or creditor protection or had to be rescued by governmental authorities. Access to public financing was negatively impacted by sub-prime mortgage defaults in the US, the liquidity crisis affecting the asset-backed commercial paper and collateralized debt obligation markets, and massive investment losses by banks with resultant recapitalization efforts. Moreover, the occurrence of unforeseen or extended catastrophic events, including in particular the COVID-19 pandemic, and the emergence of a future pandemic or other widespread health emergency (or concerns over the possibility of such an emergency) could create economic and financial disruptions. These types of challenges can impact commodity prices, including for REEs, HMS, uranium, vanadium, ilmenite, leucoxene, rutile, zircon or monazite, as well as currencies and global debt and stock markets. As a result of COVID-19, or in the case of a future pandemic or other widespread health emergency, quarantine or otherwise, requirements or circumstances may require the Merged Group to change the way it conducts its business and operations, including requiring it to reduce or cease operations at some or all its facilities for an indeterminate period of time.

Furthermore, the Merged Group's critical supply chains may similarly be disrupted for an indeterminate amount of time. All these factors could have a material impact on the Merged Group's business, operations, personnel and financial condition. These types of challenges may impact the Merged Group's ability to obtain equity, debt or other financing on terms commercially reasonable to us, or at all. Additionally, these types of factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If these types of challenges occur, or if there is a material deterioration in general business and economic conditions, the Merged Group's operations could be adversely impacted and the trading price of its securities could be adversely affected.

(ai) Russia's invasion of Ukraine is severely and unpredictably impacting global energy markets and supply chains, and rising concerns over a second severe nuclear accident in Ukraine could seriously hurt public reception to nuclear energy

Russia's February 2022 invasion of Ukraine continues to severely impact global energy markets and supply chains by causing economic uncertainty, price volatility, supply shortages and national security concerns to such a degree that the International Energy Agency (IEA) has called it "the first truly global energy crisis, with impacts that will be felt for years to come". As the Merged Group is engaged in a number of energy sectors, including REEs, HMS, uranium and vanadium, it is expected that such global impacts will necessarily impact the Merged Group, though the full extent of any such impacts are not well understood at this time. While supply and shipping impacts could materially interfere with the ability to conduct business, for example, other global responses – such as the US Inflation Reduction Act's provision of funds for energy and climate programs, including the expansion of tax credits and incentives to promote clean energy technologies, and an apparent shift away from global reliance on Russian exports via government sanctions and other means – could materially benefit the business by creating additional market opportunities with utilities providers attempting to lessen their reliance on Russian markets.

The uranium industry also potentially faces renewed scepticism and distrust as a result of Russia's invasion of Ukraine. According to the World Nuclear Association (WNA), "In the early hours of 4 March the Zaporizhzhia plant in southeastern Ukraine became the first operating civil nuclear power plant to come under armed attack. Fighting between forces overnight resulted in a projectile hitting a training building within the site of the six-unit plant. Russian forces then took control of the plant. The six reactors were not affected and there was no release of radioactive material. Since late October 2022, Russia has repeatedly targeted Ukraine's civilian infrastructure, including the country's energy system, with missile strikes. Widespread blackouts have resulted, and external power supply to all four of the country's nuclear plants has been affected." (WNA, "Ukraine: Russia-Ukraine War and Nuclear Energy," Feb. 6, 2023). Russia's interference with Ukrainian nuclear plants in violation of Article 56 of the Additional Protocol of 1979 to the Geneva Conventions, which states that nuclear power plants "shall not be made the object of attack, even where these objects are military objectives, if such an attack may cause the release of dangerous forces and consequent severe losses among the civilian population" (WNA, 2023), may result in increased and serious harm to global reception to nuclear energy due to the current war's proximity to Chernobyl, site of the then-Soviet Union's 1986 nuclear accident.

(aj) The Merged Group may be subject to litigation and other legal proceedings arising in the normal course of business and may be involved in disputes with other parties in the future which may result in litigation

The causes of potential future litigation and legal proceedings cannot be known and may arise from, among other things, business activities, environmental laws, permitting and licensing activities, volatility in stock prices or alleged failure to comply with disclosure obligations. Many major licensing or permitting actions taken by regulatory authorities in the United States are challenged by anti-mining, anti-nuclear or other special interest groups as a matter of course due to the nature of the industry the Merged Group is involved in. While those actions are typically defended by the applicable regulatory authority, the Merged Group, as the recipient of the licence, permit or other regulatory action being challenged, will typically join in the defence of the permit, license or authorization. In many circumstances these actions are politically motivated or otherwise without merit. Nevertheless, the results of litigation and proceedings cannot be predicted with certainty and may involve delays in permitting and licensing actions or include injunctions pending the outcome of such litigation and proceedings. In some cases, licenses, permits or regulatory authorizations can be rescinded, withdrawn or referred back to the regulatory for reconsideration. Failure to resolve any such disputes or other litigation or legal proceedings favourably may have a material adverse impact on the financial performance, cash flow and results of operations of the Merged Group.

Other than routine litigation incidental to Energy Fuels' business, or as described below, Energy Fuels is not currently a party to any pending legal proceedings that, if determined in a manner adverse to Energy Fuels would be likely to have a material adverse effect on its financial position, results of operations or cash flows.

In 2011, the Ute Mountain Ute Tribe filed an administrative appeal of the State of Utah Division of Air Quality's (UDAQ's) decision to approve a Modification to the Air Quality Approval Order at the Mill. Then, in 2013, the Ute Mountain Ute Tribe filed a Petition to Intervene and Request for Agency Action challenging the Corrective Action Plan approved by the State of Utah Department of Environmental Quality (UDEQ) relating to nitrate contamination in the shallow aquifer at the White Mesa Mill. In August 2014, the Ute Mountain Ute Tribe filed an administrative appeal to the State of Utah Division of Radiation control's (DRC's) Radioactive Materials License Amendment 7 approval regarding alternate feed material from Dawn Mining. The challenges remain open at this time and may involve the appointment of an administrative law judge (ALJ) to hear the matters. Energy Fuels does not consider these actions to have any merit. If the petitions are successful, the likely outcome would be a requirement to modify or replace the existing Air Quality Approval Order, Corrective Action Plan or license amendment, as applicable. At this time, Energy Fuels does not believe any such modifications or replacements would materially affect its financial position, results of operations or cash flows. However, the scope and costs of remediation under a revised or replaced Air Quality Approval Order, Corrective Action Plan and/or license amendment have not yet been determined and could be significant.

The UDEQ renewed in January 2018, then reissued with minor corrections in February 2018, the Mill's radioactive materials license (Mill License) for another ten years and the Mill's Groundwater Discharge Permit (GWDP) for another five years, after which further applications for renewal of the Mill License and GWDP are required to be submitted. During the review period for each application for renewal, the Mill can continue to operate under its existing Mill License and GWDP until such time as the renewed Mill License or GWDP is issued. Most recently, on 15 July 2022, the routine GWDP renewal application was submitted to UDEQ, which remains under consideration at this time.

In 2018, the Grand Canyon Trust, Ute Mountain Ute Tribe and Uranium Watch (collectively, the Mill Plaintiffs) served Petitions for Review challenging UDEQ's renewal of the Mill License and GWDP and Requests for Appointment of an ALJ, which they later agreed to suspend pursuant to a Stipulation and Agreement with UDEQ, effective 4 June 2018. Energy Fuels and the Mill Plaintiffs held multiple discussions over the course of 2018 and 2019 in an effort to settle the dispute outside of any judicial proceeding. In February 2019, the Mill Plaintiffs submitted to Energy Fuels their proposal for reaching a settlement agreement. The proposal remains under consideration by Energy Fuels. Energy Fuels does not consider these challenges to have any merit and, if a settlement cannot be reached, Energy Fuels intends to participate with UDEQ in defending against the challenges. If the challenges are successful, the likely outcome would be a requirement to modify the renewed Mill License and/or GWDP. At this time, Energy Fuels does not believe that any such modification would materially affect its financial position, results of operations or cash flows.

On 26 August 2021, the Ute Mountain Ute Tribe filed a Petition to Intervene and Petition for Review challenging the UDEQ's approval of Amendment No. 10 to the Mill License, which expanded the list of Alternate Feed Materials that the Mill is authorised to accept and process for its source material content. Then, on 18 November 2021, the Tribe filed its Request for Appointment of an ALJ, followed shortly thereafter by a stay on the request in accordance with a Stipulation and Agreement between the Tribe, UDEQ and Energy Fuels. Thereafter, discussions between Energy Fuels and the Tribe commenced in an effort to resolve the dispute and other outstanding matters without formal adjudication. However, Energy Fuels does not consider this action to have any merit. If resolution is not achieved, the stay is lifted and the petition is successful before an ALJ, the likely outcome would be a requirement to modify or revoke the Mill License amendment. At this time, Energy Fuels does not believe any such modification or revocation would materially affect its financial position, results of operations or cash flows.

(ak) Failure to maintain an effective system of internal controls, may result in the Merged Group being unable to accurately report financial results and/ or prevent fraud

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, summarised and reported on a timely basis and is accumulated and communicated to a 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.

(al) Industry Risks

(1) The Merged Group is subject to the risks normally encountered by companies in the mineral extraction industry

Risk normally encountered by companies in the mineral extraction industry, to which the Merged Group will be subject, include:

- the discovery of unusual or unexpected geological formations;
- accidental fires, floods, earthquakes, volcanic eruptions and other natural disasters;
- unplanned power outages and water shortages;
- controlling water and other similar mining hazards;
- operating labour disruptions and labour disputes;
- the ability to obtain suitable or adequate machinery, equipment or labour;
- liability for potential pollution or other hazards;
- and other known and unknown risks involved in the conduct of exploration, development and operation of mines, extraction and recovery facilities and mills, along with the markets for REEs, HMS, uranium and vanadium.

The development of mineral properties is affected by many factors, including, but not limited to: the cost of operations; variations in the grade of mineralised material; fluctuations in metal markets; costs of extraction and processing equipment; availability of equipment and labour; labour costs and possible labour strikes; government regulations, including without limitation, regulations relating to taxes, royalties, allowable extraction or production, and importing and exporting of minerals; government actions, including without limitation the establishment or expansion of mineral withdrawals, parks and monuments; land exchanges; foreign exchange; employment; worker safety; transportation; and environmental protection.

(2) The majority of the Merged Group's properties do not contain Mineral Reserves under S-K 1300 and NI 43-101, and some of the Merged Group's properties, projects and facilities may not be economic at any point in time or at all

Two of Energy Fuels' (and ultimately, the Merged Group's) properties – the Sheep Mountain and Pinyon Plain mines – contain Mineral Reserves under S-K 1300 and NI 43-101. Depending on REEs, HMS, uranium, and vanadium prices, some or all of the properties, projects and facilities may not be economic for REEs, HMS, uranium or vanadium extraction, recovery or processing at any point in time. Generally, the Merged Group intends to continue to hold, and in certain cases advance, properties, projects and facilities which may not be economic at any point in time in anticipation of possible future increases in the prices of REEs, HMS, uranium and/or vanadium, as the case may be. However, in those circumstances, there can be no assurance at any time that such prices will ever, or within a reasonable time period, increase to the levels required to advance those properties or, in the case of projects or facilities on standby, to resume exploration, extraction, recovery or processing activities at those projects or facilities. In the event of depressed commodity prices, the Merged Group would continue to hold its standby properties, projects and facilities because it believes that prices are likely to rise, to such levels within a reasonable time period to justify future production. This ability to maintain scalability as commodity prices increase is a key component of the Merged Group's business strategy. However, as there is a cost associated with holding and, in some cases, maintaining such properties, projects and facilities on standby during periods of depressed commodity prices, in those circumstances the Merged Group continuously evaluates, on a case-by-case basis, such costs against the prospects for price increases, and may from time to time sell, drop or reclaim any such properties, projects or facilities.

(3) Mining on properties having no known Mineral Resources or Mineral Reserves is inherently speculative and may not prove to be economic at any point in time or at all.

Mining is an inherently speculative business. Some of the properties on which the Merged Group has the right to mine are not known to have any Mineral Reserves or Mineral Resources. There is a possibility that the Merged Group will not discover REEs, HMS, uranium and/or vanadium, or potentially copper, on any or all of its properties which can be mined or extracted at a profit at any point in time or at all. Even if the Merged Group does discover and mine such minerals, the deposits may not be of the quality or size necessary for the Merged Group or a potential purchaser of the property to make a profit from mining it. Few properties that are explored are ultimately developed into producing mines, and mines that are developed may not be profitable. Unusual or unexpected geological formations, geological formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour, as well as all necessary licenses and permits, are just some of the many risks involved in mineral exploration programs and their subsequent development. However, the Merged Group may elect, now or in the future, to proceed with the extraction of minerals on one or more of those projects without having completed the technical work required to declare a Mineral Reserve. If the Merged Group is then unable to extract REEs, HMS, uranium and/or vanadium, or potentially copper, in commercially viable quantities, the capital investment of mining such properties may be lost and could materially impact the business.

(4) Exploration, development, extraction, mining, recovery and milling of minerals, and the transportation and handling of the products recovered, are subject to extensive international, federal, state and local laws and regulations.

These regulations govern, among other things: acquisition of the property or mineral interests; maintenance of claims; tenure; expropriation; prospecting; exploration; development; construction; extraction and mining; recovery, processing, milling and production; price controls; exports and imports; taxes and royalties; labour standards; occupational health; waste disposal; toxic substances; water use; land use; American Indian or other foreign indigenous peoples consultations and accommodations; environmental protection and remediation; endangered and protected species; mine, mill and other facility decommissioning and reclamation; mine safety; transportation safety and emergency response; and other matters. Compliance with such laws and regulations has increased the costs of exploring, drilling, developing, constructing, operating and closing of the Merged Group's mines, mills, plants and other extraction, recovery and processing facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact the Merged Group's decision as to whether to operate existing mines or facilities, or, with respect to exploration, development or construction properties, whether to proceed with exploration, development or construction. It is also possible that such laws and regulations may result in incurring significant costs to remediate or decommission properties if it is determined they do not comply with applicable environmental standards at such time. The Merged Group will expend significant financial and managerial resources to comply with applicable laws and regulations. The Merged Group anticipates continuing to do so as the historic trend toward stricter government regulation may continue. However, there can be no assurance that future changes in applicable laws and regulations or attitudes and interpretations relating thereto, will not adversely affect activities, operations or financial condition of the Merged Group. New laws and regulations, amendments to existing laws and regulations or changes in attitudes and interpretations resulting in more stringent implementation of existing laws and regulations, including through stricter license and permit conditions or changes in enforcement attitudes and interpretations, could have a material adverse impact, increase costs, cause a reduction in levels of, or suspension of, extraction or recovery and/or delay or prevent the construction or development of new mineral extraction properties.

Mineral extraction is subject to potential risks and liabilities associated with impacts to the environment and the disposal of waste products occurring as a result of mineral exploration, extraction, mining, milling, recovery and production. Environmental liability may result from mining or mineral extraction activities conducted by others prior to the Merged Group's ownership of a property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing activities or operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Companies engaged in uranium, monazite or other exploration operations may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Should the Merged Group be unable to fully fund the cost of remedying an environmental problem, the Merged Group might be required to suspend activities or operations, declare bankruptcy or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the Merged Group. To the extent that the Merged Group is subject to uninsured environmental liabilities, the payment of such liabilities would reduce otherwise available earnings and could have a material adverse effect on us. In addition, Energy Fuels does not, and the Merged Group will not, have coverage for environmental losses generally or for certain other risks as such coverage cannot be purchased at a commercially reasonable cost. Compliance with applicable environmental laws and regulations requires significant expenditures and increases mine and facility, construction, development and operating costs.

While the very heart of the Energy Fuels (and ultimately the Merged Group's) business – uranium production, which is the fuel for carbon-free, emission-free baseload nuclear power – and its recycling programs, help address global climate change and reduce air pollution, the world's focus on addressing climate change will require the Merged Group to continue to conduct all its operations in a manner that minimizes the use of resources, including the unnecessary use of energy resources, in order to continue to minimize air emissions at the Merged Group's facilities, which can also increase mine and facility, construction, development and operating costs. Regulatory and environmental standards may also change over time to address global climate change, which could further increase these costs.

Worldwide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies. The development of mineral properties and related facilities is contingent upon governmental approvals that are complex and time consuming to obtain and that, depending upon the location of the project, involve multiple governmental agencies. The duration and success of such approvals are subject to many variables outside of the Merged Group's control. Any significant delays in obtaining or renewing permits or licenses in the future could have a material adverse effect on the Merged Group. In addition, the international marketing of uranium is subject to governmental policies and certain trade restrictions, such as those imposed by the suspension agreement between the US and Russia. Changes in these policies and restrictions may adversely impact the Merged Group's business.

(5) Potential impacts of public perceptions on the Merged Group's commercial relations.

Given the controversial nature of the mining and nuclear industries, the Merged Group is subject to the risk that suppliers, customers, co-venturers or other business relations may be discouraged from or decline to continue commercial relations with or enter into new commercial relations or arrangements with the Merged Group due to fear of reprisals from the media, public or special interest groups based on public perceptions of the nature of its business or the nature or location of its assets, particularly driven by the ability of the media, public and special interest groups to influence public perceptions through the media, social media and the internet.

(6) The uranium and REE industries are highly competitive

The international uranium industry, including the supply of uranium concentrates, is highly competitive. Energy Fuels' (and ultimately the Merged Group's) uranium business is in direct competition with: a relatively small number of publicly traded or privately funded uranium mining companies; nationally subsidized uranium companies; uranium produced as a byproduct of other mining operations; excess inventories, including inventories made available from decommissioning of nuclear weapons; reprocessed uranium and plutonium; used reactor fuel; and the use of excess Russian enrichment capacity to re-enrich depleted uranium tails. A large quantity of current world production is foreign state-subsidized and appears to be relatively inelastic in that uranium market prices appear to have little effect on the quantity supplied. In the case of foreign state-subsidized production, uranium production may not be fully subject to market factors and may be sold at prices that may be less, or even significantly less, than the costs of production. The supply of uranium from Russia is to some extent (and increasingly) impeded by a number of international trade agreements and policies. These agreements and any similar future agreements, governmental policies or trade restrictions will be beyond the Merged Group's control and may affect the supply of uranium available in North America, Europe and Australia/New Zealand.

The Merged Group competes with other mining companies and individuals for capital, Mineral Resources and Mineral Reserves and other mining assets, which may increase the cost of acquiring suitable claims, properties and assets. The Merged Group also competes with other mining companies to attract and retain key executives, employees and consultants. In addition, there are relatively few bona fide and legitimate customers for uranium. There can be no assurance that the Merged Group will continue to be able to compete successfully with its competitors in acquiring such properties and assets or in attracting and retaining skilled and experienced employees.

The REE industry is competitive, particularly to the extent it is dominated by China, which produces nearly 90% of refined REE products according to the International Energy Agency. Many Chinese companies are state-supported or subsidised, and Chinese companies bid aggressively to acquire monazite to feed this production. The Merged Group competes with Chinese companies, and companies from other countries that are in or trying to break into the REE market, for sources of monazite, and will be expected to compete with Chinese companies and companies from other countries as they develop production capacity at the mixed REE carbonate crack and leach, REE separation, REE metal and alloy making, REE magnet making, and REE product marketing and sales stages of the REE supply chain, as well as for the acquisition of monazite and other mineral properties, for mining and exploration on such properties, and for the procurement of equipment, materials and personnel necessary to explore, develop and extract monazite from such properties. There is competition for a limited number of monazite acquisition opportunities, including competition with other companies having substantially greater financial resources, staff and facilities than the Merged Group. As a result, the Merged Group may encounter challenges in acquiring attractive properties and exploring and advancing properties currently in the Merged Group's portfolio. The Energy Fuels believes that competition for acquiring monazite prospects, production of REE products and completing REE product sales will continue to be intense in the future.

(7) Mining operations involve a high degree of risk

The exploration, construction, development, operation and other activities associated with mineral projects, along with the expansion of existing recovery operations and mining activities and restarting of projects, involve significant risks, including financial, technical and regulatory risks. The development or advancement of any of the exploration properties in which the Merged Group has an interest is contingent upon obtaining satisfactory exploration results, project permitting and licensing and financing. The exploration, construction, development, operation and other activities associated with mineral projects involves significant financial risks over an extended period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine or other facility may result in substantial value, few properties that are staked and explored are ultimately developed into producing mines or extraction or recovery facilities. Major expenses may be required to establish Mineral Resources and Mineral Reserves by drilling and to finance, permit, license and construct extraction, mining, recovery and processing facilities. It is impossible to ensure that the current or proposed exploration, permitting, construction and development programs on the Merged Group's mineral properties will result in profitable commercial extraction, mining or recovery operations.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things: the accuracy of Mineral Resource and Mineral Reserve estimates; the particular attributes of the deposit, such as its size, geology, grade and accessibility; the ability to economically recover commercial quantities of the minerals; proximity to necessary infrastructure and availability of personnel; financing costs; governmental regulations, including regulations relating to prices, taxes, reclamation bonds and royalties; the potential for litigation; land use; importing and exporting; and environmental and cultural protection, including but not limited to the governmental establishment of mineral withdrawals, parks and monuments and land exchanges. The construction, development, expansion and restarting of projects are also subject to: the successful completion of engineering studies with adequate results to proceed; the issuance of necessary governmental licenses and permits; the availability of adequate financing; engineering and construction timetables and capital costs being correctly estimated for the Merged Group's projects, including restarting projects on standby; and such construction timetables and capital costs not being affected by unforeseen circumstances, including but not limited to delays due to litigation/injunctions. The effect of these factors cannot be accurately predicted, but the combination of these factors, along with others, may result in the Merged Group not receiving an adequate return on invested capital.

It is possible that actual costs and economic returns of current and new extraction, mining, or recovery operations may differ materially from the Merged Group's best estimates. It is not unusual in the mining industry for new mining operations and facilities to experience unexpected problems during the start-up phase, to take much longer than originally anticipated to bring them into a recovery or producing phase, to require more capital than anticipated, to operate at a higher cost than expected and/or to have reclamation liabilities that are higher than expected.

There can be no assurance that, as the Merged Group mines its properties or disposes of properties, the reduction of existing Mineral Resources and/or Mineral Reserves through depletion or sales will be replaced with new resources of comparable value.

(8) There is uncertainty to the estimation of Mineral Reserves and Mineral Resources

Mineral Reserves and Mineral Resources are statistical estimates of mineral content pursuant to JORC, Subpart 1300 and NI 43-101 based on limited information acquired, in large part, through drilling and other sampling techniques and require judgmental interpretations of geology. Successful extraction requires safe and efficient mining and processing. The Mineral Reserves and Mineral Resources of Energy Fuels and Base Resources referred to in this Scheme Booklet are estimates, and no assurance can be given that the estimated Mineral Reserves and Mineral Resources are accurate or that the indicated levels of REEs, HMS, uranium and vanadium will be produced economically or otherwise. Actual mineralization or formations may be different than predicted. Further, it may be many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change.

Mineral Reserve and Mineral Resource estimates for properties that have not commenced extraction, production or recovery are based, in many instances, on limited and widely spaced drill-hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such Mineral Resource and Mineral Reserve estimates may require revision as more drilling information becomes available, as actual extraction, production or recovery experience is gained, and as methods and technologies develop further. It should not be assumed that all or any part of the Merged Group's Mineral Resources constitute, or will be converted into, Mineral Reserves. Market price fluctuations of REEs, HMS, uranium and vanadium as applicable, as well as increased production and capital costs and/or reduced recovery rates, may render the Merged Group's proven and probable Mineral Reserves unprofitable to develop at a particular site or sites for periods of time or may render Mineral Reserves containing relatively lower grade mineralization uneconomic.

(9) Opposition to mining may disrupt the Merged Group's business activities

In recent years, governmental agencies, non-governmental organizations, individuals, communities and courts have become more vocal and active with respect to their opposition to certain mining and business activities, including with respect to production and uranium recovery at the Merged Group's facilities, such as the White Mesa Mill and the Pinyon Plain Project. This opposition may take on forms such as road blockades, vandalism, threats and/or slander, applications for injunctions seeking to cease certain construction, development, extraction, mining and/or milling or recovery activities, refusals to grant access to lands or to sell lands on commercially viable terms, lawsuits for damages or to revoke or modify licenses and permits, issuances of unfavourable laws and regulations, changes in regulatory attitudes and interpretations and other rulings contrary to or otherwise harming the Merged Group's interests. These actions can occur in response to current activities or in respect of mines or facilities that are decades old. In addition, these actions can occur in response to the Merged Group's activities or the activities of other unrelated entities. Opposition to the Merged Group's activities may also result from general opposition to nuclear energy and mining. Opposition to the Merged Group's business activities are beyond its control. Any opposition to the Merged Group's business activities may cause a disruption to its business activities and may result in increased costs and delays, which could have a material adverse effect on its business and financial condition.

(10) The Merged Group is subject to technical innovation and obsolescence

Requirements for the Merged Group's products and services may be affected by: technological changes in nuclear reactors, enrichment and used uranium fuel reprocessing; facilities and processes for REE and radioisotope recovery; and substitutes for REEs, HMS and the radioisotopes the Merged Group may potentially be producing. These technological changes could reduce the demand for products and services and/or increase the supply of competitive products and services. The cost competitiveness of the Merged Group's operations may be impacted through the development and commercialization of other mining, milling, processing and other technologies. As a result, competitors may adopt technological advancements that give them an advantage over the Merged Group or that reduce the demand for the Merged Group's products and services or make them obsolete.

(11) Mining, extraction, recovery, processing, construction, development and exploration activities depend, to a substantial degree, on adequate infrastructure

Reliable roads, bridges, power sources and water supply are important determinants affecting capital and operating costs for existing and planned operations. For the Toliara Project and the Donald Project new infrastructure will need to be built to support activities. However, unusual or infrequent weather phenomena, including cyclones, drought, flooding, sabotage, government and/or other interference in the maintenance or provision of such infrastructure could adversely affect the Merged Group's operations and activities, financial condition and results of operations.

(12) Mining, mineral extraction, recovery and milling are subject to a high degree of risk, and the Merged Group is not insured to cover against all potential risks

The Merged Group's operations and activities are subject to all the hazards and risks normally incidental to exploration, construction, development, extraction and mining of mineral properties, and recovery, processing and milling, including: environmental hazards; industrial accidents; labour disputes, disturbances and unavailability of skilled labour; encountering unusual or unexpected geologic formations; rock bursts, pressures, cave-ins and flooding; periodic interruptions due to inclement or hazardous weather conditions; technological and processing problems, including unanticipated metallurgical difficulties, ground control problems, process upsets and equipment malfunctions; the availability and/or fluctuations in the costs of raw materials and consumables used in production and recovery processes; the ability to procure mining and other equipment and operating and other supplies in sufficient quantities and on a timely basis; and other extraction, mining, recovery, milling and processing risks, as well as risks associated with dependence on third parties in the provision of transportation and other critical services. Many of the foregoing risks and hazards could result in damage to, or destruction of, the Merged Group's mineral properties or processing or recovery facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of extraction, mining, production and recovery from the Merged Group's mines or processing facilities or in the Merged Group's exploration, construction or development activities, delay in or inability to receive regulatory approvals to transport REEs, HMS, uranium or vanadium, and costs, monetary losses and potential legal liability and adverse governmental action. In addition, due to the radioactive nature of the materials handled in uranium extraction, mining, recovery, processing and transportation (both trucking and shipping), additional costs and risks are incurred by us on a regular and ongoing basis. While the Merged Group may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Merged Group cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting future earnings, financial position and competitive position. No assurance can be given that such insurance will continue to be available or will be available at economically feasible premiums or that it will provide sufficient coverage for losses related to these or other risks and hazards. This lack of insurance coverage could result in material economic harm to the Merged Group.

(am) Risks associated with TAT Radioisotope Initiatives

There are a number of risks related to Energy Fuels' (and ultimately the Merged Group's) potential recovery of radioisotopes at the White Mesa Mill for use in the development and production of emerging TAT cancer treatments, including:

- The risk that the potential recovery of such radioisotopes at the White Mesa Mill may not be technically feasible or that the radioisotopes may not meet commercial specifications;
- The risk that such radioisotopes may not be economically feasible to produce or may not be able to be sold on a commercial basis at a sufficient price and quantity;
- The risk that the Merged Group is not able to enter into commercial commitments for the sale of offtake of radioisotopes that are adequate to justify the capital and other expenditures required to produce the radioisotopes;
- The risk that the Merged Group may not be able to secure the reagents, materials, supplies and other components necessary for recovery of the radioisotopes on reasonable commercial terms or in adequate quantities;
- The risk that all required licenses, permits and regulatory approvals may not be obtained on a timely basis or at all;
- The risk that the medical isotopes derived from such radioisotopes produced at the White Mesa Mill may not prove their efficacy at clinical trials and may not obtain all required approvals for commercial use;
- The development of competing cancer treatment therapeutics that could render the TAT therapeutics less attractive or obsolete;
- The current shortage of supply of such radioisotopes and the resulting prices for such radioisotopes, and the fear that supplies of the radioisotopes may not be forthcoming on a timely basis to meet new demands for cancer therapies, may encourage pharmaceutical companies to advance and use other technologies to meet consumer demands for end products, which could result in a significant reduction in demand for and prices of the radioisotopes the White Mesa Mill is capable of producing. Sustained reductions in the price of such radioisotopes would impact the Merged Group's returns from its TAT initiatives and could render them infeasible; and
- Increases in the supply of such radioisotopes through the addition of radioisotope processing facilities, including the permitting and retrofitting of other uranium mills for the recovery of radioisotopes, or through the sales of radioisotopes by various US or foreign governments from government production or existing government stockpiles, could increase the global supply of such radioisotopes and reduce the price of the radioisotopes. Sustained reductions in the price of such radioisotopes would impact the Merged Group's returns from its TAT radioisotope initiatives and could render them unfeasible.

(an) Risks related to the Regulatory Environment of the Merged Group

(1) Environmental regulations may make exploring, mining or related activities expensive, and which may change at any time

The Merged Group is required to comply with environmental protection laws and regulations and permitting requirements promulgated by federal agencies and various states, provinces, counties and local governments in the countries in which it operates and conducts its activities in connection with extraction, mining, recovery and milling operations. The uranium industry is subject not only to the worker health and safety and environmental risks associated with all mining activities, but also to additional risks uniquely associated with uranium extraction, mining, recovery and milling. The Merged Group will expend significant resources, both financial and managerial, to comply with these laws and regulations. The possibility of more stringent regulations exists in the areas of worker health and safety, storage of hazardous materials, standards for heavy equipment used in extraction, mining, recovery or milling, the disposition of wastes, the decommissioning and reclamation of exploration, extraction, mining, recovery, milling and in-situ sites, climate change and other environmental matters, each of which could have a material adverse effect on the cost or the viability of a particular project.

The Merged Group cannot predict what environmental legislation, regulations or policies will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted in the countries it operates. The recent trend in environmental legislation and regulation is generally toward stricter standards, and this trend is likely to continue in the future. This recent trend includes, without limitation, laws and regulations relating to air and water quality, mine and other facility reclamation, waste handling and disposal, the protection of certain species and the preservation of certain lands and cultural resources. These regulations may require the acquisition of permits or other authorizations for certain activities. These laws and regulations may also limit or prohibit activities on certain lands. Compliance with more stringent laws and regulations, changes in regulatory attitudes and approaches, as well as potentially more vigorous enforcement policies, stricter interpretation of existing laws and stricter permit and license conditions may necessitate significant capital outlays, may materially affect the Merged Group's results of operations and business or may cause material changes or delays in its intended activities. There can be no assurance of the Merged Group's continued compliance or ability to meet stricter environmental laws and regulations and permit or license conditions or changes in attitudes or interpretations relating thereto. Delays in obtaining permits and licenses could impact expected production levels or increases in expected REE, HMS, uranium and/or vanadium, extraction levels.

The Merged Group's operations may require additional analyses in the future, including environmental, cultural, and social impact and other related studies. Certain activities require the submission and approval of environmental assessments or the more comprehensive environmental impact statements, and the like. The Merged Group cannot provide assurance that it will be able to obtain or maintain all necessary permits that may be required to continue operations or exploration and development of its properties or, if feasible, to commence construction, development, operation or other activities relating to mining facilities at such properties on terms that enable operations or activities to be conducted at economically justifiable costs. If the Merged Group is unable to obtain or maintain licenses, permits or other rights for construction, development and operation of the Merged Group's properties, or otherwise fail to manage adequately future environmental issues, the Merged Group's REE, HMS, uranium and/or vanadium recovery operations and mining activities could be materially and adversely affected.

Further, the Merged Group's business is subject to risks associated with increased regulatory requirements or changes in attitudes or interpretations relating thereto applicable to the Merged Group's operations in response to pressure from special interest groups or otherwise. Changes in regulatory requirements or changes in attitudes or interpretations relating to existing regulatory requirements could have a material adverse effect on the Merged Group's operations and financial condition.

(2) The Merged Group's operations on US federal lands may be impacted by mineral withdrawals or the designation of national monuments by the US President or government, either of which could have significant impacts on the Merged Group and operations, as well as by other factors.

Mining claims on US federal lands are subject to mineral withdrawals by the federal government or the designation of national monuments by the President of the US under the Antiquities Act. In both cases, the withdrawal or the designation of a national monument withdraws the area from location and entry under the Mining Law of 1872 (the **Mining Law**), subject to valid existing rights. What this means is that no new mining claims may be filed on the withdrawn or designated lands and no new plans of operations may be approved, other than plans of operations on mining claims that were valid at the time of withdrawal or designation and that remain valid at the time of plan approval. Whether or not a mining claim is valid must be determined by a mineral examination conducted by BLM or USFS, as applicable. The mineral examination, which involves an economic evaluation of a project, must demonstrate the existence of a locatable mineral resource and that the mineral resource constitutes discovery of a valuable mineral deposit. Energy Fuels believes that all of its material Arizona Strip projects are on valid mining claims that would withstand a mineral examination. Mineral claims that are in the exploration stage and upon which economic deposits have not yet been delineated are generally prevented from proceeding to the plan of operations stage during the withdrawal period or indefinitely in the case of the designation of a national monument.

In addition to the Grand Canyon withdrawal and the Ancestral Footprints of the Grand Canyon National Monument and Bears Ears National Monument, there are currently other designated or proposed withdrawals of federal lands for the purposes of mineral location and development and proposed designations of national monuments. While such proposals are not yet final and would require further federal action, if they were to occur, it is uncertain whether any such withdrawals or designations would affect in any manner the Merged Group's current mineral projects.

Any future withdrawal of mineral lands from location and entry or future designation of additional national monuments has the potential to prevent further development on exploration stage claims held by the Merged Group in the affected area as well as the potential for the Merged Group to lose the ability to continue to develop mining operations on other claims in the affected area if a mineral examination indicates the deposit is uneconomical and that the claim is not valid, either of which could have significant impacts on the Merged Group.

The risks of exchanges of state-owned lands in mineral withdrawal areas or national monuments for federal lands outside the withdrawal area or national monument but that are within the boundaries of and affect any of the Merged Group's properties, or similar actions, could adversely impact the Merged Group's affected properties or its ability to operate its affected properties.

(3) Possible amendments to the General Mining Law or other laws could make it more difficult or impossible to execute the business plan

Members of the US Congress have repeatedly introduced bills which would supplant or alter the provisions of the US Mining Law, as amended. Such bills have proposed, among other things, to (i) either eliminate or greatly limit the right to a mineral patent; (ii) significantly alter the laws and regulations relating to uranium mineral development and recovery from unpatented and patented mining claims; (iii) impose a federal royalty on production from unpatented mining claims; (iv) impose time limits on the effectiveness of plans of operation that may not coincide with mine or facility life; (v) impose more stringent environmental compliance and reclamation requirements on activities on unpatented mining claims; (vi) establish a mechanism that would allow states, localities and American Indian tribes to petition for the withdrawal of identified tracts of federal land from the operation of the US general mining laws; and (vii) allow for administrative determinations that mining or similar activities would not be allowed in situations where undue degradation of the federal lands in question could not be prevented. If enacted, such legislation could change the cost of holding unpatented mining claims and could significantly impact the Merged Group's ability to develop locatable mineral resources (as defined under Subpart 1300 and NI 43-101) on its patented and unpatented mining claims. Although it is impossible to predict at this point what any legislated royalties might be, enactment could adversely affect the potential for construction and development and the economics of existing operating mines and facilities. Passage of such legislation could adversely affect the Merged Group's financial performance.

8.4 Risks related to Energy Fuels Shares

(a) The price of Energy Fuels Shares is subject to volatility

Securities of mining companies have experienced substantial volatility and downward pressure in the recent past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic conditions in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Merged Group's securities is also likely to be significantly affected by short-term changes in REEs, HMS, uranium and vanadium prices, changes in industry forecasts of REEs, HMS, uranium and vanadium prices, other mineral prices including oil and natural gas, currency exchange fluctuation, or in the Merged Group's financial condition or results of operations as reflected in the Merged Group's periodic earnings reports.

Other factors unrelated to the Merged Group's performance that may have an effect on the price of the Merged Group's securities include the following: the extent of research coverage available to investors concerning its business may be limited if investment banks with research capabilities do not follow the securities; adverse proxy voting recommendations or limited portrayals of the Merged Group's business, operations or executive compensation practices made to shareholders by shareholder advisory firms resulting from their use of general-purpose formulas that are not suited to the Merged Group's business, operations or practices, and that may counteract the Merged Group's substantive disclosures, which often include detailed analyses specific to the Merged Group and which are capable of mitigating apparent market concerns; lessening in trading volume and general market interest in the Merged Group's securities may affect an investor's ability to trade significant numbers of the Merged Group's securities; the size of the Merged Group's public float and the exclusion from market indices may limit the ability of some institutions to invest in the securities; and a substantial decline in the price of the Merged Group's securities that persists for a significant period of time could cause the securities to be delisted from an exchange, further reducing market liquidity. The Merged Group's exclusion from certain market indices may reduce market liquidity or the price of its securities.

If an active market for the Merged Group's securities does not continue, the liquidity of an investor's investment may be limited and the price of the securities may decline. If an active market does not exist, investors may lose their entire investment. As a result of any of these factors, the market price of the Merged Group's securities at any given point in time may not accurately reflect the Merged Group's long-term value. Securities class-action litigation often has been brought against companies in periods of volatility in the market price of their securities and following major corporate transactions or mergers and acquisitions. The Merged Group may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

(b) The issuance of additional Energy Fuels Shares may impact the trading price of the Energy Fuels Shares

In times of depressed commodity prices, the Merged Group may be required to raise additional capital to meet its liquidity requirements, through the issuance of additional Energy Fuels Shares, and/or dispose of assets. If additional funding is raised by issuing additional equity securities or securities convertible, exercisable or exchangeable for equity securities, such financing may substantially dilute the interests of the Merged Group's shareholders and reduce the value of their investment. Similar dilution could result from the sale of assets to meet liquidity requirements.

(c) Future offerings of debt or preferred equity securities, which would rank senior to the Energy Fuels Shares, may adversely affect the market price of the Energy Fuels Shares

If, in the future, the Merged Group issues debt securities or preferred shares that rank senior to the Energy Fuels Shares, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting the Merged Group's operating flexibility. Any convertible or exchangeable securities that the Merged Group issues in the future may have rights, preferences and privileges more favourable than those of the Energy Fuels Shares and may result in dilution to holders of Energy Fuels Shares. The Merged Group and, indirectly, its shareholders, will bear the cost of issuing and servicing such securities. Because of the Merged Group's decision to issue debt securities or equity securities in any future offering will depend on market conditions and other factors beyond its control, the Merged Group cannot predict or estimate the amount, timing or nature of future offerings. Thus, holders of Energy Fuels Shares will bear the risk of future offerings reducing the market price of Energy Fuels Shares and diluting the value of their stock holdings.

8.5 Risks relating to the Base Resources Group if the Scheme is not implemented

If the Scheme does not proceed, Base Resources will continue as a standalone entity and Base Resources Shareholders will retain their Base Resources Shares.

In these circumstances, Base Resources may be subject to the risks that currently apply to an investment in Base Resources, which include many of the risk factors described at section 8.3 in relation to the Merged Group, in addition to the risks set out in this section 8.5.

(a) Base Resources Shareholders will not receive the Scheme Consideration or Special Dividend and remain Base Resources Shareholders

If the Scheme is not implemented:

- Base Resources Shareholders will retain their Base Resources Shares and will not receive the Scheme Consideration or the Special Dividend;
- Base Resources will remain listed on ASX and AIM as a stand-alone entity; and
- the current Base Resources Board and senior leadership team will continue to operate Base Resources' business.

In these circumstances, Base Resources Shareholders will continue to be subject to all risks currently associated with an investment in Base Resources (and to which Base Resources Shareholders are already exposed to) and payment of any future dividends will be determined by the Base Resources Board in the ordinary course applying Base Resources' capital management policy.

(b) If the Scheme does not proceed, the price of a Base Resources Share may fall below its recent trading price, in the absence of a Superior Proposal

The trading price of a Base Resources Share on ASX increased by approximately 124% on 22 April 2024 (being, the day of announcement of the Scheme). Between announcement and the Last Practicable Date, the trading price of a Base Resources Share on ASX has ranged between 114% and 176% above the last closing price prior to announcement of the Scheme. Similar price increases occurred on AIM for Base Resources DIs. The Base Resources Directors believe that, if the Scheme is not approved and no alternative proposal emerges, it is likely that the trading price of Base Resources Shares on ASX and Base Resources DIs on AIM will fall to below the levels at which they have been trading since the Scheme was announced (although whether and to what extent this occurs is difficult to predict with any degree of certainty).

(c) Transaction costs will be incurred

As referred to in section 7.7, Base Resources estimates that it will have incurred or committed transaction costs of approximately US\$1.4 million (including GST, which is assumed to not be deductible) in connection to the Scheme prior to the Scheme Meeting. These costs will be payable by Base Resources regardless of whether or not the Scheme is implemented.

Depending on the reasons for the Scheme not proceeding, Base Resources may also be liable to pay Energy Fuels a break fee of US\$2.4 million. Further information regarding the break fee and the circumstances in which it is payable by Base Resources is set out in section 10.5.

(d) The benefits associated with the Merged Group will not be realised

If the Scheme is not implemented, Base Resources will remain listed on ASX and AIM as a stand-alone entity, and the benefits anticipated from the Merged Group will not be realised. More information about these anticipated benefits is set out in section 7.

(e) Availability of funding

There can be no guarantee that Base Resources will be able to obtain future debt or equity financing required to develop the Toliara Project. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If Base Resources is unable to obtain additional financing as needed, it may be required to consider the sale or divestment (i.e. through joint venture arrangements) of its assets. There is however no guarantee that Base Resources will be able to secure any additional funding or be able to secure funding on terms acceptable to Base Resources.

(f) Other risks for Base Resources as a standalone entity**(1) Toliara Project development**

Development of the Toliara Project is dependent on the lifting of the current suspension of on-ground activities imposed by the Government of Madagascar. There is no certainty that binding fiscal terms for the Toliara Project will be agreed and that the suspension will be lifted or that these milestones will be achieved on reasonably timely basis.

Once the suspension is lifted, development of the Toliara Project is dependent on a number of factors including, but not limited to:

- ratification by Parliament of an investment agreement (or similar) recording the agreed fiscal terms and also providing necessary legal clarifications in relation to applicable law;
- securing requisite fiscal and legal stability – e.g. through eligibility certification under the LGIM;
- securing requisite land access for the Toliara Exploitation Permit and the Toliara Project's associated infrastructure;
- access to adequate capital to fund development;
- maintaining the Toliara Exploitation Permit in good standing;
- obtaining regulatory consents and approvals necessary for, or exemptions beneficial to, the conduct of development and production on a timely basis or at all;
- commodity prices and securing necessary offtakes on reasonable terms;
- geotechnical conditions;
- retention of appropriately skilled and experienced employees, contractors and consultants; and
- maintaining positive relations with host communities and regional and national governments/officials.

Although not strictly necessary for development of the Toliara Project, once developed, realisation of the incremental benefits identified in the Monazite PFS will be dependent on securing the right to exploit monazite under the Toliara Exploitation Permit.

Following the expected conclusion of mining at Kwale Operations in December 2024, unless other opportunities are identified and implemented, the Toliara Project will be Base Resources' sole development project.

(2) Kwale Operations closure

The closure of Kwale Operations and conclusion of mining and processing activities is subject to several risks including, but not limited to:

- adequate financial provisioning for closure and rehabilitation;
- environmental contamination, including soil erosion and water pollution;
- potential harm to personnel on site during closure, including employees and contractors;
- meeting and adherence to evolving regulations and standards;
- managing community relations and expectations and addressing any concerns;
- managing government relations and expectations and addressing any concerns;
- technical challenges in implementing effective remediation methods;
- long-term monitoring as part of ensuring remediation effectiveness and management of the tailing storage facility;
- maintaining public trust and social licence through communication and engagement; and
- resolving on acceptable terms current and potential legal disputes, including with community, government and government related bodies, third party royalty holders and site employees (for example, over contractual obligations, severance packages, and associated employment termination issues).

(3) Liquidity of Base Resources Shares

The trading volume of Base Resources Shares has increased significantly since announcement of the Scheme. There can be no guarantee that trading volumes will continue at these levels if the Scheme is not implemented. If trading volumes reduce, depending on the size of their holdings, it may be difficult for (or there may be delays to the ability of) holders of Base Resources Shares to sell their holdings, as there may not be sufficient potential buyers of Base Resources Shares on ASX or AIM.

In addition, if the Scheme is not implemented, Pacific Road Capital will continue to hold 26.5% of the Base Resources Shares and Sustainable Capital will continue to hold 20.6% of the Base Resources Shares²⁶, which may also impact liquidity. This level of shareholding may provide Pacific Road Capital or Sustainable Capital (individually) with the opportunity to materially influence the outcome of matters requiring the approval of Base Resources Shareholders, including the election (or re-election) of Base Resources Directors and the approval of transactions which require the approval of Base Resources Shareholders.

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26 Assuming no changes to their holding of Base Resources Shares following the Last Practicable Date.

9 Australian tax implications

9.1 Scope and tax comments

This is a general summary of the Australian income tax (including CGT), GST and stamp duty implications for certain Australian and foreign resident Base Resources Shareholders on implementation of the Scheme and payment of the Special Dividend should one be determined.

The categories of Base Resources Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their Base Resources Shares on capital account for income tax purposes.

The tax comments outlined in this summary are not applicable to all Base Resources Shareholders and do not cover Base Resources Shareholders who:

- hold their Base Resources Shares as a revenue asset (i.e. trading entities or entities who acquired their Base Resources Shares for the purposes of resale at a profit) or as trading stock;
- are partnerships or individuals who are partners of such partnerships;
- hold their shares as an asset in a business that is carried on through a permanent establishment in Australia;
- acquired their Base Resources Shares pursuant to an employee share plan;
- are under a legal disability;
- are exempt from Australian income tax;
- are Ineligible Foreign Shareholders;
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Base Resources Shares; or
- are subject to the Investment Manager Regime under Subdivision 842-I of the *Income Tax Assessment Act 1997* (Cth) in respect of their Base Resources Shares.

This summary is based on the Australian tax law, and the practice of the tax authorities, at the time of issue of this Scheme Booklet. The laws are complex and subject to change periodically as is their interpretation by the courts and the tax authorities. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law. This summary does not take into account the tax law of countries other than Australia. The precise implications of ownership or disposal of their Base Resources Shares will depend upon each Base Resources Shareholder's specific circumstances.

These comments should not be a substitute for advice from an appropriate professional advisor having regard to each Base Resources Shareholder's individual circumstances. All Base Resources Shareholders are strongly advised to obtain and rely only on their own professional advice on the tax implications based on their own specific circumstances.

Base Resources has applied for a class ruling from the ATO regarding the income tax implications for Base Resources Shareholders of receiving the Special Dividend, and the availability of CGT scrip-for-scrip roll-over relief in respect of the Scheme Consideration to be received by Base Resources Shareholders, if the Scheme is implemented. The income tax comments provided below are consistent with the positions taken in the class ruling application lodged with the ATO on 20 June 2024.

The class ruling is not expected to be issued by the ATO until after the Implementation Date (which is currently estimated to be 2 October 2024). The final class ruling will be published on www.ato.gov.au and on the Base Resources and Energy Fuels websites. Base Resources Shareholders should monitor these websites for the final class ruling and refer to the ruling once published.

9.2 Australian resident shareholders

This section applies to Base Resources Shareholders who are residents of Australia for income tax purposes and hold their Base Resources Shares on capital account.

(a) CGT event on the disposal of Base Resources Shares to EFR BidCo

Under the Scheme, Base Resources Shareholders will dispose of their Base Resources Shares to EFR BidCo in exchange for the Scheme Consideration, being 0.0260 Energy Fuels Shares for every Base Resources Share. The disposal of the Base Resources Shares to EFR BidCo under the Scheme will give rise to a CGT event for Base Resources Shareholders. The timing of the CGT event for the Base Resources Shareholders should be the date the Base Resources Shares are disposed of, which will occur on the Implementation Date (i.e. currently estimated to be 2 October 2024).

In the absence of CGT roll-over relief (discussed below), the following income tax consequences are expected to arise for the Base Resources Shareholders:

- a capital gain will be realised to the extent the capital proceeds received by the Base Resources Shareholder from the disposal of their Base Resources Shares exceed the cost base of those shares; or
- a capital loss will be realised to the extent the capital proceeds received by the Base Resources Shareholder from the disposal of their Base Resources Shares are less than the reduced cost base of those shares.

Capital losses can only be offset against capital gains derived in the same income year or later income years. Specific loss recoupment rules apply to companies which must be satisfied if those carry forward tax losses are to be used in future years. Base Resources Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) Capital proceeds received by Base Resources Shareholders

The capital proceeds received on the disposal of the Base Resources Shares should be equal to the Scheme Consideration received by the Base Resources Shareholders, which, as noted above, will be 0.0260 Energy Fuels Shares for every Base Resources Share.

Therefore, the capital proceeds received should be equal to the market value of the Energy Fuels Shares received by the Base Resources Shareholders at the Implementation Date.

It is not expected that the Special Dividend will be included as capital proceeds given the definition of Scheme Consideration in the Scheme Implementation Deed.

(c) Cost base and reduced cost base of a Base Resources Share

The cost base of a Base Resources Share will generally be equal to the cost of acquiring that Base Resources Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). The reduced cost base of a Base Resources Share is determined in a manner similar to the cost base although some differences in the calculation of reduced cost base do exist depending on the Base Resources Shareholder's individual circumstances. The cost base and reduced cost base of each Base Resources Share will depend on the individual circumstances of each Base Resources Shareholder.

(d) CGT discount

A CGT discount may apply to Base Resources Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Base Resources Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Base Resources Shares to EFR BidCo.

The CGT discount is:

- one-half if the Base Resources Shareholder is an individual or trustee: meaning only 50% of the capital gain will be included in assessable income; and
- one-third if the Base Resources Shareholder is a trustee of a complying superannuation entity: meaning only two-thirds of the capital gain will be included in assessable income.

The CGT discount is not available to Base Resources Shareholders that are companies.

If the Base Resources Shareholder makes a discounted capital gain, any current year and/or carried forward capital losses will be applied to reduce the undiscounted capital gain before the relevant CGT discount is applied. The resulting amount is then included in the Base Resources Shareholder's net capital gain for the income year and included in assessable income.

The CGT discount rules relating to trusts are complex. Accordingly, it is recommended that trustees seek their own independent advice on how the CGT discount applies to them and the trust's beneficiaries.

(e) CGT scrip-for-scrip roll-over relief

Base Resources Shareholders who make a capital gain from the disposal of their Base Resources Shares may be eligible to choose CGT scrip-for-scrip roll-over relief (provided certain conditions are met). Broadly, CGT scrip-for-scrip roll-over relief enables Base Resources Shareholders to disregard the capital gain they make from the disposal of their Base Resources Shares under the Scheme.

For CGT scrip-for-scrip roll-over relief to be available, EFR BidCo must become the owner of 80% or more of the shares in Base Resources and the Base Resources Shareholder must make a capital gain upon disposal of their Base Resources Shares. If a capital loss arises, no CGT scrip-for-scrip roll-over relief is available. The 80% threshold should be satisfied if the Scheme is implemented.

Base Resources Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip-for-scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

(f) Consequences for choosing CGT scrip-for-scrip roll-over relief

If a Base Resources Shareholder chooses to obtain CGT scrip-for-scrip roll-over relief, the capital gain arising on the disposal of their Base Resources Shares under the Scheme should be disregarded.

The first element of the cost base (i.e. money paid or property given for the acquisition) for their Base Resources Shares is then determined by attributing, on a reasonable basis, the existing cost base of the Base Resources Shares exchanged under the Scheme. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT discount, the acquisition date of the Energy Fuels Shares is taken to be the date when the Base Resources Shareholder originally acquired their Base Resources Shares.

(g) Consequences if CGT scrip for scrip roll-over relief is not available or is not chosen

If a Base Resources Shareholder does not qualify for CGT scrip-for-scrip roll-over relief, or the Base Resources Shareholder chooses not to obtain CGT scrip-for-scrip roll-over relief, the general CGT treatment outlined at paragraph 9.2(a) will apply.

If a Base Resources Shareholder makes a capital loss from the disposal of their Base Resources Shares, this loss may be used to offset capital gains in the same or subsequent years of income (subject to satisfying certain conditions). The capital loss cannot be offset against ordinary income or carried back to offset net capital gains arising in earlier income years.

(h) Australian income tax treatment of the Special Dividend

The Special Dividend will be assessable income for Australian resident Base Resources Shareholders in the income year in which it is paid.

On the basis the Special Dividend will be unfranked, Base Resources Shareholders will not receive any franking credits that may be applied as a tax offset and the full amount of the Special Dividend should be taxable.

9.3 Foreign tax resident shareholders

This section applies to Base Resources Shareholders that are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents) and hold their Base Resources Shares on capital account. It does not apply to Base Resources Shareholders who held their Base Resources Shares as an asset in a business that was carried on through a permanent establishment in Australia.

(a) CGT event on the disposal of Base Resources Shares to EFR BidCo

Foreign tax resident Base Resources Shareholders who hold their Base Resources Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their Base Resources Shares, provided their Base Resources Shares are not an "indirect Australian real property interest".

Broadly, a foreign tax resident Base Resources Shareholder's Base Resources Shares will not be an indirect Australian real property interest unless both of the following conditions are satisfied:

- the foreign tax resident Base Resources Shareholder, and their associates (as defined under Australian taxation law, and broadly discussed below), together hold 10% or more of the issued shares in Base Resources at the time of disposal or for at least 12 months during the 24 months prior to disposal of their Base Resources Shares; and
- the aggregate market value of Base Resources' assets which are "taxable Australian property" (being direct and indirect interests in Australian real property, including land, leases of land, mining tenements and property affixed to land) exceeds the aggregated market value of Base Resources' assets which are not taxable Australian property.

The term "associate" for these purposes is very broad. It includes:

- entities that have majority ownership (50% or more of the voting shares) of or otherwise control the foreign tax resident Base Resources Shareholder,
- entities which are majority owned or controlled by the foreign tax resident Base Resources Shareholder,
- a trustee of a trust where the foreign tax resident Base Resources Shareholder is capable of benefiting (whether directly or indirectly) under the trust, and
- (generally) an associate of an associate.

Base Resources management has determined that the aggregate market value of Base Resources' assets, which are taxable Australian property, do not exceed the aggregate market value of Base Resources' assets which are not taxable Australian property. Accordingly, foreign tax resident Base Resources Shareholders should not be subject to Australian CGT on the disposal of their Base Resources Shares and therefore, there should be no obligation for Energy Fuels to withhold a portion of the Scheme Consideration to satisfy the foreign resident CGT withholding rules (discussed in section 9.4 below).

(b) Australian income tax treatment of the Special Dividend

The Special Dividend will be unfranked. As a result, Australian dividend withholding tax should be applied to the Special Dividend (subject to relief under specific tax treaties).

However, to the extent that any portion of the Special Dividend is declared to be Conduit Foreign Income, dividend withholding tax will not be payable on that portion of the Special Dividend. Subject to sufficient Conduit Foreign Income credits being available at the time of payment of the Special Dividend, Base Resources expects to attach full Conduit Foreign Income credits to the Special Dividend such that there should be no withholding tax applicable to non-resident shareholders.

9.4 Foreign resident CGT withholding rules

Australia's foreign resident capital gains withholding tax (**FRCGTW**) regime applies to transactions involving the acquisition of certain indirect interests in Australian real property from relevant foreign residents. Where the FRCGTW regime applies, Energy Fuels may withhold and pay to the Commissioner of Taxation a withholding amount of 12.5% from the Scheme Consideration.

No withholding under the FRCGTW regime should be required to the extent the Base Resources Shares do not constitute an indirect Australian real property interest.

On the basis that Base Resources management has determined that the aggregate market value of Base Resources' assets, which are taxable Australian property, do not exceed the aggregate market value of Base Resources' assets which are not taxable Australian property, the Base Resources Shares do not constitute an indirect Australian real property interest and withholding under the FRCGTW should not be required.

9.5 Stamp duty

No stamp duty should be payable by the Base Resources Shareholders on the acquisition by EFR BidCo of their Base Resources Shares under the Scheme or on the receipt by Base Resources Shareholders of the Energy Fuels Shares as Scheme Consideration.

9.6 GST

No GST should be payable by Base Resources Shareholders on the acquisition by EFR BidCo of their Base Resources Shares under the Scheme, or on the receipt by Base Resources Shareholders of the Energy Fuels Shares as Scheme Consideration. Base Resources Shareholders who are registered for GST may not be entitled to input tax credits (or only entitled to reduced input tax credits) for any GST incurred on costs associated with the disposal of their Base Resources Shares.

10 Additional information

10.1 Comparison of relevant Australian, Canadian and US laws

Base Resources is a public company limited by shares and registered in Western Australia under Australian law. Base Resources Shares are listed on the ASX and Base Resources DIs are listed on AIM.

Energy Fuels is incorporated in Canada, under the laws of Ontario, Canada and is subject to the laws of Ontario, the applicable laws of Canada and applicable United States federal securities laws. Energy Fuels Shares are listed on the NYSE and TSX.

If the Scheme is implemented, the rights of Base Resources Shareholders in respect of Energy Fuels Shares will be governed principally by Canadian law and US law, including the OBCA, Canadian securities laws, US securities laws, the TSX Company Manual, the NYSE Listing Rules and Energy Fuels' bylaws and articles of incorporation.

A comparison of some of the material provisions of Australian company law and Canadian company law as they relate to Base Resources and Energy Fuels respectively is set out in Annexure 1.

10.2 Interest of Base Resources Directors in Base Resources Shares and Base Resources Performance Rights

As at the Last Practicable Date, the Base Resources Directors have the following Relevant Interests in Base Resources Shares and Base Resources Performance Rights:

Base Resources Director	Base Resources Shares	Base Resources Performance Rights
Michael Stirzaker	425,000	Nil
Tim Carstens	13,001,474	1,654,556 (vested, subject to exercise) 5,350,234 (unvested)
Scot Sobey	Nil	Nil
Diane Radley	500,000	Nil
Sheila Khama	Nil	Nil

Base Resources Directors who own Base Resources Shares will be entitled to vote at the Scheme Meeting and, if the Scheme is implemented, receive the Scheme Consideration for their Base Resources Shares, along with the other Scheme Shareholders. If the Base Resources Board determines to pay the Special Dividend and the Scheme becomes effective, Base Resources Directors who own Base Resources Shares will also receive the Special Dividend.

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders, all Base Resources Directors who own Base Resources Shares intend to vote or procure the voting of those Base Resources Shares in favour of the Scheme.

In accordance with the terms of the Base Resources LTIP, the unvested Base Resources Performance Rights on issue were subject to accelerated testing of the performance criteria and gates to vesting. For further details, including the testing approach adopted and vesting outcomes, refer to section 10.3 below. Vesting is conditional on the Scheme becoming effective. Any unvested Base Resources Performance Rights that do not vest will automatically lapse on the Effective Date.

No Base Resources Director acquired or disposed of a Relevant Interest in any Base Resources Shares during the four months before the date of this Scheme Booklet.

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10.3 Treatment of Base Resources Performance Rights under the Scheme

(a) Details of Base Resources LTIP

As detailed in Base Resources' annual report for the financial year ended 30 June 2023, Base Resources operates the Base Resources LTIP, an equity incentive plan for management.

The Base Resources LTIP aims to reward participants for Base Resources' total shareholder return performance, both relative to its peer group and in absolute terms.

The Base Resources LTIP seeks to achieve this by the grant of Base Resources Performance Rights to management (including the Managing Director), the vesting of which is subject to the satisfaction of relative and absolute total shareholder return performance criteria.

The Base Resources LTIP was last approved by Base Resources Shareholders at Base Resources' 2021 annual general meeting held on 26 November 2021. The key terms of the Base Resources LTIP were summarised in the notice of meeting for Base Resources' 2021 annual general meeting, released to ASX on 27 October 2021. Summaries of the material terms of the Base Resources LTIP were also included in Base Resources' 2022 and 2023 notices of annual general meeting, released to ASX on 26 October 2022 and 24 October 2023, respectively.

Each Base Resources Performance Right entitles the holder to receive one new Base Resources Share, subject to satisfaction of the vesting conditions and gates specified in the relevant offer of Base Resources Performance Rights.

At the Last Practicable Date, Base Resources had 70,275,931 Base Resources Performance Rights on issue, comprising:

- 6,599,881 vested Base Resources Performance Rights; and
- 63,676,050 unvested Base Resources Performance Rights.

The unvested Base Resources Performance Rights on issue are for the 2021, 2022 and 2023 cycles. For details about the performance criteria and gates to vesting for these securities refer to Base Resources' 2021, 2022 and 2023 notices of annual general meeting.

(b) Treatment of Base Resources Performance Rights in connection with the Scheme

It is a condition precedent to the Scheme becoming effective that Base Resources has done all things and taken all necessary steps before 8.00am on the Second Court Date to ensure that before the Scheme Record Date all Base Resources Performance Rights vest and have been exercised and converted into Base Resources Shares or have otherwise lapsed.²⁷

In accordance with the terms of the Base Resources LTIP, the Base Resources Board exercised its discretion to accelerate testing of the performance criteria and gates to vesting for the unvested Base Resources Performance Rights on issue. The performance criteria were either hurdles based on total shareholder return on an absolute basis or a relative basis as against a comparator group of peer companies. In accordance with the Base Resources LTIP, the Base Resources Board tested the performance criteria as at 30 June 2024:

- based on the aggregate of (i) the Special Dividend (assuming a dividend of A\$0.065 per Base Resources Share is determined), and (ii) the implied value of the Scheme Consideration, calculated based on the A\$ equivalent 30-day VWAP of Energy Fuels Shares to 30 June 2024 determined by applying daily AUD:USD exchange rates over the VWAP period; and
- in the case of the performance criteria tied to absolute total shareholder return, by making a pro rata adjustment for a reduced performance period to 30 June 2024.

Following testing, and with the Base Resources Board being satisfied that all gates to vesting have been passed, 52,417,195 unvested Base Resources Performance Rights will vest, with such vesting subject to and conditional on the Scheme becoming effective. The unvested Base Resources Performance Rights that do not vest will automatically lapse on the Effective Date.

Base Resources has also agreed with Malagasy resident holders of Base Resources Performance Rights that, to the extent that, on the Effective Date, they are unable (for regulatory reasons) to receive a Base Resources Share following vesting and exercise of any of their vested Base Resources Performance Rights (including those which are the subject of early testing and vesting), each such right will be cancelled for a cash amount equal to the closing price of Base Resources Shares on ASX on the Effective Date.

(c) Details of Base Resources Performance Rights held by Mr Tim Carstens

As at the Last Practicable Date, Mr Tim Carstens (Managing Director, Base Resources) held 1,654,556 vested and 5,350,234 unvested Base Resources Performance Rights.

If the Scheme becomes effective, Mr Carstens will be entitled to receive:

- 1,654,556 Base Resources Shares for the vested Base Resources Performance Rights he currently holds (being one Base Resources Share per vested Base Resources Performance Rights held); and
- 3,662,768 Base Resources Shares in connection with the accelerated vesting of his unvested Base Resources Performance Rights.

The Base Resources Shares to be allocated to Mr Carstens in relation to the 1,654,556 vested Base Resources Performance Rights and 3,662,768 Base Resources Performance Rights which are subject to accelerated vesting will be allocated prior to the Special Dividend Record Date and the Scheme Record Date (and therefore eligible to receive the Special Dividend and the Scheme Consideration).

(d) Details of the Base Resources Performance Rights held by other Base Resources Directors

Other than Mr Carstens (whose holding of Base Resources Performance Rights is set out in section 10.3(c) above), no other Base Resources Director has a Relevant Interest in any Base Resources Performance Rights.

²⁷ Scheme Implementation Deed, cl 3.1(k).

(e) Acquisition or disposal of Base Resources Performance Rights by Base Resources Directors

No Base Resources Director acquired or disposed of a Relevant Interest in any Base Resources Performance Rights during the four months before the date of this Scheme Booklet.

10.4 Other benefits and agreements

(a) Interests of Base Resources Directors in Energy Fuels securities

No Base Resources Director has a Relevant Interest in any securities in any Energy Fuels Group Member.

No Base Resources Director has acquired or disposed of a Relevant Interest in any securities in any Energy Fuels Group Member during the four months before the date of this Scheme Booklet.

(b) Interests of Base Resources Directors in contracts with Energy Fuels

Other than as disclosed in section 10.4(e), none of the Base Resources Directors have any interest in any contract entered into by an Energy Fuels Group Member.

(c) Benefits in connection with retirement from office

There is no payment or other benefit that is proposed to be made or given to any director, secretary or executive officer of Base Resources (or any of its related bodies corporate) as compensation for the loss of, or consideration for or in connection with his or her retirement from, office in Base Resources (or any of its related bodies corporate) in connection with the Scheme.

(d) Deeds of indemnity, insurance and access

Base Resources has entered into deeds of indemnity, insurance and access with directors and officers of the Base Resources and its Subsidiaries, on customary terms (**D&O Deeds**).

The D&O Deeds include terms that provide for Base Resources to indemnify the relevant director or officer against all liability arising as a result of such persons acting as a director or officer, to the extent permitted by law.

Base Resources also pays a premium in respect of directors' and officers' insurance cover for the benefit of the directors and officers of Base Resources and its Subsidiaries. If the Scheme is implemented, Base Resources intends to enter into an arrangement to provide run-off insurance coverage for all current Base Resources directors and officers for seven years from the Implementation Date. The entry into such arrangements by Base Resources is permitted by clause 9.3 of the Scheme Implementation Deed. In addition, under clause 9.3 of the Scheme Implementation Deed, Energy Fuels must, subject to certain conditions, ensure that directors' and officers' run-off insurance cover is maintained for a period of seven years from the retirement of each director and officer.

(e) Benefits from Energy Fuels

No Base Resources Director has agreed to receive, or is entitled to receive, any benefit from Energy Fuels, or any of its related bodies corporate, which is conditional on, or is related to, the Scheme, other than as set out below:

- Energy Fuels has agreed to issue 115,720 new Energy Fuels Shares to Mr Tim Carstens (as a retention incentive), subject to the satisfaction of the following conditions:
 - implementation of the Scheme; and
 - Mr Tim Carstens continuing to be employed by Base Resources (or Energy Fuels) on the date 12 months following the Implementation Date (except in cases of redundancy, in which case this condition is deemed to have been satisfied); and
- in accordance with clause 9.4 of the Scheme Implementation Deed, Energy Fuels has agreed to the appointment of Michael Stirzaker (who is currently Base Resources' independent Non-Executive Chair) as a non-executive director of Energy Fuels following, and subject to, the implementation of the Scheme.

The fees payable to the Base Resources Director to be appointed as a non-executive director of the Merged Group following implementation of the Scheme are US\$52,410 per annum (exclusive of any statutory superannuation) plus an annual equity grant, in the form of restricted stock units, equal in value to two times that cash fee (i.e. with an aggregate value of US\$104,820).

(f) Agreements connected with or conditional on the Scheme

As disclosed on 22 April 2024, the Base Resources Board (excluding Mr Tim Carstens) has determined to provide an additional one-off award opportunity of A\$275,000 to Mr Tim Carstens under the Base Resources STIP. The payment of this one-off award opportunity is conditional on implementation of the Scheme by 31 December 2024.

In addition, having achieved target performance for strategic plan execution pursuant to the FY24 Base Resources STIP corporate performance criteria (as set in August 2023), Mr Carstens will be entitled to a payment of A\$166,110 if the Scheme is implemented.

The above payments form part of the overall FY24 Base Resources STIP payment that will be determined for Mr Carstens, having regard to all applicable individual and corporate performance criteria.

Other than as disclosed in sections 10.3(c) and 10.4(e) and as set out in this section 10.4(f), there are no agreements or arrangements made between any Base Resources Director and any other person in connection with, or conditional on, the outcome of the Scheme.

10.5 Summary of the Scheme Implementation Deed

(a) Introduction

On 22 April 2024, Base Resources announced that it had entered into a Scheme Implementation Deed with EFR BidCo and Energy Fuels, under which the parties agreed to implement the Scheme between Base Resources and its shareholders pursuant to Part 5.1 of the Corporations Act.

A summary of the key terms of the Scheme Implementation Deed is set out in this section 10.5. A full copy of the Scheme Implementation Deed was announced to the ASX (www.asx.com.au) and AIM (<https://www.londonstockexchange.com/raise-finance/equity/aim>) and published on Base Resources' website (<https://baseresources.com.au/>).

(b) Conditions to the Scheme (clause 3)

The Scheme is subject to a number of conditions precedent, which are set out in full in clause 3 of the Scheme Implementation Deed. The Scheme will not proceed unless all of the conditions precedent to the Scheme are satisfied or waived (where capable of waiver) in accordance with the Scheme Implementation Deed. The conditions precedent are summarised below.

- **FIRB approval:** before 8.00am on the Second Court Date, notice is received under the FATA by or on behalf of the Treasurer of the Commonwealth of Australia advising Energy Fuels that the Commonwealth of Australia has no objections to EFR BidCo acquiring Base Resources;
- **Restraints:** before 8.00am on the Second Court Date, none of the following has been issued or made (and remains effective or enforceable at that time):
 - a conditional or unconditional decision, determination, statement or order issued by any Governmental Agency in connection with the Scheme that (i) restrains, prohibits or otherwise materially adversely affects the implementation of the Scheme; (ii) requires the parties to cease trade, or enjoins, prohibits, or imposes any limitations, damages or conditions on the parties ability to acquire, hold or exercise full rights of ownership over the Base Resources Shares or the Base Resources Material Projects; or (iii) prohibits or restricts the direct or indirect ownership or operation or benefit of the rights relating to the Base Resources Material Projects or compels the parties to dispose of the Base Resources Material Projects or Energy Fuels Material Projects as applicable; or
 - a temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or the Takeovers Panel or other legal restraint or prohibition preventing the Scheme;
- **Scheme Shareholders' approval:** the Scheme is approved at the Scheme Meeting by the required majorities of Scheme Shareholders under paragraph 411(4)(a)(ii) of the Corporations Act;
- **Independent Expert:** the Independent Expert issues a report which concludes that the Scheme is in the best interests of Scheme Shareholders before the date on which the Scheme Booklet is lodged with ASIC and the Independent Expert does not change that conclusion or withdraw the report by notice in writing to Base Resources prior to 8.00am on the Second Court Date;
- **Court approval:** the Court approves the Scheme under section 411(4)(b) of the Corporations Act and an office copy of the Court orders approving the Scheme is lodged with ASIC in accordance with section 411(10) of the Corporations Act;
- **No Base Resources Prescribed Event:** no Base Resources Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **No Energy Fuels Prescribed Event:** no Energy Fuels Prescribed Event occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **No Base Resources Material Adverse Change:** no Base Resources Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00 am on the Second Court Date;
- **No Energy Fuels Material Adverse Change:** no Energy Fuels Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date;
- **Other regulatory approvals:** all other approvals, waivers, consents, exemptions or declarations of a Governmental Agency that are necessary or desirable to implement the Scheme are granted, given, made or obtained, in each case either unconditionally or on terms that Energy Fuels considers to be acceptable (acting reasonably) and the approvals, waivers, consents, exemptions or declarations have not been withdrawn, cancelled, varied or revoked before 8.00am on the Second Court Date;
- **Base Resources Performance Rights:** Base Resources has done all things and taken all necessary steps before 8.00am on the Second Court Date to ensure that before the Scheme Record Date all Base Resources Performance Rights vest and have been exercised and converted into Base Resources Shares or otherwise lapsed;
- **NYSE and TSX listing:** the Energy Fuels Shares issued under the Scheme have been authorised for listing on the NYSE and conditionally approved for listing on the TSX before 8.00am on the Second Court Date;
- **US Securities Act Exemption:** the Energy Fuels Shares to be issued pursuant to the Scheme shall be exempt from the registration requirements of the US Securities Act pursuant to section 3(a)(10) thereof, and the distribution of the Energy Fuels Shares issued pursuant to the Scheme shall be exempt from the prospectus and registration requirement of applicable Canadian securities laws;
- **CAK:** before 8.00am on the Second Court Date, the CAK issuing its approval or an authorising order under section 46 of the Kenya Competition Act in respect of the acquisition contemplated by the Scheme Implementation Deed, which is unconditional or, if subject to conditions, is subject to conditions that do not materially adversely affect the planned closure of the Kwale Project; and
- **Malagasy Competition Council:** before 8.00am on the Second Court Date, the Malagasy Competition Council approving the acquisition contemplated by the Scheme Implementation Deed under the Malagasy Competition Law no.2018 dated 29 June 2018, which approval is unconditional or, if subject to conditions, is subject to conditions that are acceptable to Energy Fuels (acting reasonably).

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(c) Conduct of business (clause 7)

The Scheme Implementation Deed requires that Base Resources carry on its business as a going concern, in the ordinary and normal course during the implementation period and comply with all applicable laws and relevant regulatory requirements.

The Scheme Implementation Deed requires that Base Resources use commercially reasonable endeavours to lift the suspension affecting the Toliara Exploitation Permit and keep Energy Fuels reasonably informed of any material progress in lifting the suspension affecting the Toliara Project.

Energy Fuels has rights to access the business information, personnel and premises of Base Resources during the implementation period, for the purpose of implementation of the Scheme, transition planning and to remain informed in relation to the financial and trading position of Base Resources during the implementation period.

The parties must establish a Transaction Implementation Committee, which provides a means for each party to work together to implement the Scheme and ensures the orderly business integration of the Base Resources Group into the Energy Fuels Group following the implementation of the Scheme.

Base Resources may withhold access in relation to any information it reasonably considers to be commercially sensitive or where the provision of information / access would result in a breach of law.

(d) Representations and warranties (clause 8)

The Scheme Implementation Deed contains customary warranties from Base Resources, EFR BidCo and Energy Fuels in relation to their capital structure and operating businesses (including in relation to due diligence information).

Each party will promptly advise the other in writing if it becomes aware of any fact, matter, or circumstance which constitutes or may constitute a breach of any of the representations or warranties given under clause 8 of the Scheme Implementation Deed.

A consequence of a material breach of warranty during the implementation period is that the non-defaulting party has a right to terminate the Scheme Implementation Deed at any time prior to 8.00am on the Second Court Date.

(e) Board, releases and insurance (clause 9)

Each party provides a standard release of liability for the other party's directors and officers from any liability that may arise from the Scheme (except where the relevant person has not acted in good faith or has engaged in wilful misconduct or fraudulent conduct).

With effect on and from the Implementation Date, but subject to all necessary regulatory approvals, Base Resources can nominate and Energy Fuels must invite one existing Base Resources Director to the Energy Fuels Board.

By the Implementation Date, unless otherwise agreed with Energy Fuels, Base Resources must, in accordance with any applicable company constitution, laws and regulations, take all actions necessary to procure that each director in office on the Implementation Date resigns their office as a director by providing written notice, and must cause the appointment to the Base Resources Board and to the boards of each of Base Resources' subsidiaries of such persons as are nominated by Energy Fuels and subject to those persons having provided consent to act as directors of the relevant companies.

(f) Public announcements (clause 10)

All public disclosures in relation to, or in connection with, the Scheme or any other transaction contemplated by the Scheme Implementation Deed by Energy Fuels or the Base Resources must be approved in writing by each party.

Energy Fuels and Base Resources do not require each other's consent to disclose information if the disclosure is required by law or relevant regulators. However, each party must use all reasonable efforts to consult with the other party prior to any such disclosure.

(g) Exclusivity (clause 12)

The Scheme Implementation Deed includes the following customary deal protection provisions applicable to Base Resources:

- **(no shop)** Base Resources must not solicit, invite, encourage or initiate any inquiry, expression of interest, offer, proposal, inquiry, negotiation or discussion with a third party in respect of an actual or potential Competing Proposal;
- **(no talk)** subject to a "fiduciary out", Base Resources must not talk to rival bidders or negotiate or provide information (including due diligence access) in relation to a Competing Proposal; and
- **(notification of approaches)** Base Resources must promptly notify Energy Fuels of any approach from a rival bidder.

Energy Fuels has a matching right in relation to any Competing Proposal which the Base Resources Board reasonably considers to be a Superior Proposal and which does not include a due diligence / information access condition (noting that Base Resources may provide due diligence / information access rights to a third party in order to satisfy this requirement).

If the matching right is triggered, Energy Fuels has 5 Business Days from commencement of this process to provide an equal or superior counterproposal. If Energy Fuels does not provide a counterproposal at the end of this process, then Base Resources may withdraw its recommendation and voting intention and / or enter into a binding agreement to implement the Superior Proposal.

(h) Break fee (clause 13)

Base Resources has agreed to pay Energy Fuels a break fee of US\$2.4 million (excluding GST) which will be payable to Energy Fuels if during the Exclusivity Period:

- a competing proposal is announced and is completed within 12 months of termination of the Scheme Implementation Deed;
- a Superior Proposal is received by Base Resources or publicly announced and Base Resources terminates the Scheme Implementation Deed as a result (where permitted to do so under the Scheme Implementation Deed);
- any Base Resources Director changes their recommendation (except where: (i) the change is due to the Independent Expert not opining that the Scheme is in the best interests of Scheme Shareholders (other than where that opinion is due to a Competing Proposal); or (ii) Base Resources is entitled to terminate the Scheme Implementation Deed for material breach by Energy Fuels); or

- Energy Fuels terminates the Scheme Implementation Deed for a material unremedied or irremediable breach by Base Resources.

The break fee is not payable if the Scheme does not proceed solely because Base Resources Shareholders do not vote in favour of the Scheme by the Requisite Majorities at the Scheme Meeting.

Base Resources liability under the Scheme Implementation Deed is capped at the amount of the break fee.

(i) Reverse break fee (clause 14)

Energy Fuels has agreed to pay Base Resources a reverse break fee of US\$2.4 million (excluding GST) which will be payable if, during the Exclusivity Period:

- Base Resources validly terminates the Scheme Implementation Deed due to the failure of Energy Fuels to satisfy the NYSE and the TSX listing condition precedent or the US Securities Act exemption condition precedent;
- Base Resources terminates the Scheme Implementation Deed for a material unremedied or irremediable breach by Energy Fuels; or
- Energy Fuels or EFR BidCo do not provide the Scheme Consideration in accordance with its obligation under Scheme Implementation Deed, the Scheme and the Deed Poll.

Energy Fuels and EFR BidCo's liability under the Scheme Implementation Deed in respect of the matters in the first two bullet points is capped at the amount of the reverse break fee, provided that this liability cap does not apply to a failure by Energy Fuels or EFR BidCo to complete the Scheme once it becomes effective (and Base Resources may seek specific performance of those obligations).

(j) Termination (clause 11)

The Scheme Implementation Deed may be terminated in the following circumstances:

- a failure to satisfy the conditions precedent (or the conditions precedent becoming incapable of satisfaction);
- a material breach of the terms of the Scheme Implementation Deed (including a material breach of warranty); or
- Base Resources recommending / endorsing a rival control transaction (including where permitted to do so under the Scheme Implementation Deed).

10.6 Summary of the Ineligible Foreign Shareholders, Small Shareholders and Sale Facility arrangements

Ineligible Foreign Shareholders are Scheme Shareholders whose address shown in the Base Resources Share Register at the Scheme Record Date is in a place outside:

- Australia and its external territories;
- Canada;
- New Zealand;
- the United Kingdom;
- the United States;
- the Cayman Islands (British Overseas Territory) (limited to the Base Resources Shareholders who are issued Energy Fuels Shares for their own account and not as an agent or on behalf of others);
- Kenya (limited to up to 100 current or former employees of a Base Resources Group Member);
- Madagascar (limited to employees of a Base Resources Group Member in respect of whom Malagasy Ministry of Finance approval has been obtained prior to the Implementation Date); and
- such other jurisdictions agreed to in writing by Base Resources and Energy Fuels,

unless Energy Fuels (after consultation with Base Resources) determines that it is lawful and not unduly onerous or unduly impractical for Energy Fuels to issue that Scheme Shareholder with Energy Fuels Shares as Scheme Consideration.

Base Resources Shareholders who are Ineligible Foreign Shareholders will not receive Energy Fuels Shares. Instead, the Energy Fuels Shares that would otherwise have been issued to the Ineligible Foreign Shareholder will be allotted to the Sale Agent for sale on the TSX and NYSE.

Electing Small Shareholders are those Scheme Shareholders who hold 350,000 Base Resources Shares or fewer at the Scheme Record Date and validly elect to have all, but not some, of the new Energy Fuels Shares to which they are entitled allotted to the Sale Agent and sold through the Sale Facility.

For a Small Shareholder (other than a Base Resources DI Holder) to make an election, they must complete and return the Election Form made available with this Scheme Booklet, in accordance with the instructions on that form to the Base Resources Share Registry on or before 5.00pm (Perth time) on 18 September 2024.

For a Small Shareholder that is a Base Resources DI Holder to make an election, they must provide an election instruction through CREST by following the instructions set out in Annexure 2. The deadline for receipt of CREST election instructions by the Depositary is 1.00 pm (London time) on 18 September 2024.

Energy Fuels will procure, as soon as reasonably practicable after the Implementation Date (and in any event within 30 days after the Implementation Date) that the Sale Agent sells or procures the sale of the Energy Fuels Shares allotted to the Sale Agent in the ordinary course of trading on the TSX or the NYSE and in such manner, at such price and on such other terms as the Sale Agent reasonably determines.

The Sale Agent will then remit the Net Cash Proceeds of the Sale Facility to Energy Fuels as soon as reasonably practicable (and in any event within 10 Business Days after settlement). It is expected that the Sales Agent fee for the Sale Facility will be in the range of CAN\$0.03 to CAN\$0.04 per Energy Fuel Share, which the Sale Agent will deduct from the proceeds realised from the sale of the relevant Energy Fuels, prior to distribution of the Net Cash Proceeds.

Promptly after the last sale of the relevant Energy Fuels Shares through the Sale Facility, Energy Fuels will pay, or procure, the payment to Ineligible Foreign Shareholders and Electing Small Shareholders their pro rata proportion of the Net Cash Proceeds (as described further below).

The amount of money in United States Dollars to which each Ineligible Foreign Shareholder and Electing Small Shareholder is entitled will be calculated on an averaged basis so that all Ineligible Foreign Shareholders and Electing Small Shareholders will receive the same price per Energy Fuels Share, subject to rounding down to the nearest whole cent. Consequently, the amount to which Ineligible Foreign Shareholders and Electing Small Shareholders are entitled for each Energy Fuels Share may be more or less than the actual price that is received by the Sale Agent for the sale of any particular Energy Fuels Share.

As the market price of Energy Fuels Shares will be subject to change from time to time, the sale price of those Energy Fuels Shares, and the proceeds of those sales, cannot be guaranteed. Ineligible Foreign Shareholders and Electing Small Shareholders will be able to obtain information on the market price of Energy Fuels Shares on the Energy Fuels website (<https://www.energyfuels.com/>).

The Net Cash Proceeds will be remitted to Energy Fuels in United States Dollars for distribution of the applicable pro rata portion to each Ineligible Foreign Shareholder and Electing Small Shareholder. The applicable portions of the Net Cash Proceeds will be distributed by direct credit only.

Ineligible Foreign Shareholders and Electing Small Shareholders that are Base Resources Shareholders (i.e. not a Base Resources DI Holder) will be paid in Australian dollars, unless they elect to be paid by direct credit in US dollars or British pounds sterling by providing banking details for a financial institution in the relevant currency to the Base Resources Share Registry prior to the Scheme Record Date.

Ineligible Foreign Shareholders and Electing Small Shareholders that are Base Resources DI Holders will be paid in British pounds sterling.

Conversion of the required amounts of the Net Cash Proceeds to Australian dollars and British pounds sterling will be undertaken by Energy Fuels. Any exchange rate risk lies solely with the Ineligible Foreign Shareholders and Electing Small Shareholders.

Interest will not be paid on any Net Cash Proceeds. The payment of the Net Cash Proceeds from the sale of the Energy Fuels Shares will be in full satisfaction of the rights of the Ineligible Foreign Shareholders and Electing Small Shareholders.

In providing services to Energy Fuels in connection with the Sale Facility, the Sale Agent is not acting as agent or sub agent of any Ineligible Foreign Shareholder or Electing Small Shareholder, does not have any duties or obligations (fiduciary or otherwise) to Ineligible Foreign Shareholders or Electing Small Shareholders and does not underwrite the sale of any Energy Fuels Shares.

The Sale Facility will only be available to Ineligible Foreign Shareholders and Electing Small Shareholders who are not affiliates of Energy Fuels after giving effect to the Scheme. No commissions or any other sales incentives will be offered or paid to the employees of Energy Fuels or any of their affiliates in connection with the Sale Facility. Additionally, neither Energy Fuels or its affiliates will purchase any Energy Fuels Shares while sales are being executed under the Sale Facility.

10.7 Regulatory conditions and relief

(a) ASX confirmation

As noted in section 10.3, the Base Resources Board intends to accelerate the vesting of the Base Resources Performance Rights if the Scheme is implemented. ASX has confirmed that ASX Listing Rule 6.23.3 does not apply to the intended early vesting of the Base Resources Performance Rights (or any cash amounts payable to Malagasy resident holders of Base Resources Performance Rights in lieu of Base Resources Shares as described in section 10.3(b)).

(b) ASIC declarations and modifications

(1) Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations

Paragraph 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires this Scheme Booklet to set out whether, within the knowledge of the Base Resources Directors, the financial position of Base Resources has materially changed since the date of the last balance sheet laid before Base Resources Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 30 June 2023 (which were considered at Base Resources' annual general meeting held on 24 November 2023).

ASIC has granted Base Resources relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Base Resources Directors, the financial position of Base Resources has materially changed since 31 December 2023, and if so, full particulars of the change, and on the basis that Base Resources discloses in announcements to the market operated by ASX any material changes to its financial position that occur after the date of lodgement of this Scheme Booklet for registration with ASIC but prior to the Scheme being approved by the Court. Base Resources will ensure that a copy of its financial report for the financial half year ended 31 December 2023 is made available, free of charge, to any Base Resources Shareholder who requests a copy before the Scheme is approved by the order of the Court.

(2) Section 250N of the Corporations Act

Section 250N of the Corporations Act requires Base Resources to hold its annual general meeting for FY24 by no later than 30 November 2024. In view of the Scheme, Base Resources has applied to ASIC under the Corporations Act to extend the period within which it would otherwise be required to hold the annual general meeting to 28 February 2025.

(3) Sections 315 and 319 of the Corporations Act

Sections 315 and 319 of the Corporations Act require Base Resources to lodge its annual report for FY24 with ASIC by no later than 30 September 2024 and dispatch it to Base Resources Shareholders by the earlier of 30 October 2024 or 21 days before the annual general meeting for FY24. In view of the Scheme, Base Resources has applied to ASIC under the Corporations Act to extend the period within which it would otherwise be required to lodge the annual report for FY24 to 31 December 2024 and to extend the period for dispatch of the annual report until 21 days before the annual general meeting for FY24 or 31 January 2025, whichever is earlier.

10.8 Foreign jurisdictions

No action has been taken to register or qualify the Energy Fuels Shares to be issued under the Scheme or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available to Base Resources, Base Resources Shareholders whose addresses are shown in the Base Resources Share Registry as being in the following jurisdictions will be entitled to have new Energy Fuels Shares issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

- Australia;
- Canada;
- New Zealand;
- United Kingdom;
- United States;
- Cayman Islands (British Overseas Territory) (limited to the Base Resources Shareholders who are issued Energy Fuels Shares for their own account and not as an agent or on behalf of others);
- Kenya (limited to up to 100 current or former employees of a Base Resources Group Member); and
- Madagascar (limited to employees of a Base Resources Group Member in respect of whom Malagasy Ministry of Finance approval has been obtained prior to the Implementation Date).

(a) Canada

The Energy Fuels Shares will be issued by Energy Fuels in reliance upon exemptions from the prospectus requirements of the applicable Canadian securities law in each province and territory of Canada.

No securities commission in Canada has reviewed or in any way passed upon this document or the merits of the Scheme.

(b) New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of the Energy Fuels Shares under the Scheme is being made to existing Base Resources Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and is not a regulated offer under the Financial Markets Conduct Act 2013. Accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

(c) United Kingdom

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the issuance of Energy Fuels Shares in connection with the Scheme.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the United Kingdom Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the United Kingdom Prospectus Regulation or the FSMA.

For persons in the United Kingdom, this Scheme Booklet is only addressed to, and directed at, persons:

- who fall within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005; or
- to whom it may otherwise be lawfully communicated,

(together **Relevant Persons**).

This Scheme Booklet must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Scheme Booklet relates is available in the United Kingdom only to Relevant Persons, and will be engaged in only with such persons.

(d) United States

The Energy Fuels Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act or the securities laws of any state, district or other jurisdiction of the United States.

Energy Fuels intends to rely on an exemption from the registration requirements of the US Securities Act, provided by section 3(a)(10) thereof, and exemptions under applicable US state securities laws in connection with the issuance of the Energy Fuels Shares to be issued pursuant to the Scheme. For the purposes of qualifying for the section 3(a)(10) exemption, Base Resources will advise the Court that its approval of the Scheme will be relied upon by Energy Fuels as an approval of the Scheme following a hearing on the substantive and procedural fairness of the terms and conditions of the Scheme to Base Resources Shareholders. All Base Resources Shareholders are entitled to attend such Court hearing in person or through their duly appointed proxies or through counsel to support or oppose the approval of the Scheme, and notification of such Court hearing has been given to all such Base Resources Shareholders.

If the Court approves the Scheme on the basis discussed elsewhere in this Scheme Booklet, its approval will constitute the basis for the Scheme Consideration to be issued without registration under the US securities Act in reliance on the exemption from the registration requirements provided by section 3(a)(10) of the US Securities Act. Such Energy Fuels Shares to be issued pursuant to the Scheme will be freely transferable under United States federal securities laws, except by “affiliates” (as that term is defined in Rule 144 under the US Securities Act) of Energy Fuels, including persons who are deemed to have been affiliates of Energy Fuels within 90 days before the proposed transfer. In the event that such Energy Fuels Shares to be issued pursuant to the Scheme are in fact held by affiliates of Energy Fuels, such affiliates may resell the shares:

- in accordance with the provisions of Rule 144 promulgated under the US Securities Act; or
- as otherwise permitted under the US Securities Act and applicable state securities laws.

Any resale of Energy Fuels Shares to be issued pursuant to the Scheme by such an “affiliate” or former “affiliate” may be subject to the registration requirements of the US Securities Act, absent an exemption therefrom, such as the exemption contained in Rule 144.

The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of Section 14(a) of the US Exchange Act, as amended. United States Scheme Shareholders should note that the Scheme and any solicitation of proxies is made for the securities of an Australian company in accordance with the laws of Australia and the ASX Listing Rules.

The Scheme is subject to disclosure requirements of Australia that are different from those of the United States. Base Resources’ historical financial information included in this Scheme Booklet has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards issued by the International Accounting Standards Board and may not be comparable to the financial statements of US companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Certain technical information in the Scheme Booklet have been prepared in accordance with the JORC Code, which establishes standards for public disclosure an Australian issuer makes of scientific and technical information concerning mineral projects. The JORC Code standards differ from the requirements of the SEC that are applicable to domestic United States reporting companies, including S-K 1300. Any mineral reserves and mineral resources reported by Base Resources in accordance with the JORC Code may not qualify as such under SEC standards and any disclosure related to Base Resources’ properties may not be comparable to similar information made public by United States companies subject to the SEC’s reporting and disclosure requirements.

This Scheme Booklet has not been filed with or reviewed by the SEC, any United States state securities commission or any other United States regulatory authority and none of them has approved or disapproved of the Energy Fuels Shares to be issued pursuant to the Scheme or passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet. Any representation to the contrary is a criminal offence.

Securityholders who are resident in, or citizens of, the United States are advised to consult their own tax advisors to determine the particular United States tax consequences to them of the Scheme in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

(e) Cayman Islands

The issue of Energy Fuels Shares under the Scheme in the Cayman Islands is limited to the Base Resources Shareholders who are issued such shares for their own account and not as an agent or on behalf of others, which issue is not subject to any Cayman Islands law or regulation, and in particular is not caught by the Securities Investment Business Act (as amended) of the Cayman Islands.

(f) Kenya

The issue of Energy Fuels Shares under the Scheme in Kenya is limited to up to 100 existing Base Resources Shareholders who are current or former employees of a Base Resources Group Member, which issue is not subject to any Kenyan law or regulation including the Capital Markets Act, CAP 485A (as amended) or the Kenyan Companies Act, CAP 485 (as amended).

(g) Madagascar

The issue of the Energy Fuels Shares under the Scheme in Madagascar is limited to employees of a Base Resources Group Member in respect of whom Malagasy Ministry of Finance approval has been obtained prior to the Implementation Date which issue is not subject to any Malagasy law or regulation.

10.9 Consents to be named and related disclosures

(a) Consents

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- Energy Fuels in respect of the Energy Fuels Information only;
- PwC Securities as the Independent Expert;
- AMC as the Independent Technical Specialist;
- PwC Tax, in its capacity as Base Resources’ Australian tax advisor, in respect of section 9 (‘Australian Taxation Implications’) of this Scheme Booklet.

Each of Energy Fuels, PwC Securities and AMC has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

PwC Tax has given and has not, before the time of registration of this Scheme Booklet with ASIC, withdrawn its written consent to be named in this Scheme Booklet and the inclusion in this Scheme Booklet of the information in section 9 ('Australian Tax Implications') of this Scheme Booklet and the references to that section elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Azure Capital Pty Ltd (ACN 107 416 106) as financial adviser to Base Resources;
- Herbert Smith Freehills as legal adviser to Base Resources;
- PwC Tax as Australian taxation adviser to Base Resources in relation to the Scheme;
- KPMG as the external auditor of Base Resources;
- Computershare Investor Services Pty Limited as the Base Resources Share Registry;
- Computershare Investor Services PLC as the Depository to Base Resources;
- Equiniti Trust Company, LLC as the Transfer Agent to Energy Fuels; and
- KPMG LLP as the external auditor of Energy Fuels.

(b) Disclosures and responsibility

Each person named in section 10.9(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - Energy Fuels in respect of the Energy Fuels Information only; and
 - PwC Securities in relation to its Independent Expert's Report;
 - AMC Consultants Pty Ltd as the Independent Technical Specialist; and
 - PwC Tax in relation to the information contained in section 9 ('Australian Taxation Implications'); and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this section.

(c) Fees

The fees set out in this section 10.9(c) only relate to fees paid or payable by Base Resources in connection with the Scheme and the preparation of this Scheme Booklet.

Each of the persons named in section 10.9(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

In aggregate, if the Scheme is implemented, Base Resources expects to pay approximately US\$4.0 million (including GST, which is assumed to not be deductible) in transaction costs. In aggregate, if the Scheme is not implemented, Base Resources expects to pay approximately US\$1.4 million (including GST, which is assumed to not be deductible) in transaction costs.

10.10 No unacceptable circumstances

The Base Resources Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any Base Resources Shareholder that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

10.11 No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the Base Resources Directors are aware, there is no other information that is:

- material to the making of a decision by a Base Resources Shareholder whether or not to vote in favour of the Scheme; and
- known to any Base Resources Director at the date of lodging this Scheme Booklet with ASIC for registration,

which has not previously been disclosed to Base Resources Shareholders.

10.12 Supplementary disclosure

Base Resources will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Second Court Date:

- a material statement in this Scheme Booklet is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Base Resources may circulate and publish any supplementary document by:

- making an announcement to the ASX and AIM;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Base Resources Shareholders at their address shown on the Base Resources Share Register; and/or
- posting a statement on Base Resources' website at <https://baseresources.com.au/>,

as Base Resources, in its absolute discretion, considers appropriate.

10.13 Base Resources' position in relation to aspects of the Independent Technical Specialist's Report

Base Resources notes the commentary by the Independent Technical Specialist in the Independent Technical Specialist's Report concerning:

- (a) reporting of the reasonable prospects of eventual economic extraction (**RPEEE**) in Base Resources' announcement of the Ranobe Mineral Resources estimate in September 2021 (the **Ranobe R&R Announcement**); and
- (b) the use of the Ranobe Ore Reserves estimate for the Monazite PFS, which ascribed no value to monazite.

Base Resources notes that the Independent Technical Specialist ultimately considered the Ranobe Mineral Resources estimate to be technically compliant with the JORC Code. Base Resources further confirms it remains comfortable with its reporting of the Ranobe Mineral Resources estimate in the Ranobe R&R Announcement, including in respect of RPEEE in light of the Government of Madagascar-imposed suspension of activities and the Toliara Exploitation Permit not currently including the right to exploit monazite. In the context of the large-scale and high-grade nature of the Ranobe deposit, the JORC Code enables assessment of RPEEE to be over the long term (with the JORC Code noting periods in excess of 50 years may be reasonable). At the time of estimation of the Ranobe Mineral Resources and Ore Reserves estimate, Base Resources had no reason to believe (and still has no reason to believe) that the Government-imposed suspension would be anything other than temporary and therefore did not impact RPEEE or otherwise warrant specific discussion in the Ranobe R&R Announcement. The Ranobe R&R Announcement expressly acknowledged that the Toliara Exploitation Permit did not (at the time of announcement) provide the right to exploit monazite.

Base Resources remains comfortable with the approach adopted for the Monazite PFS. The express scope of this study was to assess the viability of exploiting the monazite rich waste stream from mining the Ranobe Ore Reserves from Mineral Sands DFS2. As scoped, the Monazite PFS was only an incremental update to the Mineral Sands DFS2 and not (and was not expressed to be) a pre-feasibility study for the full project.

The Ranobe Ore Reserves have been optimised for block value, but no value has been attributed to monazite as the Toliara Exploitation Permit does not currently provide the right to exploit monazite. While further optimisation for the inclusion of monazite will likely occur in the future once monazite has been added to the Toliara Exploitation Permit, based on Base Resources' understanding of the Ranobe deposit and the HM assemblage, this is not expected to yield a materially different result (noting that any differential result would only be an improvement to overall project economics).

Base Resources finally notes that the absence of an express right to exploit monazite under the Toliara Exploitation Permit does not preclude Base Resources from undertaking the Monazite PFS or releasing the Ranobe Mineral Resources and Ore Reserves estimates in their current form.

10.14 Information in relation to Energy Fuels' resources and reserves reporting

Energy Fuels prepares its resources and reserves estimates in accordance with both Subpart 1300 and NI 43-101, which is different to the reporting standard ordinarily applicable to ASX listed entities (i.e., the JORC Code).

All mineral estimates constituting mining operations that are material to Energy Fuels' business or financial condition included in section 6.5 have been prepared in accordance with both Subpart 1300 and NI 43-101 and are supported by pre-feasibility studies and/or initial assessments prepared in accordance with both the requirements of Subpart 1300 and NI 43-101. For purposes of Subpart 1300 and NI 43-101, as at 31 December 2023, Energy Fuels was classified as a development stage issuer because it was engaged in the preparation of Mineral Reserves (for the purposes of Subpart 1300 and NI 43-101) for extraction on at least one material property. Energy Fuels will be considered a production stage issuer if it engages in material extraction of a Mineral Reserve (for the purposes of Subpart 1300 and NI 43-101) from at least one material property. In late 2023, Energy Fuels commenced uranium production at three of its material properties, namely the Pinyon Plain Project and the La Sal and Pandora mines (each of the La Sal and Pandora mines constitutes a portion of the La Sal Project). The Pinyon Plain Project includes a Mineral Reserve (for the purposes of Subpart 1300 and NI 43-101). Accordingly, Energy Fuels is expected to be considered a production stage issuer in 2024 as a result of its commencing mining at the Pinyon Plain Project in late 2023 and its expected continuance of mining activities through 2024.

Energy Fuels' disclosures of foreign estimates are not reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimates would be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.

If the Scheme is implemented, Base Resources will apply to be delisted from the ASX and Energy Fuels will instead comply with both Subpart 1300 and NI 43-101 in respect of resources and reserves reporting for both the relevant Energy Fuels Material Projects and Base Resources Material Projects. As such, Energy Fuels has no intention to present the foreign estimates in accordance with the JORC Code or otherwise to verify them for this purpose.

A comparison of the differences in resource categorisation under the JORC Code, NI 43-101 and Subpart 1300 is set out in section 1.1(c) of Annexure 1.

10.15 Competent Persons and Qualified Person statements

(a) Base Resources

The information in this Scheme Booklet that relates to the Mineral Resources and Ore Reserves estimates for Base Resources is extracted from the ASX announcement entitled "2024 Mineral Resources and Ore Reserves Statement" dated 31 July 2024 and which is available to view on Base Resources' website at <https://baseresources.com.au/>.

Base Resources confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves estimates in the original market announcement continue to apply and have not been materially changed.

Base Resources confirms that the form and context in which the relevant Competent Person's findings are presented in this Scheme Booklet have not been materially modified from the original market announcement.

The information in this Scheme Booklet that relates to production targets or forecast financial information derived from a production target for the Toliara Project is extracted from the following ASX announcements:

- "Additional critical mineral product stream doubles Toliara Project's NPV" dated 14 December 2023; and
- "DFS2 enhances scale and economics of the Toliara Project" dated 27 September 2021,

both of which are available to view on Base Resources' website at <https://baseresources.com.au/>.

Base Resources confirms that all the material assumptions underpinning the production target, or the forecast financial information derived from a production target in the original market announcements continue to apply and have not materially changed.

(b) Energy Fuels

The information in this Scheme Booklet that relates to the Mineral Resource and Minerals Reserve estimates for Energy Fuels have been defined under Subpart 1300 and NI 43-101 and are extracted from Energy Fuels' 2023 10-K Annual Report dated 23 February 2024 (and amended on 28 June 2024) and which is available to view on the Energy Fuels website at <https://energyfuels.com/>.

Energy Fuels confirms that the technical information contained in this Scheme Booklet in section 6.5 has been prepared in accordance with both US and Canadian requirements set out in Subpart 1300 and NI 43-101 and reviewed on behalf of Energy Fuels by Daniel Kapostasy, VP, Technical Services of Energy Fuels, a Qualified Person under both Subpart 1300 and NI 43-101 regulations.

10.16 US Securities Laws

THE SCHEME AND THE SECURITIES ISSUABLE IN CONNECTION WITH THE SCHEME HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES PASSED UPON THE ADEQUACY OR ACCURACY OF THIS SCHEME BOOKLET OR THE ADEQUACY OR ACCURACY OF THE SCHEME. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Scheme Consideration to be issued pursuant to the Scheme will not be registered under the US Securities Act or the securities laws of any state of the United States and will be issued in reliance upon the exemption from registration requirements provided by section 3(a)(10) of the US Securities Act on the basis of the approval of the Court. Section 3(a)(10) of the US Securities Act exempts from registration requirements a security that is issued in exchange for one or more bona fide outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue or distribute securities in such exchange have the right to appear and to whom adequate notice of the hearing has been given, by a court or by a governmental authority expressly authorised by law to grant such approval. The Court's approval will, if granted, constitute a basis for the exemption from the registration requirements under the US Securities Act contained in section 3(a)(10) thereof with respect to the Scheme Consideration issued pursuant to the Scheme.

The Scheme Consideration issued pursuant to the Scheme will not be 'restricted securities' as such term is defined in Rule 144 under the US Securities Act, and generally will not be subject to restrictions on resale unless the holder of such Energy Fuels shares is an affiliate (as defined under the US Securities Act) of Energy Fuels after the Effective Date or has been such an "affiliate" within 90 days prior to the Effective Date.

Energy Fuels shares received by a holder who will be an affiliate (as defined under the US Securities Act) of Energy Fuels after the Effective Date or has been such an 'affiliate' within 90 days prior to the Effective Date will be subject to certain restrictions on resale imposed by the US Securities Act. As defined in Rule 144 under the US Securities Act, an affiliate of an issuer is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the issuer. The determination of whether a person is an 'affiliate' is dependent upon all relevant facts and circumstances. Persons who are executive officers, directors or significant shareholders of an issuer or who are otherwise able to exert influence over an issuer should consult with their own legal counsel regarding whether they would be considered to be 'affiliates' and whether resales of the Energy Fuels shares they received pursuant to the Scheme will be subject to restrictions imposed by the US Securities Act.

Persons who are not 'affiliates' of Energy Fuels after the Effective Date, have not been 'affiliates' of Energy Fuels within 90 days prior to the Effective Date and are not otherwise 'underwriters' or 'dealers' within the meaning of the US Securities Act may resell the Energy Fuels Shares that they receive in connection with the Scheme in the United States without restriction under the US Securities Act.

Scheme Shareholders resident in the US should be aware that the financial statements and financial information of Base Resources are prepared in accordance with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board and are subject to Australian auditing and auditor independence standards, each of which differ in certain material respects from US generally accepted accounting principles and auditing and auditor independence standards and thus may not be comparable in all respects to financial statements and information of US companies.

Scheme Shareholders should be aware that the Scheme described herein may have tax consequences both in the US and in Australia. For a general summary of the Australian income tax (including CGT), GST and stamp duty implications for certain foreign resident Scheme Shareholders on implementation of the Scheme and payment of the Special Dividend, should one be determined, see relevant sections under section 9 – Australian Tax Implications. US federal income tax consequences and the applicability of any federal, state, local, foreign and other tax laws for investors who are resident in, or citizens of, the US are not described herein. Scheme Shareholders who are resident in, or citizens of, the US are urged to consult their own tax advisors with respect to such Australian and US federal income tax consequences and the applicability of any federal, state, local, foreign and other tax laws.

Base Resources is a "foreign private issuer" within the meaning of Rule 405 under the US Securities Act and Rule 3b-4 under the US Exchange Act. US shareholders of Base Resources should note that it is proposed that the Scheme Consideration be issued in exchange for the securities of a company incorporated in Australia in accordance with the laws of Australia and the listing rules of ASX. The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of Section 14(a) of the US Exchange Act. The Scheme is subject to disclosure requirements of Australia that are different from those of the US.

Information regarding mineral reserve and resource estimates in this Scheme Booklet or in the documents incorporated by reference herein concerning the properties of Base Resources has been prepared in accordance with the requirements of the JORC Code, which may differ in material respects from the requirements of US securities laws applicable to US domestic issuers, such as Energy Fuels, that are subject to the reporting and disclosure requirements of the SEC.

No broker, investment dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Scheme Booklet and, if given or made, such information or representation must not be relied upon as having been authorized by Base Resources or Energy Fuels.

11 Glossary

11.1 Definitions

In this Scheme Booklet, unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
A\$	means the lawful currency of Australia.
Accounting Standards	at any time: <ol style="list-style-type: none"> the requirements of the Corporations Act about the preparation and contents of financial reports; the accounting standards approved under the Corporations Act; and generally accepted accounting principles policies, practices and procedures in Australia to the extent not inconsistent with the accounting standards described in paragraph (2).
Advisor	in relation to an entity, its legal, financial, tax and other expert advisors (not including the Independent Expert).
AIM	the market of that name operated by the London Stock Exchange.
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange.
Alternate Feed Materials	uranium-bearing tailings or wastes.
AMC	AMC Consultants Pty Ltd (ABN 58 008 129 164).
ASIC	the Australian Securities and Investments Commission.
Associate	has the meaning set out in section 12 of the Corporations Act subject to section 16 of the Corporations Act.
Astron	Astron Corporation Limited (ARBN 154 924 553), ASX Code: ATR.
ASX	ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.
ASX Listing Rules	the official listing rules of the ASX.
ATO	the Australian Taxation Office.
Authorisation	any licence, permit, lease, authorisation, concession, consent, certificate or approval issued or granted by a Governmental Agency.
Bahia Project	the early stage HMS project located in the municipalities of Prado and Caravelas in the State of Bahia, Brazil.
Base Resources	Base Resources Limited (ACN 125 546 910).
Base Resources Board	the board of directors of Base Resources.
Base Resources DI Holder	the holder of a Base Resources DI.
Base Resources DI Register	the register of Base Resources DI Holders maintained by the Depositary.
Base Resources DIs	the depositary interests issued by the Depositary in respect of the Base Resources Shares deposited with it, which are quoted for trading on AIM.
Base Resources Director	a member of the Base Resources Board.
Base Resources Group	Base Resources and each of its subsidiaries, and a reference to a Base Resources Group Member or a member of the Base Resources Group is to Base Resources or any of its subsidiaries.
Base Resources Information	the information contained in this Scheme Booklet, other than: <ol style="list-style-type: none"> the Energy Fuels Information; and the Independent Expert's Report.
Base Resources LTIP	Base Resources' Long Term Incentive Plan, as amended from time to time.

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Term	Meaning
Base Resources Material Adverse Change	<p>any event, occurrence or matter (whether occurring on or after the date of the Scheme Implementation Deed) which is or would (either individually or when aggregated together with any other events, matters or circumstances of a similar type or nature) reasonably be expected to:</p> <ol style="list-style-type: none"> have the effect of diminishing the net assets of the Base Resources Group, on a consolidated basis, by US\$32,271,250 or more against what it would reasonably have expected to have been but for the event, occurrence or matter; be material and adverse to the Base Resources Group's ownership interest in a Base Resources Material Project, including any material and adverse changes to: <ul style="list-style-type: none"> the legal status of or terms applicable to a Base Resources Material Project; or the Base Resources Group's ability: <ul style="list-style-type: none"> in the case of the Kwale Project, to operate or exploit that Base Resources Material Project; and in the case of the Toliara Project, to lift the suspension, obtain the legal right to exploit monazite or otherwise exploit the Toliara Project (including as a result of any public statement or regulatory action by or on behalf of the Government of Madagascar or any applicable court of law), <p>in each case, relative to the position or reasonable expectations as at the date of the Scheme Implementation Deed, other than matters, events or occurrences:</p> <ol style="list-style-type: none"> that are not material to the Base Resources Group as a whole; required or expressly permitted by the Scheme Implementation Deed or the Scheme; Fairly Disclosed in the Due Diligence Materials; Fairly Disclosed in public announcements issued by Base Resources to the ASX or AIM in the period from 1 July 2023 to the date of the Scheme Implementation Deed (excluding any risk factor disclosure and disclosure of risks in "forward looking statement" disclaimers that are predictive, forward-looking or primarily cautionary in nature); undertaken or occurring with the prior written consent of Energy Fuels; arising from any act of terrorism, outbreak or escalation of war (whether or not declared), major hostilities, civil unrest or outbreak or escalation of any disease epidemic or pandemic (not including arising from an outbreak or escalation of war (whether or not declared) or major hostilities in Madagascar); arising from any act of God, natural disaster, lightning, storm flood, bushfire, earthquake, explosion, cyclone, tidal wave, landslide, on or after the date of the Scheme Implementation Deed; arising from any assessment of the Base Resources Group's asset carrying values or net realisable values following the date of the Scheme Implementation Deed (using the same accounting policies used in the most recent audited financial statements of Base Resources as at the date of the Scheme Implementation Deed) which may result from the planned cessation of mining operations at the Kwale Project prior to 31 December 2024; arising as a result of the execution, announcement or performance of the Scheme Implementation Deed or the Scheme in accordance with its terms; or which do not relate specifically to the Base Resources Group and which arise from: <ul style="list-style-type: none"> changes to accounting standards or laws (including subordinate legislation, regulations, directions, orders or government policy) in Australia, Kenya, Madagascar or any other jurisdiction in which the Base Resources Group operates; changes in exchange rates, interest rates or commodity prices; or changes in general economic or business conditions, including those that relate to the industries in which the Base Resources Group operates, changes in general economic or business conditions, including those that relate to the industries in which the Base Resources Group operates, <p>but in each case under this paragraph (12), excluding any such changes which have an adverse effect on the Base Resources Group, taken as a whole, that is materially disproportionate as compared to the adverse effect of the relevant change on other participants in the industries in which the Base Resources Group operates.</p> <p>For the purposes of this definition and determining whether a Base Resources Material Adverse Change has occurred:</p> <ol style="list-style-type: none"> consolidated net assets will be calculated using the same principles as were used to calculate the consolidated net assets in the most recent audited financial statements of Base Resources as at the date of the Scheme Implementation Deed; and the parties must take into account any amounts which are recoverable, or would reasonably be likely to be recoverable, under the Base Resources Group's insurance policies.
Base Resources Material Project	<p>each of the:</p> <ol style="list-style-type: none"> Kwale Project; and Toliara Project.

Term	Meaning
Base Resources Performance Rights	a right issued under the Base Resources LTIP providing the holder a right to receive a Base Resources Share, subject to satisfaction of applicable vesting conditions and gates to vesting, and subsequent exercise.
Base Resources Prescribed Event	<p>the occurrence of any of the following:</p> <ol style="list-style-type: none"> 1. Base Resources or any of its Subsidiaries converting all or any of its shares or securities into a larger or smaller number of shares or securities; 2. Base Resources or any of its Subsidiaries resolving to reduce its share capital in any way or reclassifying, combining, splitting or repurchasing directly or indirectly any of its issued securities; 3. Base Resources or any of its Subsidiaries: <ul style="list-style-type: none"> ▪ entering into a buy-back agreement; or ▪ resolving to approve the terms of a buy-back agreement under the Corporations Act, or taking equivalent action under the laws of its place of incorporation or registration; 4. Base Resources or any of its Subsidiaries issuing shares, or granting an option over its shares to a person other than: <ul style="list-style-type: none"> ▪ in the case of Base Resources' Subsidiaries, to Base Resources or one of its wholly owned Subsidiaries; or ▪ the issue of shares upon the conversion or exercise of Base Resources Performance Rights, the number of which was Fairly Disclosed in writing to Energy Fuels before the date of the Scheme Implementation Deed; 5. Base Resources or any of its Subsidiaries issuing or agreeing to issue securities, other instruments convertible into shares or debt securities or rights for the issue of shares or debt securities, or vesting or accelerating or agreeing to vest or accelerate a performance right or an option over its shares other than: <ul style="list-style-type: none"> ▪ in the case of Base Resources' Subsidiaries, to Base Resources or one of its wholly owned Subsidiaries; or ▪ the issue of shares upon the conversion or exercise of Base Resources Performance Rights, the number of which was Fairly Disclosed in writing to Energy Fuels before the date of the Scheme Implementation Deed; 6. Base Resources or any of its Subsidiaries settling or agreeing to settle in cash the conversion, exercise or termination of Base Resources Performance Rights; 7. Base Resources or any of its Subsidiaries creating any new employee incentive plan or similar share or incentive scheme or amending the terms of the Base Resources LTIP or the Base Resources STIP; 8. Base Resources or any of its Subsidiaries issuing or agreeing to issue offers to participate in the Base Resources LTIP; 9. Base Resources or any of its Subsidiaries making any change or amendment to its constitution or convening a meeting to consider a resolution to change or amend its constitution; 10. subject to paragraph (14) of this definition, Base Resources or any of its Subsidiaries: <ul style="list-style-type: none"> ▪ acquiring, taking a lease over, disposing of or leasing to another party; ▪ agreeing to acquire, take a lease over, dispose of or lease to another party; or ▪ offering, proposing or announcing an intention to do any of the above in relation to, any securities, businesses, assets, interests in a joint venture, entity or undertaking, whether in one transaction or a number of such transactions, where: <ul style="list-style-type: none"> ▪ the amount or value involved in such transaction or transactions of the same or substantially the same kind or which are related exceeds US\$2,500,000; or ▪ which otherwise constitutes the whole or a substantial part of the Base Resources Group's business, <p>excluding any disposal of property, plant and equipment in connection with the expected cessation of mining operations at the Kwale Project and any short term rental or leasing of equipment for operations at the Kwale Project in a manner consistent with recent past practice;</p> 11. Base Resources or any of its material Subsidiaries ceasing, or threatening to cease, carrying on the business conducted by the relevant Base Resources Group Member in the 12 months prior to the date of the Scheme Implementation Deed; 12. Base Resources or any of its Subsidiaries entering into any new lines of business or undertaking any other activities which are material to the Base Resources Group (as a whole) which it is not engaged as of the date of the Scheme Implementation Deed; 13. Base Resources or any of its Subsidiaries agreeing to any revocation, suspension or variation of any of the Authorisations or mining tenure for the Base Resources Material Projects in a manner that has a materially negative impact on the Base Resources Group as a whole; 14. Base Resources or any of its Subsidiaries entering into any royalty agreement, offtake agreement, joint venture, farm-in, farm-out or similar arrangement with respect to the Base Resources Material Projects;

Term	Meaning
Base Resources Prescribed Event	15. Base Resources or any of its Subsidiaries: <ul style="list-style-type: none"> entering into any investment agreement, stability agreement or similar arrangement, including any binding memorandum of understanding or heads of agreement, with respect to a Base Resources Material Project with a Governmental Agency, or an amendment relating thereto; or agreeing the terms for the voluntary participation of a Governmental Agency in a Base Resources Material Project (or a share interest in the Base Resources Group Member that holds the Base Resources Group interest in a Base Resources Material Project), <p>in each case on terms which are materially less favourable to the Base Resources Group (as a whole) than the commercial terms which were Fairly Disclosed in the Due Diligence Materials, provided that (except in the case of entering into a binding memorandum of understanding with respect to the Toliara Project in the form Fairly Disclosed in the Data Room), before taking an action pursuant to paragraph (15) of this definition, Base Resources must provide Energy Fuels a reasonable opportunity to review and, provided Energy Fuels promptly responds prior to any reasonable deadlines communicated by Base Resources (having regard to any applicable commercial or regulatory deadlines imposed on the Base Resources Group), Base Resources must incorporate Energy Fuels' reasonable comments;</p>
<i>Continued</i>	16. Base Resources or any of its Subsidiaries creates, or agrees to create, an Encumbrance (other than a Permitted Encumbrance) over, or declares itself the trustee of, all or substantially all of the business, property or other assets of the Base Resources Group (as a whole);
	17. Base Resources or any of its Subsidiaries directly or indirectly enters into or provides any guarantee, indemnity or security on behalf of, or in respect of the obligations of, any other person other than to another member of the Base Resources Group or in the ordinary course of business;
	18. Base Resources or any of its Subsidiaries: <ul style="list-style-type: none"> increasing the remuneration of, or otherwise varying, the employment arrangements with any of its directors or general manager level employees (except where the total increase of the remuneration of its directors or general manager level employees is (in aggregate) consistent with the Base Resources Group's approach for previous periods and no more than 5% of the total remuneration paid to the directors and general manager level employees (in aggregate) as at the date of the Scheme Implementation Deed); any increase in the remuneration of, or otherwise varying, the employment arrangements with any of its employees (other than directors or general manager level employees) which is not in the ordinary course of business on terms that are reasonable in the circumstances and (in aggregate) consistent with the Base Resources Group's approach for previous periods; except as contemplated or permitted under the Scheme Implementation Deed in relation to Base Resources Performance Rights holders, accelerating the rights of any of its directors or employees to compensation or benefits of any kind (including under the Base Resources LTIP); or paying any of its directors or employees a bonus, termination or retention payment (other than in the ordinary course of business and on terms which are reasonable in the circumstances, including in accordance with an existing contract or the terms of the Base Resources STIP disclosed to Energy Fuels or EFR BidCo before the date of the Scheme Implementation Deed);
	19. Base Resources or any of its Subsidiaries: <ul style="list-style-type: none"> entering into, terminating or amending in a material manner; or waiving any material claims or rights under, or waiving the benefit of, or making any material election or exercising any material rights under, any provisions of, <p>any agreement, arrangement or understanding:</p> <ul style="list-style-type: none"> where the entry into, amendment or waiver of, or election or exercise of rights under, the relevant agreement, arrangement or understanding will have a financial impact on Base Resources or any of its Subsidiaries of at least US\$2,500,000 or more (in aggregate), other than in the ordinary course of business; or where the entry into, amendment or waiver of, or election or exercise of rights under, the relevant agreement, arrangement or understanding is otherwise material to the business or operations of the Base Resources Group as a whole;
	20. an Insolvency Event occurring in respect of Base Resources or any of its material Subsidiaries;
	21. other than the Special Dividend, Base Resources announcing, making, declaring, paying, distributing or incurring a liability to pay any distribution whether by way of dividend, bonus or capital reduction or otherwise and whether in cash or in specie;
	22. Base Resources or any of its Subsidiaries: <ul style="list-style-type: none"> increasing its level of financial indebtedness (including financial liabilities incurred under finance leases) other than indebtedness owed to another Base Resources Group Member by more than US\$250,000 (in aggregate); or making any loans, advances or capital contributions to or investments in any person other than to another Base Resources Group Member by more than US\$250,000 (in aggregate);

Term	Meaning
Base Resources Prescribed Event	23. Base Resources or any of its Subsidiaries cancelling, materially amending or failing to renew (or replace) on its expiry any existing insurance policy, on which the business of Base Resources depends in a material respect;
<i>Continued</i>	<p>24. Base Resources or any of its Subsidiaries making capital expenditure in excess of US\$2,500,000 in aggregate;</p> <p>25. Base Resources or any of its Subsidiaries changing any significant accounting policy applied by them to report their financial position other than if required by law or the Accounting Standards;</p> <p>26. Base Resources or any of its Subsidiaries:</p> <ul style="list-style-type: none"> ▪ making, commencing or serving any legal action, proceeding, dispute, claim, crossclaim, counterclaim, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution or litigation; or ▪ settling, compromising, agreeing to any resolution, or making any admission, <p>in relation to any material legal proceedings, claim, investigation, arbitration or other like proceedings, other than:</p> <ul style="list-style-type: none"> ▪ any arising out of or in respect of the Scheme Implementation Deed; or ▪ settling, compromising, agreeing to any resolution, or making any admission in relation to any legal proceedings, claim, investigation, arbitration or other like proceedings for less than US\$2,500,000 in aggregate; <p>27. Base Resources Shares being removed from quotation on the ASX;</p> <p>28. Base Resources or any of its Subsidiaries entering into any agreement that contains a change of control consent right or fee or unilateral termination right that would be exercisable as a result of the Scheme being implemented, and in respect of which the implementation of the Scheme is reasonably likely to give rise to an adverse financial impact in excess of US\$500,000 in aggregate, unless the counterparty to the agreement has provided a binding waiver or release of those rights;</p> <p>29. Base Resources or any of its Subsidiaries settling or conceding any material matters during tax reviews or audits with the Australian Tax Office or any equivalent Governmental Agency in any jurisdiction (in each case, where the financial impact of the settlement or concession on the Base Resources Group is reasonably likely to be in excess of US\$1,000,000); or</p> <p>30. Base Resources or any of its Subsidiaries, officers or directors is or becoming a party to any material legal proceedings, claim, investigation, prosecution, litigation or arbitration other than as a plaintiff or applicant, in respect of Base Resources or any of its Subsidiaries or their respective business or assets which could reasonably be expected to give rise to a liability for the Base Resources Group in excess of US\$2,500,000 (excluding legal costs) or reasonably be expected to have a material effect on the business of Base Resources or any of its Subsidiaries, not including litigation that is:</p> <ul style="list-style-type: none"> ▪ frivolous or vexatious; ▪ litigation initiated or instigated by Energy Fuels or any of its Subsidiaries; ▪ litigation where Base Resources receives bona fide legal advice within 10 Business Days of Base Resources being served with the relevant proceedings to the effect that the litigation has no reasonable prospect of success; or ▪ any legal proceedings, claim, investigation, prosecution, litigation or arbitration to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a Base Resources Group Member; <p>31. the Base Resources Group making any acquisition, purchase or payment or incurring any expenditure or other financial commitment (other than pursuant to a contract or arrangement in the form that existed as at the date of the Scheme Implementation Deed), or incurring any new indebtedness following the date of the Scheme Implementation Deed, in each case which would have a reasonable likelihood of causing the Base Resources Group's Consolidated Working Capital as at the Implementation Date to be less than US\$5,000,000, without the prior written consent of Energy Fuels (such approval not to be unreasonably withheld or delayed).</p> <p>For the purpose of this paragraph (31), the Base Resources Group's Consolidated Working Capital is the amount which is equal to the Base Resources Group's: (i) cash, cash equivalents and trade and other receivables; less (ii) current trade payables, including any change of control payments payable as a result of the completion of the Scheme, in each case as determined in accordance with the accounting principles, policies or procedures used to prepare the Base Resources Group's management accounts,</p> <p>provided that a Base Resources Prescribed Event (other than the Base Resources Prescribed Event in paragraph 31) does not include any matter:</p> <ol style="list-style-type: none"> 1. to the extent it is Fairly Disclosed in the Due Diligence Materials; 2. that is permitted under paragraph 15 of this definition; 3. Fairly Disclosed in public announcements issued by Base Resources to the ASX or AIM in the period from 1 July 2023 to the date of the Scheme Implementation Deed (excluding any risk factor disclosure and disclosure of risks in "forward looking statement" disclaimers that are predictive, forward-looking or primarily cautionary in nature); 4. which is an offtake agreement (whether for a single delivery or multiple deliveries) entered in the ordinary course for mineral sands products from the Kwale Project; or <p>the undertaking of which Energy Fuels has approved in writing (such approval not to be unreasonably withheld or delayed).</p>

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Term	Meaning
Base Resources Share	a fully paid ordinary share in the capital of Base Resources and includes a Base Resources DI, except as follows (where the reference to Base Resources Shares does not include Base Resources DIs): <ol style="list-style-type: none"> in the case of references to Base Resources Shares in context of the date and time for determining entitlement to vote at the Scheme Meeting, methods for voting at the Scheme Meeting, voting in person at the Scheme Meeting, attendance at the Scheme Meeting, trading of or dealings in Base Resources Shares, the price of Base Resources Shares and the transfer of Base Resources Shares to EFR BidCo; or if specified otherwise or the context requires otherwise.
Base Resources Share Register	the register of members of Base Resources maintained in accordance with the Corporations Act and includes the Base Resources DI Register, except if specified otherwise or the context requires otherwise.
Base Resources Share Registry	Computershare Investor Services Pty Limited (ACN 078 279 277).
Base Resources Shareholder	each person who is registered as the holder of a Base Resources Share in the Base Resources Share Register and includes a Base Resources DI Holder, except as follows (where the reference to Base Resources Shareholders does not include Base Resources DI Holders): <ol style="list-style-type: none"> in the case of references to Base Resources Shareholders in the context of provision of this Scheme Booklet, a proxy form and Election Form, the date and time for determining entitlement to vote at the Scheme Meeting, methods for voting at the Scheme Meeting, voting in person at the Scheme Meeting, attendance at the Scheme Meeting, trading of or dealings in Base Resources Shares, the means by which elections to participate in the Sale Facility may be made and withdrawn, the deadline for making and withdrawing elections, the payment currencies for the Special Dividend and portions of the Net Cash Proceeds, the transfer of Base Resources Shares to EFR BidCo and being present at the Scheme Meeting; and if specified otherwise or the context requires otherwise.
Base Resources STIP	Base Resources' Short Term Incentive Plan, as amended from time to time.
Business Day	a day that is: <ol style="list-style-type: none"> a business day as defined in the ASX Listing Rules; a business day as defined in the AIM Rules; and a day, other than a Saturday or Sunday, that banks are open for business in Denver, Colorado, USA.
CAK	the Competition Authority of Kenya established under the Kenya Competition Act.
CAN\$ or CAD	the lawful currency of Canada.
CGT	capital gains tax.
Competing Proposal	a bona fide proposal, offer or transaction by a party (other than Energy Fuels or any Energy Fuels Group Member) that, if entered into or completed substantially in accordance with its terms, would result in: <ol style="list-style-type: none"> a person acquiring a Relevant Interest, in more than 20% of Base Resources Shares, or acquire a right to obtain a Relevant Interest in more than that number of Base Resources Shares; a person directly or indirectly acquiring or obtaining an interest (including an economic interest) in all or substantially all of the business conducted by, or assets or property of the Base Resources Group (including the Base Resources Material Projects); a person directly or indirectly acquiring Control of, or otherwise acquire, merge with, or be stapled with, Base Resources or any material Base Resources Group Member; or any other similar transaction or series of transactions involving the Base Resources Group, the consummation of which would reasonably be expected to impede, interfere with, present a delay to the transactions contemplated herein, whether by way of takeover bid, scheme, capital reduction, issue of securities, sale of assets, sale of securities, stapling, strategic alliance, dual listed company structure, joint venture or partnership, or other transaction or arrangement. For the avoidance of doubt, each successive material modification or variation of any proposal, offer or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.
Conduit Foreign Income	has the meaning given to that term in Subdivision 802-A of the <i>Income Tax Assessment Act 1997</i> (Cth).
Control	has the meaning given in section 50AA of the Corporations Act.
Corporations Act	the <i>Corporations Act 2001</i> (Cth), as modified or varied by ASIC.
Corporations Regulations	the <i>Corporations Regulations 2001</i> (Cth), as modified or varied by ASIC.
Counterproposal	a matching or superior proposal to the terms of the Competing Proposal announced or otherwise formally proposed to Base Resources by Energy Fuels, as contemplated by clause 12.6(a)(vi) of the Scheme Implementation Deed.
Court	the Federal Court of Australia (commenced in the Perth registry).

Term	Meaning
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK and International is the Operator (as defined in the CREST regulations) in accordance with which securities may be held and transferred in an uncertified form.
CREST Regulations	means the United Kingdom Uncertified Securities Regulations 2001 (SI 2001 No. 3755) (as amended).
CREST Voting Instruction	has the meaning given to that term in section 3.2(e).
Data Room	the virtual data room created by Base Resources and to which Energy Fuels and/or each director, officer, employees and Advisor of each of the Energy Fuels Group Members have had access, an index to which has been initialised by the parties for the purposes of identification.
Deed Poll	a deed poll in the form of Annexure 5 under which Energy Fuels and EFR BidCo covenant in favour of the Scheme Shareholders to perform the obligations attributed to Energy Fuels and EFR BidCo under the Scheme.
Depository	Computershare Investor Services PLC, or its nominee Computershare Clearing Pty Ltd.
Donald Project	a substantially permitted large-scale critical mineral deposit, consisting of the ilmenite, zircon and monazite Donald deposit (on tenements MIN5532 and RL2002) in the Wimmera region of Victoria, Australia ²⁸ .
DRS	direct registration system, being a system that allows electronic direct registration of securities in the name of an investor on the books of the transfer agent or issuer.
DRS Advice	a DRS advice evidencing registration and ownership of Energy Fuels Shares.
DRS Sale Program	the direct registration system sale facility service provided by the Transfer Agent, which can facilitate the sale of Energy Fuels Shares on the NYSE or the TSX on the open market.
Due Diligence Materials	the information disclosed by or on behalf of Base Resources and its Subsidiaries to Energy Fuels or any of its Representatives prior to the date of the Scheme Implementation Deed in respect of the subject matter of the Scheme Implementation Deed (including the information in the Data Room).
EF Data Room	the virtual data room created by Energy Fuels and to which Base Resources and/or each director, officer, employees and Advisor of each of the Base Resources Group Members have had access, an index to which has been initialised by the parties for the purposes of identification.
EF Due Diligence Materials	the information disclosed by or on behalf of Energy Fuels and its Subsidiaries to Base Resources or any of its Representatives prior to the date of the Scheme Implementation Deed in respect of the subject matter of the Scheme Implementation Deed (including the information in the EF Data Room).
Effective Date	the date on which the Scheme becomes effective, currently expected to be 13 September 2024.
EFR BidCo	EFR Australia Pty Ltd (ACN 676 689 419) of Level 43, 600 Bourke Street, Melbourne, VIC 3000, Australia (a wholly-owned Subsidiary of Energy Fuels).
Electing Small Shareholder	<ol style="list-style-type: none"> In the case of a Base Resources Shareholder, a Small Shareholder that completes and returns the Election Form (in accordance with the instructions on the Election Form) to the Base Resources Share Registry by 5.00pm Perth time on 18 September 2024. In the case of a Base Resources DI Holder, a Small Shareholder that provides an election instruction through CREST following the instructions in Annexure 2 that is received by the Depository by 1.00 pm (London time) on 18 September 2024.
Election Form	a form issued by or on behalf of Base Resources for the purposes of enabling each Small Shareholder to make a valid election in writing to have all of their Scheme Consideration allotted to the Sale Agent and sold under the Sale Facility.
Encumbrance	a mortgage, charge, pledge, lien, encumbrance, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement, arrangement or interest (including any "security interests" within the meaning of section 12 of the <i>Personal Property Securities Act 2009</i> (Cth)) in favour of any person, whether registered or unregistered.
End Date	20 December 2024 or such other later date as agreed in writing between Energy Fuels and Base Resources before that date.
Energy Fuels	Energy Fuels Inc. of 225 Union Boulevard Suite 600 Lakewood, Colorado 80228 United States.
Energy Fuels Board	the board of directors of Energy Fuels.
Energy Fuels Group	Energy Fuels and each of its related bodies corporate, and a reference to an Energy Fuels Group Member or a member of the Energy Fuels Group is to Energy Fuels or any of its related bodies corporate.

²⁸ As defined in the JVA, the Donald Project relates to the proposed development of MIN5532 and RL2002, and does not include the Jackson deposit on RL2003 which Astron has historically included in announcements concerning the Donald Rare Earth and Mineral Sands Project.

Term	Meaning
Energy Fuels Information	<p>information regarding the Energy Fuels Group, the Merged Group, the business of the Energy Fuels Group and Merged Group expressly provided by or on behalf of Energy Fuels to Base Resources for inclusion in the Scheme Booklet including the following sections or parts thereof:</p> <ol style="list-style-type: none"> 1. Important Notices: the second paragraph under the heading "Responsibility statements"; and "Notice to Base Resources Shareholders in the United States" 2. Letter from the President and CEO of Energy Fuels; 3. section 1.1(f) (other than the first paragraph in that section); 4. section 1.1(g) (other than the last paragraph in that section); 5. The following questions in section 2: "What is a DRS Advice"; "Will I be able to trade my Energy Fuels Shares"; "What is the DRS Sale Program?" and each of the questions under the heading "Profile of the Merged Group"; 6. section 4.6(g); 7. section 6; 8. section 7 other than: <ul style="list-style-type: none"> ▪ statements in section 7 regarding the Toliara Project or Kwale Operations; and ▪ statements section 7 regarding the Base Resources LTIP and Base Resources STIP; ▪ the Base Resources historical financial information which underpins (in part): (i) the Merged Group pro-forma balance sheet in section 7.7; and (ii) the explanation and reconciliation of non-US GAAP measures in section 7.7); 9. sections 8.2(b), 8.2(c), 8.2(i) to 8.2(n), other than the reference to Base Resources' JORC Code or the ASX Listing Rules compliance in sections 8.2(c) and 8.2(k); 10. sections 8.3 and 8.4, other than: <ul style="list-style-type: none"> ▪ section 8.3(a) (<i>Lifting of the suspension of the Toliara Project, agreement of fiscal terms and early stage development</i>); ▪ section 8.3(b) (<i>Closure of Kwale Operations</i>) ▪ section 8.3(z) (<i>Relationship with employees may be impacted by changes in labour relations</i>) in relation to the statements regarding Kwale Operations; 11. section 10.1 to the extent it relates to the Canadian or US regulatory or legal regime; 12. sections 10.6, 10.8 and 10.16; 13. section 10.14; 14. Annexure 1, section 1.1 (b) to the extent it relates to the US and Canadian legal regime; 15. Annexure 1, section 1.1(c) to the extent it relates to NI 43-101 and Subpart 1300; and 16. this section 11.1, in so far as it relates to the definitions relating to items 1 to 15 above. <p>For the avoidance of doubt, the Energy Fuels Information excludes the Base Resources Information, the Independent Expert's Report and the Independent Technical Specialist's Report.</p>

Term	Meaning
Energy Fuels Material Adverse Change	<p>any event, occurrence or matter (whether occurring on or after the date of the Scheme Implementation Deed) which is or would (either individually or when aggregated together with any other events, matters or circumstances of a similar type or nature) reasonably be expected to:</p> <ol style="list-style-type: none"> 1. have the effect of diminishing the net assets of the Energy Fuels Group, on a consolidated basis, by US\$47,400,625 or more against what it would reasonably have expected to have been but for the event, occurrence or matter; 2. be material and adverse to the Energy Fuel Group's ownership interest in an Energy Fuels Material Project, including any material and adverse changes to: <ul style="list-style-type: none"> ▪ the legal status of or terms applicable to an Energy Fuels Material Project; or ▪ the Energy Fuels Group's ability (as the owner of an Energy Fuels Material Project) to (as the case may be) operate or exploit that Energy Fuels Material Project, including as a result of any public statement or regulatory action by or on behalf of the governments of the United States of America, Utah, Wyoming, Arizona or New Mexico (as applicable) or any applicable court of law, <p>in each case, relative to the position or reasonable expectations as at the date of the Scheme Implementation Deed;</p> <p>other than matters, events or occurrences:</p> <ol style="list-style-type: none"> 3. that are not material to the Energy Fuels Group as a whole; 4. required or expressly permitted by the Scheme Implementation Deed or the Scheme; 5. Fairly Disclosed in the EF Due Diligence Materials; 6. Fairly Disclosed in an SEC Report or SEDAR Report in the period from 1 July 2023 to the date of the Scheme Implementation Deed (excluding any risk factor disclosure and disclosure of risks in "forward looking statement" disclaimers that are predictive, forward-looking or primarily cautionary in nature); 7. undertaken or occurring with the prior written consent of Base Resources; 8. arising from any act of terrorism, outbreak or escalation of war (whether or not declared), major hostilities, civil unrest or outbreak or escalation of any disease epidemic or pandemic; 9. arising from any act of God, natural disaster, lightning, storm flood, bushfire, earthquake, explosion, cyclone, tidal wave, landslide, on or after the date of the Scheme Implementation Deed; 10. arising as a result of the execution, announcement or performance of the Scheme Implementation Deed or the Scheme in accordance with its terms; or 11. which do not relate specifically to the Energy Fuels Group and which arise from: <ul style="list-style-type: none"> ▪ changes to accounting standards or laws (including subordinate legislation, regulations, directions, orders or government policy) in the United States of America or any other jurisdiction in which the Energy Fuels Group operates; ▪ changes in exchange rates, interest rates or commodity prices; or ▪ changes in general economic or business conditions, including those that relate to the industries in which the Energy Fuels Group operates, <p>but in each case under this paragraph (11), excluding any such changes which have an adverse effect on the Energy Fuels Group, taken as a whole, that is materially disproportionate as compared to the adverse effect of the relevant change on other participants in the industries in which the Energy Fuels Group operates.</p> <p>For the purposes of this definition and determining whether an Energy Fuels Group Material Adverse Change has occurred:</p> <ol style="list-style-type: none"> 1. consolidated net assets will be calculated using the same principles as were used to calculate the consolidated net assets in the most recent audited financial statements of Energy Fuels as filed with the SEC as at the date of the Scheme Implementation Deed; and 2. the parties must take into account any amounts which are recoverable, or would reasonably be likely to be recoverable, under the Energy Fuel Group's insurance policies.
Energy Fuels Material Project	<p>each of the:</p> <ol style="list-style-type: none"> 1. White Mesa Mill; 2. Pinyon Plain Mine; 3. La Sal; 4. Nichols Ranch ISR Project; and 5. Roca Honda.

Term	Meaning
Energy Fuels Prescribed Event	<p>the occurrence of any of the following:</p> <ol style="list-style-type: none"> 1. Energy Fuels or any of its Subsidiaries converting all or any of its shares or securities into a larger or smaller number of shares or securities; 2. Energy Fuels or any of its Subsidiaries resolving to reduce its share capital in any way or reclassifying, combining, splitting or repurchasing directly or indirectly any of its issued securities; 3. Energy Fuels or any of its Subsidiaries: <ul style="list-style-type: none"> ▪ entering into a buy-back agreement; or ▪ resolving to approve the terms of a buy-back agreement, <p>or taking equivalent action under the laws of its place of incorporation or registration;</p> 4. Energy Fuels or any of its Subsidiaries issuing shares, or granting an option over its shares to a person other than: <ul style="list-style-type: none"> ▪ in the case of Energy Fuels' Subsidiaries, to Energy Fuels or one of its wholly owned Subsidiaries; ▪ the issue of shares upon the conversion or exercise of Energy Fuels equity incentives or performance rights, as Fairly Disclosed before the date of the Scheme Implementation Deed; ▪ the issue of awards that are convertible or exercisable into shares under the terms of Energy Fuels' equity incentive plan as Fairly Disclosed before the date of the Scheme Implementation Deed; ▪ in respect of matters Fairly Disclosed in the EF Due Diligence Materials; or ▪ the issue of shares pursuant to the terms and conditions of the sales agreement between Energy Fuels, Cantor Fitzgerald & Co., BMO Capital Markets Corp., Canaccord Genuity LLC and B. Riley Securities Inc. dated March 22, 2024 (and provided such agreement has not subsequently been amended); 5. Energy Fuels or any of its Subsidiaries issuing or agreeing to issue securities, other instruments convertible into shares or debt securities or rights for the issue of shares or debt securities, or vesting or accelerating or agreeing to vest or accelerate a performance right or an option over its shares other than: <ul style="list-style-type: none"> ▪ in the case of any of Energy Fuels' Subsidiaries, to Energy Fuels or one of its other wholly owned Subsidiaries; or ▪ as permitted under paragraph 4 above; 6. Energy Fuels or any of its Subsidiaries making any change or amendment to its constitution or convening a meeting to consider a resolution to change or amend its constitution; 7. Energy Fuels or any of its Subsidiaries creates, or agrees to create, an Encumbrance (other than a Permitted Encumbrance) over, or declares itself the trustee of, all or substantially all of the business, property or other assets of the Energy Fuels Group (as a whole); 8. an Insolvency Event occurring in respect of Energy Fuels or a material Energy Fuels Group Member; 9. Energy Fuels Shares being removed from quotation on the TSX or NYSE; or 10. Energy Fuels or any of its Subsidiaries agreeing to any revocation, suspension or variation of any of the Authorisations or mining tenure for the Energy Fuels Material Projects in a manner that has a materially negative impact on the Energy Fuels Group as a whole, <p>provided that an Energy Fuels Prescribed Event does not include any matter:</p> <ol style="list-style-type: none"> 1. required to be done or procured by Energy Fuels pursuant to, or which is otherwise expressly contemplated or expressly permitted by, the Scheme Implementation Deed or the Scheme; 2. to the extent it is Fairly Disclosed in the EF Due Diligence Materials; 3. Fairly Disclosed in an SEC Report or SEDAR Report in the period from 1 July 2023 to the date of the Scheme Implementation Deed (excluding any risk factor disclosure and disclosure of risks in "forward looking statement" disclaimers that are predictive, forward-looking or primarily cautionary in nature); or 4. the undertaking of which Base Resources has approved in writing (such approval not to be unreasonably withheld or delayed).
Energy Fuels Share	a common share in the capital of Energy Fuels.
Energy Fuels Share Register	the register of shareholders maintained by Energy Fuels or its agent.
Euroclear	Euroclear means Euroclear UK & International Limited, a private limited liability incorporated in England and Wales with company number 287873 and having its registered office at 33 Cannon Street, London EC4M 5SB.
Exclusivity Period	<p>the period from and including 21 April 2024 to the earlier of:</p> <ol style="list-style-type: none"> 1. the Effective Date; 2. the termination of the Scheme Implementation Deed; and 3. the End Date.

Term	Meaning
Fairly Disclosed	means: <ol style="list-style-type: none"> in relation to Base Resources, fairly disclosed in writing to Energy Fuels or its Representatives (or, where the context requires, to the ASX and AIM) in such a manner (including in sufficient detail and with sufficient specificity) so as to enable a reasonable person who is experienced in the mining industry, but without specific knowledge or expertise on Base Resources' business and affairs, receiving the relevant information to identify and reasonably and properly assess, the nature, scope and financial, technical, legal or other consequences of the relevant matter; and in relation to Energy Fuels, fairly disclosed in writing to Base Resources or its Representatives (or where the context requires, in an SEC Report or SEDAR Report) in such a manner (including in sufficient detail and with sufficient specificity) so as to enable a reasonable person who is experienced in the mining industry, but without specific knowledge or expertise on Energy Fuels' business and affairs, receiving the relevant information to identify and reasonably and properly assess, the nature, scope and financial, technical, legal or other consequences of the relevant matter.
FIRB	the Foreign Investment Review Board.
First Court Date	the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.
Form of Instruction	the form of instruction to be sent to Base Resources DI Holders to instruct the Depositary how to vote at the Scheme Meeting.
FY23	the financial year ended 30 June 2023.
FY24	the financial year ended 30 June 2024.
FY25	the financial year ending 30 June 2025.
GARN	garnet, a valuable heavy mineral.
Governmental Agency	any Australian or foreign government or governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal agency or entity or any President, minister, or parliament of any federal, state, provincial, or local government, whether foreign or Australian, and includes the ASX, NYSE, TSX, AIM and any other relevant stock exchange, the SEC, the Canadian securities regulatory agencies and commissions, the Conduct Authority and any state or territory revenue offices.
GST	goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
GST Law	has the same meaning as in the GST Act.
HM	heavy mineral.
HMC	heavy mineral concentrate.
HMS	heavy mineral sands.
ILM	ilmenite, a valuable heavy mineral.
Implementation Date	the date that is eight Business Days after the Scheme Record Date or such other date as the parties agree in writing (acting reasonably).
Independent Expert	PwC Securities, the independent expert in respect of the Scheme appointed by Base Resources.
Independent Expert's Report	the report issued by the Independent Expert in connection with the Scheme, as set out in Annexure 3.
Independent Technical Specialist	AMC Consultants Pty Ltd (ABN 58 008 129 164).
Independent Technical Specialist's Report	the report in Appendix I to the Independent Expert's Report.
Indicated	an Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Term	Meaning
Ineligible Foreign Shareholder	<p>a Scheme Shareholder whose address in the Base Resources Share Register as at the Scheme Record Date is a place outside:</p> <ol style="list-style-type: none"> 1. Australia and its external territories; 2. Canada; 3. New Zealand; 4. United Kingdom; United States; 5. Cayman Islands (British Overseas Territory) (limited to the Base Resources Shareholders who are issued Energy Fuels Shares for their own account and not as an agent or on behalf of others); 6. Kenya (limited to up to 100 current or former employees of a Base Resources Group Member); 7. Madagascar (limited employees of a Base Resources Group member in respect of whom Malagasy Ministry of Finance authorisation has been obtained prior to the Implementation Date); and 8. such other jurisdictions agreed to in writing by Base Resources and Energy Fuels, <p>unless Energy Fuels (after consultation with Base Resources) determines that it is lawful and not unduly onerous or unduly impractical to issue that Scheme Shareholder with Energy Fuels Shares as Scheme Consideration.</p>
Inferred	<p>an Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.</p>
Insolvency Event	<p>in relation to a person or entity:</p> <ol style="list-style-type: none"> 1. the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager, controller or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person; 2. the entry by the person into a compromise, arrangement or composition with, or assignment for the benefit of, its creditors or a class of them generally; 3. the entry by the person into a deed of company arrangement; 4. the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or dissolution of the person other than where the application or order (as the case may be) is set aside within 14 days; 5. the person suspends or threatens to suspend payment of its debts generally; 6. the person ceases or threatens to cease to carry on business; 7. the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act or any similar law of a foreign jurisdiction in which the person is located; or 8. anything analogous to anything referred to in the above paragraphs, or which has substantially similar effect, occurring with respect to the person.
ISR	<i>in-situ</i> recovery.
JORC Code	the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time.
Kenya Competition Act	the <i>Competition Act of Kenya</i> (No. 12 of 2010).
Kenyan Special Mining Lease or SML 23	Special Mining Lease No. 23 dated 6 July 2004, as issued by the Commissioner of Mines and Geology of the Republic of Kenya, as amended and varied.
Kt	kilo tonne
Kwale Project or Kwale Operations	the mineral sands mining and processing project carried out on the Kenyan Special Mining Lease in Kenya.
La Sal	the series of uranium and vanadium mining operations known as the La Sal Project in Utah, United States of America, including the Beaver, Pandora, and La Sal mines.
Last Practicable Date	25 July 2024, being the last practicable date before the finalisation of this Scheme Booklet.
LEUC	leucoxene, a valuable heavy mineral.
LGIM	Law No. 2001-031 on large scale mining investments dated 8 October 2002 as amended by law No. 2005-022 dated 27 July 2005 and put into effect by Decree no 2003-784 dated 8 January 2003.

Term	Meaning
London Stock Exchange or LSE	London Stock Exchange plc.
Measured	a Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Merged Group	the combination of the Energy Fuels Group and the Base Resources Group following implementation of the Scheme.
Mineral Resource	the meaning given to that term in the JORC Code.
Mineral Sands DFS2	the definitive feasibility study on the production of mineral sands at the Toliara Project, the results of which were disclosed in Base Resources' announcement dated 27 September 2021, titled "DFS2 enhances scale and economics of the Toliara Project".
Modifying Factors	the meaning given to that term in the JORC Code.
MON	monazite mineral.
monazite	a mineral product with approximately 90% monazite mineral, which is able to be used as a direct feedstock for rare earth oxide separation.
Monazite PFS	the pre-feasibility study on the production of monazite at the Toliara Project, the results of which were disclosed in Base Resources' announcement dated 14 December 2023, titled "Additional critical mineral product stream doubles Toliara Project's NPV".
MSP	mineral separation plant.
Mt	million tonnes.
NdPr	neodymium-praseodymium.
Net Cash Proceeds	the net cash proceeds of the sale of the Energy Fuels Shares via the Sale Facility (after deduction of any reasonable brokerage or other selling costs, taxes and charges), and converted to US dollars as applicable.
NI 43-101	National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
Nichols Ranch ISR Project	the Nichols Ranch in situ recovery uranium mining and processing operation carried out in Wyoming, United States of America.
Notice of Scheme Meeting	the notice convening the Scheme Meeting as set out in Annexure 6.
NYSE	the NYSE American (or any successor to the NYSE American).
NYSE Listing Rules	the applicable rules contained in the NYSE American Company Guide.
OBCA	<i>Business Corporations Act</i> (Ontario).
Ore Reserve	the meaning given to that term in the JORC Code. Ore Reserves are the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.
OS	oversize material, for Kwale and Ranobe it is defined as material >1mm in size.
Pacific Road Capital	Pacific Road Capital Management GP II Limited and Pacific Road Capital II Pty Limited.
Permitted Encumbrance	<p>an Encumbrance granted in the ordinary course of business:</p> <ol style="list-style-type: none"> under any retention of title, hire purchase or conditional sale arrangement or arrangement having similar effect in respect of goods supplied on the supplier's standard or usual terms (or terms more favourable to the customer); arising by operation of law in the ordinary course of trading; in respect of assets having a value not exceeding \$500,000; or <p>in relation to Base Resources, as permitted under the Base Resources Group's existing credit facilities as at the date of the Scheme Implementation Deed.</p>
Pinyon Plain Mine	the Pinyon Plain uranium mining operation carried out in Arizona, United States of America.
Probable	a Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
Proved	a Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
PwC Securities	PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617), holder of Australian Financial Services Licence No, 244572.
PwC Tax	PricewaterhouseCoopers (ABN 52 780 433 757).
REE carbonate	rare earth element carbonate.

Term	Meaning
REEs	rare earth elements.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Related Party	in relation to: <ol style="list-style-type: none"> 1. Base Resources, Base Resources and its Related Bodies Corporate and each of the directors, officers, employees, representatives, agents, Advisors and financiers of Base Resources or any of its Related Bodies Corporate; 2. Energy Fuels and EFR BidCo, each of the directors, officers, employees, contractors, representatives, agents, Advisors and financiers of Energy Fuels or EFR BidCo.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.
Representatives	in relation to an entity: <ol style="list-style-type: none"> 1. each of the entity's Related Parties; and 2. each of the officers and Advisors of the entity or of any of its Related Parties.
Requisite Majorities	in relation to the Scheme Resolution, a resolution passed by: <ol style="list-style-type: none"> 1. unless the Court orders otherwise, a majority in number (more than 50%) of Base Resources Shareholders present and voting at the Scheme Meeting (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative); and 2. at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting by Base Resources Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative).
Roca Honda	the Roca Honda proposed uranium project carried out in New Mexico, United States of America.
RUT	rutile, a valuable heavy mineral.
Sale Agent	the person appointed by Energy Fuels to sell, in accordance with section 10.6, the Energy Fuels Shares to which Ineligible Foreign Shareholders and Electing Small Shareholders would have been entitled under this Scheme but for the operation of section 10.6.
Sale Facility	the mechanism under which the Scheme Consideration to which Ineligible Foreign Shareholders and Electing Small Shareholders would have otherwise been entitled is sold by the Sale Agent and the proceeds remitted to Ineligible Foreign Shareholders and Electing Small Shareholders as contemplated in section 10.6.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Base Resources and the Scheme Shareholders, the form of which is attached as Annexure 4, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by Energy Fuels and Base Resources.
Scheme Announcement Date	22 April 2024.
Scheme Booklet	this document being the explanatory statement in respect of the Scheme, which has been prepared in accordance with section 412 of the Corporations Act.
Scheme Consideration	the consideration to be provided to Scheme Shareholders for the transfer to EFR BidCo of each Scheme Share under the terms of this Scheme, being 0.0260 Energy Fuels Shares for every Scheme Share (subject to the terms of this Scheme) or, in the case of Ineligible Foreign Shareholders and Electing Small Shareholders, a cash amount calculated in accordance with the process described in section 10.6.
Scheme Implementation Deed	the Scheme Implementation Deed dated 21 April 2024 between Base Resources, Energy Fuels and EFR BidCo, a copy of which was released to the ASX on 22 April 2024.
Scheme Meeting	the meeting of Base Resources Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.
Scheme Record Date	for Base Resources Shareholders, 5.00pm (Perth time) on the 5 th Business Day after the Effective Date and, for Base Resources DI Holders, 6.00pm (London time) on the 5 th Business Day after the Effective Date, which is currently expected to be on 20 September 2024 or such other time and date as Base Resources, EFR BidCo and Energy Fuels agree in writing (acting reasonably).
Scheme Resolution	the resolution to be proposed to the Base Resources Shareholders at the Scheme Meeting to approve the Scheme, set out in the Notice of Scheme Meeting.
Scheme Share	a Base Resources Share or Base Resources DI held by a Scheme Shareholder, or (as the context requires) a Base Resources Share held by the Depository in respect of a Base Resources DI held by a Scheme Shareholder.
Scheme Shareholder	a holder of Base Resources Shares recorded in the Base Resources Share Register (excluding the Depository), or a holder of Base Resources DIs recorded in the Base Resources DI Register, in each case, as at the Scheme Record Date.
SEC	United States Securities and Exchange Commission.

Term	Meaning
SEC Report	a report, schedule, form, statement or other document filed by Energy Fuels on EDGAR (being the Electronic Data Gathering, Analysis and Retrieval internal database system as available at www.edgarfiling.sec.gov) pursuant to the US Securities Act or the US Exchange Act.
Second Court Date	the first day on which an application made to the Court for an order under paragraph 411(4)(b) of the Corporations Act approving the Scheme is heard, currently expected to be 12 September 2024, or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application or appeal is heard.
Second Court Hearing	the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.
SEDAR Report	a report, schedule, form, statement or other document filed by Energy Fuels on SEDAR+ (being the System for Electronic Data Analysis and Retrieval as available at www.sedarplus.ca) pursuant to applicable Canadian securities laws or the TSX Rules.
SL	slimes, fine material (defined as <45µm at Kwale and <63µm at Ranobe) that is a waste product from the processing of mineral sands.
Small Shareholder	a Scheme Shareholder who holds 350,000 Scheme Shares or fewer at the Scheme Record Date.
Special Dividend	a special dividend of an amount of A\$0.065 per Base Resources Share, which will be unfranked.
Special Dividend Payment Date	the date of payment of the Special Dividend (if any), as determined by the Base Resources Directors in their sole discretion, currently expected to be 1 October 2024.
Special Dividend Record Date	the record date for the Special Dividend (if any), as determined by the Base Resources Directors in their sole discretion, currently expected to be 5.00pm (Perth time) on the 3 rd Business Day after the Effective Date and, for Base Resources DI Holders, 6.00pm (London time) on the 3 rd Business Day after the Effective Date, which is currently expected to be on 18 September 2024.
Subpart 1300	17 Code of Federal Regulations Part 229 – Standard Instructions for Filing Forms Under Securities Act of 1933, Securities Exchange Act of 1934 and Energy Policy and Conservation Act of 1975 – Regulation S-K, Subpart 229.1300 – Disclosure by Registrants Engaged in Mining Operations.
Superior Proposal	<p>a Competing Proposal received after the date of the Scheme Implementation Deed not resulting from a breach by Base Resources of any of its obligations under clause 12 of the Scheme Implementation Deed (it being understood that any actions by a Related Party of Base Resources not permitted by clause 12 will be deemed to be a breach by Base Resources for these purposes), which the Base Resources Board, acting in good faith in the interests of Base Resources and Base Resources Shareholders and after receiving written advice from their external legal advisor and financial advisors, determines:</p> <ol style="list-style-type: none"> 1. is reasonably capable of being completed, but without having regard to the potential intentions of Energy Fuels in relation to such proposal, including as a holder of Base Resources Shares, within a reasonable timeframe in accordance with its terms, having regard to conditionality and taking into account all aspects of the Competing Proposal and the person making it, including having regard to timing considerations, legal, regulatory and financial matters and any conditions precedent; and 2. would, if completed substantially in accordance with its terms, be more favourable to Base Resources and Base Resources Shareholders than the transactions contemplated in the Scheme or any Counterproposal provided by Energy Fuels (if any), as the case may be, after taking into account all of the terms and conditions of the Competing Proposal and the Scheme or any Counterproposal provided by Energy Fuels (if any), including consideration, conditionality, funding, certainty, timing and any other matters affecting the probability of the Competing Proposal being completed on its terms, <p>and solely for the purposes of this definition of Superior Proposal, the reference to 'more than 20%' in paragraph 1 of the definition of Competing Proposal is replaced with 'more than 50%'.</p>
Sustainable Capital	Sustainable Capital Limited.
Toliara Exploitation Permit	Exploitation Permit 37242 dated 23 October 2017 issued to Base Toliara SARL by the Ministry for Mines and Strategic Resources of Madagascar and the Bureau of Mining Titles of Madagascar.
Toliara Project	the proposed mineral sands and rare earths development project to be carried out primarily on the Toliara Exploitation Permit in Madagascar.
Ton or Short Ton	2,000 pounds.
Tonne or T or Metric Tonne	1,000 kilograms.
Transaction Implementation Committee	a committee comprised of representatives of each of Energy Fuels and Base Resources executives and such other persons as agreed by Energy Fuels and Base Resources.
Transfer Agent	Equiniti Trust Company, LLC.
TSX	the Toronto Stock Exchange.

Term	Meaning
TSX Company Manual	the Toronto Stock Exchange Company Manual, as amended from time to time.
TSX Rules	the rules of the TSX in the TSX Company Manual.
UK MAR	the Market Abuse (Regulation (EU) 596/2014) as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 as amended from time to time.
US or the United States	the United States of America.
US Exchange Act	the <i>United States Securities Exchange Act of 1934</i> , as amended and the rules and regulations thereunder.
US Securities Act	the <i>United States Securities Act of 1933</i> , as amended, and the rules and regulations thereunder.
USD or US\$	United States Dollar.
VWAP	volume weighted average price.
White Mesa Mill	the uranium, vanadium and REE milling and processing operation carried out in San Juan County, Utah, United States of America.
ZIR	zircon, a valuable heavy mineral.

11.2 Interpretation

In this Scheme Booklet, unless expressly stated or the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa
- (e) a reference to a section or annexure is a reference to a section of and an annexure to this Scheme Booklet as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (h) a reference to time is a reference to time in Perth, Western Australia;
- (i) a reference to writing includes facsimile transmissions;
- (j) a reference to CAN\$ or CAD is a reference to the lawful currency of Canada;
- (k) a reference to A\$ and AUD is a reference to the lawful currency of Australia; and
- (l) a reference to dollars, \$, US\$, US dollars, USD, US cents, ¢ and currency is a reference to the lawful currency of the United States of America, unless specified otherwise.

Annexure 1 – Comparison of Base Resources and Energy Fuels regulatory frameworks

1.1 Comparison of relevant Australian, Canadian and US laws

(a) Background

Canadian company law is essentially embodied in the provisions of the relevant provincial or federal corporate statutes pursuant to which companies are incorporated or continued. In the case of Energy Fuels, the relevant statute is the OBCA.

References to 'Australian law' where they appear in this section 1.1 are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable.

References to 'Canadian law' where they appear in this section 1.1 are references to the OBCA, the TSX Company Manual, applicable Canadian securities laws and Canadian common law, as applicable.

References to 'US law' where they appear in this section 1.1 are references to US federal securities laws and the NYSE Listing Rules.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. You should seek your own independent professional legal advice if you require further information.

(b) Comparison of laws

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Shareholder meetings <i>Requirement for annual meetings; ability to call general meetings</i>	<p>Under Australian law, the annual general meeting of Base Resources is required to be held at least once in each calendar year, and within five months after the end of its financial year.</p> <p>Australian may hold in-person or hybrid meeting and, if a company's constitution provides for it, wholly virtual meetings. Hybrid meetings are meetings that use virtual technology to facilitate the meeting but also have one or more physical place at which the meeting is held. This means members can choose to attend in person or participate remotely using virtual technology. Base Resources' constitution currently provides that wholly virtual meetings may be held.</p> <p>A general meeting of Base Resources Shareholders may be called in the following circumstances:</p> <ul style="list-style-type: none"> by the Base Resources Board or individual Base Resources Directors from time to time; when requested to do so by Base Resources Shareholders holding at least 5% of the votes that may be cast at the meeting, Base Resources Directors must call a general meeting within 21 days after the request is given to Base Resources, and the meeting must be held not later than two months after the request is given; or alternatively, Base Resources Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting of Base Resources. 	<p>Under the OBCA, Energy Fuels must hold an annual general meeting of Energy Fuels shareholders at least once per calendar year and not more than 15 months after the last preceding annual meeting. The TSX Company Manual mandates that unless a listed issuer obtains a waiver, each listed issuer must hold its annual meeting of shareholders within 6 months from the end of its fiscal year, or at such earlier time as is required by applicable law. The NYSE Listing Rules require Energy Fuels to have an annual shareholders' meeting each fiscal year.</p> <p>The OBCA permits the holding of electronic meetings of shareholders provided that shareholders and proxyholders are "able to participate" in, including vote, at the meeting. Further, electronic meetings do not require a specified physical location to be named.</p> <p>The Energy Fuels By-Laws do not contain restrictions which would prevent the holding of electronic or hybrid shareholder meetings.</p> <p>Under the OBCA, the Energy Fuels Board may call a special meeting of Energy Fuels Shareholders at any time. Further, under the Energy Fuels By-Laws, the Energy Fuels Board, the chair of the Energy Fuels Board, the CEO or the president have the power to call a special meeting of shareholders at any time.</p> <p>The OBCA further provides that one or more shareholders of a company holding not less than 5% of the issued and outstanding voting shares of the company may give notice to the directors requiring them to call and hold a meeting of shareholders for the purposes stated in the requisition. If the directors do not call and hold a general meeting of shareholders within 21 days after receiving the requisition call a meeting, any shareholder who signed the requisition may call the meeting.</p>

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	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Shareholder meetings <i>Notice of meeting</i>	<p>As Base Resources is listed on the ASX, a notice of general meeting of Base Resources must be given at least 28 days before the date of meeting. Base Resources is required to give notice only to Base Resources Shareholders entitled to vote at the meeting, as well as Base Resources Directors and Base Resources auditor(s) and lodging a copy of the notice on the ASX Market Announcement Platform.</p> <p>Notice of meeting may be given electronically.</p>	<p>The OBCA requires that notice of a general meeting of Energy Fuels Shareholders must be given to the directors and Energy Fuels Shareholders entitled to vote at least 21 days before the date of the meeting. The record date shall not precede by more than 60 days or by less than 30 days the date on which the meeting is to be held.</p> <p>The Energy Fuels By-laws provide that notice of the time and place of each meeting of shareholders shall be given not less than 10 nor more than 50 days before the date of the meeting, or within such other period as may be provided by the OBCA or prescribed by the regulations thereunder.</p> <p>NI 54-101 requires Energy Fuels to provide, subject to certain exceptions, Energy Fuels Shareholders with greater than 21 days' notice of a meeting of shareholders.</p> <p>NI 54-101 also requires Energy Fuels to set a record date for determining the registered Energy Fuels Shareholders that are entitled to receive notice of a shareholder meeting that is at least 30 days and no more than 60 days prior to the date of the meeting (subject to certain exception), and to notify all depositories, applicable securities regulatory authorities and the TSX at least 25 days prior to the record date.</p> <p>Notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit a shareholder to form a reasoned judgement on that business, as well as the text of any special resolution to be submitted to the meeting. In addition, Energy Fuels is also required to provide, or make available to shareholders, any document to be approved in connection with the special business at the meeting. Energy Fuels' proxy materials are required to comply with US federal securities laws.</p>
Shareholder meetings <i>Quorum requirements</i>	<p>The quorum for a meeting under the Base Resources constitution is two Base Resources Shareholders.</p> <p>If a quorum is not present within 15 minutes after the time for which a meeting of members is called:</p> <ul style="list-style-type: none"> ▪ if called as a result of a request of members under section 249D, the meeting is dissolved; and ▪ in any other case: <ul style="list-style-type: none"> ▪ the meeting is adjourned to the day, time and place that the Base Resources Board decides and notifies to members, or if no decision is notified before then, to the same time on the same day in the next week at the same place; and ▪ if a quorum is not present at the adjourned meeting, the meeting is dissolved. 	<p>The Energy Fuels By-Laws provide that, subject to the OBCA, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointment representative or proxyholder for an absent shareholder so entitled. If a quorum is present at the opening of any meeting of shareholders, the shareholders present in person or represented by proxy may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders present in person or represented by proxy may adjourn the meeting to a fixed time and place, but may not transact any other business.</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Shareholder meetings <i>Voting requirements</i>	<p>Unless the Corporations Act requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Base Resources Shareholders if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. In order to pass, a special resolution requires approval of at least 75% of the votes cast by shareholders entitled to vote.</p> <p>The Corporations Act requires certain matters to be resolved by a company by special resolution, including:</p> <ul style="list-style-type: none"> ▪ amendment to the company's constitution; ▪ the change of name of the company; ▪ a selective reduction of capital or selective share buy-back; ▪ the conversion of ordinary shares into preference shares; and ▪ a decision to wind up the company voluntarily. <p>Each Base Resources Share confers a right to vote at all general meetings. On a show of hands, each Base Resources Shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, Base Resources Shareholders present in person, or by their proxy, attorney or body corporate representative will have:</p> <ul style="list-style-type: none"> ▪ one vote for each fully paid Base Resources Share held; and ▪ a fraction of a vote for each partly paid Base Resources Share held (equal to the proportion which the amount paid bears to the total issue price of the share). 	<p>Under the OBCA, certain extraordinary corporate actions, such as amalgamation, continuances, reorganizations and other extraordinary corporate actions such as liquidations (winding-ups) and arrangements, require approval of Energy Fuels Shareholders by special resolution.</p> <p>Under the OBCA, a special resolution is a resolution that is (a) submitted to a special meeting of the shareholders of a corporation duly called for the purposes of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or (b) consented to in writing by each shareholder of the corporation entitled to vote at such a meeting or the shareholder's attorney authorized in writing.</p> <p>Unless the OBCA or the Energy Fuels By-laws require a special resolution, ordinary resolution of Energy Fuels shareholders are passed by a simple majority of votes cast on the resolution.</p> <p>The OBCA provide that, unless Energy Fuels Articles provide otherwise, each Energy Fuels Share entitles the holder to one vote at a meeting of Energy Fuels shareholders. Furthermore, the OBCA and the Energy Fuels By-laws state that voting is to be conducted by a show of hands, unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or any person entitled to vote who is present in person or by proxy.</p> <p>In accordance with the Energy Fuels By-laws and Energy Fuels Articles, and subject to the special rights and restrictions attached to any share and to certain restrictions imposed on voting by joint shareholders, on a show of hands, each holder of Energy Fuels Shares present in person or by proxy and entitled to vote has one vote. If a poll is created, each holder of Energy Fuels Shares present in person or by proxy have one vote for each Energy Fuels Share held.</p> <p>The OBCA also provides that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the Energy Fuels Articles that affect the rights of such holders, whether or not such shares carry the right to vote.</p>

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	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Shareholder meetings <i>Shareholders' rights to bring a resolution before a meeting</i>	<p>Under the Corporations Act, Base Resources Shareholders holding at least 5% of the votes that may be cast at a general meeting may by written notice to Base Resources propose a resolution for consideration at the next general meeting occurring more than two months after the date of the notice.</p>	<p>The OBCA entitles a registered or beneficial holder of Energy Fuels Shares eligible to be voted at its shareholder meetings to submit to Energy Fuels notice of any matter that the person wishes to have considered at the next general meeting of shareholders. If Energy Fuels receives notice of a proposal at least 60 days prior to the anniversary of the previous year's annual meeting date or 60 days before the meeting date of any other shareholder meeting, Energy Fuels must include details of the proposal in its information circular.</p> <p>The OBCA provides for exemptions from the requirements to include a proposal in a company's information circular in certain circumstances, including where:</p> <ul style="list-style-type: none"> ▪ it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the company or its directors, officers or security holders; ▪ it clearly appears that the proposal does not relate in a significant way to the business or affairs of the company; ▪ not more than two years before receipt of the proposal, a person failed to present at a meeting of shareholders, a proposal that, at the person's request, had been included in a management information circular; or ▪ substantially the same proposal failed to receive approval at a prior meeting held not more than two years before the receipt of the proposal. <p>Energy Fuels is required to include a shareholder proposal in its proxy statement for a shareholder meeting if the proposal complies with the procedural and eligibility requirements of Rule 14a-8 under the US Exchange Act. Among other requirements, a shareholder proposal must be submitted at least 120 days before the anniversary of Energy Fuels' proxy statement for the prior year.</p> <p>Director nominations other than Energy Fuels' nominees must comply with the requirements of Rule 14a-19 under the US Exchange Act.</p>
Directors <i>Directors' management of the business of the company</i>	<p>Under the Base Resources constitution, the Base Resources Board has the power to manage the business of Base Resources, and may exercise every right, power or capacity of Base Resources to the exclusion of Base Resources in general meetings and the members, except as otherwise required by the Corporations Act, any other applicable law, the ASX Listing Rules or the Base Resources constitution. The Base Resources constitution provides that a power of the Base Resources Board can be exercised only by resolution passed at a meeting of the Base Resources Board or otherwise in accordance with rule 12 of the Base Resources constitution, or in accordance with a delegation of power under rule 7 or 8 of the Base Resources constitution.</p>	<p>The Energy Fuels Articles do not restrict the powers of the Energy Fuels Board. Under the OBCA, the Energy Fuels Board is to manage or supervise the management of the business and affairs of Energy Fuels.</p>
Directors <i>Number and election of directors</i>	<p>Under the Base Resources constitution, Base Resources must have at least three and not more than eight directors.</p> <p>The Base Resources Directors may appoint a person to be a Director at any time except during a general meeting (provided that the total number of Base Resources Directors does not at any time exceed the maximum number of directors described above). Subject to the Base Resources constitution, Base Resources may elect Directors by ordinary resolution. A Director appointed to replace one removed from office under rule 3.10 of the Base Resources constitution must retire when the director replaced would have been required to retire if not removed and is eligible for re-election.</p>	<p>The Energy Fuels Articles require a minimum of 3 directors and a maximum of 15 directors. Currently there are 10 Energy Fuels directors.</p> <p>Unless appointed by the Energy Fuels Board to fill a vacancy or otherwise in accordance with the OBCA and the Energy Fuels Articles and Energy Fuels By-laws. Energy Fuels' directors are appointed at Energy Fuels' annual general meeting to serve until the next annual general meeting or until such person otherwise ceases to hold office.</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Directors <i>Removal of directors</i>	<p>The Base Resources Shareholders may remove a Base Resources Director before their period of office ends by passing an ordinary resolution to do so.</p> <p>Under the Corporations Act, Base Resources Directors cannot themselves remove a Base Resources Director from office or require a Base Resources Director to vacate their office.</p>	<p>Under the Energy Fuels By-laws, subject to the OBCA, Energy Fuels shareholders may remove one or more directors by ordinary resolution at an annual or special meeting and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the Energy Fuels Board.</p>
Directors <i>Quorum for meetings</i>	<p>The quorum for a meeting under the Base Resources constitution is two Base Resources Directors and a quorum must be present for the whole meeting. An alternate who is also a director or a person who is an alternate for more than one appointer may only be counted once towards a quorum.</p> <p>A director is treated as present at a meeting held by audio or audio-visual communication if the director is able to hear and be heard by all others attending.</p>	<p>The Energy Fuels' By-Laws provide that a majority of the number of directors so specified or determined shall constitute a quorum at any meeting of the Energy Fuels Board.</p>
Amendments to constituent documents	<p>Any amendment to the Base Resources constitution must be approved by a special resolution passed by Base Resources Shareholders present and voting on the resolution. A special resolution requires approval of at least 75% of the votes cast by Base Resources Shareholders entitled to vote.</p>	<p>Under the OBCA, approval by special resolution of the Energy Fuels Shareholders is required to amend a company's articles.</p> <p>Under the OBCA, a special resolution must be passed by a majority of not less than two-thirds of the votes cast by the shareholders entitled to vote on the resolution.</p>

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	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Issue of new shares	<p>Subject to specific exceptions, the ASX Listing Rules apply to restrict Base Resources from issuing, or agreeing to issue, more equity securities (including shares and options), than the number calculated as follows in any 12 month period without the approval of Base Resources Shareholders:</p> <ul style="list-style-type: none"> ▪ 15% of the total of: <ul style="list-style-type: none"> ▪ the number of Base Resources Shares on issue 12 months before the date of the issue or agreement to issue; plus ▪ the number of Base Resources Shares issued in the 12 months under a specified exception; plus ▪ the number of partly paid ordinary Base Resources Shares that became fully paid in the 12 months; plus ▪ the number of Base Resources Shares issued in the 12 months with Base Resources Shareholder approval; less ▪ the number of Base Resources Shares cancelled in the 12 months; less ▪ the number of equity securities issued or agreed to be issued in the 12 months but not under a specified exception or with Base Resources Shareholder approval. <p>Subject to certain exceptions, the ASX Listing Rules require the approval of Base Resources Shareholders by ordinary resolution in order for Base Resources to issue shares or options to Base Resources Directors.</p> <p>Under the Base Resources constitution, the Base Resources Directors may issue shares, subject to the Corporations Act, the ASX Listing Rules, and any special rights conferred on the holders of any shares or class of shares.</p>	<p>Energy Fuels Shares may be issued for such consideration as the Energy Fuels directors may determine subject to the OBCA, the rights of the holders of issued shares of Energy Fuels, and the rules and policies of the TSX Company Manual.</p> <p>Under the TSX Company Manual, Energy Fuels requires the approval of the TSX to issue securities other than unlisted non-voting, non-participating securities. The TSX may impose conditions on a transaction or grant exemptions from its own requirements. The TSX will consider various factors, including the involvement of insiders of Energy Fuels in the transaction, whether the transaction materially affects control of Energy Fuels, Energy Fuels corporate governance practices, the size of the transaction relative to the liquidity of Energy Fuels and whether a court or administrative body has considered the interests of the Energy Fuels Shareholders.</p> <p>The TSX will generally require Energy Fuels Shareholder approval of any transaction that materially affects control of Energy Fuels or provide consideration to insiders of Energy Fuels that represent 10% or more of Energy Fuels' market capitalization (subject to certain conditions) during any six month period, and has not been negotiated at arm's length.</p> <p>For distributions of listed securities in reliance on a prospectus exemption (known as private placements), the TSX may require Energy Fuels shareholder approval depending on the price at which the securities are being sold and the number being sold in relation to the number outstanding. If the price is below market and the number of securities of Energy Fuels to be issued represents more than 25% of the number outstanding (on a non-diluted basis), Energy Fuels shareholder approval is required, while if the price is at or above market, Energy Fuels shareholder approval is generally not required regardless of the number of securities being issued. If the issuance is to be less than or equal to 25% of the number of securities outstanding, shareholder approval will not be required unless the price is below a permitted discount to market (which is 15% where the securities are trading above CAN\$2.00 each or 20% where the securities are trading between CAN\$0.51 and CAN\$2.00 each).</p> <p>TSX-listed issuers must obtain shareholder approval when the number of securities issued in payment for an acquisition exceeds 25% of the number of issued and outstanding securities of the issuer on a non-diluted basis, whether the target being acquired is a private company or a reporting issuer.</p> <p>In private placements to insiders of Energy Fuels and acquisitions involving issuances of listed securities to insiders of Energy Fuels, the TSX will require Energy Fuels shareholder approval depending on the number of securities issued in relation to the number outstanding. Specifically, if insiders of Energy Fuels will be issued, by way of private placements during any six month period, or if insiders will receive, as consideration in an acquisition, securities or options, rights or other entitlements to listed securities representing more than 10% of the number of securities outstanding on a non-diluted basis, shareholder approval will be required and the insiders of Energy Fuels may not vote their securities.</p>

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Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
<p>Issue of new shares</p> <p><i>continued</i></p>	<p>The TSX also requires shareholder approval of securities-based compensation arrangements, including any compensation or mechanism involving the potential issuance of securities from treasury. Certain substantive requirements are imposed that must be complied with: exercise prices for any stock options granted under a security based compensation arrangement may not be lower than market price of the securities at the time the stock options are granted; there must be a maximum number or percentage of securities issuable; and most amendments also require shareholder approval.</p> <p>The TSX and Canadian securities laws prescribes specific disclosure requirements for the materials provided to Energy Fuels shareholders for the purposes of such approval, including all material information that shareholders may reasonably require to approve the arrangements.</p> <p>Under the NYSE Listing Rules, a listed company is not permitted to issue, or to authorize its transfer agent or registrar to issue or register, additional securities of a listed class until it has filed an application for the listing of such additional securities and received notification from NYSE that the securities have been approved for listing.</p> <p>Under the NYSE Listing Rules, shareholder approval is generally required for certain significant issuances of securities, including issuances (in each case subject to certain exceptions): (i) in connection with new or materially amended equity compensation plans or arrangements; (ii) to a related party (including directors, officers, substantial securityholders and their affiliates); or (iii) in any transaction if the number of shares or voting power of common shares is, or will be upon issuance, equal to or in excess of 20% of the number of shares or voting power of common shares outstanding before the issuance of such common shares (or of securities convertible into or exercisable for common shares).</p>
<p>Share buybacks and redemptions</p> <p>Under the Corporations Act, different procedures apply to buy-backs of Base Resources Shares depending on the type of buy-back. Generally, Base Resources may buy-back its own shares if the buy-back does not materially prejudice its ability to pay creditors.</p> <p>Generally, if all shareholders are given an equal opportunity to have their shares bought back and the buy-back would result in Base Resources, during the 12-month period prior to and including the buy-back, acquiring 10% or more of the smallest number of votes attaching to voting shares on issue in Base Resources, then an ordinary resolution of Base Resources Shareholders would be required.</p> <p>A selective buy-back, where not all shareholders are given an equal opportunity to access the buy-back, would require a special resolution of Base Resources Shareholders whose shares are not being bought back.</p> <p>Base Resources Shares that have been bought back must be cancelled.</p>	<p>Under the OBCA, Energy Fuels shall not make any payment to purchase or redeem any redeemable shares issued by it if there are reasonable grounds for believing that,</p> <p>(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or</p> <p>(b) after the payment, the realizable value of the corporation's assets would be less than the aggregate of,</p> <p>(i) its liabilities, and</p> <p>(ii) the amount that would be required to pay the holders of shares that have a right to be paid, on a redemption or in a liquidation, ratably with or before the holders of the shares to be purchased or redeemed, to the extent that the amount has not been included in its liabilities.</p>
<p>Variation of class rights</p> <p>Under the Corporations Act, rights attaching to any class of share in Base Resources may only be varied:</p> <ul style="list-style-type: none"> ▪ by a special resolution passed at the meeting of the shareholders entitled to vote and holding shares in that class; or ▪ with the written consent of shareholders with at least 75% of the votes in the class. 	<p>Under the OBCA, rights attaching to a class of shares may only be varied by a special resolution of all shareholders.</p> <p>Under the OBCA, a special resolution is a resolution that is (a) submitted to a special meeting of the shareholders of a corporation duly called for the purposes of considering the resolution and passed, with or without amendment, at the meeting by at least two-thirds of the votes cast, or (b) consented to in writing by each shareholder of the corporation entitled to vote at such a meeting or the shareholder's attorney authorized in writing.</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Protection of minority Shareholders and the oppression remedy	<p>Under the Corporations Act, any Base Resources Shareholder can bring an action in cases of conduct which is contrary to the interests of Base Resources Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Base Resources Shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former Base Resources Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a Base Resources Shareholder.</p> <p>A statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder, of Base Resources. In all cases, leave of the court is required. Such leave will be granted if the court is satisfied that:</p> <ul style="list-style-type: none"> ▪ it is probable that Base Resources will not itself bring the proceedings or properly take responsibility for them or for the steps in them; ▪ the applicant is acting in good faith; ▪ it is in the best interests of Base Resources that the applicant be granted leave; ▪ if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and ▪ either, at least 14 days before making the application, the applicant gave written notice to Base Resources of the intention to apply for leave or the reasons for applying, or it is otherwise appropriate to grant leave. 	<p>Under the OBCA, a shareholder, defined to include a beneficial shareholder and any other person whom the court considers to be an appropriate person, may seek a remedy for “oppressive” or “unfairly prejudicial” conduct of Energy Fuels. The applicant must bring the application in a timely manner.</p> <p>An Energy Fuels shareholder or Energy Fuels director, may also, with leave of the court, bring a legal proceeding in the name and on behalf of Energy Fuels to enforce a right or obligation owed to Energy Fuels that could be enforced by Energy Fuels itself, or to obtain damages for any breach of such a right or obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against Energy Fuels.</p> <p>The OBCA further provides that if a company or any director, officer, shareholder, employee, agent, auditor, trustee, receiver, receiver manager or liquidator of a company contravenes or is about to contravene a provision of the OBCA or the regulations or the articles of the company, a complainant, defined as a shareholder or any other person that the court considers appropriate, may, in addition to any other rights that that person might have, apply to the court for an order that the person who has contravened or is about to contravene the provision comply with or refrain from contravening the provision.</p> <p>The granting of leave is not automatic but requires the court to exercise a judicial discretion. Generally, a court is likely to grant leave where the proposed action is in the shareholders’ interest unless the action appears likely to be dismissed, or is frivolous, scandalous or vexatious.</p> <p>In addition to the above, Energy Fuels shareholders may bring claims against Energy Fuels based on the general laws of contract, tort or other private laws applicable in Canada.</p>
Source and payment of dividends	<p>Under the Corporations Act, Base Resources must not pay a dividend unless:</p> <ul style="list-style-type: none"> ▪ Base Resources’ assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; ▪ the payment of the dividend is fair and reasonable to Base Resources Shareholders as a whole; and ▪ the payment of the dividend does not materially prejudice Base Resources’ ability to pay creditors. <p>Subject to the Corporations Act, the Base Resources constitution and the terms of issue or rights of any shares with special rights to dividends, the Base Resources Directors may declare or determine that a dividend is payable, fix the amount and time for payment and authorise the method of payment of a dividend.</p>	<p>Under the OBCA, Energy Fuels may pay a dividend by issuing fully paid shares or in property, including money. Energy Fuels may not declare or pay a dividend if there are reasonable grounds for believing that:</p> <ul style="list-style-type: none"> ▪ the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or ▪ after the payment, the realizable value of the corporation’s assets would be less than the aggregate of, <ul style="list-style-type: none"> ▪ its liabilities; and ▪ the amount that would be required to pay the holders of shares that have a right to be paid, on a redemption or in a liquidation, <p>ratably with or before the holders of the shares to be purchased or redeemed, to the extent that the amount has not been included in its liabilities.</p> <p>Under Energy Fuels By-laws, and subject to the OBCA, the Energy Fuels Board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in Energy Fuels. Dividends may be paid in money or property or by issuing fully paid shares of Energy Fuels.</p>

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	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Remuneration of directors and officers	<p>Under the ASX Listing Rules, the maximum amount to be paid to Base Resources Directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by Base Resources Shareholders. As at the date of this Scheme Booklet, the latest approval was at 28 November 2011, at which Base Resources Shareholders had approved aggregate remuneration for all non-executive directors of A\$750,000 per annum.</p> <p>Base Resources' annual report includes a remuneration report within the director's report. This remuneration report is required to include a discussion of the Base Resources Board's policy in relation to remuneration of key management personnel of Base Resources.</p> <p>Under the Corporations Act, a listed company such as Base Resources must put its remuneration report to a shareholder vote at its annual general meeting. If in two consecutive annual general meetings, 25% or more of the votes cast on the resolution vote against adopting the remuneration report, a 'spill resolution' must then be put to shareholders. A spill resolution is a resolution that a spill meeting be held and all directors (other than a managing director who is exempt for the requirement by rotation requirements) cease to hold office immediately before the end of the spill meeting. If the spill resolution is approved by the majority of votes cast on the resolution, a spill meeting must be held within 90 days at which directors wishing to remain must stand for re-election.</p>	<p>Under the OBCA, the directors of Energy Fuels may fix the remuneration of the directors, officers and employees of the company. The Energy Fuels Articles do not place any restrictions on the remuneration of Energy Fuels' directors.</p> <p>Under Energy Fuels By-laws, and subject to the Energy Fuels Articles, the directors shall be paid such remuneration for their services as the Energy Fuels Board may from time to time determine. The directors shall be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Energy Fuels Board or any committee thereof. Nothing in the Energy Fuels By-laws shall preclude any director from serving Energy Fuels in any other capacity and receiving remuneration therefor in that capacity.</p> <p>Under Canadian and US law, specific compensation disclosure, including with respect to compensation of the CEO, CFO and next three highest paid executives, is required to be included in the management proxy circular in connection with the annual meeting each year. Furthermore, under US securities laws, Energy Fuels is required to disclose certain information about its policies and practices related to compensation for directors and executive officers.</p> <p>US publicly traded companies are also required to hold advisory (i.e., non-binding) shareholder votes on executive compensation ("say-on-pay votes") at least once every three years, and the frequency of such say-on-pay votes at least once every six years, in order to allow shareholders to express their views on a company's compensation decisions.</p> <p>Energy Fuels currently holds the say-on-pay vote every three years.</p>
Retirement benefits	<p>The Corporations Act provides that, in respect of termination benefits payable to a company director, senior executive or key management personnel under employment contracts entered into, renewed or varied on or after 24 November 2009, shareholder approval is required if the total value of the benefits exceed one year of that person's base salary.</p>	<p>Under the OBCA and the Energy Fuels Articles:</p> <ul style="list-style-type: none"> ▪ there are currently no restrictions on the quantum of retirement benefits that Energy Fuels may pay to its directors or officers; and ▪ there is no requirement for shareholders of Energy Fuels to approve the quantum of such retirement benefits (if any). <p>Under US securities laws, Energy Fuels is required to disclose certain information about its retirement and other post-employment compensation for Energy Fuels directors and executive officers.</p>
Fiduciary duties of directors and officers	<p>Under Australian law, the directors and officers of a company such as Base Resources are subject to a range of duties including duties to:</p> <ul style="list-style-type: none"> ▪ act in good faith in the best interests of the company; ▪ act for a proper purpose; ▪ not fetter their discretion (in the case of directors only); ▪ exercise care and diligence in the performance of their duties; ▪ avoid conflicts of interest; ▪ not use their position to gain advantage for themselves or someone else, or to cause detriment to the company; ▪ not misuse information which they have gained through their position to gain advantage for themselves or someone else, or to cause detriment to the company; and ▪ otherwise act in accordance with the Corporations Act and, subject to the provisions of the Corporations Act, Base Resources constitution. 	<p>Under the OBCA, each director and officer of Energy Fuels, in exercising their powers and discharging their duties, must act honestly and in good faith with a view to the best interests of Energy Fuels (commonly referred to as the 'duty of loyalty') and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the 'duty of care').</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Release from liability and Indemnification of directors and officers	<p>Under Australian law, Base Resources cannot:</p> <ul style="list-style-type: none"> ▪ exempt an officer or auditor from liability to Base Resources incurred in their capacity as an officer or auditor; ▪ indemnify an officer or auditor against a liability owed to Base Resources or a related body corporate; and ▪ indemnify an officer or auditor against the legal costs incurred in defending certain legal proceedings, including proceedings in which the person is found liable to Base Resources or a related body corporate. <p>The Base Resources constitution contains a provision requiring Base Resources to indemnify every officer of Base Resources and its wholly owned subsidiaries and may indemnify its auditor against a liability incurred as such an officer or auditor to a person including a liability incurred as a result of appointment or nomination by Base Resources or subsidiary as a trustee or as an officer of another corporation (unless the liability arises out of conduct involving a lack of good faith). Base Resources may also make a payment in respect of legal costs incurred by an officer or employee or auditor in defending an action for a liability incurred as such an officer, employee or auditor or in resisting or responding to actions taken by a government agency or a liquidator.</p>	<p>Under Ontario law, a director is not liable for a resolution he or she voted in favour of if the director has relied in good faith on:</p> <ul style="list-style-type: none"> ▪ financial statements of the company represented to the director by an officer of the company or in a written report of the auditor of the company to fairly reflect the financial position of the company; ▪ a written report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement; ▪ a statement of fact represented to the director by an officer of the company to be correct; or ▪ any record, information or representation that the court considers provides reasonable grounds for the actions of the director, whether or not the record, information or representation was forged, fraudulently made or inaccurate. <p>Furthermore, a director is not liable for a resolution for which he or she voted in favour if he or she did not know and could not reasonably have known that the act done or authorised by the resolution was contrary to the OBCA.</p> <p>Under the OBCA, a company may indemnify a past or present director or officer (an eligible party) against certain judgments, penalties or fines, or an amount paid in settlement of proceedings, relating to their actions as directors and officers of the corporation, unless prohibited by the articles or if, in relation to the subject proceedings, the eligible party did not act honestly and in good faith with a view to the best interests of the company and, in the case of criminal proceedings, did not have reasonable grounds for believing that the his or her conduct in respect of which the proceeding was brought was lawful.</p> <p>A company must pay the net expenses of an eligible party, after the final disposition or settlement of the matter, if:</p> <ul style="list-style-type: none"> ▪ the party was substantially successful on the merits, or ▪ the party was wholly successful on the merits or otherwise. <p>A company may pay the expenses of an eligible party in advance, provide that the party undertakes to repay the advances if it is later determined that the corporation is prohibited from paying such expenses.</p> <p>Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted to directors, officers or control persons, it is the view of the SEC that indemnification is against public policy and is therefore unenforceable.</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
<p>Transactions involving directors, officers or other related parties</p>	<p>The Corporations Act prohibits a public company such as Base Resources from giving a related party a financial benefit unless it:</p> <ul style="list-style-type: none"> ▪ obtains the approval of shareholders and gives the benefit within 15 months after receipt of such approval; or ▪ the financial benefit is exempt. <p>A related party is defined by the Corporations Act to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons.</p> <p>Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.</p> <p>The ASX Listing Rules prohibit a listed entity such as Base Resources from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the entity, unless it obtains the approval of shareholders. The related parties include directors, persons who have or have had (in aggregate with any of their associates) in the prior six-month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions apply even where the transaction may be on arm's length terms.</p> <p>The ASX Listing Rules also prohibit a listed entity such as Base Resources from issuing or agreeing to issue shares to a director unless it obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement in relation to a pro rate issue, under certain dividend or distribution plans or under an approved employee incentive plan.</p> <p>The Corporations Act generally requires a Base Resources Director who has a material personal interest in a matter that relates to the affairs of Base Resources to give the other Base Resources Directors notice of that interest. That Base Resources Director must not be present at a meeting where the matter is being considered or vote on the matter unless the other Base Resources Directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a Base Resources Director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of a contract in which the Base Resources Director has an interest. Base Resources Directors, when entered into transactions with Base Resources, are subject to the common law and statutory duties to avoid conflicts of interest.</p>	<p>In Canada, MI 61-101 establishes disclosure, valuation, review and approval processes in connection with certain transactions where there is a potential for conflicts of interest because the transaction involves one or more interested or related parties who are parties to the transaction and have potential information or other advantages (for example, voting power through share ownership, or representation on the target company's board of directors), or are otherwise entitled to receive different consideration or other benefits under the terms of the transaction that are unavailable to the other shareholders of the target company. As a reporting issuer in Ontario listed on the TSX, Energy Fuels is subject to the requirements of MI 61-101.</p> <p>Depending on the nature of the transaction and subject to the availability of certain exemptions, MI 61-101 provides procedural protections to minority or disinterested shareholders in connection with transactions subject to MI 61-101. For example:</p> <ul style="list-style-type: none"> ▪ the requirement for a valuation performed by a qualified and independent valuator in respect of the target company's securities which are the subject of the transaction; ▪ approval of a proposed transaction by a majority (50.1%) of the votes cast by the minority or disinterested shareholders at a shareholders' meeting and excluding shares held by the interested parties; ▪ formation of a special committee composed of independent directors who do not have a conflict of interest to supervise the preparation of a formal valuation; and/or ▪ additional prescribed disclosure in respect of the transaction. <p>The OBCA sets out the following requirements for a contract or transaction in which a director or officer has a competing interest or duty:</p> <ul style="list-style-type: none"> ▪ disclosure of the nature and extent conflicting interest to the board; ▪ abstention from voting at the board level; and ▪ approval by directors or shareholders. <p>A court may order an accounting of profits where the first two criteria are not met if it finds that the material contract or transaction was not fair and reasonable.</p> <p>Under US securities laws, Energy Fuels is required to disclose certain information about certain recent or proposed transactions in which:</p> <ul style="list-style-type: none"> ▪ the amount involved exceeds US\$120,000; and ▪ any related person (including any director, officer or beneficial owner of more than 5% of any class of voting securities of Energy Fuels) had or will have a direct or indirect material interest, including the name of the related person, the related person's interest in the transaction, the approximate dollar value of the amount involved in the transaction, the approximate dollar value of such interest and other material information. <p>Energy Fuels is also required to disclose its policies and procedures for the review and approval of such transactions.</p> <p>Under the NYSE Listing Rules, related party transactions must be subject to appropriate review and oversight by the company's Audit Committee or a comparable body of the board of directors.</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Disclosure obligations	<p>Base Resources is a ‘disclosing entity’ for the purposes of the Corporations Act and subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Broadly, these obligations include the requirement, subject to exceptions for certain confidential information, to notify ASX immediately of any information of which it becomes aware that a reasonable person would expect to have a material effect on the price or value of Base Resources Shares.</p> <p>Base Resources is also required to make announcements to the ASX on specified issues. Some of these announcements are required on a regular basis, including notifying ASX of proxy voting results at the annual general meeting, providing dividend details and providing copies of notices of meeting. Other one-off announcements are required depending upon a company’s individual circumstances at a particular time. These obligations apply in addition to Base Resources’ continuous disclosure obligations.</p> <p>Base Resources is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a director’s declaration and report, and a yearly audit report and half-yearly review report.</p> <p>The ASX Listing Rules also impose additional reporting obligations on Base Resources as a mining entity. Base Resources must complete a report for each quarter, which must be released no later than one month after the end of the quarter. As a mining company listed on the ASX, Base Resources must prepare its public reports in accordance with the ASX Listing Rules and the JORC Code.</p> <p>Base Resources is subject to the AIM Rules and UK MAR and, as such, is subject to regular reporting and disclosure obligations. These reporting and disclosure requirements include, subject to some exceptions, a requirement on Base Resources to disclose information without delay concerning its financial condition, sphere of activity, performance of its business or its expectations of its performance (or other ‘inside information’ of a precise nature) that would be likely to have a significant effect on the price of Base Resources Shares.</p>	<p>Energy Fuels is subject to continuous and periodic reporting and disclosure obligations under Canadian and US laws.</p> <p>Energy Fuels’ periodic reporting obligations include requirements to prepare and file annual and interim financial statements, as well as an annual information form and management information circular.</p> <p>In addition, Energy Fuels has certain continuous or special event reporting obligations under Canadian law, for instance, if a material change occurs, Energy Fuels must immediately issue and file a news release disclosing the nature and substance of the material change, and as soon as practicable, and in any event within 10 days of the date on which a material change occurs, prepare and file a material change report.</p> <p>The TSX Company Manual requires timely disclosure of material information, which TSX considers broader than a “material change”. The TSX Company Manual also requires a company to keep TSX fully informed of both routine and unusual events and decisions affecting its security holders.</p> <p>Energy Fuels financial statements and accompanying management and discussion and analysis, annual information form, management information circular and news releases are available on Energy Fuels’ corporate profile on SEDAR+ at www.sedarplus.ca.</p> <p>Since Energy Fuels is a US domestic issuer for US securities laws purposes, many of these Canadian disclosure requirements can be satisfied by filing applicable US disclosure documents on SEDAR+.</p> <p>Energy Fuels’ US periodic reporting obligations include requirements to prepare and file an annual report on Form 10-K, quarterly reports on Form 10-Q, as well as proxy statements prepared in accordance with Schedule 14A.</p> <p>In addition, Energy Fuels has certain continuous or special event reporting obligations under US securities laws for the events prescribed in Form 8-K, which are generally due to be filed 4 business days after the triggering event.</p> <p>The continuous and periodic reports of Energy Fuels and the beneficial ownership reports of insiders and 5%+ shareholders are available on Energy Fuels’ corporate profile on EDGAR at www.sec.gov/edgar.</p> <p>The NYSE Listing Rules requires listed companies to promptly release to the public any news or information that might reasonably be expected to materially affect the market for its securities.</p> <p>Energy Fuels is required to present its financial statements in accordance with US GAAP. US public companies are permitted to provide non-US GAAP financial measures so long as such measures are not misleading and are in compliance with applicable SEC rules and regulations, which include, but are not limited to, the requirement that a company must present the most directly comparable US GAAP financial measure and provide a reconciliation of the non-US GAAP financial measure to the most directly comparable US GAAP financial measure.</p>

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Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
<p>Disclosure obligations</p> <p><i>continued</i></p>	<p>An independent registered public accounting firm is required to conduct its audits of Energy Fuels annual financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). The PCAOB standards require that auditors plan and perform their audits to obtain reasonable assurance about whether financial statements are free of material misstatement, whether due to error or fraud. The financial statements are the responsibility of Energy Fuels' management. The auditor is responsible for expressing an opinion on Energy Fuels' financial statements based on its audits. The objective of audits of financial statements by independent auditors under PCAOB standards is to express an opinion on the fairness with which the financial statements present, in all material respects, financial position, results of operations, and its cash flows in conformity with US GAAP.</p>
<p>Disclosure of substantial shareholders</p> <p>A person who obtains voting power in 5% or more of an ASX listed company is required to publicly disclose that fact within two business days via the filing of a substantial holding notice. A person's voting power consists of their own Relevant Interest in shares plus the Relevant Interests of their associates. A further notice needs to be filed within two business days after each subsequent voting power change of 1% or more, and after the person ceases to have voting power of 5% or more. The notice must attach all documents which contributed to the voting power the person obtained, or provide a written description of arrangements which are not in writing.</p>	<p>Canadian law includes concepts of "insider", "acquirer", and "control person" that trigger certain disclosures and restrictions.</p> <p>A person is an "insider" if that person, among other things, is a director or officer of an issuer or a person that is itself an insider or a subsidiary of an issuer, or has:</p> <ul style="list-style-type: none"> ▪ beneficial ownership of, or control or direction over, directly or indirectly, or ▪ a combination of beneficial ownership of, and control or direction over, directly or indirectly, 10% or more of the company's outstanding voting securities. <p>In addition, within two business days of an acquirer acquiring beneficial ownership of, or control or direction over, securities that, together with the acquirer's securities, constitute 10% or more of the outstanding voting or equity securities of the company, the acquirer must file an early warning report in the prescribed form with such Securities Commission(s).</p> <p>Similar notification requirements apply in the event that a person's holding increases or decreases by an amount equal to 2% or more of the company's outstanding voting securities, or where a person ceases to hold 10% or more of the company's outstanding voting securities.</p> <p>A control person includes a person that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of the company. There are restrictions on trade by control persons, in addition to the disclosure requirements described above.</p> <p>Insiders of Energy Fuels must report in the US their initial ownership of equity securities of the company, including derivatives such as stock options, rights and other convertible securities as well as any changes in the amount of securities owned after the initial filing.</p> <p>Persons or groups who own or acquire, directly or indirectly, beneficial ownership of more than 5% (as determined under US securities laws) of the voting class of the equity securities of Energy Fuels registered under section 12 of the US Exchange Act are required to file in the US beneficial ownership reports. Amendments to such filings are triggered by, material changes in the facts contained the US beneficial ownership report, including material increases or decreases in ownership percentage, changes in the holder's purpose for acquiring or holding the securities and becoming a member of a group.</p> <p>Securities of Energy Fuels held by affiliates are control securities. Typically, a person who buys securities from an affiliate receives restricted securities even if they were not considered restricted securities when the affiliate held them. An affiliate must rely on a distribution safe harbor, such as Rule 144 under the US Securities Act, to establish that the resale of its securities does not involve a distribution of securities and to deliver unrestricted securities.</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Takeovers <i>Takeover requirements</i>	<p>Australian law restricts a person from acquiring control of voting shares in Base Resources where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. Exceptions to this restriction include:</p> <ul style="list-style-type: none"> ▪ an acquisition of no more than 3% of the voting shares in the company within a six month period; ▪ an acquisition approved by an ordinary resolution (requiring more than 50% of votes cast) of shareholders, but with no votes cast in favour by the person proposing to make the acquisition or their associates; ▪ an acquisition made under a takeover bid conducted in accordance with Australian law; or ▪ an acquisition that results from a court-approved compromise or arrangement that requires approval by a majority in number and at least 75% of the votes cast by shareholders in each class on which the arrangement will be binding. <p>Takeover bids must treat all shareholders alike and must not involve any collateral benefits.</p> <p>Various restrictions about conditional offers exist and there are also restrictions concerning the withdrawal and suspension of offers.</p> <p>Base Resources Shareholders may be required to sell their Base Resources Shares:</p> <ul style="list-style-type: none"> ▪ under compulsory acquisition requirements, such as where a bidder has made a takeover offer for all shares in a class and the bidder acquires a Relevant Interest in at least 90% (by number) of shares in the class (having acquired at least 75% of the shares the bidder offered to acquire); or ▪ pursuant to a court-approved compromise or arrangement. 	<p>Canadian laws relating to formal take-over bids are harmonized across Canada under NI 62-104. Under NI 62-104, a take-over bid is an offer to acquire outstanding voting securities made to one or more securityholders where the securities subject to the offer, together with the securities beneficially owned, or over which control or direction is exercised on the date of the offer to acquire by the offeror (i.e. the person making the take-over bid) and any person acting jointly or in concert with the offeror, constitute 20% or more of the outstanding securities of that class at the date of the offer. An offeror proposing a take-over bid must comply with the technical procedural requirements (including those relating to determining beneficial ownership of securities and whether a person is acting jointly or in concert with an offeror) and disclosure requirements of the take-over bid rules unless an exemption is available from those requirements, all in accordance with NI 62-104.</p> <p>Tender offers for common shares of Energy Fuels are subject to the procedural and disclosure requirements of Sections 14D and 14E of the US Exchange Act.</p>

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	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
<p>Takeovers</p> <p><i>Takeover protections</i></p>	<p>Under Australian takeovers legislation and policy, boards of Australian companies are limited in the additional non-statutory defensive mechanisms that they can put in place to discourage or defeat a takeover bid.</p> <p>Therefore, it is likely that the adoption of certain antitakeover mechanisms by the board, without shareholder approval, such as a shareholders' rights plan (or so-called 'poison pill'), would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it discouraged or defeated a takeover bid.</p> <p>The City Code on Takeovers and Mergers does not apply to the Company and the Scheme is not subject to the jurisdiction of, nor is being regulated by, the UK Takeover Panel.</p>	<p>NP 62-202 regulates the defensive tactics that may be employed by a target company in a take-over bid, and limits the ability of a target board to entrench itself to the detriment of shareholders. The primary objective of the relevant take-over bid provisions of Canadian law is the protection of the bona fide interests of shareholders of the target company. A secondary objective is to provide a regulatory framework within which take-over bids may proceed in an open and even-handed environment. The takeover bid provisions should favour neither the bidder nor the management of the target company and should leave the shareholders of the target company free to make a fully informed decision.</p> <p>Canadian securities regulatory authorities:</p> <ul style="list-style-type: none"> ▪ consider that unrestricted auctions produce the most desirable results in take-over bids and are reluctant to interfere in contested bids; ▪ appreciate that defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; ▪ are prepared to take appropriate action if they become aware of defensive tactics that will likely result in shareholders being deprived of the ability to respond to a take-over bid or to a competing bid; ▪ have determined that it is inappropriate to specify a code of conduct for directors of a target company in addition to the fiduciary standard required by corporate law; and ▪ are prepared to examine target company tactics in specific cases to determine whether they are abusive of shareholder rights.
<p>Restrictions on transactions with significant shareholders</p>	<p>The ASX Listing Rules contain restrictions on listed companies, such as Base Resources, acquiring or disposing of substantial assets from or to a substantial shareholder who, along with their associates, holds at least 10% of the company's voting securities (or has in the last six months), without disinterested shareholder approval. Substantial assets are assets that represent at least 5% of the company's equity interests (essentially 5% of its net asset value), as set out in the latest financial statements. Shareholder approval for such transactions requires a simple majority of votes cast by the company's ordinary shareholders, with parties to the transaction (and their associates) not voting.</p> <p>The ASX Listing Rules contain restrictions on listed companies on issuing or agreeing to issue shares (subject to certain exceptions) to from a substantial holder who, along with their associates, either:</p> <ul style="list-style-type: none"> ▪ holds at least 30% of the company's voting securities (or has in the last six months); ▪ holds at least 10% of the company's voting securities and has nominated a director to the board of the entity pursuant to an agreement (or has in the last six months). <p>Refer to 'Transactions involving directors, officers or other related parties' which sets out the restriction on listed companies from acquiring or disposing of substantial assets from or to a substantial shareholder.</p>	<p>See "<i>Disclosure of substantial shareholders</i>", "<i>Transactions involving directors, officers or other related parties</i>" and "<i>Takeovers – Takeover requirements</i>".</p>

	Rights of holders of Base Resources Shares	Rights of holders of Energy Fuels Shares
Right to inspect register of shareholders	<p>Under Australian law, the register of shareholders of a company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public.</p> <p>If a person asks Base Resources for a copy of the Base Resources Share Register (or any part of the Base Resources Share Register) and pays the requested fee (up to a prescribed amount), Base Resources must give that person the copy within seven days of the date on which Base Resources receives such payment.</p>	<p>Under the OBCA, any person may inspect Energy Fuels central securities register and/or apply to the company for a list setting out the names and last known addresses of the shareholders and the number of shares of each class or series of shares held by each of those shareholders.</p> <p>Any person wishing to examine the list of shareholders must first make a request to the company, accompanied by an affidavit stating that the list will not be used except for certain purposes permitted under the OBCA.</p>
Right to inspect corporate books and records	<p>Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.</p> <p>Under the Corporations Act, a copy of Base Resources' company constitution must be lodged with ASIC (and any person may obtain a copy upon request to ASIC).</p>	<p>Under the OBCA, any person may examine certain of the corporate records of Energy Fuels (including the securities register, articles, minutes of meetings and resolutions of shareholders) at Energy Fuels' registered office or such other place where such records are kept during Energy Fuels' usual business hours free of charge, and copies may be obtained for a fee. Energy Fuels' certificate of incorporation and articles of the corporation are available as exhibits to SEC filings on EDGAR and SEDAR.</p>
Winding up	<p>Under Australian law, an insolvent company may be wound up by a liquidator appointed either by creditors or by the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. These shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.</p> <p>Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.</p>	<p>Under the OBCA, only solvent companies may engage in dissolution and liquidation proceedings. As a result, the directors of a company seeking to dissolve must adequately provide for the payment of each of the company's liabilities; if that is not possible, it may be necessary to proceed under insolvency legislation (such as the Bankruptcy and Insolvency Act).</p> <p>If a company is found to be "insolvent" for the purposes of the Bankruptcy and Insolvency Act, any dissolution must be stayed. After the assets of a company have been liquidated and distributed under the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, the company will still exist, and can only be dissolved by action taken in accordance with the procedures of the OBCA.</p> <p>To voluntarily dissolve a company under the OBCA that has been properly authorized to do so, a company must provide to its records office an affidavit, sworn by a director of the company, which states that: (i) the dissolution was duly authorised by an ordinary resolution of the shareholders or it has not issued any shares, and has the authorization of the directors; (ii) the company has no assets; and (iii) the company has no liabilities or has made adequate provision for the payment of each of its liabilities.</p> <p>Proceedings may be continued against a company after its dissolution or brought against a company within two years after its dissolution as if the company had not been dissolved. When assets of the company are distributed to a shareholder in anticipation of, during, or as a result of the company's liquidation or dissolution, the court may add the shareholder as a party to litigation, determine the amount for which the shareholder is liable and the amount the shareholder must contribute to satisfy the plaintiff's claim and direct payment of those amounts, provided that the shareholder is not liable unless added as a party within two years after the date of dissolution. The shareholder's liability is limited to the value of the assets they received, as at the date of distribution.</p> <p>The Energy Fuels Articles do not impose any restrictions on winding-up.</p>

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(c) Comparison of key terms used in JORC Code and Subpart 1300 / NI 43-101

The below table reflects excerpts of relevant key terms from the JORC Code, Subpart 1300 and NI 43-101.

Key term	JORC Code ²⁹	Subpart 1300 ³⁰	NI 43-101 ³¹
Mineral Resources			
Definition of 'Mineral Resource'	<p>A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction (clause 20).</p> <p>The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling (clause 20).</p> <p>Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories (clause 20).</p>	<p>A concentration or occurrence of material of economic interest in or on the earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for economic extraction.</p> <p>A mineral resource is a reasonable estimate of mineralization, taking into account relevant factors such as cut-off grade, likely mining dimensions, location or continuity, that, with the assumed and justifiable technical and economic conditions, is likely to, in whole or in part, become economically extractable. It is not merely an inventory of all mineralisation drilled or sampled.</p>	<p>A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.</p>
Definition of 'Inferred Mineral Resource'	<p>That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes (clause 21).</p> <p>An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve.</p> <p>It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration (clause 21).</p>	<p>That part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability.</p> <p>Because an inferred mineral resource has the lowest level of geological confidence of all mineral resources, which prevents the application of the modifying factors in a manner useful for evaluation of economic viability, an inferred mineral resource may not be considered when assessing the economic viability of a mining project, and may not be converted to a mineral reserve.</p>	<p>An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.</p>

29 All references to a clause in this column are references to the JORC Code.

30 All references to a section or item in this column are references to Subpart 1300 of Regulation S-K, promulgated under the US Securities Act and US Exchange Act.

31 All references in this column to the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" as well as "mineral reserve", "proven reserves" and "probable reserves" under the heading "Ore Reserves" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended, which are included by references in NI 43-101.

Key term	JORC Code ²⁹	Subpart 1300 ³⁰	NI 43-101 ³¹
Definition of 'Indicated Mineral Resource'	<p>That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit (clause 22).</p> <p>Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered (clause 22).</p> <p>An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve (clause 22).</p>	<p>That part of a mineral resource for which quantity and grade or quality are estimated on the basis of adequate geological evidence and sampling. The level of geological certainty associated with an indicated mineral resource is sufficient to allow a qualified person to apply modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Because an indicated mineral resource has a lower level of confidence than the level of confidence of a measured mineral resource, an indicated mineral resource may only be converted to a probable mineral reserve.</p>	<p>An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.</p>
Definition of 'Measured Mineral Resource'	<p>That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit (clause 23).</p> <p>Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered (clause 23).</p> <p>A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve (clause 23).</p>	<p>That part of a mineral resource for which quantity and grade or quality are estimated on the basis of conclusive geological evidence and sampling. The level of geological certainty associated with a measured mineral resource is sufficient to allow a qualified person to apply modifying factors, as defined in this section, in sufficient detail to support detailed mine planning and final evaluation of the economic viability of the deposit. Because a measured mineral resource has a higher level of confidence than the level of confidence of either an indicated mineral resource or an inferred mineral resource, a measured mineral resource may be converted to a proven mineral reserve or to a probable mineral reserve.</p>	<p>A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.</p>

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Key term	JORC Code ²⁹	Subpart 1300 ³⁰	NI 43-101 ³¹
Ore Reserves			
Note: References to an 'Ore Reserve' should be read as a reference to a 'Mineral reserve' (as the concept is defined under Subpart 1300 and NI 43-101)			
Definition of 'Ore Reserve' (or 'Mineral reserve' under Subpart 1300)	<p>An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified (clause 29).</p> <p>The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported (clause 29).</p>	<p>An estimate of tonnage and grade or quality of indicated and measured mineral resources that, in the opinion of the qualified person, can be the basis of an economically viable project. More specifically, it is the economically mineable part of a measured or indicated mineral resource, which includes diluting materials and allowances for losses that may occur when the material is mined or extracted.</p>	<p>Mineral Reserve is the economically mineable part of a measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at prefeasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.</p>
Definition of a 'Probable Ore Reserve' (or 'Probable mineral reserve' under Subpart 1300)	<p>The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve (clause 30).</p>	<p>The economically mineable part of an indicated and, in some cases, a measured mineral resource.</p>	<p>A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.</p>
Definition of a 'Proved Ore Reserve' (or 'Proven mineral reserve' under Subpart 1300)	<p>The economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors (clause 31).</p>	<p>The economically mineable part of a measured mineral resource and can only result from conversion of a measured mineral resource.</p>	<p>A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.</p>

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Key term	JORC Code ²⁹	Subpart 1300 ³⁰	NI 43-101 ³¹
Other definitions / concepts			
Competent person / qualified person	<p>A 'Competent Person' is a minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a 'Recognised Professional Organisation' (RPO), as included in a list available on the JORC and ASX websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member.</p> <p>A Competent Person must have a minimum of five years relevant experience in the style of mineralization or type of deposit under consideration and in the activity which that person is undertaking.</p> <p>If the Competent Person is preparing documentation on Exploration Results, the relevant experience must be in exploration.</p> <p>If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources.</p> <p>If the Competent Person is estimating, or supervising the estimation of Ore Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Ore Reserves.</p>	<p>A 'qualified person' is an individual who is:</p> <ul style="list-style-type: none"> ▪ a mineral industry professional with at least five years of relevant experience in the type of mineralisation and type of deposit under consideration and in the specific type of activity that person is undertaking on behalf of the registrant; and ▪ an eligible member or licensee in good standing of a recognised professional organisation at the time the technical report is prepared. <p>For an organisation to be a recognised professional organisation, it must:</p> <ul style="list-style-type: none"> ▪ be either: <ul style="list-style-type: none"> ▪ an organisation recognised within the mining industry as a reputable professional association; or ▪ a board authorised by United States federal, state or foreign statute to regulate professionals in the mining, geoscience or related field; ▪ admit eligible members primarily on the basis of their academic qualifications and experience; ▪ establish and require compliance with professional standards of competence and ethics; ▪ require or encourage continuing professional development; ▪ have and apply disciplinary powers, including the power to suspend or expel a member regardless of where the member practices or resides; and ▪ provide a public list of members in good standing. <p>Relevant experience means, for purposes of determining whether a party is a qualified person, that the party has experience in the specific type of activity that the person is undertaking on behalf of the registrant. If the qualified person is preparing or supervising the preparation of a technical report concerning exploration results, the relevant experience must be in exploration. If the qualified person is estimating, or supervising the estimation of mineral resources,</p>	<p>A Qualified Person means an individual who</p> <ul style="list-style-type: none"> ▪ is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; ▪ has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; ▪ has experience relevant to the subject matter of the mineral project and the technical report; ▪ is in good standing with a professional association; and ▪ in the case of a professional association in a foreign jurisdiction, has a membership designation that both requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment, and requires a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining.

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Key term	JORC Code ²⁹	Subpart 1300 ³⁰	NI 43-101 ³¹
<p>Competent person / qualified person</p> <p><i>Continued</i></p>		<p>the relevant experience must be in the estimation, assessment and evaluation of mineral resources and associated technical and economic factors likely to influence the prospect of economic extraction. If the qualified person is estimating, or supervising the estimation of mineral reserves, the relevant experience must be in engineering and other disciplines required for the estimation, assessment, evaluation and economic extraction of mineral reserves.</p> <p>Relevant experience also means, for purposes of determining whether a party is a qualified person, that the party has experience evaluating the specific type of mineral deposit under consideration (e.g. coal, metal, base metal, industrial mineral, or mineral brine). The type of experience necessary to qualify as relevant is a facts and circumstances determination. For example, experience in a high-nugget, vein-type mineralisation such as tin or tungsten would likely be relevant experience for estimating mineral resources for vein-gold mineralisation, whereas experience in a low grade disseminated gold deposit likely would not be relevant. 63</p> <p>For a qualified person providing a technical report for exploration results or mineral resource estimates, relevant experience also requires, in addition to experience in the type of mineralisation, sufficient experience with the sampling and analytical techniques, as well as extraction and processing techniques, relevant to the mineral deposit under consideration. Sufficient experience means that level of experience necessary to be able to identify, with substantial confidence, problems that could affect the reliability of data and issues associated with processing.</p> <p>For a qualified person applying the modifying factors, as defined by this section, to convert mineral resources to mineral reserves, relevant experience also requires:</p> <ul style="list-style-type: none"> ▪ sufficient knowledge and experience in the application of these factors to the mineral deposit under consideration; and ▪ experience with the geology, geostatistics, mining, extraction and processing that is applicable to the type of mineral and mining under consideration. 	

Annexure 2 – Sale Facility Participation by Base Resources DI Holders

- Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timing and limitations will therefore apply in connection with a Transfer to Escrow (**TTE**) instruction and its settlement. You should therefore ensure all necessary actions are taken by you (or by your CREST sponsor) to ensure a TTE instruction relating to the election settles prior to 1:00pm (London time) on 18 September 2024. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- To make an election in CREST, Base Resources DI Holders that are Small Shareholders and hold their Base Resources DIs in CREST should submit (or, if they are a CREST personal member, procure that their CREST sponsor gives) a TTE instruction, which must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:
 - the number Base Resources DIs to be transferred to an escrow balance, representing the number of Base Resources DIs for which you wish to elect to sell the entitlement under scheme;
 - Base Resources DI CREST ISIN AU000000BSE5;
 - your Member Account ID;
 - your Participant ID;
 - Participant ID of the escrow agent, being 8RA23;
 - member account ID of the escrow agent, being BSEENF01 (for payment in British pounds sterling);
 - intended settlement date. This should be as soon as possible on or after 8:00am on 18 September 2024 and in any event no later than 1:00pm (London time) on 18 September 2024;
 - the Corporate Action Number. This is allocated by Euroclear and can be found by viewing the relevant Corporate Action details in CREST;
 - the Delivery Instruction with a priority of 80; and
 - contact name and telephone number in the shared note field.

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Annexure 3 – Independent Expert’s Report

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Base Resources Limited

Independent Expert's Report in Relation to the Proposed
Scheme of Arrangement with Energy Fuels Inc.

July 2024



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The Directors
 Base Resources Limited
 Level 3, 46 Colin Street
 WEST PERTH WA 6005

26 July 2024

Dear Directors

Proposed scheme of arrangement between Base Resources and Energy Fuels

Introduction

1. On 22 April 2024, Base Resources Limited (**Base Resources**) announced that it had entered into a binding Scheme Implementation Deed (**SID**) with Energy Fuels Inc. (**Energy Fuels**) under which EFR Australia Pty Ltd (**EFR Australia**), being a 100% subsidiary of Energy Fuels, will acquire 100% of the issued shares in Base Resources via a Scheme of Arrangement (the **Scheme**) pursuant to Part 5.1 of the Corporations Act 2001 (**Corporations Act**) (the **Transaction**).
2. Under the terms of the Scheme, Base Resources shareholders (the **Shareholders**) will be entitled to receive 0.0260 Energy Fuels common shares (**Scheme Consideration**) for each Base Resources share held. Base Resources also expects to pay an unfranked special dividend of A\$0.065 per Base Resources share held (the **Special Dividend**) payable by Base Resources conditional on the Scheme becoming effective (together, the **Offer**).
3. The Directors of Base Resources (the **Directors**) have engaged PricewaterhouseCoopers Securities Limited (**PwC Securities or PwCS**) to prepare an independent expert's report (**IER**) setting out whether, in our opinion, the Scheme is in the best interests of the Shareholders and to state reasons for that opinion.
4. This letter contains a summary of the opinion and main conclusions of PwC Securities and is extracted from the full IER, a copy of which (including this summary letter) will accompany the Scheme Booklet.

Our conclusion

The Scheme is in the best interests of Shareholders

5. Our assessment of the Scheme has been undertaken in accordance with the principles of Australian Securities and Investments Commission (**ASIC**) Regulatory Guide 111, Content of expert reports (**RG111**). In the context of a Scheme, what is in the best interests of members (or shareholders) is judged in all the circumstances of the Scheme. Comparing the value of the

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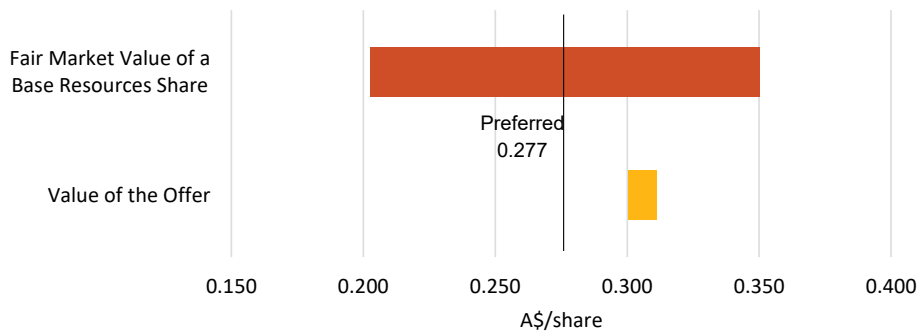
shares being given up and the value of the Scheme Consideration to be received is only one element of the assessment.

- We consider the Scheme to be in the best interests of the Shareholders on the basis that it is both fair and reasonable, an approach which is considered consistent with RG111. The reasons for our opinion are set out below and should be read in conjunction with our detailed report, which sets out our scope and findings.

The Offer under the Scheme is fair

- We have assessed the fair market value (**Fair Market Value**) of a Base Resources share (on a controlling interest basis) as at the date of this report to be in a range from A\$0.203 to A\$0.350 with a preferred (midpoint) Fair Market Value of A\$0.277. The Offer has been assessed to have a Fair Market Value in the range of A\$0.300 to A\$0.311 with a midpoint value of A\$0.306 per share in Base Resources. On the basis that our assessed Fair Market Value of the Offer is within our valuation range and above our preferred Fair Market Value for a fully paid ordinary share in Base Resources, we consider that it is fair.

Figure 1: Assessed Value of a Base Resources Share and the Offer



Source: PwCS Analysis

The Scheme is reasonable

- In accordance with RG111.11, we consider that the Scheme is reasonable on the basis that it is fair. In addition, we consider the Scheme to be reasonable for the following reasons.

The Offer is at a premium to the share price of Base Resources before the announcement of the proposed Scheme

- The 30 day and 90 day VWAP of a share in Base Resources prior to its announcement to the Australian Securities Exchange (**ASX**) of the Transaction on 22 April 2024 was A\$0.109 and A\$0.132, respectively.

10. As we have assessed the Fair Market Value of the Offer to be in the range of A\$0.300 to A\$0.311 per share in Base Resources, this implies that a premium for control of approximately 181% to 131% has been included in Energy Fuels' offer when compared to the historical 30 and 90 day VWAP of Base Resources prior to the announcement of the Transaction on 22 April 2024.

Continued exposure to the risks and rewards of the Toliara Project

11. If the Scheme is approved, as the Scheme Consideration is in the form of scrip in the new combined Energy Fuels and Base Resources entity, Shareholders will continue to share in any benefits and risks associated with being an investor in Base Resources. This will enable Shareholders to retain exposure to the Toliara Project and to share in the potential benefits from its development.

Greater commodity diversification but diluted exposure to Toliara

12. We note that the combined Energy Fuels and Base Resources entity will have a more diversified commodity portfolio (rare earth elements (**REEs**), uranium and mineral sands), potentially reducing risk for Shareholders, but will dilute Shareholders' exposure to the potential value that may be realised from the Toliara Project.

Potential operating synergies

13. If the Scheme is approved, Energy Fuels' planned development of an REE separation facility at the White Mesa Mill creates the potential opportunity to add value to the Toliara Project by enabling the processing of monazite produced at the Toliara Project into separated REE products.
14. Further, the Transaction brings extensive mineral sands expertise to Energy Fuels. This should assist Energy Fuels in developing its Bahia Project and Donald Mineral Sands and Rare Earth Project, while the Shareholders gain access to the only operating mill in the US currently capable of processing Toliara's monazite into REE.
15. Realisation of this opportunity depends on the phase 2 expansion of the REE separation facility at the White Mesa Mill and the Toliara Project being funded and developed. The opportunity is also dependent on a logistics solution for shipping monazite from Madagascar to Utah.

Greater capacity to fund Toliara

16. The combined entity will have a greater capacity to fund the development of Toliara through the significantly greater market capitalisation, trading liquidity, market profile and funding capacity of the combined group.

Ability to share in premium for control if Energy Fuels is subsequently acquired

17. As the Shareholders will receive scrip in Energy Fuels they still retain the potential benefit of sharing in any premium for control that may be paid by a potential acquirer of Energy Fuels subsequent to the Scheme being approved.

Shares in Energy Fuels are likely to have a greater level of liquidity and institutional coverage than shares in Base Resources

18. Energy Fuels' shares have a greater level of liquidity than shares in Base Resources and are represented in both the S&P Americas Broad Market Index and the S&P/TSX Composite Index. The increased size of the combined business is considered likely to attract even greater institutional coverage.
19. Conversely, shareholders will own stock in a Canadian-incorporated, dual NYSE American LLC (**NYSE American**) and Toronto Stock Exchange (**TSX**) listed entity. As such, trades in Energy Fuels' shares are subject to Canadian and United States (**US**) securities laws, rules and regulations, as well as the rules and regulations of the exchanges on which they are traded. These respective legal jurisdictions and exchanges operate under different regimes in terms of governance, takeover rules and shareholder protections to Australia and the ASX, being the regimes that shares in Base Resources are traded and under which Shareholders are protected. In a number of respects, those rules may be considered by Shareholders to be less favourable than Australian rules. However, the US and Canada are widely considered by investors to be broadly comparable investment jurisdictions in many other respects.

If the Scheme is not accepted, the share price of Base Resources is likely to fall

20. The share price of Base Resources increased significantly on the announcement of the Scheme and has traded in a range of A\$0.23 to A\$0.29 since then (based on closing share prices). We consider that in the absence of the Scheme, an alternative proposal or speculation concerning an alternative proposal, the share price of Base Resources is likely to reduce from current levels.
21. This is considered likely to be attributable (at least in part) to Base Resources' perceived ability to fully fund and advance the Toliara Project in accordance with its strategy, leading to potential delays in development. Further, Base Resources is not considered to be able to sole fund the Toliara Project development costs without raising new capital or bringing in a joint venture partner which may dilute existing Shareholders' interests.

Unanimous Board recommendation

22. Base Resources' Board of Directors (**Board**) has stated its unanimous recommendation in favour of the Scheme, in the absence of a superior proposal emerging and subject to the independent expert finding the Scheme in the best interests of Shareholders.
23. Further, Base Resources has also received voting intention statements from its two major Shareholders (respectively owning 26.5% and 20.6% of the shares on issue) confirming that they each intend to vote in favour of the Scheme (also in the absence of a superior proposal emerging and subject to the independent expert finding the Scheme to be in the best interests of Shareholders).

No alternative proposals have been received

24. The Directors of Base Resources have advised us that to the best of their knowledge the proposal from Energy Fuels is the only proposal available to the Shareholders at the date of this report.

25. We cannot exclude the prospect of an alternative proposal or offer on better terms emerging. In the event that an alternative proposal or offer on better terms emerges before the closure of the Scheme, Shareholders will be entitled to reject the Scheme and pursue other opportunities.

Other matters

26. The decision to accept or not to accept the Scheme is a matter for individual Shareholders based on each Shareholder's view as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position.
27. In particular, taxation consequences may vary from Shareholder to Shareholder. If in any doubt as to the action they should take in relation to the Scheme, Shareholders may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence (AFSL) to assist in this assessment. Further, the analysis in this report is directed to the cash equivalent value of the Offer. It is an entirely different matter for individual Shareholders to determine whether to hold or sell the shares in Energy Fuels that they receive under the Scheme, which is a separate investment decision for individual Shareholders.
28. This IER has been prepared solely for the benefit of the Directors of Base Resources and for the benefit of the Shareholders. Neither PwC Securities nor its employees, officers and agents undertake responsibility to any person, other than the Directors of Base Resources or the Shareholders, in respect of the independent expert's report, including any errors or omissions howsoever caused.
29. Base Resources has indemnified PwC Securities, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by Base Resources, which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.
30. Our opinion is made at the date of this letter and reflects circumstances and conditions as at that date. This letter must be read in conjunction with the full independent expert's report attached.
31. Amounts stated in this report are in US dollars unless otherwise stated and may be subject to minor rounding errors.

Yours faithfully



Paul Hennessy
Authorised Representative
PricewaterhouseCoopers Securities Ltd



Campbell Jaski
Authorised Representative
PricewaterhouseCoopers Securities Ltd

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1 Overview of the Scheme and basis of assessment

Overview of the Scheme

32. On 22 April 2024, Base Resources (the **Company**) announced that it had entered into a binding Scheme Implementation Deed with Energy Fuels under which EFR Australia, being a 100% subsidiary of Energy Fuels, will acquire 100% of the issued shares in Base Resources via a Scheme of Arrangement pursuant to Part 5.1 of the Corporations Act.
33. Base Resources and Energy Fuels have stated that the Transaction will establish a global leader in the critical minerals sector with a focus on REEs, uranium and mineral sands production.
34. The Transaction includes the acquisition of Base Resources' 100% owned Toliara heavy mineral sands and monazite project in Madagascar (**Toliara** or the **Toliara Project**). The Toliara Project is underpinned by the Ranobe deposit, a critical minerals deposit containing significant ilmenite, rutile and zircon mineralisation. The Ranobe deposit also contains large quantities of monazite, which is a rich source of the magnet REEs neodymium and praseodymium (**NdPr**); dysprosium (**Dy**) and terbium (**Tb**) used in electric vehicles and a variety of clean energy and advanced technologies, that can be recovered as a byproduct of ilmenite and zircon production at Toliara.
35. Energy Fuels anticipates Toliara to be a source of monazite supply, providing a long-term and large-scale supply of monazite to its White Mesa mill in Utah (the **White Mesa Mill** or the **Mill**) for processing into separated REE products and other advanced REE materials, along with the recovery of contained uranium. As the monazite is expected to be a low-cost byproduct of Toliara's primary ilmenite and zircon production, the total cost of production of REE oxides at White Mesa is expected by Energy Fuels to be low-cost and globally competitive and will supplement Energy Fuels' uranium production capacity from other mines and sources.
36. The combined Base Resources and Energy Fuels entity is also anticipated to have a greater capacity (than Base Resources on a standalone basis) to fund the development of Toliara through the significantly greater market capitalisation, trading liquidity, market profile and funding capacity of the combined group.
37. Under the terms of the Scheme, Shareholders will be entitled to receive 0.0260 Energy Fuels common shares (being the Share Consideration), for each Base Resources share held. Base Resources also expects to pay an unfranked special dividend of A\$0.065 per Base Resources share held (being the Special Dividend).
38. Base Resources has a total of approximately 1,178 million shares outstanding, 9.3 million of which are held by the long-term incentive plan (**LTIP**) trustee and are available for allocation to participants under the LTIP and also approximately 70.3 million LTIP performance rights on issue (the **Performance Rights**). Of the Performance Rights on issue, approximately 6.6 million are vested, with the remaining unvested.
39. In respect of the Performance Rights, under the Scheme:
 - all Performance Rights may, subject to the Scheme becoming effective, vest (on an accelerated basis) and either:
 - convert into Base Resources shares prior to the record dates for both the Scheme and Special Dividend so that the Scheme Consideration is provided and any Special Dividend is paid in relation to those Base Resources Shares; or

- be cash-settled (with the cash amount per vested Performance Right to be equal to the closing share price on the “Effective Date”, being the date the Scheme comes into effect), subject to the proviso that the holder of the vested Performance Rights is a Malagasy resident, the receipt of Base Resources shares by such holder is not permitted pursuant to Malagasy law and no more than 4,194,376 vested Performance Rights are cash settled; and
 - The remaining unvested Performance Rights will lapse, subject to the Scheme becoming effective. Base Resources must ensure that the Performance Rights have either lapsed or vested and have then been converted into shares in Base Resources or cash settled such that there are no outstanding Performance Rights or any other equity incentives which are not shares in Base Resources on issue as at the Record Date.
- 40. Based on the respective number of shares on issue and assuming the Scheme is completed, the Shareholders' collective interest in the combined Base Resources and Energy Fuels group will be approximately 16.3%.
- 41. The Shareholders are to consider a resolution seeking approval of the Scheme at a general meeting of Shareholders that is expected to be held in September 2024 (the **Scheme Meeting**).
- 42. The Scheme is subject to the satisfaction of a number of conditions which are set out in full in the SID and also in the Scheme Booklet. In summary, conditions for implementation of the Scheme include:
 - Base Resources shareholder approval by the required majorities at a meeting convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme
 - the Independent Expert concluding (and continuing to conclude) that the Transaction is in the best interests of Base Resource shareholders
 - approval by Australia's Foreign Investment Review Board
 - no material adverse change and no prescribed occurrences in relation to either Energy Fuels or Base Resources
 - other regulatory approvals, including necessary NYSE American and TSX listing approvals and a US Securities Act exemption for the Share Consideration
 - approvals of the Competition Authority of Kenya and Malagasy Competition Council
 - approval by the court under Section 411(4)(b) of the Corporations Act, and
 - the end date by which the conditions must be satisfied or waived (where permitted) is 21 December 2024 (unless extended by written agreement of Base Resources and Energy Fuels).
- 43. The SID also contains customary deal protections and exclusivity terms in favour of Energy Fuels, including “no shop”, “no talk”, “no due diligence”, “notification”, and “matching right” obligations, subject to a “fiduciary out” in certain circumstances.
- 44. The SID includes certain circumstances in which a break fee of US\$2.4 million would be payable to Energy Fuels, or a reverse break fee (of also US\$2.4 million) would be payable to Base Resources.
- 45. Base Resources has agreed to propose the Scheme to the Shareholders and the Directors of Base Resources have unanimously recommended that Shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of the Shareholders.

46. The Directors of Base Resources have engaged PricewaterhouseCoopers Securities Ltd to prepare this IER setting out whether, in our opinion, the Scheme is in the best interests of the Shareholders and to state reasons for that opinion.

Basis for our assessment

47. The proposed merger of Base Resources and Energy Fuels is to be effected by a members' scheme of arrangement. Schemes of arrangement are governed by Section 411 of the Corporations Act 2001 and Schedule 8 of the Corporations Regulations. Before the Scheme can proceed, it must be considered and approved by the Shareholders and the Court.
48. Clause 8303 of Part 3 of Schedule 8 requires that, in the circumstances where the party proposing a scheme holds more than 30% of the issued capital of the company the subject of the scheme, the explanatory statement provided to shareholders is to be accompanied by a report from an independent expert stating whether, in the expert's opinion, the scheme is in the best interests of members of the company subject to the scheme and setting out the reasons for that opinion.
49. Energy Fuels and its related parties do not hold an interest of more than 30% in the issued capital of Base Resources and have no common directors. Accordingly, there is no requirement under the Corporations Act for an IER to be prepared in connection with the proposed Scheme. Nevertheless, the SID contains a condition precedent that an IER is obtained which concludes that, "the Scheme is in the best interests of the Shareholders" (being the shareholders of Base Resources). We have therefore been requested to prepare an IER stating whether, in our opinion, the Scheme is in the best interests of the Shareholders and to set out reasons for that opinion.
50. Section 606 of the Corporations Act (**s606**) provides a general prohibition to any person increasing their relevant interest in the issued voting securities of a listed company from 20% or below to more than 20%. However, there are various exceptions to this prohibition including those set out in Section 611 of the Corporations Act (**s611**) including court approved schemes of arrangement.

Our approach

51. This report has been prepared in accordance with the Corporations Act and ASIC RG111.
52. We have prepared this IER for the purpose of stating, in our opinion, whether or not the Scheme is in the best interests of the Shareholders, and to set out reasons for that opinion.
53. While there is no definition of "in the best interests of the members" provided in the Corporations Act, relevant guidance is provided in RG111, which is framed largely in terms that relate specifically to control transactions effected by way of a scheme of arrangement.
54. RG111.18 indicates that an expert evaluating a control transaction effected by way of a scheme of arrangement should undertake a form of analysis substantially the same as "fair and reasonable" reports for takeover offers under Section 640 of the Corporations Act. In this context, RG111.18-22 indicates that assessment of whether a proposal is "in the best interests of the members" for reports on control transactions prepared for the purposes of Section 411 should be evaluated by reference to whether the proposal is "fair and reasonable" and should also include an opinion on this basis.
55. RG111 discusses the separate concepts of "fair" and "reasonable" to be applied by an independent expert assessing an offer. An offer is regarded as "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. An offer is "reasonable" if it is "fair" or despite not being "fair", but after considering other significant

factors, Shareholders should accept the offer in the absence of any higher bid before the close of the offer.

56. RG111.30-31 requires that the assessment of fairness of a control transaction under Section 640 of the Corporations Act compares the value of scrip consideration (allowing for a minority interest discount) to the value of the securities being given up assessed on a controlling interest basis assuming 100% of the securities were available for sale. The Regulatory Guides reflect ASIC's underlying philosophy that the premium for control of a company be shared by all members of that company.
57. However, RG111.31 also requires the expert to assess whether a scrip takeover is in effect a "merger of entities of equivalent value when control of the merged entity will be shared equally between the bidder and the target". In such circumstances, the expert may use an equivalent approach to valuing the securities of the 'bidder' and the 'target'.
58. Noting the respective number of shares on issue and assuming the Scheme is completed, the Shareholders' collective interest in the combined Base Resources and Energy Fuels group will be approximately 16.3%, therefore we consider that the Scheme should be evaluated as a control transaction.
59. Accordingly, our assessment of the Fair Market Value of the ordinary shares of Base Resources is assessed on a controlling interest basis and our assessment of the Scheme Consideration reflects the value of a share in Energy Fuels post-transaction on a non-controlling minority interest basis.
60. In assessing fairness, we use the following definition of Fair Market Value:

"the price which would reasonably be negotiated by an informed, willing but not anxious purchaser and an informed, willing but not anxious seller acting at arm's length and within a reasonable timeframe".
61. In evaluating the reasonableness of the Scheme, we have considered other significant factors for Shareholders in relation to the Scheme, including the potential benefits that may arise as a result of the Transaction, the likelihood of another offer being received on better terms and the likely position of Shareholders if the Scheme is rejected.

Sources of information

62. In preparing this IER, we have used and relied on the information set out in Appendix B and representations made by Base Resources.
63. We have conducted checks, enquiries and analyses of the information provided to us, which we regard as appropriate for the purposes of this report. Based on these procedures, we believe that the information used as the basis for forming the opinions in this report is accurate, complete and not misleading, and we have no reason to believe that material information relevant to our report has been withheld by Base Resources. Whilst our work has involved an analysis of financial information and accounting records, it does not constitute an audit or review of Base Resources (or Energy Fuels) in accordance with Australian Auditing Standards, and accordingly no such assurance is given in this IER.
64. The information provided to us includes the Base Resources budget for the period to 30 June 2024 and forecast to 30 June 2025 and certain information in respect of the Toliara Project.
65. The information pertaining to the Toliara Project provided to us by Base Resources includes the latest anticipated development plans and costs together with the latest life of mine production forecasts and associated cost assumptions, including the latest definitive feasibility study for the

minerals sands component of the project (**DFS2**) and pre-feasibility study (**PFS**) for the additional monazite revenue stream (collectively, the **Toliara Project Information**). In reviewing the Toliara Project level cash flow forecasts and other forward-looking information provided to us, we have taken into account and relied on the review of the Toliara Project Information carried out by an independent technical expert, AMC Consultants Pty Ltd (**AMC or Independent Technical Expert**).

66. In addition, AMC has considered the reasonableness of the remaining production volumes and costs (including rehabilitation) relating to the Kwale Project which we have also relied on when determining the remaining value attributable to Kwale.
67. The achievement of the prospective financial information prepared by Base Resources has been relied on by PwC Securities for the purposes of our assessment of the Scheme and is not warranted or guaranteed by us. This information is based on predictions of future events, many of which are outside the control of management and are, therefore, inherently uncertain. Actual results and outcomes may differ materially from the forward-looking information provided to us and reflected in this report.
68. Our assessment has been made as of the date of our report. Economic conditions, market factors and changes in exploration or development potential may result in the report becoming outdated. We reserve the right to review our assessments and, if we consider it necessary, to issue an addendum to our report, in the light of any relevant material information which subsequently becomes known to us prior to the closure of the Scheme.
69. All value amounts in the report are denominated in Australian dollars (**A\$**) or US dollars (**US\$**) unless otherwise stated. Financial tables may be subject to rounding.
70. We have provided draft copies of this IER to the Directors of Base Resources for their comments as to factual accuracy, as opposed to opinions, which are our responsibility alone. The Directors' review has not changed the methodology or conclusions reached by us.

General advice

71. In preparing this IER, we have considered the interests of the Shareholders taken as a whole. This report contains only general financial product advice and does not consider the personal objectives, financial situation or needs of individual Shareholders. An individual's decision in relation to accepting or not accepting the Scheme may be impacted by the individual's particular circumstances and Shareholders may wish to obtain personal financial product advice from their financial adviser. Please refer to the Financial Services Guide in Appendix H.

Scope exclusions

72. This IER has been prepared solely for the purpose of assisting the Shareholders to consider whether or not to accept the Scheme. This report has not been prepared to provide information to parties considering the purchase or sale of securities in Base Resources or Energy Fuels. Accordingly, we do not assume any responsibility or liability for any losses suffered as a result of the use of this report contrary to the provisions of this paragraph.

2 Industry Overview

73. Base Resources is a mineral sands producer, extracting ilmenite, rutile, and zircon, with a Kenyan project that will reach its end-of-life in December 2024 (**Kwale** or the **Kwale Project**). Base Resources also owns a pre-development minerals sand and REE project in Madagascar (being the Toliara Project).
74. Energy Fuels is a US-based company that owns the White Mesa uranium mill in Utah and a number of uranium mining projects, some of which are in operation. Energy Fuels also owns the Bahia Project in Brazil, which is believed to have significant quantities of titanium (ilmenite and rutile), zirconium (**zircon**) and REE minerals. Energy Fuels also recently entered into a binding farm-in and joint venture agreement with Astron Corporation Limited (**Astron**) for joint ownership and development of the Donald Project, an advanced-stage heavy mineral sands and REE project in Victoria, Australia.
75. As a result of the Transaction, Energy Fuels believes it will emerge as a global leader in low-cost, US-focussed critical minerals production, with a focus on uranium, vanadium, REE and heavy mineral sands.

Mineral sands

76. The global mineral sands industry is a relatively small and specialised part of the global resources sector and is principally comprised of two main product streams:
 - Titanium dioxide minerals - in the form of rutile, ilmenite and leucoxene. Ilmenite can also be upgraded to synthetic rutile and titanium slag products
 - Zircon.
77. Mineral sands products possess a combination of unique physical and chemical properties, which make their application important to a wide range of end-use applications including ceramics, pigments, refractories, and metal alloys.
78. Titanium dioxide products are more common than zircon in mineral sands deposits, with an average ratio of 5:1. The primary use of titanium dioxide is as a pigment feedstock for the production of paints, coatings, and plastics. Titanium dioxide pigments are also used in a variety of other applications, such as inks, fibres, rubber, food, cosmetics, and pharmaceuticals. Additionally, titanium dioxide minerals are utilised in specialised applications including the production of titanium metal for commercial aerospace, military, and industrial purposes, as well as for a flux in welding electrodes.
79. The major traditional use of zircon is in the production of ceramics-based products such as tiles, sanitary ware and tableware, where it is used as an opacifier in surface glazes and in the body of ceramic tiles. Zircon is also increasingly being used in the production of zirconium chemicals, which are utilised in a variety of applications, including advanced (hard-wearing, temperature-resistant) ceramics, paper coatings, paint driers, antiperspirants, and catalysts. Additionally, zircon is used in the manufacture of zirconium and hafnium metal for nuclear reactor fuel and control rods. Other significant markets for zircon include refractories and foundry sand.
80. The primary locations for mineral sands ore bodies are Australia, India, southern Africa and southern US. Most mineral sands are found in sand-style deposits, although ilmenite, a titanium-bearing mineral, is also extracted from hard rock deposits in Canada, China, and Norway. In Australia, mineral sands deposits are located along the eastern coast from central New South

Wales to northern Queensland, as well as in Western Australia. Ancient beach deposits can also be found in Victoria, New South Wales, and South Australia.

81. Mineral sands deposits are characterised by their grade, which refers to the percentage of heavy mineral (**HM**) found in a deposit, and their assemblage, which refers to the relative proportion of valuable HM components such as ilmenite, rutile and zircon. A mineral sands deposit has an HM grade ranging from 0.5% to over 20%, with titanium dioxide products generally being more prevalent than zircon.

Monazite

82. Some mineral sands deposits may also contain REE bearing minerals such as monazite, which may be extracted in commercial quantities along with the other minerals.
83. Monazite is a rare earth phosphate mineral that is primarily used as a source of REEs and thorium. REEs are a group of 17 elements that are essential for many modern technologies, including smartphones, permanent magnets for electric vehicle motors, wind turbines and military equipment. Monazite typically contains between 50% and 60% REEs by weight including cerium, lanthanum, neodymium, and praseodymium, among others.
84. These elements are used in a wide range of high-tech applications including electronics, magnets, and batteries. Monazite is also a source of thorium, which has the potential for use in future thorium nuclear reactors and as a catalyst in chemical reactions. Due to the radioactive properties associated principally with contained uranium and thorium, monazite is subject to strict regulations and safety protocols in many countries.
85. The demand for REEs has been increasing rapidly in recent years due to the growth of electric vehicles as well as wind turbines being built in line with the increasing focus on renewable energy and the transition to a low-carbon economy. However, the supply of REEs is limited, with China currently dominating the market, which has led to concerns about supply chain security and the need for diversification of supply sources.

Global mineral sands market

86. The industry is primarily concentrated in Australia, which accounts for approximately 60% of global production, South Africa, India, and China are also major producers. Other countries with significant mineral sands deposits include the US, Brazil, and Mozambique. The key industry participants include Iluka Resources, Rio Tinto, and Tronox, which are among the largest producers of mineral sands in the world. Other major players include Kenmare Resources and Base Resources.
87. The market for mineral sands products is driven by a wide range of factors including global economic growth, industrial demand, and technological innovation. In recent years, the market has faced a number of challenges in line with general economic conditions including declining demand for certain products, increased competition from alternative materials and the general environmental concerns related to all mining and processing.
88. Despite these challenges, the mineral sands market is expected to continue to grow in coming years, on the back of forecast economic growth fuelling demand in pigments, ceramics and other mature end use applications. Demand for monazite specifically, is expected to grow more rapidly, driven by increasing demand for high-tech products such as electronics, magnets, and batteries, as well as new applications in areas such as renewable energy and advanced materials. However, the industry will also face challenges related to sustainability, including the need to reduce environmental impacts and improve social and economic outcomes for local communities.

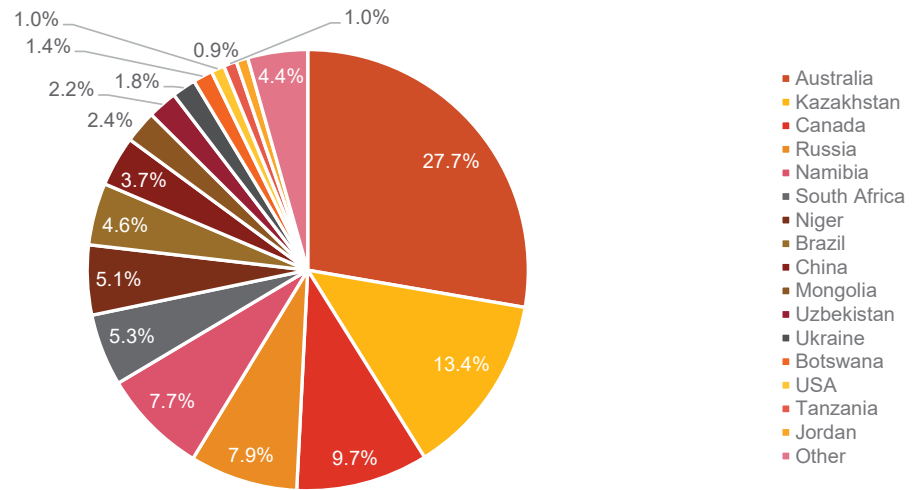
89. The pricing of mineral sands has fluctuated over time, depending on various factors such as supply and demand dynamics, supply chain inventories, geopolitical events and product costs.
90. According to the Mineral Sand Market – Global Industry Analysis and Forecast (2023-2029) report, the mineral sands market (HMC only) is projected to grow to US\$53.7 billion by 2029 from US\$44.9 billion in 2022 at a compounded annual growth rate (**CAGR**) of 2.6% during the forecast period.
91. Downstream manufacturers (particularly in pigment and ceramics) in the Asia Pacific region are anticipated to dominate demand for mineral sands over the forecast period in order to meet:
 - increasing demand from the construction industry from developing countries including India and China
 - demand from Europe is expected to grow as a result of growing demand from building and construction activities, and
 - an increase in the development of tourism infrastructure, particularly in the Middle East, is also considered to be a factor driving future demand.

Uranium

92. Uranium is a naturally occurring radioactive element that is used primarily as a fuel for nuclear power plants, where it is used to generate electricity, and to a much lesser extent, can be used in a number of other applications, including medical imaging and for defence purposes.
93. The uranium industry is primarily concentrated in a few countries including Canada, Kazakhstan, Australia, and Russia. These countries account for the majority of global uranium production, with Canada and Kazakhstan alone accounting for over 50% of global production.
94. According to the World Nuclear Association, Kazakhstan is the world's largest producer of uranium, accounting for approximately 43% of global production in 2022. Canada is the second-largest producer, with approximately 14% of global production, followed by Namibia and Australia with approximately 11% and 9%, respectively. Other significant producers of uranium include Russia, Uzbekistan, Niger, and China.
95. In addition, according to the World Nuclear Association, Australia had the highest uranium resources in 2021. The figure below shows the breakdown of uranium resources by country in 2021:

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Figure 2: Uranium resources by country in 2021



Source: World Nuclear Association

96. The uranium market is highly regulated, with strict safety and security protocols in place to prevent the proliferation of nuclear weapons and to ensure the safe operation of nuclear power plants. The industry has faced a number of challenges in recent years, including declining demand for nuclear power until recently, increased competition from alternative energy sources, and environmental and safety concerns related to mining and processing.
97. Despite these challenges, the uranium industry is expected to continue to play an important and potentially growing role in the global energy mix, particularly as countries seek to reduce their carbon emissions and transition to cleaner energy sources. However, the industry will also face challenges related to the need to reduce environment impacts and improve social and economic outcomes for local communities.
98. We note that uranium is typically sold under longer-term contracts with pricing not publicly available, however there is trading of a uranium futures contract on NYMEX. The chart below shows the historical uranium (U₃O₈) futures price on NYMEX over the period 2007 to 2024:

Figure 3: Historical U₃O₈ price



Source: Capital IQ

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99. The traded price of uranium reached an all-time high of approximately US\$150/lb in 2007 before dropping to a low of US\$19.3/lb in late 2016. The price has gradually increased since then, reaching a recent high of US\$106.4/lb as of February 2024 before dropping back to US\$83.1/lb in March 2024. Uranium has since firmed somewhat to a price of around US\$90/lb as at the date of this IER.
100. The price of uranium fell significantly in 2007 and 2008 due to a combination of factors. One of the main reasons was the global financial crisis, which led to a decrease in demand for nuclear energy and a decrease in investment in new nuclear power plants. Additionally, there was an oversupply of uranium in the market due to increased production from countries such as Kazakhstan and Canada. This oversupply led to a decrease in the price of uranium. Finally, there were concerns about the safety of nuclear energy following the Fukushima disaster in 2011, which further decreased demand for uranium.
101. The price of uranium has continued to be volatile in more recent years due to various factors such as changes in global demand and supply, government and trade policies, speculation by traders and financial entities, geopolitical tensions, and the impact of COVID-19 on the nuclear industry.
102. The demand for uranium is expected to grow as the global community targets “net zero” emissions goals. Unlike fossil fuels, nuclear power does not emit greenhouse gases such as carbon dioxide which contribute to climate change. Further, nuclear power is one of the most efficient and reliable sources of low-carbon energy available today.
103. Furthermore, nuclear power can provide baseload power, which means it can generate electricity continuously, unlike some renewable energy sources such as wind and solar, which are intermittent. This enables nuclear power to have the potential to become a complement to renewable energy sources in achieving net zero targets.
104. However, the use of nuclear power comes with some major challenges and risks, such as the safe disposal of nuclear waste, upfront construction costs of the plants and the potential for significant accidents. Nuclear waste can be very toxic for thousands of years and requires effective management and permanent disposal of the waste, while nuclear power plants are one of the most expensive pieces of energy infrastructure to develop. However, with proper regulation and safety measures in place, nuclear power has the potential to play a role in the transition to a low-carbon economy.

3 Overview of Base Resources

Profile of Base Resources

105. Base Resources is a mining company that was incorporated in 2007 under the name Base Iron Limited and subsequently listed on the ASX in 2008. Base Resources is headquartered in Perth, Western Australia.
106. Base Resources operates a mineral sands mine in Kenya (which is nearing its end of life), the Kwale Project, and owns the Toliara Project, a pre-development mineral sands and potential monazite project in Madagascar.
107. Mining at Kwale commenced in October 2013 and, following an exhaustive exploration and evaluation process seeking to extend the life of Kwale, Base Resources in 2023 announced that mining is expected to cease in December 2024 when ore reserves will be fully depleted.
108. Base Resources acquired the Toliara Project in 2018, and an initial definitive feasibility study was released in December 2019 (**DFS1**). This study only contemplated the development and exploitation of the mineral sands ore reserves and was superseded by the release of DFS2 in September 2021, which reflected improved (potential) project economics (**Toliara Mineral Sands Project**) principally due to increased production rates and increased ore reserves, slightly offset by increased assumed development capital expenditure (**Capex**).
109. More recently in December 2023, Base Resources released a PFS which considered the potential to add the production of monazite at Toliara through concentration of the existing waste stream from the project's mineral sands processing facilities (**Toliara Monazite Project**). The results of this study indicated the potential to significantly enhance Toliara's economics if Base Resources is able to secure the rights to exploit monazite, the project is developed as planned (and in line with cost assumptions) and there is not significant deterioration in broader market parameters which could impact the project.
110. Notably, the Government of Madagascar (**GoM**) required Base Resources to temporarily suspend on-the-ground activity on the Toliara Project in November 2019, which is still in place. The suspension has not affected the validity of the project's mining permit. However, the development of the project is still subject to further regulatory and environmental approvals and finalisation of fiscal terms (which are subject to a new Mining Code). We understand from Base Resources that key financial elements of the new Mining Code are not materially different from those assumed for the Toliara Project as reflected in DFS2. The Implementing Decree (and any further supporting regulations, orders and decrees), once finalised, will provide greater clarity on the new Mining Code regime and its impact on the Toliara Project.
111. Engagement with the GoM on fiscal terms and lifting of Toliara's on-ground suspension was reinitiated after a new Government was formed in January 2024, following the conclusion of Presidential elections in late 2023. Base Resources has stated that substantial progress has been made towards agreeing the fiscal terms for the project, with the GoM indicating that finalising terms and launching Toliara was a priority. However, progress slowed in the lead up to the legislative assembly elections on 29 May 2024. Engagement has recommenced following the elections. With Base Resources believing that an in-principle agreement has been reached on key fiscal terms, Base Resources believes that binding arrangements to give effect to the in-principle agreement on fiscal terms could be entered and the suspension could be lifted in the near term.
112. We have considered DFS2 and the PFS in more detail in Section 5 of this report.

Company history

113. We have listed below a summary of key events in Base Resources' history since listing on the ASX:

Year	Key event
2008	<ul style="list-style-type: none"> Listed on the ASX
2010	<ul style="list-style-type: none"> Completed the acquisition of the Kwale Mineral Sands Project Changed name from Base Iron Limited to Base Resources
2013	<ul style="list-style-type: none"> Commenced mining at Kwale
2018	<ul style="list-style-type: none"> Completed the acquisition of the Toliara Project
2019	<ul style="list-style-type: none"> Released outcomes of the mineral sands pre-feasibility study on the Toliara Project GoM suspends on-the-ground activity at Toliara in November 2019 Released DFS1 on the Toliara Project which indicated significant economic potential
2021	<ul style="list-style-type: none"> Announced a significant increase in the mineral resources and ore reserves for the Toliara Project Released DFS2 with increased scale and improved economics for the Toliara Project
2023	<ul style="list-style-type: none"> Announced the Kwale Project to complete mining in December 2024 Released monazite PFS based on contained monazite at the Toliara Project, highlighting significant economic potential
2024	<ul style="list-style-type: none"> Recommended negotiations with the GoM on fiscal terms and lifting of the Toliara Project's on-ground suspension following the formation of a new Government in January 2024 On 22 April 2024, Base Resources and Energy Fuels announced that they had executed a definitive SID pursuant to which Energy Fuels would acquire 100%

Year	Key event
	of Base Resources via a Scheme.

Source: Base Resources, ASX announcements

Financial information

Historical statement of profit or loss

114. The reported operating performance of Base Resources for the two financial years ended 30 June 2022 (audited), 30 June 2023 (audited) and for the six months to 31 December 2023 (reviewed) is summarised in the table below as FY22, FY23 and HY24, respectively:

Statement of Profit or Loss (US\$000s)	FY22	FY23	HY24
Sales revenue	279,117	271,434	73,116
Cost of sales	(131,656)	(121,087)	(42,259)
Profit from operations	147,461	150,347	30,857
Corporate and external affairs	(12,446)	(14,411)	(7,572)
Kwale mine closure redundancy costs	-	-	(7,715)
Community development costs	(6,178)	(7,927)	(1,884)
Selling and distribution costs	(2,954)	(2,165)	(597)
Exploration and evaluation expenditure written-off	-	(2,219)	(1,725)
Impairment losses	-	(88,857)	-
Net write-off of Kenyan VAT receivable & royalty	(3,012)	-	-
Business development	(1,753)	(395)	(285)
Other expenses	(3,131)	(1,690)	(631)
Profit before financing costs and income tax	117,987	32,683	10,448
Financing costs	(4,138)	(2,735)	(978)
Profit before income tax	113,849	29,948	9,470
Income tax expense	(33,108)	(34,789)	(10,942)
Net (loss)/profit for the year	80,741	(4,841)	(1,472)

Source: Base Resources Annual Reports and Half Year Financial Reports

115. In relation to the historical financial performance of Base Resources we note the following:

- Revenue decreased slightly from FY22 to FY23 with lower production limiting sales volumes. The strength of the mineral sands market during the year for all products led to an increase in the average price of product sold from US\$621 to US\$672 per tonne.

- During the six months to December 2023 (HY24) Kwale entered lower grade ore bodies which resulted in reduced production and lower sales volumes. In addition to this, sales prices softened for all products. Despite lower product prices experienced in late 2023, the average price of product sold remained stable at \$682 per tonne (comparative period HY23 of \$681 per tonne), due to increased proportion of rutile and zircon in the sales mix.
- The breakdown of product sales tonnes is set out in the table below:

Product Sales (000's tonnes)	FY22	FY23	HY24
Ilmenite	335.2	297.5	74.8
Rutile	75.3	63.6	20.5
Zircon	25.8	25.1	7.3
Zircon low grade	2.5	2.3	0.5
Rutile low grade	9.0	15.4	4.1

Source: Base Resources Annual Reports and Half-Year Financial Reports

- In FY23, total operating costs of US\$77.0 million represented an increase of 10% compared to FY22 (\$70.1 million) due to higher unit fuel and power costs. With higher operating costs and lower production volumes, operating costs per tonne increased to US\$188 per tonne (FY22: US\$155 per tonne). Cost of goods sold (operating costs, adjusted for stockpile movements and royalties) was US\$212 per tonne of product sold, 8% higher than FY22 (\$196 per tonne) due to higher operating costs and inventory movements.
- Operating costs over the six-month period to 31 December 2023 of US\$34.5 million represented a decrease of 14% compared to the comparative prior period (HY23: US\$37.9 million), due to the reduced production and decreased port and product transport costs due to lower shipments. Despite this, operating cost per tonne produced increased to US\$314 per tonne (HY23: US\$169 per tonne) reflecting the 53% decrease in total production volume. Cost of goods sold was US\$374 per tonne of product sold, higher than the comparative period (HY23: US\$195 per tonne) due to higher unit operating costs.
- We have shown a breakdown of total cost of sales in the table below:

Cost of Sales (US\$000s)	FY22	FY23	HY24
Operating costs	70,113	77,048	34,520
Changes in inventories	3,434	(6,993)	76
Royalties expense	18,019	14,583	3,691
Depreciation and amortisation	40,090	36,449	3,972
Total Cost of Sales	131,656	121,087	42,259

Source: Base Resources Annual Reports and Half Year Financial Reports

- Base Resources recorded an US\$88.9 million impairment loss on the carrying value of the Kwale Project at 30 June 2023. The impairment loss was due to the result of the higher operating costs associated with mining in the North Dune, higher rehabilitation and estimated mine closure costs following further work on the closure plan, and lower future sales price assumptions in light of the economic outlook.

- Following the October 2023 announcement that mining operations at Kwale are expected to end in December 2024, a provision of US\$7.7 million in respect of workforce redundancy payments was raised.

Statement of cash flows

116. The consolidated statement of cash flows of Base Resources for the two financial years ended 30 June 2022 (audited) and 30 June 2023 (audited) and for the six months to 31 December 2023 (reviewed) is summarised in the table below:

Statement of Cash Flows (US\$000s)	FY22	FY23	HY24
Cash Flows from operating activities			
Receipts from customers	263,491	272,812	96,821
Payments in the course of operations	(143,437)	(127,119)	(63,107)
Income taxes paid	(41,770)	(28,326)	(8,483)
Net cash from operating activities	78,284	117,367	25,231
Cash Flows from investing activities			
Purchase of property, plant and equipment	(10,947)	(28,459)	(6,124)
Payments for exploration and evaluation	(8,101)	(10,245)	(5,680)
Other	140	514	1,413
Net cash used in investing activities	(18,908)	(38,190)	(10,391)
Cash Flows from financing activities			
Dividends paid	(60,912)	(38,344)	(29,949)
Purchase of treasury shares	(5,331)	(1,151)	-
Payments for selling costs	(680)	(1,209)	(289)
Net cash used in financing activities	(66,923)	(40,704)	(30,238)
Net increase/(decrease) in cash held	(7,547)	38,473	(15,398)
Cash at beginning of year	64,925	55,447	92,889
Effect of exchange fluctuations on cash held	(1,931)	(1,031)	1,365
Cash at end of year	55,447	92,889	78,856

Source: Base Resources Annual Reports and Half Year Financial Reports

117. In relation to the historical cash flows for FY23 we note the following:
- Operating cash flows increased from US\$78.3 million in FY22 to US\$117.4 million in FY23 and were used to fund Capex at Kwale, Toliara Project progression and dividend payments.
 - Total Capex was US\$38.2 million (up from US\$19.0 million) and comprised:

- US\$28.5 million at Kwale (FY22: US\$12.2 million), primarily for land acquisition, construction and earthworks for mining the Bumamani deposit, which extends operations at Kwale to late 2024, as well as extensional exploration activities at Kwale, and
 - US\$8.3 million for the progression of Toliara (FY22: US\$6.3 million).
- The Board determined a final dividend for FY23 of A\$0.04 per share. This followed a A\$0.02 per share unfranked interim dividend paid to Shareholders in March 2023.
118. In relation to the historical cash flows for HY24 we note the following:
- Cash flow from operations was US\$25.2 million (HY23: US\$56.1 million), with lower sales revenue contributing to a US\$38.1 million decrease in receipts from customers and an associated decrease in taxation paid of US\$7.0m. Operating cashflows were used to fund Capex at Kwale, progress Toliara and pay the FY23 final dividend.
 - Total Capex in HY24 was US\$11.8 million (HY23: US\$27.5 million) and comprised US\$6.0 million at Kwale (HY23: US\$22.6 million), primarily to support mining operations in the Kwale North Dune and preparation for mining at the Bumamani deposit, and US\$5.6 million on the progression of Toliara and the monazite PFS (HY23: US\$4.5 million).

Statement of financial position

119. The financial position of Base Resources as at 30 June 2023 (audited) and as at 31 December 2023 (reviewed) is set out in the table below:

Statement of Financial Position (US\$000s)	30 June 2023	31 December 2023
Current assets		
Cash and cash equivalents	92,889	78,856
Trade and other receivables	63,061	42,303
Inventories	23,111	21,785
Other current assets	10,336	8,792
Total current assets	189,397	151,736
Non-current assets		
Capitalised exploration and evaluation	162,933	167,584
Property, plant and equipment	23,155	25,082
Deferred tax asset	1,864	1,215
Total non-current assets	187,952	193,881
Total assets	377,349	345,617
Current liabilities		
Trade and other payables	17,951	10,065
Provisions	13,821	17,925
Deferred consideration	7,000	7,000

Other current liabilities	233	1,248
Total current liabilities	39,005	36,238
Non-current liabilities		
Provisions	39,472	40,470
Deferred consideration	10,000	10,000
Other non-current liabilities	393	739
Total non-current liabilities	49,865	51,209
Total liabilities	88,870	87,447
Net assets	288,479	258,170

Source: Base Resources Annual Reports and Half Year Financial Reports

120. A discussion of Base Resources' key balance sheet items is set out below:
- Cash and cash equivalents decreased from US\$92.9 million as at 30 June 2023 to US\$78.9 million as at 31 December 2023. This was primarily due to additional land acquisition at Kwale, additional spending on exploration and the Toliara monazite related studies and FY23 final dividend of US\$29.9m being paid, which was partially offset by the reduction in trade receivables over the period.
 - Inventories remained constant between the periods and as at 31 December 2023 reflected US\$12.0 million of stores and consumables, together with US\$7.5 million of finished goods stockpiles and Heavy Mineral Concentrate (**HMC**) and other intermediate stockpiles amounting to US\$2.2 million (all of which relate to Kwale).
 - Capitalised exploration of US\$167.6 million principally relates to amounts capitalised for Toliara. In January 2018, Base Resources acquired an initial 85% interest in Toliara. Acquisition of the remaining 15% was completed in 2020. Toliara consideration comprised an upfront payment of US\$75 million and deferred consideration of US\$17 million. Since January 2018, significant expenditure has been capitalised in respect of exploration and resource definition and on a number of studies (notably, DFS1, DFS2 and the monazite PFS). We note that as at 31 December 2023, Base Resources still has a deferred consideration amount of US\$17.0 million owing (refer to deferred consideration commentary below).

Capitalised Exploration and Evaluation (US\$000)	30 June 2023	31 December 2023
Toliara	161,757	167,287
Kenya	1,176	297
Total	162,933	167,584

Source: Base Resources Annual Reports and Half Year Financial Reports

- Property, plant and equipment decreased significantly from 30 June 2022 to 30 June 2023, primarily due to the impairment of US\$88.9 million recorded in respect of the Kwale operations. The balance recorded at 31 December 2023 of US\$25.1 million reflected plant and equipment of US\$9.1 million and remaining mine development at Kwale of US\$12.3 million.
- The majority of current and non-current provisions are associated with the Kwale mine closure and rehabilitation at both 30 June 2023 and 31 December 2023. With the

announcement in October 2023 that the Kwale mine will cease in December 2024, a provision for the redundancy of the workforce of US\$7.7 million was raised.

Provisions and Deferred Consideration (US\$000)	30 June 2023	31 December 2023
Rehabilitation	12,432	8,778
Kwale mine closure redundancy costs	-	7,715
Employee benefits	1,389	1,432
Total current provisions	13,821	17,925
Rehabilitation	39,424	40,405
Employee benefits	48	65
Total non-current provisions	39,472	40,470
Total provisions	53,293	58,395
Deferred consideration (total current and non-current)	17,000	17,000

Source: Base Resources Annual Reports and Half Year Financial Reports

- As already noted, in January 2018, Base Resources completed the acquisition of Toliara with payment of US\$75.0 million in up-front consideration for an initial 85% interest. In January 2020, in accordance with the terms of the share sale agreement with World Titane Holdings Limited, Base Resources acquired the remaining minority interest in Toliara. The additional US\$17.0 million (deferred consideration) is payable on achievement of key milestones as the Toliara Project advances to mine development. Base Resources has made an estimation as to the timing of payment of the deferred consideration, which has resulted in a current liability of US\$7.0 million and a non-current liability of US\$10.0 million being recognised.

Capital Structure

Ownership

- As at the close of trading on 28 June 2024, Base Resources had a market capitalisation of A\$315.0 million and the issued capital of Base Resources comprised of 1,178.0 million ordinary shares.
- As at 31 May 2024 Base Resources' major shareholders comprised Pacific Road Group Holdings (26.5%) and Sustainable Capital Ltd (20.6%).
 - Pacific Road Capital is a private equity firm that specialises in the metals and mining industry, investing in exploration projects, infrastructure and services.
 - Sustainable Capital Limited is an independent investment manager which focuses on the research and management of African-listed equities.
- The top 10 Shareholders and their respective holdings as at 31 May 2024 are set out in the table below:

Rank	Name	Shares (millions)	%
1	Pacific Road Group Holdings	312.4	26.52%

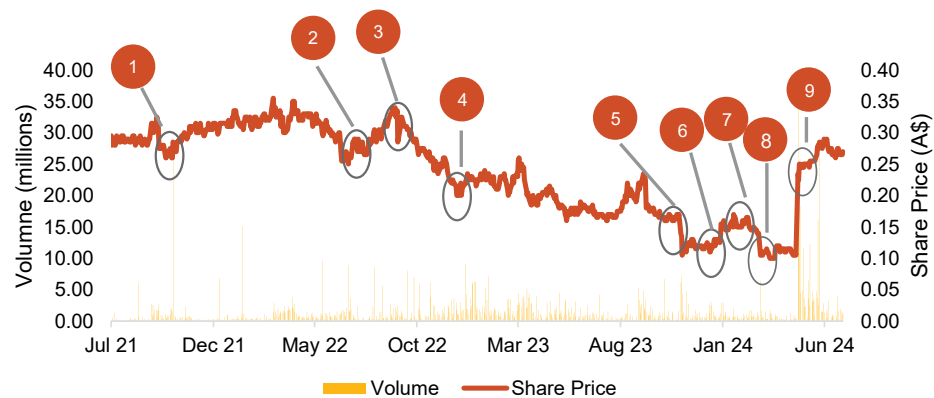
2	Sustainable Capital Ltd.	243.0	20.63%
3	FIL Limited	73.0	6.20%
4	Mitsubishi UFJ Financial Group, Inc.	54.4	4.62%
5	BSE Employee Share Plan	41.9	3.56%
6	Goldman Sachs Group	41.5	3.52%
7	Morgan Stanley & Co. Inc.	33.8	2.87%
8	Dimensional Fund Advisors LP	26.5	2.25%
9	Timothy Carstens	13.0	1.10%
10	BrightSphere Investment Group	11.1	0.94%
Top 10 Shareholders (Total)		850.8	72.22%
Remaining Holders Balance		327.3	27.78%
Total		1,178.0	100.00%

Source: Base Resource Shareholder Information as at 31 May 2024

Recent share price analysis

124. The chart below illustrates the historical share price performance of Base Resources from 1 July 2021 to 28 June 2024 together with historical volumes traded and key influencing items:

Figure 4: Base Resources share price and trading volume (1 July 2021 to 28 June 2024)



Source: Capital IQ, ASX Announcements

Key Influencing Events

- | | | |
|---|-----------|--|
| 1 | 27-Sep-21 | Base Resources releases the results of DFS2 which reflected improved (potential) project economics principally due to increased production rates and increased ore reserves, slightly offset by increased assumed development Capex. |
|---|-----------|--|

2	21-Jul-22	Announced its results for the 2022 June quarter, reporting record sales revenue of US\$91.3 million and announced FY22 production guidance achieved and released FY23 production guidance.
3	22-Aug-22	Announced record revenue of US\$279.1 million for the FY22 full year.
4	24-Nov-22	Regal Funds Management disposed significant number of shares in open market.
5	30-Oct-23	Announcement of discontinuation of exploration activities at Kwale East and announcement of conclusion of mining operations at the Kwale Project at the end of 2024.
6	14-Dec-23	Base Resources releases Toliara monazite PFS. The results of this study indicated the potential to significantly enhance the Toliara Project's economics.
7	30-Jan-24	Engagement and discussions with the GoM on the Toliara Project's fiscal terms and lifting of Toliara's on-ground suspension restarted after Madagascar's presidential elections concluded in late 2023.
8	26-Feb-24	Half Year results for FY24 announced and no interim dividend determined.
9	22-Apr-24	Base Resources announced entry of a binding SID with Energy Fuels. The share price of Base Resources closed at A\$0.24 (up from A\$0.11 on 19 April 2024), reflecting a market capitalisation of A\$274.2 million

Source: ASX Announcements

Liquidity

125. From the table below, it can be seen that Base Resources' shares have a relatively low level of trading liquidity on the ASX, with 2.5% of the total number of securities changing hands on average per month in 2023.

Year	Days Traded	Avg Daily Price (A\$)	Avg Daily Volumes Traded (millions)	% of Shares Traded Monthly
2021	254	0.29	0.80	1.4%
2022	251	0.29	1.35	2.4%
2023	252	0.18	1.39	2.5%
2024	124	0.18	2.28	4.0%

Source: Capital IQ, PwCS Analysis

Performance Rights

126. Base Resources issues Performance Rights to key management personnel and other senior staff. The share-based payments operate on a series of annual cycles. Each cycle commences on 1 October and is followed by a three year performance period. Vesting of these Performance Rights is either subject to criteria based on relative total shareholder return (TSR) compared against a comparator group or absolute TSR over the performance period. Half of the incentive Performance Rights are subject to the relative TSR criteria and the other half are subject to the absolute TSR criteria.

127. The Performance Rights are also subject to the following performance gates: a positive TSR must be achieved over the performance period, there can be no workplace fatalities during the final year of the performance period and there can be no major reputational or environmental events during the final year of the performance period.
128. In accordance with the terms of the LTIP, the Base Resources Board exercised its discretion to accelerate testing of the performance criteria and gates to vesting for the unvested Performance Rights. As provided in the LTIP, the Base Resources Board tested the unvested Base Resources Performance Rights. Following testing, 82% of unvested Performance Rights will vest, with vesting subject to and conditional on Base Shareholder approval of the Scheme and the Scheme becoming effective. Performance Rights that do not vest will automatically lapse.
129. We have summarised the key terms of Base Resources' outstanding Performance Rights as at 28 June 2024 in the table below (refer to appendix E for more detail):

Performance Rights	2021	2022	2023
Number outstanding (unvested)	16,669,737	18,286,026	28,720,287
Vesting hurdle/Requirements	Relative TSR percentile hurdle against comparator group or 3-year absolute TSR hurdle	Relative TSR percentile hurdle against comparator group or 3-year absolute TSR hurdle	Relative TSR percentile hurdle against comparator group or 3-year absolute TSR hurdle
Performance Period	1 October 2021 - 30 September 2024	1 October 2022 - 30 September 2025	1 October 2023 - 30 September 2026
Date of lapse/Vesting	Following testing after 30 September 2024 or if employment ceased for a non-qualifying reason	Following testing after 30 September 2025 or if employment ceased for a non-qualifying reason	Following testing after 30 September 2026 or if employment ceased for a non-qualifying reason
Conversion rate	1:1	1:1	1:1
Vested Performance Rights			
Number outstanding (vested)	6,599,881		
Shares held by LTIP trustee available for allocation following exercise of vested performance rights			
Number of Treasury Shares held	9,271,349		

Source: Base Resources

130. The Treasury shares are ordinary shares in Base Resources that the trustee of the Base Resources LTIP (**Base Resources Trustee**) has acquired on-market (**Treasury Shares**) for future allocation to holders of performance rights issued under Base Resources' LTIP that vest and are exercised.

4 Overview of Energy Fuels

Profile of Energy Fuels

131. Energy Fuels is a US based uranium producer, supplying uranium concentrate to major nuclear utilities. Energy Fuels' common stock trades on the NYSE American (formerly known as the American Stock Exchange (**AMEX**) under the trading symbol "UUUU") and its shares are also traded on the TSX (under the trading symbol "EFR").
132. Energy Fuels has conventional and in situ recovery (**ISR**) uranium mineral properties and sells uranium from its mineral properties and from the recycling of uranium-bearing materials sourced from third parties. The final uranium product, uranium oxide concentrate (**U₃O₈** or **uranium concentrate**), known more commonly as 'yellowcake', is sold to customers for further processing into fuel for nuclear reactors. According to the Nuclear Energy Institute, nuclear energy provides nearly 20% of the total electricity and 50% of the clean, carbon-free electricity generated in the US.
133. Energy Fuels owns the White Mesa Mill in Utah, the Nichols Ranch ISR Project in Wyoming (on standby) (**Nichols Ranch Project**), and several mines with proven and probable mineral reserves totalling 19.9 million lbs U₃O₈ and measured, indicated and inferred mineral resources totalling 64.5 million lbs U₃O₈ (February 2024). The White Mesa Mill is the only conventional uranium mill currently operating in the US (and the only uranium, vanadium and REE recovery facility operating in the US) and is licensed to process 2,000 tons of ore per day and to produce over 8 million lb of U₃O₈ per year.
134. The company also produces vanadium pentoxide (**V₂O₅**) as a co-product of uranium at the White Mesa Mill from certain of its Colorado Plateau properties and at times from solutions in its Mill tailings impoundment system, as market conditions warrant. The Mill can also recycle other uranium-bearing materials not derived from natural or native ores, known as Alternate Feed Materials, for the recovery of uranium, alone or in combination with other metals.
135. Energy Fuels has also been increasing its production of mixed REE carbonate (being another byproduct of the uranium recovery process) from various uranium and REE bearing materials acquired from third parties. Energy Fuels has produced and sold commercial quantities of mixed REE carbonate since 2021.
136. Energy Fuels has also implemented enhancements and modifications to existing circuits at the Mill for the commercial separation of NdPr oxide from its mixed REE carbonate, while at the same time producing a "heavy" samarium plus (Sm+) mixed REE carbonate. The company also continues to evaluate the potential to recover radioisotopes from its existing process streams needed for emerging Targeted Alpha Therapy cancer therapeutics (an in-development method of targeted radionuclide therapy for various cancers.)
137. Energy Fuels is also securing its own sources of uranium and REE-bearing monazite sands, notably acquiring the Bahia Project in Brazil in February 2023, which is believed to have significant quantities of titanium (ilmenite and rutile), zircon and REE minerals.
138. The Nichols Ranch Project is a fully permitted uranium ISR facility with a licensed capacity to produce 2 million lb of U₃O₈ per year. ISR mines use fluid to recover valuable minerals from the ground without digging and moving tonnes of earth in the same way as conventional mining.
139. Energy Fuels also has one of the largest NI 43-101 compliant uranium resource portfolios in the US, with several uranium mining projects in operation, on standby or in the process of permitting.

140. In late 2023, the company commenced mining of uranium-bearing ore at its Pinyon Plain Project and its La Sal and Pandora mines (the La Sal and Pandora mines each comprise a portion of the La Sal Project). This ore is then transported to its White Mesa mill where it is processed into yellowcake. Once production is fully ramped up at the three mines, which is planned for mid- to late-2024, the company expects to be producing uranium at a run-rate of approximately 1.1 to 1.4 million lbs per year.
141. Energy Fuels did not recover any lbs of uranium at the Mill during 2023, other than uranium from its monazite processing.
142. In summary, the principal conventional and ISR uranium properties of Energy Fuels include the following:
- Nichols Ranch Project: The Nichols Ranch Project is an ISR project which is proposed to produce approximately 366,000 lbs of U_3O_8 annually. While production at the Nichols Ranch Project is being maintained on standby, Energy Fuels is undertaking exploration and development activities to expand the resources at the Nichols Ranch Project and to further develop a wellfield to be ready for potential recommencement of production as early as 2025, if uranium market conditions remain strong.
 - Pinyon Plain Project: is a fully permitted and operating uranium mine with all surface facilities and a shaft in place. Energy Fuels commenced uranium production at the Pinyon Plain Project in late 2023.
 - La Sal Complex: which comprises uranium and uranium / vanadium projects (the **La Sal Project**), which recommenced production in late 2023, and the Whirlwind uranium / vanadium project (the **Whirlwind Project**), both of which are located near the Colorado / Utah border (the **Colorado Plateau**).
 - Sheep Mountain Project: Due to its location in Wyoming and distance from the Mill, the Sheep Mountain Project is not expected to be a source of feed material for the Mill. The Sheep Mountain Project consists of permitted open pit and underground extraction components and a planned processing facility to process extracted mineralised material, which has not yet been permitted.
 - Bullfrog Project: a potential large-scale uranium project with over 11 million lbs of uranium resources situated near the White Mesa Mill. This pre-development project is in the permitting stage.
 - Roca Honda Project: a proposed underground uranium mine located in Central New Mexico, within trucking distance of the White Mesa Mill.

Company history

143. Listed below is a summary of key events in Energy Fuels’ history:

Year	Key Event
1987	<ul style="list-style-type: none"> Volcanic Metals Exploration Inc. was incorporated in 1987 in the province of Alberta and was continued under the Business Corporations Act (Ontario)
2006	<ul style="list-style-type: none"> Name changed to Energy Fuels Inc. in 2006
2009	<ul style="list-style-type: none"> Completed merger with Magnum Uranium Corp., which provided Energy Fuels with more resources to develop mill feed at the Piñon Ridge Mill and more cash to develop the mill and mines
2011	<ul style="list-style-type: none"> The Piñon Ridge Mill received a final radioactive material license from the State of Colorado Acquired a 20-year mining lease in southeast Utah’s Sage Plain District from privately held Nuclear Energy Corporation for US\$1.5 million
2012	<ul style="list-style-type: none"> Completed acquisition of TSX listed Titan Uranium Inc for scrip. Titan Uranium’s major asset was its 100% interest in the Sheep Mountain uranium deposit in Wyoming Acquired all of the US mining assets and operations from TSX listed Denison Mines Corp for scrip. Denison Mines’ uranium mining and milling assets included the White Mesa Mill and Arizona Strip mines (including the Arizona 1, Pinenut and Pinyon Plain mines) and the Colorado Plateau mines (including the La Sal Complex, Tony M, Daneros and Rim mines)
2013	<ul style="list-style-type: none"> Acquired Strathmore Minerals Corp for scrip, which held a 60% interest in the advanced stage Roca Honda Project in New Mexico Energy Fuels lists on the NYSE MKT stock exchange under the ticker “UUUU”
2014	<ul style="list-style-type: none"> Divested the Piñon Ridge radioactive materials licence and related assets to a private investor group led by Baobab Asset Management LLC and George Glasier, as part of a cost reduction and asset rationalization
2015	<ul style="list-style-type: none"> Announced the acquisition of Uranerz Energy Corporation for scrip. Uranerz owned the Nicholas Ranch ISR uranium project Energy Fuels received mine permit for Sheep Mountain
2016	<ul style="list-style-type: none"> Increased interest in Roca Honda Project to 100% through the acquisition of Sumitomo’s 40% interest Acquired Mestena Uranium LLC (for scrip), which operated the Alta Mesa ISR Project in Texas
2019	<ul style="list-style-type: none"> Announced that it has resumed vanadium production at its 100%-owned White Mesa Mill. In late 2018, the company commenced a campaign to recover vanadium from existing tailings (the Pond Return campaign) at the White Mesa Mill and in early January 2019, the company produced its first batches of

Year	Key Event
	vanadium concentrate from Pond Return. This was Energy Fuels' first vanadium production since 2013
2020	<ul style="list-style-type: none"> Produced a mixed REE carbonate concentrate on a pilot scale at the White Mesa Mill using existing infrastructure and technologies at the Mill from a sample of monazite sands from a North American source
2021	<ul style="list-style-type: none"> Commenced commercial shipment of mixed REE carbonate product to Neo Performance Materials Inc's rare earths separation facility in Estonia (intended as the first of an expected 15 shipments) Announced the sale of a portfolio of conventional uranium projects to Consolidated Uranium Inc. The sale included the Tony M, Daneros and Rim mines in Utah, as well as the Sage Plain property and eight US Department of Energy Leases in Colorado
2022	<ul style="list-style-type: none"> The White Mesa Mill, for the first time, made three commercial shipments of three critical mineral products: mixed REE carbonate, uranium and vanadium Announced that it had entered into binding agreements to acquire the Bahia Project in Brazil, a major HMS and REE deposit totalling 17 mineral concessions for total consideration of US\$27.5 million Announced that it had been awarded a contract to sell US\$18.5 million of uranium to the US Uranium Reserve Announced it had entered into a definitive agreement to sell the Alta Mesa ISR Project to enCore Energy for total consideration of US\$120 million
2023	<ul style="list-style-type: none"> Closed sale of the Alta Mesa Project Closed the acquisition of the Bahia Project in Brazil Energy Fuels and Astron executed a non-binding MOU to jointly develop the Donald Mineral Sands and RE Project in Australia (a large HMS and monazite deposit)
2024	<ul style="list-style-type: none"> Announced in April 2024 that it had entered the SID with Base Resources for the proposed Transaction Announced in June 2024 that it had executed Definitive Agreements with Astron to jointly development the Donald Mineral Sands and RE Project in Australia Announced in June 2024 that it has achieved commercial production of 'on-spec' separated NdPr from monazite at the White Mesa Mill

Source: Energy Fuels Company Announcements

Financial information

Historical statement of profit or loss

144. The reported operating performance of Energy Fuels for the three financial years ended 31 December 2021 (audited), 31 December 2022 (audited), 31 December 2023 (audited) is summarised in the table below as CY21, CY22 and CY23, respectively:

Statement of Profit or Loss (US\$000s)	CY21	CY22	CY23
Sales revenue	3,184	12,515	37,928
Cost of sales	(1,814)	(7,844)	(18,181)
Profit from operations	1,370	4,671	19,747
Exploration, development and processing costs	(10,750)	(9,346)	(15,531)
Standby costs	(9,462)	(13,221)	(7,476)
Accretion of asset retirement obligation costs	(1,284)	(1,556)	(1,192)
Selling, general and administration costs	(15,299)	(25,486)	(27,915)
Total operating loss	(35,425)	(44,938)	(32,367)
Gain on sale of assets	35,733	366	119,257
Other income (loss)	1,140	(15,372)	13,142
Total other income (loss)	36,873	(15,006)	132,399
Income (loss) before income taxes	1,448	(59,944)	100,032
Income tax expense	-	-	(276)
Net income (loss)	1,448	(59,944)	99,756

Source: Energy Fuels Form 10-K

145. In relation to the historical financial performance of Energy Fuels presented above, we note the following:
- In CY22, Energy Fuels recognised a net loss of US\$59.9 million compared to net income of US\$1.4 million for CY21. The change between periods was primarily due to a gain of US\$35.7 million recognised in CY21 on the sale of non-core conventional uranium projects to Consolidated Uranium Inc. and increased selling, general and administrative costs associated with (and partially offset by) increased sales revenues in CY22.
 - Revenues from vanadium concentrates increased to US\$8.8 million for CY22 from US\$0.07 million CY21, due to an increase in sales of approximately 633,000 lbs of vanadium concentrates. Additionally, realised prices of vanadium concentrates increased to US\$13.67 per lb from US\$7.87 per lb as a result of higher ferrovanadium sales.
 - Despite the increased sales revenue between CY21 and CY22, Energy Fuels has experienced operating losses primarily due to high exploration, development and processing costs that are expected to add future value to the business (which relate to permitting costs and land holding expenses for the Pinyon Plain, Whirlwind and Bahia Projects as well as continued progression of the mixed REE carbonate production program at the White Mesa Mill) and the high selling, general and administration costs (which relate to the increased salaries and benefits associated with additional headcount to support current and future growth).
 - Other income for CY22 was a US\$15.4 million loss. This primarily relates to a mark-to-market loss on investments accounted for at fair value of US\$16.9 million, partially offset by a gain on foreign exchange of US\$2.1 million.
 - In CY23, Energy Fuels generated net income of US\$99.8 million. The increase in net income compared to CY22 was principally due to a gain of US\$119.3 million recognised in respect of

the sale of the Alta Mesa ISR Project in February 2023 and an increase in revenues of US\$25.4 million due to the sales of uranium concentrate for US\$33.3 million, partially offset by lower sales of vanadium concentrates of US\$7.9 million.

- Revenues from uranium concentrates of US\$33.3 million reflected total sales of 560,000 lbs of inventories to the US Uranium Reserve Program and a major US nuclear utility at a weighted average sales price of US\$59.42 per lb of U₃O₈.
- Other income for CY23 was US\$13.1 million and comprised of mark-to-market unrealised gains on investments of US\$14.9 million (including a gain on marketable securities), partially offset by a realised loss of US\$10.5 million due to decreased share prices related to the investment in Consolidated Uranium Inc.

Product Sales (US\$000s)	CY21	CY22	CY23
Uranium concentrates	-	-	33,278
Vanadium concentrates	74	8,778	871
REE carbonate	1,385	2,122	2,848
Alternate Feed Materials, processing and other	1,725	1,615	931
Total Sales Revenue	3,184	12,515	37,928

Source: Energy Fuels Form 10-K

Consolidated statements of cash flows

146. The summary cash flow statements for Energy Fuels for the three financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 are summarised in the table below:

Statement of Cash Flows (US\$000s)	CY21	CY22	CY23
Cash Flows from Operating Activities			
Net income (loss) for the period	1,448	(59,944)	99,756
<i>Adjustments to reconcile net income (loss) to net cash used in operating activities</i>			
Depletion, depreciation and amortisation	3,189	3,269	2,751
Unrealised investment and foreign exchange (gain) loss	(6,182)	14,728	(15,903)
Realised loss (gain) on asset sales	(27,655)	(366)	(111,337)
Marketable securities	(795)	456	530
Inventories	(3,219)	(8,571)	(100)
Trade and other receivables	(1,249)	1,837	(237)
Other, net	5,169	(1,111)	9,131
Net cash used in operating activities	(29,294)	(49,702)	(15,409)
Cash Flows from Investing Activities			

Additions of property, plant and equipment	(1,368)	(1,996)	(15,437)
Purchases related to mineral properties	-	-	(29,273)
Purchases of marketable securities	-	(11,435)	(174,622)
Maturities of marketable securities	2,554	-	79,041
Proceeds from convertible note redemptions and sale, net	-	-	60,887
Purchase of investments without a readily determinable fair value	-	-	(1,324)
Deposits for assets held for sale	-	6,000	-
Proceeds from sale of assets	2,000	366	56,875
Net cash used in investing activities	3,186	(7,065)	(23,853)
Cash Flows from Financing Activities			
Issuance of common shares	106,208	7,886	31,813
Cash received from exercise of stock options	2,375	753	970
Cash received from exercise of warrants	9,840	-	-
Other, net	(483)	(769)	(2,368)
Net cash used in financing activities	117,940	7,870	30,415
Net increase/(decrease) in cash held	91,832	(48,897)	(8,847)
Effect of exchange fluctuations on cash held	5	(3,656)	3,602
Net change in cash of period	91,837	(52,553)	(5,245)
Cash at beginning of year	40,985	132,822	80,269
Cash at end of period	132,822	80,269	75,024

Source: Energy Fuels Form 10-K

147. In relation to Energy Fuels' historical cash flows, we note that:

- In CY22, net cash used in operating activities increased by US\$20.4 million to US\$49.7 million, primarily due to a US\$7.7 million increase in selling, general and administrative expenses excluding non-cash share-based compensation, a US\$8.0 million increase in prepaid expenses and other current assets and increased inventory purchases between periods.
- Net cash used in investing activities was US\$7.1 million in CY22 compared with a cash inflow of US\$3.2 million CY21. The change between periods was due to purchases of US\$11.4 million of marketable securities and a US\$6.0 million non-refundable deposit received related to the sale of the Alta Mesa assets in CY22, US\$2.6 million received for maturities and sales of marketable securities in 2021 and US\$2.0 million received for the sale of non-core conventional uranium projects in CY21.
- Net cash provided by financing activities decreased to US\$7.9 million in CY22 from US\$117.9 million in CY21, primarily due to a significant reduction in the level of cash raised through the issuance of common shares in CY22 compared to the prior year (decrease of US\$98.3 million net of issuance costs) and US\$9.8 million received in CY21 for the exercise of warrants.

- In CY23, net cash used in operating activities decreased by US\$34.3 million to US\$15.4 million primarily due to sales of uranium concentrates of US\$33.3 million, partially offset by higher selling, general and administrative expenses and higher exploration, development and processing expenses between periods.
- Net cash used in investing activities increased by US\$16.8 million to US\$23.9 million in CY23 due to increased purchases of marketable securities for US\$163.2 million between periods, the acquisition of the Bahia Project and additions to mineral properties for US\$29.3 million, as well as increased additions to property, plant and equipment primarily related to the REE oxide separation project and equipment for readying the Pinyon Plain for production of US\$13.4 million, offset by maturities of marketable securities of US\$79.0 million, and proceeds from the sale of the Alta Mesa ISR Project (US\$60.9 million from the early redemption and sale of the Convertible Note and US\$56.9 million in cash).
- Net cash provided by financing activities increased by US\$22.6 million to US\$30.4 million in CY23 primarily due to increased net proceeds of US\$23.9 million for the issuance of common shares between periods, partially offset by increased cash paid to settle and fund employee income tax withholding due upon exercise of stock appreciation rights of US\$1.5 million.

Consolidated balance sheets

148. The consolidated balance sheets of Energy Fuels as at 31 December 2022 and 31 December 2023 are set out in the following table:

Statement of Financial Position (US\$000s)	31 December 2022	31 December 2023
Current Assets		
Cash and cash equivalents	62,820	57,445
Marketable securities	12,192	133,044
Trade and other receivables	519	816
Inventories	38,155	38,868
Assets held for sale	12,375	-
Other current assets	9,529	2,522
Total current assets	135,590	232,695
Non-current Assets		
Mineral properties	83,539	119,581
Property, plant and equipment	12,662	26,123
Investments	19,329	1,356
Inventories	2,465	1,852
Restricted cash	17,449	17,579
Other non-current assets	2,913	2,753
Total non-current assets	138,357	169,244
Total assets	273,947	401,939

Current Liabilities

Trade and other payables	6,929	10,161
Operating lease liability	59	199
Deposits for assets held for sale	6,000	-
ARO and other liabilities held for sale	5,636	-
Total current liabilities	18,624	10,360

Non-current Liabilities

Operating lease liabilities	1,319	1,120
Asset retirement obligations	9,595	10,922
Deferred revenue	-	332
Total non-current liabilities	10,914	12,374
Total Liabilities	29,538	22,734
Net assets	244,409	379,205

Source: Energy Fuels Form 10-K

149. A discussion of Energy Fuels' key balance sheet items is set out below:
- Energy Fuels had significant liquid assets in cash and marketable securities at 31 December 2023. Market securities comprise marketable equity and debt securities that are measured at fair value. As of 31 December 2023, the majority of market securities comprises marketable debt securities, which are primarily US Treasury Bills and Government Agency Bonds and marketable equity securities, which is primarily Energy Fuels' investment in IsoEnergy Ltd. The balance increased in 2023 due to the additional purchase of marketable debt securities following the sale of the Alta Mesa ISR Project, from the early redemptions and sale of the Convertible Note, and the Energy Fuels investment in IsoEnergy Ltd. Upon completion of Iso Energy Ltd.'s acquisition of Consolidated Uranium Inc., Energy Fuels reclassified its investment balance in Consolidated Uranium Inc. to marketable equity securities.

Fair Value of Marketable Securities (US\$000s)	31 December 2022	31 December 2023
Cash and cash equivalents	62,820	57,445
Marketable debt securities	11,125	107,466
Marketable equity securities	1,067	25,578
Total cash and marketable securities	75,012	190,489

Source: Energy Fuels Form 10-K

- Energy Fuels also had significant inventories on hand at 31 December 2023, with approximately 685,000 lbs of finished U₃O₈ inventory held, along with approximately another 436,000 lbs of U₃O₈ contained in stockpiled Alternate Feed Materials and mineralised material inventory that is expected to be processed for recovery in the future.

- In addition, at 31 December 2023, Energy Fuels held 905,000lbs of finished V₂O₅ in inventory and there was an estimated 1.0 to 3.0 million lbs of V₂O₅ remaining in the Mill's tailings facility awaiting future recovery, as market conditions warrant. Energy Fuels intends to continue to selectively sell its remaining V₂O₅ inventory on the spot market as markets warrant but will otherwise continue to maintain its vanadium in inventory.

Inventory (US\$000s) - total	31 December 2022	31 December 2023
Concentrates and work-in-progress	35,476	35,807
Inventory of ore in stockpiles	940	3,072
Raw materials and consumables	4,204	1,841
Total inventories	40,620	40,720

Inventory Volumes (lbs)	31 December 2022	31 December 2023
Finished uranium	1,027,000	685,000
U ₃ O ₈ contained in stockpiled Alternate Feed Materials and other ore inventory	351,000	436,000
Finished V ₂ O ₅	945,000	905,000

Source: Energy Fuels Form 10-K

- Mineral properties reflect capitalised acquisition costs and amounts spent subsequently (which are able to be capitalised). As reflected in the table below, Mineral Properties increased in CY23 due to the acquisition of the Bahia Project and the expenditure to ready Pinyon Plain for production.

Mineral Properties (US\$000s)	31 December 2022	31 December 2023
Sheep Mountain	34,183	34,183
Bahia Project	-	29,130
Nichols Ranch ISR Project	25,974	25,974
Roca Honda	22,095	22,095
Pinyon Plain	-	6,512
Other	1,287	1,687
Total Mineral Properties	83,539	119,581

Source: Energy Fuels Form 10-K

- Property, plant and equipment principally comprises the written down value of the White Mesa Mill and mining related equipment and vehicles.

- Energy Fuels' investment balance decreased from US\$19.3 million in 2022 to US\$1.4 million in 2023 as a result of the completion of IsoEnergy Ltd.'s acquisition of Consolidated Uranium Inc. during 2023. Upon completion, Energy Fuels no longer had significant influence in this ownership interest and reclassified this investment balance as a marketable equity security.
- Energy Fuels also has cash, cash equivalents and fixed income securities as collateral for various bonds posted in favour of the applicable state regulatory agencies in Arizona, Colorado, New Mexico, Utah and Wyoming, and the US Bureau of Land Management and US Forest Service for estimated reclamation costs associated with the White Mesa Mill, Nichols Ranch and other mining properties. The restricted cash will be released when the company has reclaimed a mineral property, sold a mineral property to a party having assumed the applicable bond requirements or restructured the surety and collateral arrangements.

Capital Structure

Ownership

150. As at 28 June 2024, Energy Fuels had a market capitalisation of US\$991.2 million and the issued capital of Energy Fuels comprised 163.7 million ordinary shares. The primary trading market for Energy Fuels' common shares is the NYSE American under the trading symbol "UUUU", and its shares are also listed on the TSX under the trading symbol "EFR".
151. Ownership of Energy Fuels is not highly concentrated, with the top 10 shareholders holding approximately 34%. The top 10 shareholders and their respective stakes are set out in the table below:

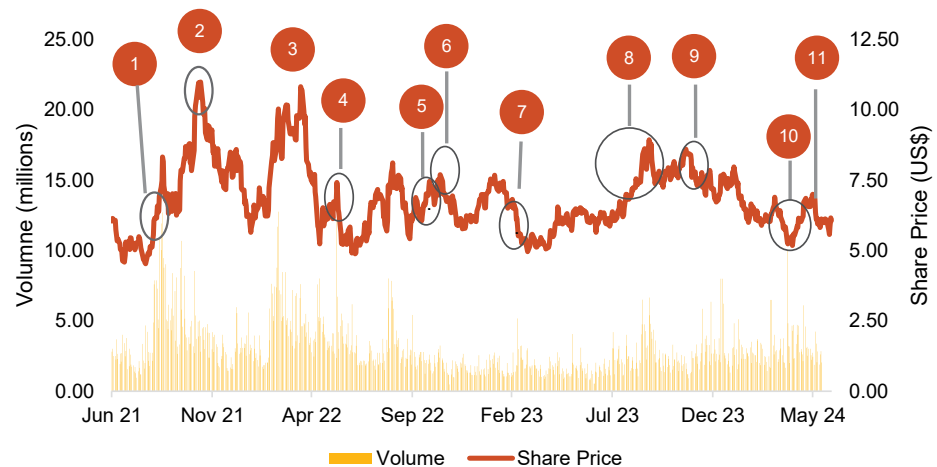
Rank	Name	Shares (millions)	% held
1	ALPS Advisors, Inc.	10.8	6.57%
2	BlackRock, Inc.	9.2	5.59%
3	Columbia Management Investment Advisers, LLC	8.1	4.96%
4	Mirae Asset Global Investments Co., Ltd.	7.5	4.58%
5	The Vanguard Group, Inc.	6.0	3.68%
6	MM Asset Management Inc	5.8	3.53%
7	State Street Global Advisors, Inc.	2.7	1.68%
8	Geode Capital Management, LLC	1.8	1.12%
9	Vident Asset Management	1.7	1.01%
10	CQS (UK) LLP	1.6	0.98%
Top 10 shareholders		55.0	33.59%
Remaining Holders Balance		108.7	66.41%
Total shares outstanding		163.7	100.00%

Source: Capital IQ as at 28 June 2024

Recent share price analysis

152. The figure below illustrates the trading performance of Energy Fuels from 1 July 2021 to 28 June 2024 with historical volumes traded and key influencing items:

Figure 5: Energy Fuels share price and trading volume (1 July 2021 to 28 June 2024)



Source: Capital IQ (NYSE American “UUUU”), Energy Fuels Company Announcements

Key Influencing Events

1	15-Jul-21	Energy Fuels announced in July 2021 the sale of a portfolio of conventional uranium projects located in Utah and Colorado to Consolidated Uranium Inc. The sale completed in October 2021, resulting in a gain of US\$35.7 million.
2	12-Nov-21	Energy Fuels’ share price reached a high of US\$10.99 on 12 November 2021 on the back of increasing uranium prices which reached a near-term high of over US\$48.00/lb
3	Feb-22 to Jun-22	Energy Fuels tracked the movement in the uranium price, reaching US\$10.82 on 13 April 2022 with the uranium price increasing from US\$44.00/lb to US\$64.50/lb, and then falling back to US\$5.25 on 14 June 2022, following a drop in the uranium price to back under US\$50.00/lb
4	25-May-22	Energy Fuels secures significant REE land position in Brazil via the acquisition of the Bahia Project
5	14-Nov-22	Energy Fuels executes definitive agreement to sell the Alta Mesa ISR Project to enCore Energy for US\$120 million, facilitating the company’s plans to accelerate uranium and RE production
6	16-Dec-22	Energy Fuels announced that it has been awarded a contract to sell US\$18.5 million of natural uranium concentrates to the US Government for the establishment of a strategic uranium reserve
7	8-Mar-23	Energy Fuels releases financial results for 2022, reporting a net loss of US\$59.9 million
8	Aug-23 to	Energy Fuels’ share price reached US\$8.94 in late September 2023 on

	Sep-23	the back of increasing uranium prices which increased from US\$50.00/lb to US\$73.00/lb
9	27-Dec-23	Energy Fuels entered into a non-binding Memorandum of Understanding with Astron to jointly develop the Donald Rare Earth and Mineral Sands Project
10	22-Apr-24	Energy Fuels and Base Resources announce the proposed Transaction. On announcement of the proposed Transaction, Energy Fuels' share price dropped to a low of US\$5.18 on 30 April 2024 but then recovered to reach US\$6.97 on 30 May 2024. Further comments regarding the movement in the share price of Energy Fuels post announcement of the Transaction are included in Section 7 of this report
11	03-Jun-24	Energy Fuels announces completion of the agreement with Astron to jointly develop the Donald Rare Earth and Mineral Sands Project

Source: Energy Fuels Company Announcements

Liquidity

153. Energy Fuels' shares have a relatively high level of trading liquidity, with a liquidity level of 27.4% of the total number of securities changing hands on average per month in 2023 and 38.4% in 2024 up to 28 June 2024.

Year	Days Traded	Avg Daily Price (US\$)	Avg Daily Volumes Traded (millions)	% of Shares Traded Monthly
2021	252	6.37	4.2	61.9%
2022	251	6.97	3.4	45.7%
2023	250	6.74	2.1	27.4%
2024	124	6.42	3.0	38.4%

Source: Capital IQ, PwCS Analysis

Share-based compensation

154. Energy Fuels has an equity incentive plan for its key management and eligible employees. The equity incentive plan includes restricted stock units, stock appreciation rights and employee stock options.
155. Restricted stock units are awarded based on a target percentage of base salary, and generally vest over three years. Stock appreciation rights will vest upon the achievement of certain market conditions and have a term of five years. Employee stock options will generally vest over two years or more and are exercisable over a period of five years from the grant date but not exceeding 10 years.

	Restricted Stock Units	Stock Appreciation Rights	Employee Stock Options
Number outstanding	641,839	1,839,528	523,469
Weighted Average Exercise price	Nil	US\$5.01	US\$4.48

Source: Energy Fuels 2023 Form 10-K

5 Valuation of the Toliara Project

Overview

156. The Toliara Project, situated in southwest Madagascar, is a mineral sands asset centred around the extensive and high-grade Ranobe deposit, rich in ilmenite, zircon, and monazite. The Project is regarded as one of the more significant mineral sands development projects globally. Positioned north of the regional port of Toliara, it lies approximately 640km southwest of Antananarivo, the capital of Madagascar. The primary component of the HMC is ilmenite, making up approximately 71% of the total composition, with zircon, rutile and monazite also found in smaller quantities.
157. The Toliara Mineral Sands Project is well advanced, having obtained both mining licences and environmental approvals. However, on-the-ground activities are currently on hold due to the GoM imposed suspension, which commenced in November 2019 due to opposition from local communities and concerns regarding uncertain benefits for the people and government.
158. As already discussed in this IER, two DFSs were completed for the Toliara Mineral Sands Project. Since the completion of DFS1 in December 2019, significant enhancements have been made to both the resource and reserve estimates, alongside improved market conditions, increasing Base Resources' estimated project NPV from US\$652 million to US\$1,008 million. The primary factors contributing to the project's increased value between DFS1 and DFS2 included the following:
- Mineral resources estimate nearly doubled to 2,580 Mt at 4.3% HM compared to the initial DFS1 estimate of 1,290 Mt at 5.1% HM. Consequently, the ore reserves estimate has grown to 904 Mt at 6.1% HM, marking a 45% increase in contained HM from 586 Mt at 6.5% HM in DFS1. The increased mineral resources and reserves extend the initial mine life from 33 years to 38 years.
 - Enlarged scale and scope of Stage 2 from 18.6 Mtpa to 25.2 Mtpa, resulting in increased production capacity.
 - Updated internal commodity price forecasts and TZ Minerals International (**TZMI**) long-term pricing assumptions.
159. Following the completion of DFS2, Base Resources initiated the REE Concept Study to explore the potential of monazite and the extraction of related REEs. Subsequently, in December 2023, the PFS for the Toliara Monazite Project as a product extension to the Toliara Mineral Sands Project was released revealing potentially significant economic prospects. The monazite PFS proposed upgrading the monazite rich tails generated during the mineral sands processing outlined in DFS2 to produce a monazite product with minimal additional Capex of approximately US\$71 million. This involves incorporating a Monazite Concentrator Plant (**MCP**) into the existing processing facilities and infrastructure planned for the mineral sands Project (in accordance with DFS2). Leveraging what would otherwise be considered a 'waste' stream provides an opportunity for the Toliara Project to become a significant global supplier of RE oxides.
160. If monazite is not processed as a product, it will be managed as a Mineral Separation Plant (**MSP**) waste stream and pumped back into the pit together with other tailing streams.

161. The following tables summarise the reported Toliara Project mineral resources and ore reserves:

Toliara Mineral Resources							
Category	Tonnes (Mt)	Heavy Minerals (Mt)	Heavy Minerals (%)	ILM (%)	RUT (%)	ZIR (%)	MON (%)
Measured	597	36	6.1	74.0	1.0	5.9	1.9
Indicated	793	35	4.4	71.0	1.0	5.9	1.9
Inferred	1,187	39	3.3	69.0	1.0	5.8	2.0
Total	2,576	111	4.3	71.0	1.0	5.9	2.0

Source: Monazite PFS Dec 2023

Note: ILM, RUT, ZIR and MON represent ilmenite, rutile, zircon, and monazite, respectively.

Toliara Ore Reserves						
Category	Tonnes (Mt)	Heavy Minerals (Mt)	Heavy Minerals (%)	ILM (%)	RUT (%)	ZIR (%)
Proved	433	30	6.9	75.0	1.0	6.0
Probable	472	25	5.3	72.0	1.0	5.8
Total	904	55	6.1	73.0	1.0	5.9

Source: Monazite PFS Dec 2023

Note: ILM, RUT and ZIR represent ilmenite, rutile and zircon respectively.

162. According to DFS2, analysis of samples by Base Resources has revealed that the HM within the mineral resource comprises c.2% monazite.
163. A new MCP facility would process the monazite waste stream from the MSP to yield c.21,800 tpa of 90% monazite product. This product exceeds natural background radiation levels and meets the criteria for classification as radioactive material, thus necessitating adherence to Class 7 radioactive product handling and transportation protocols. We note that radiation studies are yet to be finalised.
164. The ore reserves at the Toliara Project do not currently include any monazite due to the limitations of the existing exploitation permit, Permis D'Exploitation 37242 (**PDE 37242**), which notably does not currently include rights for monazite exploitation. Therefore, only ilmenite, rutile and zircon have proved and probable ore reserves.
165. PDE 37242 allows for the exploitation of ilmenite, zircon, leucosene, rutile, guano, basalt, and limestone, but not monazite. Under the new mining code, additional requirements must be satisfied for monazite to be added to PDE 37242 and exploited due to monazite's radioactivity. Base Resources does not expect that monazite will be added immediately to the exploitation permit once the suspension of on-the-ground activity has been lifted. However, Base Resources considers this process to be primarily procedural in nature and anticipates that it will be added to PDE 37242 in a timely manner.
166. Negotiations with the GoM regarding fiscal terms for the Toliara Project to lift the suspension have been reinitiated following the formation of President Rajoelina's new government in January

2024. Since then, Base Resources has stated that there has been significant progress, with the government indicating a commitment to concluding on terms and facilitating the launch of the Project. The discussions have primarily focused on the fiscal regulations outlined in the new Mining Code, encompassing both the mineral sands and monazite aspects of the Project.

167. Although progress slowed in the lead up to parliamentary elections in late May 2024, Base Resources expects continued advancement post-elections and finalisation in the near term.

Summary of DFS2 (mineral sands) and PFS (monazite)

168. The Toliara Project-level cash flows were originally prepared for DFS1, which was completed in December 2019 and subsequently updated for the increased Ore Reserve and revised Capex estimates in DFS2. The objective of the financial analysis undertaken as part of DFS2 was to demonstrate the economic viability of the Project (ilmenite, rutile and zircon only), provide support to the Strategic Partner process, support advancing debt discussions, and enable the Board and Shareholders to plan potential future investments in the Project.

Base Resources led the preparation of DFS2 (and monazite PFS), with necessary work also undertaken by independent consultants, across the following areas:

- Infrastructure, processing plants, implementation strategy, OHS, capital cost estimate, schedule, contractual, associated risk, and opportunity assessments - Mineral Technologies and Lycopodium Alliance (MTLA).
 - Mineral resources and ore reserves, mine planning, MSP test work, modelling and flowsheet development – IHC Robbins Pty Ltd.
 - Wet Concentrator Plant (**WCP**) and MCP test work, modelling and flowsheet development - Mineral Technologies Pty Ltd.
 - Geotechnical, geophysical, and hydrology assessment of mine site infrastructure, piling design pavement design between mine and export facility, groundwater modelling – Knight Piésold Pty Ltd.
 - Bulk power and fuel supply studies – Zutari (formerly Aurecon South Africa Pty Ltd).
 - Multi-buoy marine bulk loading facility (marine export facility) engineering – PRDW.
169. The aim of DFS2 and the monazite PFS was to ensure the technical, engineering, risk, operational readiness, and cost aspects of the Toliara Project were sufficiently advanced for an investment decision regarding the Project and to assess the economic potential of a bolt-on monazite production stream to the existing Toliara Mineral Sands Project, noting that the existing exploitation permit does not currently include rights for monazite extraction, as discussed previously.
170. DFS2 is backed by an engineering capital cost estimate with an expected accuracy range of +15% / -5%. This estimate is based on definitive engineering designs, tendered pricing, budget quotes and includes an allowance for escalation. We note that the monazite PFS is supported by an engineering capital cost estimate with an expected accuracy of +30% / -15%.
171. For more details regarding DFS2 and the monazite PFS please refer to the Independent Technical Specialist's Report in Appendix I of this report and to the various Company presentations and ASX announcements, including the ASX announcement on 14 December 2023 "*Additional critical mineral stream doubles Toliara's NPV*".

Key Project assumptions

Life of mine production

172. The Toliara Project has a reported Ore Reserve of 904 Mt within a 2,580 Mt Mineral Resource. As previously mentioned, the reported Ore Reserve excludes monazite due to the lack of rights to exploit it within the mining lease (currently).
173. The development of the Toliara Project is planned to be executed in two stages; Stage 1 is expected to produce 12.6 Mt of ore increasing to 25.2 Mt in Stage 2. The first stage includes setting up initial mining infrastructure and operating standalone for 4.25 years targeting a combined mining rate of 1,750 tph at 9.1% HM of high-grade ore. The second stage will include setting up additional operational equipment and infrastructure planned to increase combined mining rates to 3,500 tph at 6.1% HM for the remaining duration of the Project.
174. We have presented below a summary of the physical life of mine assumptions:

Description	Unit	Mineral Sands DFS2	Monazite PFS	Aggregate
Life of Mine (LOM)	Years	38	38	38
HM Grade (LOM ave)	%	6.1%	6.1%	6.1%
Production (ILM/RUT/ZIR)	kt pa	1,033	n/a	1,033
Production – Monazite	kt pa	n/a	21.8	21.8
LOM Operating Costs (Opex)	US\$/t ore mined	3.3	0.6	3.9
LOM Operating Costs	US\$/t produced	77	657	88
Plant Throughput (annual) - Stage 1	Mtpa	13	13	13
Plant Throughput (annual) - Stage 2	Mtpa	25	25	25

Source: DFS2, Base Resources, PwCS analysis

Note: ILM, RUT, ZIR represent ilmenite, rutile, and zircon, respectively.

Development capital

175. We have presented below a summary of the development capital cost assumptions in DFS2:

Area (US\$m)	Stage 1	Stage 2	Total
Mining (including HME and DMU)	39	20	59
Processing Plants	110	67	177
Infrastructure and Services	86	8	94
Product Storage & Export Facility	82	-	82
Professional Services (EPCM's, Vendor Reps, Specialists Consultants)	32	6	38
Owner's Cost	66	6	72

Area (US\$m)	Stage 1	Stage 2	Total
Subtotal Project Capital (excluding contingency)	415	107	522
Escalation (14.2% and 16.0%)	59	17	76
Contingency (9.7% and 10.5%)	46	13	59
Upfront Capital Cost Estimate	520	137	657

Source: DFS2, Capital costs presented above excludes estimated pre-FID Capex of US\$77.8m related to pre-construction mining activities. Pre-FID costs are included as a cash outflow for the purpose of the Toliara Mineral Sands Project valuation.

Note: HME, DMU and EPCM represent heavy mobile equipment, dry mining unit and engineer-procure-construct-manage respectively.

176. In addition to the upfront development capital reflected above, the capital costs also incorporate assumed sustaining capital throughout the life of mine totalling US\$326.1 million and mine closure (rehabilitation) costs of US\$20.0 million. There is also an assumed PP&E salvage value of US\$16.3 million included, offsetting cash outflows at the end of the mine life.

Base Resources – updated assumptions

177. In response to evolving factors, including cost inflation, revised price structures, and enhanced regulatory insights, Base Resources has updated certain key assumptions originally reflected in the DFS2 financial model, notably including the following:
- Royalty rates – Increased from 4% to 5% in accordance with the new Mining Code.
 - Capex - Stage 1 and 2 construction capital was escalated by 15% based on the latest management estimates, resulting in a total development Capex of US\$765.6 million.
 - Sustaining Capex – Escalated by 15% to align with revised Capex assumptions.
 - Community development funding increased from US\$3.0 million per annum to US\$4.0 million, major projects funding (payments to the GoM) increased from US\$30.0 million to US\$40.0 million and community development funding of US\$10.0 million added.
 - Operating costs – Escalated by 40%, based on Base Resources' observation of a 36% cost escalation at Kwale from the time of the DFS estimation to FY23.
 - Price forecasts – Mineral sands pricing updated to reflect TZMI forecasts (monazite price was also updated to reflect the latest forecast price assumptions).

Valuation Approach

178. We have assessed the value of the Toliara Mineral Sands Project using an income-based discounted cash flow (DCF) valuation approach based on the life of mine production and cash flow forecasts prepared by Base Resources which underpin DFS2. The DCF valuation method is considered to be the most appropriate valuation approach to assess the value of operating mines and near-development projects as it explicitly allows for upfront capital expenditure, variable production and cost forecasts and finite mine lives where detailed studies have been completed to support physical and cost assumptions.
179. We have also assessed an indicative value relating to the potential exploitation of monazite from the Project using a probability risk weighted approach having regard to the potential value

disclosed by Base Resources in the monazite PFS. Further details regarding our approach to consider whether there is any additional value able to be attributed to the potential future exploitation of monazite at Toliara are outlined later in this Section of the IER.

180. We have also undertaken a secondary cross-check to assess the reasonableness of our valuation of a share in Base Resources reflected in Section 6 of this report against the Base Resources' traded share price, noting the absence of any relevant and comparable transactions.

Valuation Analysis

181. We have reviewed the financial model prepared by Base Resources to support DFS2 and considered the model to be suitable for assessing the value of the Toliara Mineral Sands Project.
182. AMC, as the Independent Technical Expert, has reviewed and considered the reasonableness of key technical assumptions, including the life of mine physical production profile (and associated grade, recovery and ramp-up timing assumptions), development, sustaining and rehabilitation capital costs and timing, and unit mining, processing and selling cost assumptions. We have reflected AMC's findings in our valuation of the Project.
183. In summary, AMC noted that in its opinion Mineral Resource and Ore Reserve reporting was technically non-compliant on the basis that it did not appropriately document the reasonable prospect of the eventual economical extraction (**RPEEE**) criteria from a JORC compliance perspective, particularly in the context of the current suspension of mining activity. However, AMC further noted that it was still appropriate to rely on the life of mine physical production profile as reflected in the financial model supporting DFS2 for valuation purposes.
184. Further, AMC has opined that the first principles build-up of Opex was reasonable, with only minor adjustments proposed to productivity and labour assumptions underpinning mining costs. This resulted in an increased Capex of c.US\$5.8 million and corresponding Opex for additional equipment. AMC suggested that the 40% escalation to all Opex should be further increased by an additional 5% to align with FY24 pricing. AMC has also notably considered capital-related cost assumptions to be within a reasonable range for a DFS level estimate and the plant design suitable for targeted production rates. For further details please refer to AMC's Independent Technical Specialist's Report in Appendix I of this IER.
185. We have adjusted the cost assumptions in the model based on AMC's recommendations and have undertaken sensitivity analysis to consider the impact on changes to operating and capital cost assumptions, noting the DFS levels of accuracy of these assumptions.

Key economic assumptions

Mineral sands prices

186. To assess the value of the Toliara Project, Base Resources based its benchmark commodity pricing assumptions on forecast mineral sands pricing as published by TZMI. TZMI is a global and independent consulting company that specialises in the mineral sands, titanium dioxide and coatings industries.
187. TZMI was engaged by AMC to assess the quality and potential long-term forecast prices for the planned mineral sands products anticipated to be produced from the Toliara Project, considering factors like market positioning and product quality (specification) relative to benchmark and competitor products. Please refer to the Independent Technical Specialist's Report for more details of the work undertaken by TZMI and its findings.

188. We have adopted TZMI's near-term mineral sands pricing from 2025 to 2028 and long-term pricing from 2029 onwards, adjusted for the relative marketability and planned production quality as assessed by TZMI (which have then been adjusted to reflect 2024 real terms). We note that production from the Toliara Project is assumed to commence around September 2027, therefore the assessed value of the Toliara Project is impacted less by near term pricing assumptions. We have presented the adopted pricing assumptions in the table below:

Applied pricing US\$/t FOB (2024 real)	2025	2026	2027	2028	Long-term
Sulphate ILM	250	226	212	211	218
Chloride ILM	259	253	255	261	287
Slag ILM	264	238	223	223	229
Rutile	1,386	1,449	1,452	1,431	1,322
Zircon	1,687	1,587	1,583	1,652	1,564

Source: TZMI analysis, production is assumed to commence June 2027.

Corporate tax

189. In our assessment of the value of the Toliara Project, we have assumed a corporate tax rate of 20%, being the prevailing corporate tax rate in Madagascar. Additionally, we have reflected a tax incentive equal to the tax calculated on 50% of the Capex spent during the corresponding tax year. This assumes the Toliara Project is certified as eligible under the Large Mining Investment Law (**LGIM**), which, although not yet received, is considered highly likely if the Toliara Project suspension is lifted. The utilisation of this benefit is capped at 50% of the actual tax liability in each year. Any remaining balance is carried forward until fully utilised.

Discount rate

190. The discount rate applicable for fair market valuation purposes represents the required market rate of return for capital invested in the company or asset being valued. This means that a company must obtain a sufficient return on its assets to cover the required return to equity and debt holders as reflected by capital markets.
191. The expected rate of return for invested capital is conventionally derived using the Weighted Average Cost of Capital (**WACC**) approach based on relevant market data have regard to the company or asset being valued.
192. To assess an appropriate range of discount rates to assess the value of the Toliara Project we have observed the betas of a range of comparable mineral sands and REE producing and pre-development companies. Our analysis derived a range of appropriate discount rates of between 12.4% and 13.9% (on a US\$, post-tax, real basis) based on a range of asset betas of between 1.2 and 1.35 and incorporating a country risk premium (CRP) of between 4.5% and 5.5%. Please refer to Appendix D for more details regarding our discount rate analysis.

Other assumptions

193. The Toliara Project is subject to Madagascar's new Mining Code, including its mineral royalty regime. The royalty rate assumption in the financial model has been revised by Base Resources from 4% assumed in DFS2 to 5% to align with the new Mining Code. This revised rate is

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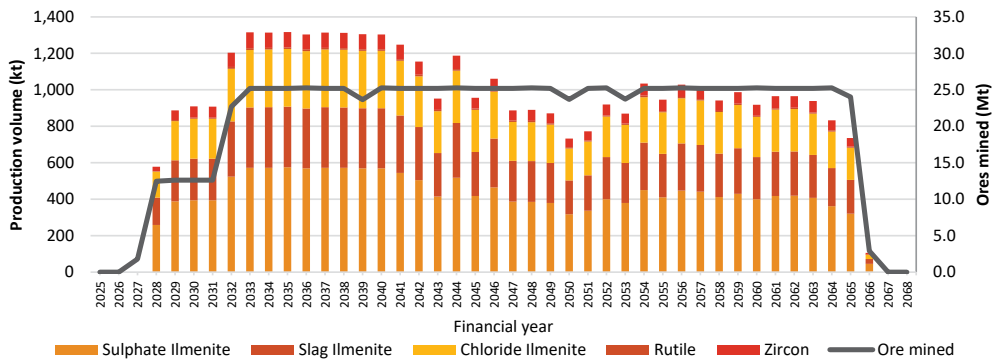
structured as follows: 2% allocated to Community Development Trusts and a 3% mining royalty designated for the GoM’s benefit.

- 194. We have also considered a withholding tax (WHT) rate of 10% applicable to all distributed income (and based on a Mauritian holding company structure in line with Base Resources’ current structure). According to the provisions of the Non-double Tax Convention with Mauritius, as dividends sourced from Madagascar are already subject to taxation in Madagascar, in principle, they will not be subject to further taxation in Mauritius. Accordingly, no additional WHT has been considered in any subsequent distributions.

DCF Analysis

- 195. We have shown below a summary of the DCF analysis outputs for the Toliara Mineral Sands Project:

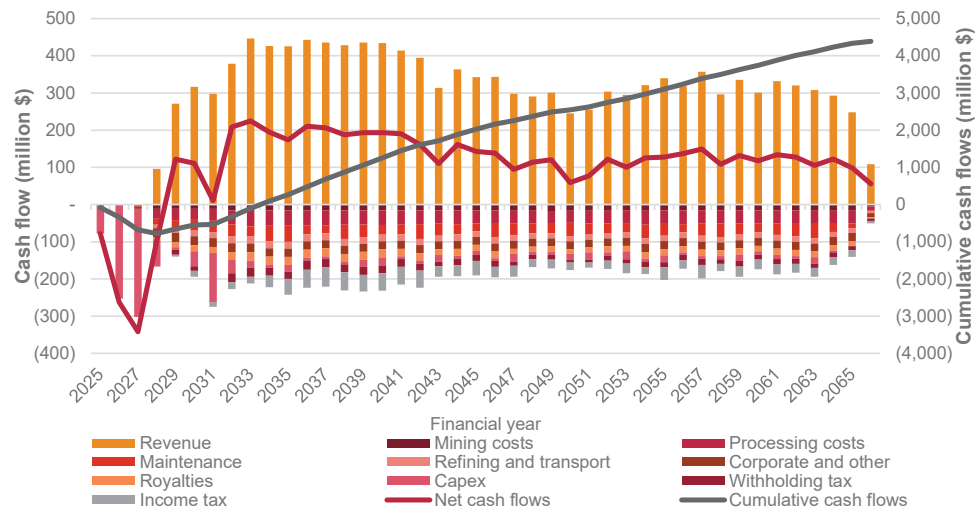
Figure 6: Mineral Sands Production Profile



Source: PwCS analysis

- 196. As illustrated by Figure 6, Toliara has a 38-year life of mine, which begins production in financial year 2028 and ceases in financial year 2066. The 12.6 Mtpa Stage 1 mining is forecast to commence in September 2027 and scaled up to 25.1 Mtpa Stage 2 in October 2031, with initial ramp-up periods of six months at each stage. Production volume is expected to peak during the initial 10 years of Stage 2, reaching a maximum of 1,315.6 kt mineral sands produced in the calendar year 2034. Production levels are expected to remain relatively steady thereafter with occasional fluctuations associated with WCP relocations in FY39, FY50 and FY53.
- 197. With an average HM grade of 6.08%, the primary product, ilmenite, will yield 16,923 kt of sulphate ilmenite, 9,793 kt slag ilmenite and 9,361 kt chloride ilmenite, followed by 2,470 kt of zircon and 285 kt of rutile over the life of mine.

Figure 7: Cash flows (Mineral Sands Only)



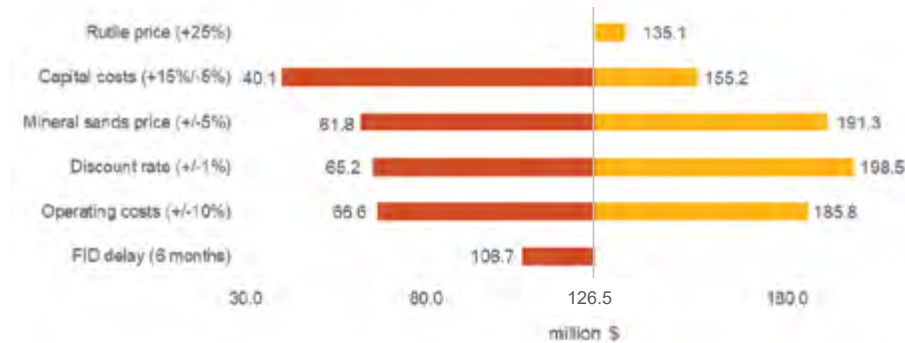
Source: PwCS analysis

198. The Project forecasts negative cash flows in its initial years due to pre-final investment decision (FID) Capex and construction activities. The pre-FID phase extends for up to 14 months following the assumed lifting of suspension and involves work such as securing financing, obtaining LGIM certification, completing the land acquisition process and finalising construction contracts.
199. The FID and commencement of construction activities are scheduled for October 2025, marking the start of Toliara's Stage 1 construction, which is planned to run for 27 months from October 2025 to December 2027. Subsequently, Stage 2 construction will commence in January 2030, with a duration of 21 months, concluding by September 2031. Following these initial investment outflows, revenue projections appear stable and consistent relative to production, facilitated by bulk shipments of products.
200. Forecast Capex over the life of mine amounts to US\$1,293.9 million, comprising of US\$772.4 million construction Capex, US\$443.0 million of sustaining Capex, US\$77.8 million of pre-FID Capex and US\$20 million of mine rehabilitation costs, offset by US\$19.3 million of salvage value. Opex is forecast to total US\$4,464.6 million, which includes mining-related expenses of US\$3,641.6 million, support services totalling US\$662.2 million and environmental and security costs amounting to US\$160.7 million.
201. Annual averages (in real 2024 terms and excluding first and last partial operating years) are as follows:
- Revenue of US\$340.3 million
 - Operating costs of US\$118.9 million
 - Government royalty of US\$17.0 million
 - EBITDA of US\$195.6 million, and
 - Free cash flow after WHT of US\$135.1 million.

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202. This analysis derived a ‘base case’ range of values for the Toliara Mineral Sands Project of between US\$82.6 million and US\$183.1 million with a mid point value of US\$126.5 million (on a 100% interest basis) based on the range of discount rates of between 12.4% and 13.9%.
203. We have also shown the impact on the assessed value of the Toliara Project of further sensitivities, including:
- Discount rate +/- 1%
 - Operating costs +/- 10%
 - Capital costs +15% / - 5%
 - FID delay 6 months
 - Mineral sands product price - /+ 5%, and
 - Rutile product price + 25% (to reflect the potential uplift if sold as bagged rutile targeted at the welding end-use due to the fine fraction of Toliara’s rutile meeting welding specifications but requires additional packaging and handling processes).
204. The results of this sensitivity analysis are set out in the chart below:

Figure 8: Sensitivity Analysis



Source: PwCS analysis

205. As depicted in the chart above we have shown the value impact on the assessed Toliara Project value for various sensitivities. We note that the assessed value of the Toliara Project is highly sensitive to movements in the assumed discount rate, forecast commodity pricing and from increased Capex. We also note that due to the upfront development costs and discount rate assumptions, delaying FID has a less significant impact on the assessed value of the Toliara Project.
206. After our consideration of the above, and given the assessed Toliara Project value is highly sensitive to movements in the mineral sands forecast price and discount rate assumptions, we have prepared the below sensitivity table flexing these two assumptions only:

Mineral sands price, project value US\$m						
Discount rate		-5.0%	-2.5%	0%	2.5%	5.0%
	-1.0%	127.0	162.6	198.5	234.3	270.1
	-0.5%	93.1	126.9	161.0	195.1	229.1
	0.0%	61.8	94.0	126.5	158.9	191.3
	0.5%	33.0	63.7	94.6	125.5	156.3
	1.0%	6.5	35.7	65.2	94.6	124.0

Source: Base Resources, PwCS Analysis

207. The above analysis shows a range of potential values of between US\$6.5 million and US\$270.1 million.
208. Based on the above analysis we conclude the Fair Market Value of the Toliara Mineral Sands Project to be between US\$95.0 million and US\$160.0 million. This assessed range remains robust when subject to variations, with discount rates adjusted by $\pm 0.5\%$ and mineral sands flexed by $\pm 2.5\%$ as shaded in the above table.

Potential Monazite Upside

209. Although the company has prepared a PFS reflecting the potential addition of monazite production from the Toliara Project, insufficiently detailed studies have been carried out to justify the physical life of mine production and cost assumptions in order to apply the DCF valuation method with the same confidence as the valuation assessment of the Toliara HMC Project.
210. It is also anticipated that an amendment will be required to the current Toliara mining lease since the current approval does not allow for the exploitation of monazite. We also note that any future approvals for the addition of a monazite product at Toliara may also require further downstream processing (via the development of a separation plant for rare earth oxides (REOs) and a refinery) which have not been contemplated in the PFS.
211. In addition, AMC in its report notes that *"While the integration of the potential monazite exploitation into the PFS version of the project financial model shows promise", it "falls short of fully addressing this potential."* The PFS leveraged the work defined as part of the DFS2 activities and detailed additional processing, infrastructure, and operational needs. However, AMC in its report notes that *"While there is potential for commercially viable REE extraction from the monazite waste stream, the PFS lacks comprehensive geological, metallurgical, and mining studies necessary to adequately assess the project's value."*
212. AMC also considers that from a regulatory approvals perspective, requisite *"approvals are not yet in place for monazite."* Further, AMC notes that due to the suspension, no stakeholder engagement has been undertaken regarding the incorporation of the production and export of a monazite product into the Toliara Project.
213. Consequently, we have estimated an indicative value by factoring in only a portion of the potential value associated with the addition of a monazite product, noting that this is contingent on monazite being added to the mining permit and sufficient work being undertaken in the future

which proves the economic viability of the future development of a monazite product to be produced at Toliara.

214. To assess indicative value, and in the absence of any relevant comparable transaction by which to assess an appropriate resource multiple (also noting AMC's comments regarding the reliability of the resource reporting), we have considered the Monazite Project NPV as disclosed to the market by Base Resources in the PFS along with our assessed market based economic parameters (commodity price and discount rate) and risk factors that we consider appropriate having regard to the status of this Project and its level of uncertainty.
215. This analysis derives a range of indicative potential unrisks values of between approximately US\$400.0 million and US\$574.0 million. However, as discussed above, the realisation of any potential future value is subject to:
- the current suspension being lifted
 - monazite being added to the mining permit
 - sufficient work being undertaken to justify the physical life of mine production and cost assumptions
 - future approvals for the addition of a monazite product at Toliara which may also require further downstream processing (via the development of a separation plant for REOs and a refinery) which have not been contemplated in the PFS and which impact on cost and timing.
216. For these reasons, we consider the PFS to represent an early stage assessment of potential future value and it is necessary to apply significant risking to the aforementioned potential values. Whilst subjective, we consider the Fair Market Value of Base Resources may include approximately 10% to 20% of the potential unrisks value. Based on the above analysis we conclude that an indicative value for the additional (and potential) monazite product stream at Toliara to be between US\$50.0 million and US\$100.0 million.
217. We adopted the yardstick method to cross-check our assessment of the monazite upside potential by assessing the value of contained monazite associated with each category of HMC resources and recognising 0.5% to 2.5% of this value depending on the resource category. Whilst subjective, this approach supported the high end of the value we have attributed to the monazite upside potential. On the basis that AMC considered that the monazite PFS is non-compliant for the inclusion of monazite in the mining inventory and ore reserves, we consider that the cross-check indicates that we have not overstated the monazite upside potential on a fair market value basis.
218. We note that we have carried out an overall cross-check of our valuation assessment of Base Resources shares in the following section which reflects a cross-check on our assessment of the overall Toliara Project including monazite upside potential.

6 Valuation of Base Resources

Valuation Approach

219. We have estimated the Fair Market Value of an ordinary share in Base Resources on a 100% controlling interest basis by applying the sum of the parts method, which estimates the Fair Market Value of Base Resources by valuing the various assets and liabilities of Base Resources (which notably includes our assessed Fair Market Value of the Toliara Project) and aggregates those values.
220. The sum of the parts methodology has been applied to the following key assets using the valuation methodologies described below:
- The assessed Fair Market Value of the Toliara Project (as detailed in Section 5 of this report).
 - The assessed value of remaining costs / cash flows relating to the Kwale Project, including latest estimates and timing of all closure related costs based on budgets provided by Base Resources and reviewed by AMC.
 - The assessed value of additional corporate costs (assessed on a DCF basis).
 - Net cash / (debt) position - based on the project balance of cash on hand at 30 June 2024 of US\$72.3 million adjusted for WHT on balances held offshore to reflect realisable value to Shareholders.
 - Other surplus assets / liabilities – Base Resources has US\$17.0 million outstanding in respect of the acquisition of the Toliara Project (as detailed in Section 3 of this report). The additional US\$17.0 million (deferred consideration) is payable on achievement of key milestones as the Toliara Project advances to mine development.

Sum of the Parts Valuation – Base Resources

221. The assessed Fair Market Value of Base Resources (on a controlling interest basis) using the sum of the parts method is summarised in the table below:

Assessed Fair Market Value of Base Resources (A\$m)	Low	High	Preferred
Toliara Project	95.0	160.0	127.5
Monazite upside potential	50.0	100.0	75.0
Kwale	21.4	21.4	21.4
Present value of corporate costs	(54.6)	(54.6)	(54.6)
Net cash	72.3	72.3	72.3
Surplus liabilities	(17.0)	(17.0)	(17.0)
Equity value (100% controlling interest)	167.1	282.1	224.6
Foreign exchange rate	US\$0.663:A\$1	US\$0.663:A\$1	US\$0.663:A\$1

Assessed Fair Market Value of Base Resources (A\$m)	Low	High	Preferred
Equity value (100% controlling interest) (A\$m)	252.0	425.4	338.7
Less value of unvested Performance Rights on issue (A\$m)	(13.6)	(13.6)	(13.6)
Equity value to Shareholders (100% controlling interest) (A\$m)	238.4	411.8	325.1

Source: PwCS Analysis

222. The vast majority of Base Resources' Fair Market Value is derived from the assessed Fair Market Value of the Toliara Project as discussed in detail in Section 5 of this report.

Kwale – remaining value

223. We have assessed the remaining value attributable to the Kwale Project to be US\$21.4 million. This has been assessed based on the latest budgets for Kwale prepared by management and assumes the cessation of operations at Kwale in December 2024. The remaining cash flows have been reviewed by AMC and were considered to be appropriate. The remaining costs are detailed below:

Kwale – remaining cash flows July to June 2025 (US\$m)	
Sales	116.2
Opex	(40.2)
Redundancy costs	(7.7)
Other cash flows	(0.82)
Operating cash flow	67.4
Salvage Value net of Capex	10.0
Mine closure costs & rehabilitation	(49.2)
Free cash flows	28.3
Less: Withholding tax (15%)	(4.2)
Free cash flows (after WHT)	24.0
Present value of Kwale remaining cash flows	21.4

Source: Base Resources, PwCS Analysis

224. In respect of the cash flows detailed in the table above we note the following:
- Sales receipts from the sale of ilmenite, rutile, and zircon are based on contracted prices and volumes.

- Opex costs associated with the remaining operations include all mining costs, mining technical services, processing costs, metallurgy operations, maintenance, port operations, commercial, facilities and other support services and environment and security costs and royalty expenses.
 - Other expenses include external affairs, community development, exploration, project management and land use costs, offset by interest income, net VAT and a working capital adjustment.
 - Throughout the remaining life of the Kwale Project, a total salvage value of US\$10.2 million is to be recovered, US\$0.2 million to be received in January 2025, with another US\$10 million expected at the end of the budget period in June 2025. The remaining Capex, totalling US\$0.2 million, is also planned leading up to December 2024.
 - Costs relating to mine closure and rehabilitation have been included, which AMC has reviewed and believes the financial provision for closure seems to be based on sound reasoning and has rated the rehabilitation and closure as adequate.
 - Redundancy costs include US\$7.7 million in respect of costs on the cessation of operations at the Kwale Project.
 - Dividend WHT has been calculated based on the free cash flows at a WHT rate of 15% to account for the additional tax to be paid out of cash flows repatriated by Base Resources through dividend payments.
225. To discount the Kwale residual free cash flows (apart from mine closure-related costs, see below), we have adopted a nominal discount rate of 15.7% at the midpoint, which is in line with the risk associated with the Kwale Project by considering a country risk premium appropriate for Kenya. All other discount rate inputs are in line with the discount rate assessment for the Toliara Project, refer to Appendix D.
226. We have adopted a lower discount rate of 4.7% to assess the value of all mine closure-related cash flows, given the certainty associated with these financial obligations. Given the short period of discounting this does not have a significant impact on our assessed value.

Corporate overheads

227. To assess the present value of future corporate costs which are not included in the assessed value of the Toliara Project or the remaining cash flows attributable to Kwale, we have considered the historical quantum of head office corporate costs from FY21 to HY24. Based on the historical level of corporate costs, we have considered the head office corporate costs to be in a range of US\$7.5 million to US\$8.5 million (2024 real) per annum, exclusive of amounts recharged to Kwale and Toliara.
228. We have assessed a present value over an assumed ten-year period to reflect that over time this continued level of corporate overheads would assume and be supported by future potential developments the value of which are not reflected in our valuation assessment and therefore it is appropriate to adopt a finite period for the valuation of corporate overheads to be reflected in our assessment of the current value Base Resources.
229. We have adopted a nominal discount rate range of 10.6% to 11.3% which is consistent with the discount rate analysis used to assess the value of the Toliara Project, excluding the assumed Malagasy CRP (as detailed in Appendix D).

230. This derives a mid-point present value for corporate overheads of US\$54.6 million (refer to Appendix F for more details).

Cash on hand

231. Base Resources also has a projected 30 June 2024 cash position of US\$78.7 million, US\$43.6 million of which sits in Kenya, US\$31.9 million in Australia (A\$48.3 million), US\$2.2 million in Madagascar and a combination of various holding companies amounting to US\$1 million.
232. We have then deducted the applicable WHT of 15% from the cash balance in Kenya, being US\$6.5 million, assuming that it is repatriated at the beginning of the valuation period and assuming no change in the other cash balances. The net cash balance amounts to US\$72.3 million.

Deferred acquisition payments for Toliara

233. As Base Resources has deferred consideration of US\$17.0 million remaining in respect of the acquisition of the Toliara Project, which is payable on achievement of key milestones as the Toliara Project advances to mine development, and given we have assessed the value of the Toliara Project assuming that it is developed, we have assessed the value of the amounts owed at face value.

Conclusion on the assessed Equity Value of Base Resources

234. We have assessed the equity value of Base Resources in US\$ terms to be in a range between US\$167.1 million and US\$282.1 million with a preferred mid-point of US\$224.6 million. To convert the assessed equity value of Base Resources to Australian dollar A\$ terms, we have used the prevailing spot foreign exchange rate on 28 June 2024 of US\$0.663 to A\$1.
235. Based on the analysis described above, we have assessed the equity value of Base Resources on a controlling interest basis, in A\$ terms to be in a range between A\$252.0 million and A\$425.4 million, with a preferred mid-point value of A\$338.7 million.
236. We have then adjusted the assessed equity value for the value attributable to the outstanding performance rights to determine the equity value attributable to Shareholders, as detailed in the table below (for further details please refer to Appendix E):

Valuation of Performance Rights	Number on issue (million)	Assessed Value (A\$m)
2021 LTIP cycle	16.7	3.7
2022 LTIP cycle	18.3	3.5
2023 LTIP cycle	28.7	6.4
Assessed value of Rights	63.7	13.6

Source: Base Resources, PwCS Analysis

237. After adjusting for the assessed value attributable to the outstanding Performance Rights, the assessed equity value attributable to the Shareholders (on a controlling interest basis) is A\$238.4 million and A\$411.8 million, with a preferred mid-point value of A\$325.1 million.

Assessed Value of a share in Base Resources

238. To assess the Fair Market Value of a share in Base Resources on a controlling interest basis we divided the assessed equity value attributable to the Shareholders by the number of shares on

issue, being 1,175.3 million shares, which implies a Fair Market Value per share of between A\$0.203 and A\$0.350, with a preferred mid-point Fair Market Value per share of A\$0.277.

Assessed value of a share in Base Resources	Low	High	Preferred
Equity value to Shareholders (100% controlling interest) (A\$m)	238.4	411.8	325.1
Number of shares on issue ¹ (#m)	1,175.3	1,175.3	1,175.3
Value per share (100% control basis) (A\$)	0.203	0.350	0.277

Source: PwCS Analysis

Valuation cross check based on Base Resources share price

239. As previously discussed in Section 3 of this report, the liquidity in Base Resources' shares is somewhat limited however, we consider the traded share price to still be reflective of the Fair Market Value of a share in Base Resources on a minority interest basis.
240. We have shown the 10, 30 and 90-day VWAPs of Base Resources prior to the announcement of the Transaction in the table below:

Period prior to date of announcement	VWAP (A\$)
10 day	0.109
30 day	0.109
90 day	0.132

Source: Capital IQ, PwCS Analysis

241. Based on the above, we have adopted a range of share prices of between A\$0.11 and A\$0.13 to be indicative of the Fair Market Value of a share on Base Resources on a minority interest basis.
242. We have applied an equity control premium of between 30% and 40% to our assessed minority interest Fair Market Value of the equity in Base Resources, as purchasers are normally willing to pay a premium in order to obtain control of a company.
243. A premium for control is applicable when the acquisition for control of a company would give rise to benefits such as:
- Control of the Board of Directors of the company
 - Control of all the decision making and strategy
 - Access to cash flows, and
 - Access to any potential tax benefits.

¹ adjusted for vested performance rights and treasury shares

244. Publicly available research indicates that the average equity control premium in Australia for full control has been in the order of 15% to 40%, however this varies widely depending on the circumstances and may, in some circumstances, include an element reflecting a strategic premium paid by purchasers.
245. We have assessed an appropriate premium for control to apply to the minority equity value of Base Resources to lie in the range of between 30% and 40% due, at least in part, to the market's perception of the ability of Base Resources to fund the development of the Toliara Project without a significant, and potentially dilutive, capital raise.
246. This implies a range of share prices of between A\$0.142 and A\$0.185 to be indicative of the Fair Market Value of a share on Base Resources on a controlling interest basis, with a preferred mid-point Fair Market Value of A\$0.163 per share.

Base Resources value (control basis) (A\$)	Low	High	Preferred
Value per share (minority interest basis)	0.11	0.13	0.12
Control Premium	30%	40%	35%
Value per share (100% control basis)	0.142	0.185	0.163

Source: Capital IQ, PwCS Analysis

247. Our assessed Fair Market Value of a share in Base Resources on a controlling interest basis is greater than the Fair Market Value implied by the traded share price, as assessed above. This indicates that the Base Resources' share price was not fully reflecting the value of the underlying Fair Market Value of the assets of Base Resources. We consider this to be due, at least in part, to Base Resources' perceived ability to fully fund and advance the Toliara Project in accordance with its strategy leading to potential delays in development. Further, Base Resources is not considered to be able to solely fund the Toliara Project development costs without raising new capital or bringing in a joint venture partner which may dilute existing Shareholders' interests.

7 Evaluation of the Offer

Assessment of the Offer

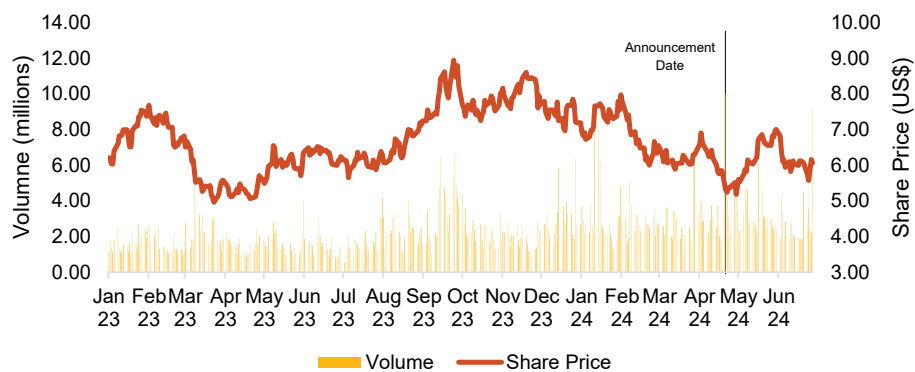
248. Under the terms of the Scheme, Shareholders will be entitled to receive 0.0260 Energy Fuels common shares (being the Scheme Consideration), for each Base Resources share held. Base Resources also expects to pay an unfranked special dividend of A\$0.065 per Base Resources share held.
249. To assess the scrip being offered under the Scheme, it is necessary to consider the Fair Market Value of a share in Energy Fuels post-Transaction on a non-controlling minority interest basis.
250. The Energy Fuels shares to be issued to eligible Shareholders as consideration under the Scheme reflect shares in the combined business. The Fair Market Value of a share in Energy Fuels post-Transaction will reflect the Fair Market Value of the standalone Energy Fuels business, the Fair Market Value of the standalone Base Resources business and the Fair Market Value of any synergies created as a result of the Transaction.
251. In carrying out our assessment of the Scheme Consideration, we have therefore carried out an analysis of Energy Fuels shares since the announcement to the ASX by Base Resources on 22 April 2024 that it had entered into a binding SID with Energy Fuels under which EFR Australia (a 100% subsidiary of Energy Fuels) will acquire 100% of issued shares in Base Resources via a Scheme of Arrangement in order to understand the market's perception of value of the merged entity.
252. In a scrip offer, it is considered reasonable to value the shares being offered by reference to market prices. Although share prices reflect minority trades in the underlying company, these prices are effectively the cash equivalent of the Energy Fuels offer to an eligible shareholder. The Energy Fuels share price is the amount that a Shareholder could realise in the immediate or foreseeable future through the subsequent sale of the Energy Fuel shares issued as Scheme Consideration.
253. It is expected that in the long run Energy Fuels' share price will fluctuate in response to general market movements, changes in the uranium (and mineral sands and REE) industry and future events specific to Energy Fuels and/or the Merged Group. A fully informed market makes an assessment on Fair Market Value incorporating all available information on a company's prospects, future earnings and risks. Assuming no abnormal circumstances, the share market typically provides an objective measure of the Fair Market Value of shares in a listed company. This assumption is supported by the following considerations:
- the NYSE American disclosure policies includes the Immediate Public Disclosure of Material Information – a listed company is required to make immediate public disclosure of all material information concerning its affairs except in unusual circumstances.
 - Energy Fuels' shares are actively traded, with monthly volumes during the 12 months to 31 December 2023 averaging approximately 43.5 million shares or 27.4% of the total issued capital, and
 - Energy Fuels is represented in the S&P Americas Broad Market Index and the S&P/TSX Composite Index.
254. Based on publicly available information, there is no reason to believe that there is a material mispricing of Energy Fuels' shares by the market. We therefore believe it is reasonable to assume that the market share price represents an unbiased estimate of Fair Market Value and is

the best guide to valuing Energy Fuels' shares for the purpose of assessing the Scheme Consideration.

Analysis of Energy Fuels share price

255. The share price performance and traded volume of Energy Fuels shares from 1 January 2023 to 28 June 2024 is shown in the chart below:

Figure 9: Energy Fuels Share Price (1 January 2023 to 28 June 2024)



Source: Capital IQ, PwCS Analysis

256. The share price of Energy Fuels has been somewhat volatile historically. In particular, we note that on the announcement of the proposed Transaction, Energy Fuels' share price dropped from its previous closing share price of US\$5.84 to close at US\$5.30. We consider that, at least in part, was due to the market perceiving that Energy Fuels' announcement to expand REE capacity would come at the expense of uranium production and some investors preferring Energy Fuels as a pure uranium exposed equity investment. In addition, some investors may have considered a 173% premium to Base Resources' 20-day VWAP to be high, given that the share price of Base Resources was likely discounted due to doubts regarding its ability to permit, finance, and ultimately develop the Toliara Project, and that existing production from Kwale was to end by late 2024.
257. Energy Fuels' share price reached a recent low of US\$5.18 on 30 April 2024 but recovered to reach US\$7.00 on 31 May 2024 (despite relatively stable prevailing uranium prices), suggesting that the merits of the proposed Transaction had been further evaluated by investors.
258. Energy Fuels' share price then fell back to close at US\$6.06 per share on 28 June 2024. We note that on 3 June 2024, Energy Fuels announced that it has signed a definitive agreement with Astron to jointly develop the Donald Mineral Sands Project in Australia (which also gives Energy Fuels access to future monazite supply). As per the agreement, Energy Fuels can invest up to approximately US\$122.0 million and issue US\$17.5 million in shares to acquire up to a 49% interest in the Donald Mineral Sands Project. Although these terms are unchanged from the December 2023 non-binding MOU as announced, the market again reacted negatively despite Energy Fuels' REE plans not being expected to impact uranium production.
259. Therefore, to consider the underlying Fair Market Value of a share in Energy Fuels (and noting the volatility post the announcement of the Transaction), we have assessed the 30 day and 90 day VWAP of an Energy Fuels share prior to the announcement made on 22 April 2024, together with the VWAP from 22 April 2024 to 28 June 2024 and the 5 day VWAP and 30 day VWAP to 28 June 2024:

Date	Share price (US\$)
19 April 2024	5.84
22 April 2024 to 28 June 2024 range	5.18 – 7.00
Period prior to date of announcement	VWAP (US\$)
30 day	6.20
90 day	6.77
Period post date of announcement	VWAP (US\$)
22 April 2024 to 28 June 2024	6.01
5 day to 28 June 2024	5.92
30 day to 28 June 2024	6.28

Source: Capital IQ, PwCS Analysis

260. The above table shows that the VWAP of Energy Fuels since the announcement of the proposed Transaction to 28 June 2024 is US\$6.01, which is below the 30 and 90 day VWAP of Energy Fuels prior to the announcement on 22 April 2024 of US\$6.20 and US\$6.77, respectively. We have also calculated the VWAP of Energy Fuels over the 30 days prior to 28 June 2024 which is US\$6.28.
261. Having regard to the factors outlined above, we consider that it is reasonable to adopt a value per Energy Fuels share of between US\$6.00 (being broadly consistent with the assessed VWAP since the announcement of the Transaction to 28 June 2024) and US\$6.28 (being the more recent 30 day VWAP to 28 June 2024) to evaluate the Scheme Consideration.
262. The table below summarises the Scheme Consideration based on the concluded value per Energy Fuels share:

Assessment of Scheme Consideration	Low	High	Preferred
Energy Fuels Fair Market Value per share (US\$)	6.00	6.28	6.14
Scheme Consideration ratio	0.026:1	0.026:1	0.026:1
Converted Energy Fuels Fair Market Value per share (US\$)	0.156	0.163	0.160
Spot foreign exchange rate	US\$0.663:A\$1	US\$0.663:A\$1	US\$0.663:A\$1
Scheme Consideration (A\$)	0.235	0.246	0.241
Special Dividend (A\$)	0.065	0.065	0.065
Offer (A\$)	0.300	0.311	0.306

Source: PwCS Analysis

8 Our Assessment of the Scheme and Conclusion

Assessment of fairness

263. We have assessed the Fair Market Value of a share in Base Resources to be in a range of A\$0.203 to A\$0.350 with a preferred (midpoint) Fair Market Value of A\$0.277 on a controlling interest basis.
264. We have assessed the Fair Market Value of a share in Energy Fuels to be between US\$6.00 and US\$6.28 on a non-controlling or minority interest basis which implies the Fair Market Value of the Offer of between A\$0.300 and A\$0.311 with a preferred (midpoint) Fair Market Value of A\$0.306 per share in Base Resources based on a Scheme Consideration ratio of 0.026 Energy Fuels shares for every share in Base Resources.
265. On the basis that our assessed Fair Market Value of the Offer is within our valuation range and above our preferred Fair Market Value for a fully paid ordinary share in Base Resources, we consider that it is fair.

Assessment of reasonableness

266. We also conclude that the Scheme is reasonable on the basis that it is fair.
267. We also note the implications of a number of qualitative issues which are generally considered in assessing reasonableness. These issues broadly comprise:
- Whether the consideration offered under the Scheme includes a premium for acquiring a 100% controlling interest in Base Resources.
 - The likely consequences for Shareholders if the Scheme is accepted.
 - The likely consequences for Shareholders if the Scheme is not accepted.
 - The likelihood of another offer emerging for the shares in Base Resources that is better than the current Scheme from the perspective of the Shareholders.

The Offer under the Scheme is fair

268. We have assessed the Fair Market Value of a Base Resources share (on a controlling interest basis) as at the date of this report to be in a range from A\$0.203 to A\$0.350 with a preferred (midpoint) Fair Market Value of A\$0.277. The Offer has been assessed to have a Fair Market Value in the range of A\$0.300 to A\$0.311 with a midpoint value of A\$0.306 per share in Base Resources. On the basis that our assessed Fair Market Value of the Offer is within our valuation range and above our preferred Fair Market Value for a fully paid ordinary share in Base Resources, we consider that it is fair.

The Scheme is reasonable

269. In accordance with RG111.11, we consider that the Scheme is reasonable on the basis that it is fair. In addition, we consider the Scheme to be reasonable for the following reasons.

The offer is at a premium to the share price of Base Resources before the announcement of the proposed Scheme

270. The 30 day and 90 day VWAP of a share in Base Resources prior to its announcement to the ASX of the Transaction on 22 April 2024 was A\$0.109 and A\$0.132, respectively.
271. As we have assessed the Fair Market Value of the Offer to be in the range of A\$0.300 to A\$0.311 per share in Base Resources, this implies that a premium for control of approximately 181% to 131% has been included in Energy Fuels' offer when compared to the historical 30 and 90 day VWAP of Base Resources prior to the announcement of the Transaction on 22 April 2024.

Continued exposure to the risks and rewards of the Toliara Project

272. If the Scheme is approved, as the Scheme Consideration is in the form of scrip in the new combined Energy Fuels and Base Resources entity, Shareholders will continue to share in any benefits and risks associated with being an investor in Base Resources.

Greater commodity diversification but diluted exposure to Toliara

273. We note that the combined Energy Fuels and Base Resources entity will have a more diversified commodity portfolio (REEs, uranium and mineral sands), potentially reducing risk for Shareholders, but will dilute Shareholders' exposure to the potential value that may be realised from the Toliara Project.

Potential operating synergies

274. If the Scheme is approved, Energy Fuels' planned development of an REE separation facility at the White Mesa Mill creates the potential opportunity to add value to the Toliara Project by enabling processing of monazite produced at the Toliara Project into separated REOs.
275. Further, the Transaction brings extensive mineral sands expertise to Energy Fuels. This should assist Energy Fuels in developing its Bahia Project and Donald Mineral Sands Projects, while the Shareholders gain access to the only mill in the US currently capable of processing Toliara's monazite into REE.
276. Realisation of this opportunity depends on the phase 2 expansion of the REE separation facility at the White Mesa Mill and the Toliara Project being funded and developed. The opportunity is also dependent on a logistics solution for shipping monazite from Madagascar to Utah.

Greater capacity to fund Toliara

277. The combined entity will have a greater capacity to fund the development of Toliara through the significantly greater market capitalisation, trading liquidity, market profile and funding capacity of the combined group.

Ability to share in premium for control if Energy Fuels is subsequently acquired

278. As the Shareholders will receive scrip in Energy Fuels they still retain the potential benefit of sharing in any premium for control that may be paid by a potential acquirer of Energy Fuels subsequent to the Scheme being approved.

Shares in Energy Fuels are likely to have a greater level of liquidity and institutional coverage than shares in Base Resources

279. Energy Fuels shares have a greater level of liquidity than shares in Base Resources and are represented in both the S&P Americas Broad Market Index and the S&P/TSX Composite Index. The increased size of the combined business is considered likely to attract even greater institutional coverage.

280. Conversely, shareholders will own stock in a Canadian incorporated, dual NYSE American and TSX listed entity. As such, trades in the Energy Fuels' shares are subject to Canadian and US securities laws, rules and regulations, as well as the rules and regulations of the exchanges on which they are traded. These respective legal jurisdictions and exchanges operate under different regimes in terms of governance, takeover rules and shareholder protections to Australia and the ASX, being the regimes that shares in Base Resources are traded and Shareholders are protected. In a number of respects, those rules may be considered by Shareholders to be less favourable than Australian rules. However, the US and Canada are widely considered to be widely considered by investors to be broadly comparable investment jurisdictions in many other respects.

If the Scheme is not accepted, the share price of Base Resources is likely to fall

281. The share price of Base Resources increased significantly on the announcement of the Scheme and has traded in a range of A\$0.23 to A\$0.29 since then (based on closing share prices). We consider that in the absence of the Scheme, an alternative proposal or speculation concerning an alternative proposal, the share price of Base Resources is likely to reduce from current levels.
282. This is considered likely to be attributable (at least in part) to Base Resources' perceived ability to fully fund and advance the Toliara Project in accordance with its strategy leading to potential delays in development. Further, Base Resources is not considered to be able to sole fund the Toliara Project development costs without raising new capital or bringing in a joint venture partner which may dilute existing Shareholders' interests.

Unanimous Board recommendation

283. Base Resources' Board has stated its unanimous recommendation in favour of the Scheme, in the absence of a superior proposal emerging and subject to the independent expert finding the Scheme in the best interests of Shareholders.
284. Further, Base Resources has also received voting intention statements from its two major Shareholders (respectively owning 26.5% and 20.6% of the shares on issue) confirming that they each intend to vote in favour of the Scheme (also in the absence of a superior proposal emerging and subject to the independent expert finding the Scheme to be in the best interests of Shareholders).

No alternative proposals have been received

285. The Directors of Base Resources have advised us that to the best of their knowledge the proposal from Energy Fuels is the only proposal available to the Shareholders at the date of this report.
286. We cannot exclude the prospect of an alternative proposal or offer on better terms emerging. In the event that an alternative proposal or offer on better terms emerges before the closure of the Scheme, Shareholders will be entitled to reject the Scheme and pursue other opportunities.

Conclusion

287. On the basis that our assessed Fair Market Value of the Scheme Consideration is within our valuation range and above our preferred Fair Market Value for a fully paid ordinary share in Base Resources, we consider that it is fair.
288. We consider that the Scheme is reasonable on the basis that it is fair. The Scheme is also considered to be reasonable due to the reasons stated above, in the absence of a higher bid.
289. In conclusion, we therefore consider the Scheme is in the best interests of the Shareholders on the basis that it is both fair and reasonable.

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Appendix A Statement of Qualification and Declaration

Qualifications

PwC Securities is beneficially owned by the partners of PricewaterhouseCoopers Australia, a member firm of the PwC network. PwC Securities holds an Australian Financial Services Licence under the Corporations Act.

Paul Hennessy is a partner in our Perth Corporate Value Advisory practice where he specialises in valuations and transactions work as well as being an authorised representative of PwC Securities. Paul is a graduate of the University of Limerick, a Fellow of the Institute of Actuaries and an Affiliate Member of Chartered Accountants Australia and New Zealand (**CAANZ**). Paul has over 20 years' experience with the Australian and UK firms of PwC including three years in the UK firm's Valuation & Strategy team in London where he worked on a large number of international resource clients.

Campbell Jaski is a partner in our Melbourne Corporate Value Advisory practice specialising in the valuation of mining companies and mineral assets and in the quantification of loss arising from contract disputes and project delays. Campbell is an accredited Business Valuation Specialist with CAANZ, a Fellow of the Financial Services Institute of Australasia, a Fellow of the Chartered Institute of Arbitrators, and a Fellow and Chartered Professional (in the fields of Geology and Management) of the Australasian Institute of Mining and Metallurgy. Campbell has over 25 years' experience in mining, corporate finance and valuations working on a number of projects throughout Australia, Europe, North America and Southern Africa.

Darryl Norville is a managing director in our Perth Valuations practice and is a graduate of the University of Western Australia and a Member of the CAANZ. Darryl has extensive experience in the preparation of corporate valuations, independent expert's reports and the provision of corporate financial advisory services to corporations involved in takeovers, capital raisings and mergers and acquisitions.

Declarations

We have considered our independence from Base Resources and Energy Fuels, having regard to ASIC Regulatory Guide 112, and we do not consider that there are any circumstances which conflict with our independence from Base Resources and Energy Fuels or hinder our ability to provide objective independent advice.

Neither PwC Securities, PwC nor the authors of this report have, at the date of this report, or have had within the previous two years, any shareholding in or other relationship with either Base Resources or Energy Fuels (other than the provision of professional services for time based fees including valuation of share based payments for financial reporting purposes and tax services to Base Resources) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the proposed Transaction.

Neither PwC Securities nor PwC has any interest in the outcome of the Proposed Transaction. PwC Securities is entitled to receive a fee for the preparation of this Independent Expert's Report based on time spent at our normal hourly rates for this type of work and will be reimbursed for out of pocket expenses incurred. The fee payable to us is payable regardless of the outcome of the Proposed Transaction. None of PwC Securities, PwC, Hennessy, Jaski and Norville holds securities in Base Resources and have not held any such beneficial interest in the previous two years.

A draft of this report (excluding our opinion) was provided to the management of Base Resources for factual checking on 20 June 2024, an updated draft report (excluding our opinion) was provided to the directors of Base Resources on 26 June 2024 and a final draft report was provided to Base Resources on 6 July 2024. Although there were a number of factual corrections, no changes to our opinion arose as a result of these reviews.

Purpose of report

This Independent Expert's Report has been prepared at the request of the Independent Directors of Base Resources and should not be used for any other purpose. In particular, it is not intended that this Independent Expert's Report should serve any purpose other than an expression of our opinions to the Non-associated Shareholders. This Independent Expert's Report has been prepared solely for the benefit of the Independent Directors of Base Resources and for the benefit of the existing Non-associated Shareholders. Neither the whole nor any part of this Independent Expert's Report nor any reference to it may be included in or attached to any document, circular, resolution, letter or statement without our prior written consent to the form and context in which it appears.

Special note regarding forward-looking statements and forecast financial information

Certain statements in this Independent Expert's Report may constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of Base Resources to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the following:

- General economic conditions;
- The future movements in interest rates and taxes;
- The impact of terrorism and other related acts on broader economic conditions;
- Changes in laws, regulations or governmental policies or the interpretation of those laws or regulations to Base Resources in particular; and
- Other factors referenced in this Independent Expert's Report.

Indemnity

In preparing this Independent Expert's Report, Base Resources has indemnified PwC Securities, PwC and its employees, officers and agents against any claim, liability, loss or expense, cost or damage, including legal costs on a solicitor client basis, arising out of reliance on any information or documentation provided by Base Resources which is false and misleading or omits any material particulars or arising from a failure to supply relevant documentation or information.

In addition, Base Resources has agreed that if it makes any claim against PwC or PwC Securities for loss as a result of a breach of our contract, and that loss is contributed to by its own actions, then liability for its loss will be apportioned having regard to the respective responsibility for the loss, and the amount Base Resources may recover from PwC Securities will be reduced by the extent of its contribution to that loss.

Consent

PwC Securities has consented in writing to this IER in the form and context in which it appears being included in the Notice of Meeting which will be issued by the Independent Directors of Base Resources and which will be distributed to Base Resources Shareholders.

Neither PwC Securities nor PwC has authorised or caused the issue of all or any part of the Notice of Meeting other than this report. Neither the whole nor any part of this report nor any reference to it may be included in or with or attached to any other document, circular, resolution, letter or statement without the prior consent of PwC Securities to the form in which it appears.

APES 225 Valuation Services

This Independent Expert Report has been prepared in accordance with APES 225 *Valuation Services*.

Appendix B Sources of information

In preparing this Independent Expert's Report, we have had access to and relied upon major sources of information, including:

- The Transaction announcement
- ASX announcements for Base Resources
- Energy Fuels company announcements
- Base Resources Annual Reports (audited) for the two years ended 30 June 2022 and 30 June 2023 and Half Year Interim Financial Report (reviewed) for the six-month period ended 31 December 2023
- Toliara DFS1 – December 2019, Toliara DFS2 – September 2021 and the monazite PFS - December 2023
- Energy Fuels Form 10-k (audited) for the three years ended 31 December 2021, 31 December 2022 and 31 December 2023
- Discussions with management of Base Resources
- Other information provided by management of Base Resources
- Base Resources FY24 Budget Presentation and consolidated group monthly financial reports
- FY25 forecast prepared for the Kwale Project by Base Resources
- Financial models prepared by Base Resources in respect of the DFS2 and monazite PFS for the Toliara Project
- Information obtained from Bloomberg, Capital IQ, and World Nuclear Association, and
- Other publicly available information including information from websites including that of the Base Resources and Energy Fuels.

We have not performed an audit, review or any other verification of the information presented to us. Accordingly, we express no opinion on the reliability of the information supplied to us.

In forming our opinion, PwC Securities has assumed that:

- matters such as compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Transaction announcement sent by Base Resources to its Shareholders is complete, accurate and fairly presented in all material aspects; and

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- the publicly available information relied on by PwC Securities in its analysis was accurate and not misleading.

In addition, PwC Securities assumes no responsibility and offers no legal opinion or interpretation on any issue in respect of legal issues relating to assets, properties, or business interests or issues regarding compliance with applicable laws, regulations and policies.

Appendix C Summary of Valuation Methodologies

There are a number of commonly adopted methodologies that could be used to assess the value of the underlying business (or enterprise value) or equity value of Base Resources. Widely accepted methodologies include:

Discounted cash flow – This method indicates the value of a business based on the present value of the cash flows that the business can be expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital) that reflects the time value of money and the risks associated with the cash flows;

Capitalisation of future maintainable earnings – This method involves multiplying an estimation of a level of sustainable earnings (or profits) of a business by a multiple that is reflective of the underlying risks and growth prospects of the business. The estimation of future maintainable earnings is considered a surrogate for the future cash flows of the business and the process of multiplication is referred as the 'capitalisation' of earnings;

Net realisable value of assets – This approach indicates the market value of the equity of an entity by adjusting the asset and liability balances on the subject company's balance sheet to their market value equivalents. The net assets approach has a number of variants. Typically, the approach can be applied using a going concern premise which uses the concept of replacement cost as an indicator of value; and

Market based assessments – Market based assessments relate to the valuation of a business, shares or assets using observed prices at which comparable businesses, shares or assets have been exchanged in arm's length transactions. This is often the most reliable evidence of market value but in the case of valuation of companies it can be difficult to find directly comparable transactions.

For companies whose shares are publicly traded, the relevant share price is considered indicative of the market value of the shares, if there is sufficient liquidity. However, such market prices usually reflect the prices paid for small parcels of shares and as such do not include a premium for control.

Each methodology is appropriate in certain circumstances and the decision as to which methodology to apply generally depends on the nature of the business being valued, the maturity of the business, commonly adopted approaches used to value similar businesses and the availability of information.

Appendix D Discount rate analysis

The discount rate applicable for fair market valuation purposes should represent the required market rate of return for capital invested in the individual projects being valued. The expected rate of return for invested capital is conventionally derived using the WACC approach using market evidence appropriate to the business being examined. Whilst there is a body of theory that provides a framework for the determination of such a discount rate, it is important to note that there is a level of subjectivity involved in selecting the various inputs to the theoretical framework.

The formulation of WACC using modern finance theory and commonly accepted practice is derived in the first instance on a post-tax, nominal basis as the parameters comprising WACC are observable in the marketplace on this basis.

Inflation, defined as changes in the purchasing power of money, is implicitly built into the observable inputs of the WACC. A consistent treatment is therefore required for the forecast cash flows to which the WACC is applied. The cash flows adopted for the purposes of our assessment are in real (uninflated) dollars.

For the purposes of this report, we have assessed appropriate post-tax real discount rates to be in the range of 12.4% to 13.9% per annum for the Toliara Project.

We consider that this discount rate reasonably reflects the discount rate that purchasers would use in the current market in assessing the project and is reflective of the development, ramp-up, operational, and in-country risks of the project, after consideration of the key assumptions underpinning the project cash flows.

WACC

The WACC of an entity or project is the expected cost of the various classes of its capital (both equity and debt), weighted by the proportion of each class of capital to the total capital of the entity.

The general formula for calculating WACC is:

$$WACC = K_d(1-t) * (D/D+E) + K_e * (E/D+E)$$

where the key inputs are defined as follows:

- K_e the after-tax cost of equity, which is the rate of return required by the providers of equity capital, the pre-tax cost of debt, which is the expected long-term future borrowing cost of the relevant project and/or business. The conventional practice for estimating K_d is to estimate an appropriate premium over the benchmark lending rate.
- t the applicable corporate tax rate
- D the market value of debt
- E the market value of equity

Each of the components of the WACC formula is discussed further below.

Cost of Equity (K_e)

One of the most subjective areas in applying WACC is the estimation of the required return on (or cost of) equity. A widely accepted method for estimating the cost of equity is the capital asset pricing model (**CAPM**).

Under CAPM, the expected return on equity is measured as the return on risk free investments plus a premium for the non-diversifiable risk associated with the relevant asset or project.

The CAPM rate of return on equity capital is calculated using the formula:

$$K_e = R_f + [\beta_E * EMRP]$$

where:

K_e rate of return on equity capital

R_f risk-free rate of return

β_E beta for this type of equity investment

EMRP or $R_m - R_f$ relates to the market risk premium which is the expected return on a broad portfolio of stocks in the market (R_m) less the risk-free rate (R_f)

The return equity for the project has then been estimated by applying a specific country risk premium. The formula applied by PwC Securities was as follows:

$$K_e = R_f + \beta_e * (EMRP) + CRP$$

Risk-free Rate (R_f)

The relevant risk-free rate of return is the return on a risk-free security, typically for a period that reflects the longevity of its associated cash flows. In practice, Government bonds are an acceptable benchmark for the risk-free security. The yield to maturity of Government bonds at the valuation date is generally accepted as a proxy for the risk-free rate.

Having regard to the projected project life, we have used the yield to maturity of the 20-year US Treasury bonds, as a proxy for the risk-free rate. To smooth out yield fluctuations in the short-term, we have taken the 60-day average yield which is 4.70%.

Market Risk Premium (EMRP)

The market risk premium is the premium above the risk-free rate that investors can expect to earn on a diversified portfolio of equity investments. It is generally measured as the difference between actual historical returns on a market share portfolio and long-term Government bonds.

We have adopted a market risk premium of 5% for the purposes of the cost of equity calculation.

Country Risk Premium (CRP) - Madagascar

Country Risk Premium is the additional return or premium demanded by investors to compensate them for the higher risk associated with investing in a foreign (or developing) country compared with investing in the domestic market. This increased risk can come from a range of factors, including unstable political environment, poor governance and/or the prevailing regulatory environment.

CRP is often estimated either by reference to the difference between the country default swap rates pertaining to where the asset is located compared to the US country default swap rates or using the sovereign yield method, which measures the CRP as the difference between the yield on emerging country government bonds and the yield on same-currency developed country government bonds of the same maturity (typically US\$). CRP can then be adjusted to reflect any risk-mitigating factors pertaining to the asset, such as its reliance on local infrastructure and the impact / influence of the local political or regulatory environment.

Madagascar does not have an active market for government bonds or sovereign credit default swaps (**CDS**), which means that there is no available data to calculate either the sovereign yield or the credit default spread for the country. Therefore, we have estimated a 10-year CDS mid-spread by extrapolating from countries with similar sovereign ratings as determined by major international credit rating agencies like Moody's, Standard and Poor (**S&P**), and Fitch Ratings.

S&P has assigned Madagascar a credit rating of B-, while Business Monitor International (**BMI**), a Fitch Group entity, has provided a country risk index rating. Based on our analysis, this is equivalent to an S&P rating of CCC. Madagascar does not have a rating from Moody's.

To account for the absence of Moody's rating, we have conducted a comparative analysis of countries rated B- by S&P and their corresponding Moody's ratings to derive a high-level approximation. Moody's ratings for these countries vary widely, ranging from B3 to Caa3, with the majority falling within the B3 category, which aligns with S&P's B- rating.

As a supplementary cross-check, we refer to Damodaran's approach, which is widely used by practitioners. Damodaran's approach estimates the default spread for countries based on Moody's rating or the country's CDS spread and adjusts it for the relative volatility between the emerging markets sovereign and corporate bonds index. Since Madagascar lacks both a credit rating from Moody's and a CDS spread, Damodaran referenced the International Country Risk Guide (**ICRG**) by the PRS Group, which provides geopolitical risk ratings for countries, including those with lower economic stability. Using this rating, Damodaran estimates an equivalent Moody's rating of B3.

The following table summarises the credit ratings and estimated CRPs for Madagascar:

Source	Credit rating (estimated)	Estimated CRP
S&P	B-	5.0%
BMI (Fitch Group)	CCC (S&P)	7.8%
Damodaran	B3 (Moody's)	9.5%

Source: Capital IQ, BMI, Damodaran, PwCS analysis

Damodaran's estimated equity risk premium of 9.5% is considerably higher than our analysis. However, historical analysis of Damodaran's approach suggests that the sovereign bond spread approach may overstate the equity risk premium for nations with lower credit ratings. Therefore, we have given less consideration to this approach.

We have also considered the following risk factors as advised by Base Resources in our assessment of the Toliara project's country risk:

- The project is of significant national importance, as evidenced by the government's support of monazite production. The President has explicitly endorsed the mineral sands project during the late 2018 election campaign, indicating government interest in the project's advancement, but there have since been some issues advancing the project. Since November 2019, on-the-ground activities have been temporarily suspended at the Toliara Project with discussions, in regard to the

finalisation of fiscal terms and lifting of the suspension, reinitiated with the government in January 2024.

- Base has encountered opposition to the Toliara Project from local communities, the project is thought to have some unfavourable terms for the people and government
- Madagascar's bilateral investment treaty with Mauritius offers several benefits to investors, including favourable national treatment, the condition that expropriation can only occur with the payment of compensation, freedom to transfer payments from the mentioned investments, and a mechanism for the settlement of disputes.
- The mining sector in Madagascar is governed by the Mining Code and the LGIM, along with their implementing decree. This Mining Code includes provisions for a 'Stability Guarantee' to protect investors from losses due to changes in laws and regulations when obtained.
- Base Resources expects the Toliara Project to satisfy the requirements to be LGIM certified. The LGIM certification offers several advantages, such as stable tax conditions, customs regulations, and restrictions related to the sale of mining products. It also provides the ability to use foreign currencies and maintain foreign bank accounts. Additionally, it includes a favourable tax system with reduced income tax rates and VAT exemptions, beneficial customs regulations, safeguards against expropriation, and access to international arbitration for resolving disputes with the government
- The project is located in an area with a low population density but will require its own security measures. Such precautions are in place to offset any potential effects on stakeholders, however, there is a level of negative sentiment around the project from local communities.

Considering the above factors and our analysis, we have adopted a subjective CRP range of 4.5% to 5.5% in our discount rate assessment.

Beta (β_E)

Beta is a risk measure that reflects the sensitivity of a company's share price to the movements of the stock market as a whole. Beta measures the systematic risk of a company's investments which cannot be diversified away, measured relative to the market portfolio.

The historical beta for equity securities can be measured statistically by regressing the return on an equity market index against the share price returns of the relevant stock over a suitably long period of time. The measurement of beta is not an exact science as estimation errors may result from one-off events occurring during the measurement period and a company's beta may vary over time.

A beta factor of one implies that the risk of the particular asset or investment is the same as the risk profile of the market average as a whole. A beta above one indicates greater risk than the average, while a beta of below indicates less risk than the average risk of the market as a whole.

The beta of a stock can be presented as either an adjusted beta or as an historical beta. The historical beta is obtained from the linear regression of a stock's historical data, whereas the adjusted beta is an estimate of a security's future beta. It is initially derived from the historical beta but modified by the assumption that a security's true beta will move towards the market average of one, over time. In practice an adjusted beta is often used.

Observed betas in the marketplace are equity betas and are affected by the gearing of the entity. In applying CAPM, adjustments are generally made to the observed equity betas in the marketplace to allow for the different capital structures and levels of gearing in the companies examined. This process involves "de-gearing" the beta to arrive at the asset beta (that is, the beta applicable to the risk profile of the assets or business operations).

There are a number of formulae advanced for the "de-gearing" and "re-gearing" of beta. We have applied the Hamada formula as follows:

$$\beta_E = \beta_A \left[1 + (1 - t) \left(\frac{D}{E} \right) \right]$$

where:

β_E	company's equity beta
β_A	company's ungeared (asset) beta
D	market value of the company's debt
E	market value of the company's equity
t	the applicable corporate tax rate

PwC Securities estimated a range of equity betas which it considered to be reasonable based on the asset betas (unlevered) of a range of companies with producing and near developing mineral sands and rare earth projects primarily located in jurisdictions with low country risk based on observable market data. The specific risks associated with operating in Madagascar (which are not reflected in the assumed project cash flows) was separately added to the cost of capital through the CRP.

PwC Securities considered the asset betas of publicly traded companies involved in mineral sands and rare earth near developing assets that operate in similar risk jurisdictions or as part of a diversified portfolio. However, our assessment only includes a select few asset betas, excluding those from companies with notably low market capitalization or focused primarily on other minerals substantially different from mineral sands and monazite. We noted low "R squared" factors in most projects in risky jurisdictions. Low "R squared" factors (otherwise known as the "coefficient of determination"), means that such observations are not considered statistically reliable and should also be excluded. The R squared factor calculates the strength of the correlation between a stock's returns and the market index used to calculate an equity beta and which is the fundamental basis of the capital asset pricing methodology.

We have compiled a table presenting the current financial gearing levels, observed equity betas, and adjusted ungeared (asset) beta estimates for a selection of publicly listed mining companies with comparable attributes. Notably, Tronox Holdings plc stands out due to its significantly high gearing level in comparison to the others. In our analysis, we have considered scenarios with and without Tronox and have identified a range of asset betas between 1.20 to 1.35.

Debt to Equity Mix

In estimating the WACC, the debt to equity assumption should reflect the optimal or target capital structure for the asset being valued.

Optimal (as opposed to actual) capital structures are not readily observed. Accordingly, any estimate of optimal capital structure is necessarily subjective. In practice, the existing capital structures of comparable companies are used as a guide to estimate the likely optimal capital structure for an entity, taking into consideration the specific financial circumstances of that entity. In drawing any conclusions from the comparable company information, it is important to note that the observed gearing levels usually represent current or historical gearing levels, which may or may not be representative of optimal, long term gearing levels.

We have reviewed the capital structure of the comparable mining companies assessed in our consideration of an appropriate asset beta. We have also considered the specific financial circumstances pertaining to the Project. Based on this assessment, we consider an appropriate long-term gearing level for the project to be in the order of 5% to 15% debt and 85% to 95% equity.

Cost of Debt (Kd)

The cost of debt is the rate a prudent debt investor would require on interest-bearing debt after considering the appropriate capital structure and the nature and risks pertaining specifically to the entity's operations.

Since the interest on debt is deductible for income tax purposes, the WACC incorporates the after-tax interest rate in the calculation. For the purposes of assessing WACC, the existing effective corporate tax rate of the jurisdiction in which the asset or entity is located is typically used. We have adopted the current Madagascar tax rate of 20%.

We have applied a cost of debt of 10.5% to 11.5%, which we believe is an appropriate cost of debt after considering the debt margin, CRP, and the nature of the project. The debt margin is based on the spread between the yield to maturity of the 10-year US Treasury bonds and the 10-year US BBB corporate bonds. This corresponds to a post-tax cost of debt capital of 8.4% to 9.2% per annum.

Adjustment for Inflation

The cash flows of the project have been derived on a post-tax real basis. Accordingly, the WACC should be on a real basis, which can be achieved by adjusting for inflation. The 60-day average inflation rate implicit in long-term US bonds over the duration of the cash flows modelled approximates 2.40% per annum.

Calculation of WACC

The following table summarises the real post-tax WACC for application in the assessment of the project's operations based on the assumptions and inputs discussed above.

WACC as at 28 June 2024	Low	Mid	High
Risk-free rate	4.70%	4.70%	4.70%
Asset Beta	1.20	1.28	1.35
Debt / Equity ratio	5.26%	11.11%	17.65%
Equity Beta	1.25	1.39	1.54
Equity market risk premium	5.00%	5.00%	5.00%
Country Specific Risk Premium	4.50%	5.00%	5.50%
Cost of equity	15.45%	16.64%	17.90%
Base rate for cost of debt	4.70%	4.70%	4.70%
Debt margin	1.31%	1.31%	1.31%
Country Risk Premium	4.50%	5.00%	5.50%
Pre-tax cost of debt	10.51%	11.01%	11.51%
Tax rate	20.00%	20.00%	20.00%
Post-tax cost of debt (excluding leases)	8.40%	8.80%	9.20%
Gearing (D / (D+E))	5.00%	10.00%	15.00%
WACC (unrounded), (nominal)	15.10%	15.86%	16.60%
WACC (rounded), (nominal)	15.10%	15.90%	16.60%
Inflation	2.40%	2.40%	2.40%
WACC (rounded), (real)	12.40%	13.20%	13.90%

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Discount Rates

Based on the above, we consider appropriate post-tax real discount rates to apply to cash flows the project to be in the range 12.4% to 13.9% having regard to all of the aforementioned factors.

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Comparable company beta analysis

Company ¹	Market capitalisation ² (A\$ Million)	Equity beta ³					Average debt / EV ⁴					Asset beta ⁴				
		2 year weekly	3 year weekly	4 year monthly	5 year monthly		2 year	3 year	4 year	5 year		2 year weekly	3 year weekly	4 year monthly	5 year monthly	
China Rare Earth Resources And Technology Co., Ltd.	4,321	1.47	1.51	1.33	1.31	-	1%	1%	1%	1%	1.47	1.50	1.32	1.30		
Lynas Rare Earths Limited	4,434	1.25	1.19	1.20	1.10	-	-	3%	3%	1.25	1.19	1.17	1.07			
MP Materials Corp.	2,549	1.33	1.36	1.85	1.85	-	-	-	-	1.33	1.36	1.85	1.85			
Tronox Holdings plc	2,951	1.44	1.28	1.23	1.42	116%	95%	109%	109%	0.67	0.66	0.59	0.68			
Shenghe Resources Holding Co., Ltd	2,486	1.30	1.44	1.38	1.35	4%	3%	4%	4%	1.25	1.40	1.33	1.30			
ERAMET S.A.	3,516	1.44	1.22	1.38	1.41	14%	21%	40%	40%	1.26	1.01	0.98	1.01			
Iluka Resources Limited	2,265	1.24	1.32	1.07	1.11	-	-	-	-	1.24	1.32	1.07	1.11			
Kenmare Resources plc	436	0.80	0.75	0.89	0.89	-	4%	5%	-	0.80	0.72	0.84	-			
Arafura Rare Earths Limited	322	1.35	1.58	1.49	1.49	-	-	-	-	1.35	1.58	1.49	1.49			
Sheffield Resources Limited	118	1.03	1.10	1.38	1.42	-	-	-	-	1.03	1.10	1.38	1.42			
Australian Strategic Materials Ltd	116	1.78	1.64	2.08	2.08	-	-	-	-	1.78	1.64	2.08	2.08			
Strandline Resources Limited	111	1.32	1.18	1.44	1.37	26%	16%	9%	9%	1.05	1.02	1.32	1.26			
Hastings Technology Metals Limited	39	1.70	1.70	1.62	1.62	-	3%	3%	3%	1.65	1.56	1.32	1.26			
Vital Metals Limited	9	1.39	1.39	1.32	1.32	-	-	-	-	1.39	1.39	1.32	1.32			
Max		1.78	1.64	2.08	2.08	116%	95%	109%	109%	1.78	1.64	2.08	2.08			
3rd Quartile		1.44	1.38	1.54	1.49	48%	19%	17%	25%	1.30	1.37	1.53	1.49			
Median		1.32	1.30	1.38	1.41	20%	10%	4%	4%	1.25	1.25	1.32	1.30			
Mean		1.31	1.28	1.42	1.45	40%	23%	22%	24%	1.19	1.19	1.32	1.34			
1st Quartile		1.24	1.18	1.25	1.32	12%	3%	3%	3%	1.04	1.02	1.10	1.11			
Min		0.80	0.75	0.89	1.10	4%	1%	1%	1%	0.67	0.66	0.59	0.68			
Median (without Tronox)		1.31	1.32	1.38	1.39	14%	4%	4%	4%	1.25	1.32	1.33	1.31			
Mean (without Tronox)		1.29	1.28	1.44	1.45	15%	9%	9%	10%	1.25	1.24	1.38	1.40			
Number of comparables	14	11	12	14	13	4	6	8	7	11	12	14	13			

Notes:

¹ Comparators chosen on the basis of the industry sector and statistically sufficient number of beta observations² Market capitalisation as at 28 June 2024 from Capital IQ assessed on a controlmance rightsing basis (adopting a 20% control premium)³ Sourced from Capital IQ⁴ Formula for unlevering equity betas: equity beta / (1+ debt / equity).

Appendix E Performance Rights Valuation

Relative TSR Inputs			
Input	2021 LTIP	2022 LTIP	2023 LTIP
Grant Date	24-May-24	24-May-24	24-May-24
Performance Start Date	1-Oct-21	1-Oct-22	1-Oct-23
Performance End Date	30-Sep-24	30-Sep-25	30-Sep-26
Expected Vesting Date	30-Sep-24	30-Sep-25	30-Sep-26
Performance test period	3.00	3.00	3.00
Effective life (Grant Date to Vest Date)	0.35	1.35	2.35

Absolute TSR Inputs			
Input	2021 LTIP	2022 LTIP	2023 LTIP
Grant Date	24-May-24	24-May-24	24-May-24
Performance Start Date	1-Oct-21	1-Oct-22	1-Oct-23
Performance End Date	30-Sep-24	30-Sep-25	30-Sep-26
Expected Vesting Date	30-Sep-24	30-Sep-25	30-Sep-26
Performance test period	3.00	3.00	3.00
Effective life (Grant Date to Vest Date)	0.35	1.35	2.35

Relative TSR Hurdle (Using comparable companies as provided by Base Resources)	% that vest
Less than 50th percentile	Nil
At 50th percentile	50.00%
Between 50th and 75th percentile	Pro-rata 50% to 100%
At 75th percentile and above	100.00%

Absolute TSR Hurdle	% that vest
Below 12%	Nil
At 12%	25.00%
Between 12% and 16%	Pro-rata 25% to 50%
At 16%	50.00%
Between 16% and 20%	Pro-rata 50% to 100%
At 20% and above	100.00%

Total Valuation of Rights (A\$)	Total	Relative TSR	Absolute TSR
Unvested Performance Rights			
2021 LTIP cycle	3,741,922	2,230,162	1,511,761
2022 LTIP cycle	3,457,151	1,992,806	1,464,344
2023 LTIP cycle	6,360,886	3,415,574	2,945,312
Total Unvested Performance Rights	13,559,959	7,638,542	5,921,417

Appendix F Corporate Overheads

We have had consideration to the other historical corporate and external affairs expense from FY21 – FY24 to determine an appropriate range for the expected corporate overheads. The range of US\$7.5 to US\$8.5 million in the first year was selected, grown at the long-term rate of 2.5% over 10 years. We have then utilised an assessed US WACC range and applied it to the forecast overhead costs. Our preferred value of corporate overhead costs is a negative value of US\$54.6 million.

Corporate and External Affairs Expense (US\$m)	FY21	FY22	FY23	HY24
Kwale	(3.8)	(3.8)	(5.3)	(3.7)
Toliara	(0.3)	(0.1)	(0.1)	(0.0)
Other	(8.0)	(8.0)	(8.4)	(3.5)
Total	(12.0)	(11.9)	(13.8)	(7.3)

Appendix G Glossary

Term	Definition
A\$	Australian dollars
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
AMC	AMC Consultants Pty Ltd
AMEX	American Stock Exchange
APES	Accounting Professional and Ethical Standards
ASIC	Australian Securities and Investments Commission
Astron	Astron Corporation Limited
ASX	Australian Securities Exchange
Base Resources	Base Resources Ltd
Base Resources Trustee	Trustee of the Base Resources' LTIP
BMI	Business Monitor International
Board	The current Board of Directors of Base Resources
CAANZ	Chartered Accountants Australia and New Zealand
CAGR	Compounded annual growth rate
Capex	Capital Expenditure
Capital IQ	S&P Global Market Intelligence
CAPM	Capital Asset Pricing Model
CDS	Credit default swaps
Colorado Plateau	Where both the La Sal Project and the Whirlwind Project are located, near the Colorado / Utah border
Company	Base Resources
Corporations Act	Corporations Act 2001 (Cth)
DCF	Discounted cash flow
DFS	Definitive Feasibility Study
DFS1	Initial Definitive Feasibility Study released in December 2019
DFS2	Definitive Feasibility Study released in September 2021, which superseded the DFS1

Term	Definition
Directors	The directors of Base Resources
Dy	Dysprosium
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EFR Australia	EFR Australia Pty Ltd
Energy Fuels	Energy Fuels Inc.
Fair Market Value	The price which would reasonably be negotiated by an informed, willing but not anxious purchaser and an informed, willing but not anxious seller acting at arm's length and within a reasonable timeframe
FID	Final Investment Decision
FSG	Financial Services Guide
FY	Financial Year (1 July to 30 June)
GoM	Government of Madagascar
HM	Heavy mineral
HMC	Heavy mineral concentrate
ICRG	International Country Risk Guide
IER	Independent Expert's Report
Independent Technical Expert	AMC Consultants Pty Ltd
Independent Technical Specialist's Report	AMC's independent technical specialist's report of Base regarding the technical assessment and valuation of resource held by the Kwale Project and the Toliara Project
ISR	In-situ recovery
Kwale, Kwale Project	End of life mineral sands project in Kenya
La Sal Project	The La Sal complex which comprises uranium and uranium / vanadium projects
lbs	Pounds
LGIM	Large Mining Investment Law
LOM	Life of Mine
LTIP	Long Term Incentive Plan
M	Millions
MCP	Monazite Concentrator Plant
MSP	Mineral Separation Plant

Term	Definition
Mt	Megatonnes unit of measurement equivalent to 1 million tonnes
MTLA	Mineral Technologies and Lycopodium Alliance
NdPr	Neodymium and praseodymium
Nichols Ranch Project	Nichols Ranch ISR Uranium Recovery Facility in Wyoming
NYMEX	New York Mercantile Exchange
NYSE American	New York Stock Exchange American
Offer	Base Resources shareholders will be entitled to receive 0.0260 Energy Fuels common shares, plus an expected A\$0.065 in cash via an unfranked special dividend payable by Base Resources, for each Base Resources share held
Opex	Operating expenses
PDE 37242	Permis D'Exploitation 37242, existing exploitation permit
Performance Rights	Base Resources performance rights on issue
PFS	Pre-feasibility study released in December 2023, considering the potential to add the production of monazite at Toliara through concentration of the existing waste stream from the project's mineral sands processing facilities.
Pond Return Campaign	Commenced a campaign to recover vanadium from existing tailings
PP&E	Property, Plant & Equipment
PwC	PricewaterhouseCoopers
PwC Securities, PwCS	PricewaterhouseCoopers Securities Limited
REEs	Rare earth elements
REOs	Rare earth oxides
RG111	Regulatory Guide 111 Content of expert reports
RPEEE	Reasonable prospects of eventual economic extraction
S&P	Standard and Poor's
S606	Section 606 of the Corporation Act
S611	Section 611 of the Corporations Act
Scheme	On 22 April 2024, Base Resources announced that it had entered into a binding SID with Energy Fuels under which EFR Australia, being a 100% subsidiary of Energy Fuels, will acquire 100% of issued shares in Base Resources via a Scheme of Arrangement
Scheme Consideration	Base Resources Shareholders will be entitled to receive 0.0260 Energy Fuels common shares per Base Resources share

Term	Definition
Scheme Meeting	Base Resources are to consider a resolution seeking approval of the Scheme at a general meeting of Base Resources' shareholders that is expected to be held in August 2024
Shareholders	the holders of shares in Base Resources
SID	Scheme Implementation Deed
Special Dividend	An expected A\$0.065 in cash via an unfranked special dividend payable by Base Resources conditional on the Scheme becoming effective
Tb	Terbium
Toliara Mineral Sands Project	The original Toliara Project which is the subject of DFS2, looking at the development of the Toliara site for exploitation of ilmenite, zircon and rutile.
Toliara Monazite Project	The bolt-on project considering the potential to add the production of monazite at Toliara through concentration of the existing waste stream from the project's mineral sands processing facilities, with a PFS completed on the combined Toliara Mineral Sands Project and the monazite project.
Toliara Project Information	Collectively the latest anticipated development plans and costs together with the latest life of mine production forecasts and associated cost assumptions, including the latest definitive feasibility study for the minerals sands component of the project and pre-feasibility study for the additional monazite revenue stream
Toliara, Toliara Project	Base Resources' 100% owned heavy mineral sands and monazite project in Madagascar
Transaction	On 22 April 2024, Base Resources announced that it had entered into a binding SID with Energy Fuels under which EFR Australia, being a 100% subsidiary of Energy Fuels, will acquire 100% of the issued shares in Base Resources via a Scheme of Arrangement
Treasury Shares	Ordinary shares in Base Resources that the trustee of the Base Resources' LTIP has acquired on-market
TSR	Total Shareholder Return
TSX	Toronto Stock Exchange
TZMI	TZ Minerals International
Uranium Concentrate, U₃O₈	Uranium oxide concentrate, created when uranium ore is mined and milled
US	United States of America
US\$	United States dollars
V₂O₅	Vanadium pentoxide

Term	Definition
VAT	Value-added tax
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
WCP	Wet Concentrator Plant
Whirlwind Project	The Whirlwind uranium and vanadium project
White Mesa Mill, Mill	White Mesa Mill processing plant in Utah
WHT	Withholding tax
Zircon	Zirconium

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Appendix H Financial Services Guide

PricewaterhouseCoopers Securities Ltd

This Financial Services Guide (**FSG**) is dated 26 July 2024.

About us

PwC Securities (ABN 54 003 311 617, Australian Financial Services Licence No 244572) has been engaged by Base Resources Limited to provide a report in the form of an IER for inclusion in the Notice of Meeting.

You have not engaged us directly but have been provided with a copy of the IER as a retail client because of your connection to the matters set out in the IER.

This financial services guide

This FSG is designed to assist retail clients in their use of any general financial product advice contained in the IER. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration PwC Securities may receive in connection with the preparation of the IER, and how complaints against us will be dealt with.

Financial services we are licensed to provide

Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds and deposit products.

General financial product advice

The IER contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

Fees, commissions and other benefits we may receive

PwC Securities charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this IER our fees are charged on a fixed basis and are approximately A\$200,000.

Directors, authorised representatives or employees of PwC Securities, PricewaterhouseCoopers (**PwC**), or other associated entities, may receive partnership distributions, salary or wages from PwC.

Associations with issuers of financial products

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Appendix I Independent Technical Specialist Report

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Report

Project Discovery Base Resources Limited

AMC Project 0224066
28 June 2024

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Unearth a smarter way

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Executive summary

General

Base Resources Limited (Base) commissioned an Independent Expert to produce an Independent Expert's Report (IER) for a proposed takeover (Proposed Transaction). This involves evaluating the worth of Base, encompassing its Kwale mineral sands mining operation (Kwale) in Kenya and Toliara development project (Toliara) in Madagascar. The Independent Expert requires a technical specialist to furnish impartial advice on Base and its underlying mineral projects.

AMC Consultants Pty Ltd (AMC) will serve as the technical specialist, scrutinizing specific technical facets of the Kwale and Toliara projects to draft an Independent Technical Specialist Report (ITSR). This report will be appended to the IER and included in the Scheme Booklet distributed to Base shareholders.

Methodology

The approach adopted by AMC in the Review focused on assessing the reliability of previous study activities and the reports generated from this work. The primary objectives were to verify the accuracy of the data, identify any significant errors, and evaluate the adequacy of inputs supporting both Mineral Resource statements and Ore Reserve estimates, all in accordance with JORC Code¹ reporting standards. These assessments are crucial as they underpin the validity of economic evaluations for the proposed mining projects and reinforce the accuracy of the project financial models used for project valuation.

Reviewing of Base's operational and developmental assets, includes:

- Assessment of technical risks linked to future exploration and production operations.
- Commenting as to the validity of the Projects' life of mine plans (LOMP) to assist the Independent Expert to value the assets.
- Considering potential for upside gains and downside risks.
- Assessing Base's exploration interests for the Projects.

The core areas of technical review cover assessment of:

- Geology and Mineral Resources.
- Hydrology / hydrogeology.
- Mining, Ore Reserves, and mine planning.
- Mine geotechnical.
- Metallurgy and processing.
- Product market assessment.
- Environmental, social, and corporate governance (ESG).
- Operating and capital cost estimates.
- Key risks and opportunities as they relate to the Project.

AMC uses a traffic light system to assess the appropriateness of project parameters and assumptions for use as Modifying Factors in converting Mineral Resources to Ore Reserves, including the level of documentation of material issues in the JORC Code Table 1 Checklist of Assessment and Reporting Criteria. Table I shows the qualitative description and corresponding colour for each rating.

¹ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition. Effective 20 December 2012 and mandatory from 1 December 2013. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC Code).

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AMC rated the main elements of the review as follows:

- Industry standard.
- Compliant.
- Non-compliant.

Table I Rating system

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	Green
Compliant	Adequate for reporting of Resources and Ore Reserves	Yellow
Non-compliant	Needs to improve for reporting of Resources and Ore Reserves	Red

For each activity in the process of estimating the Mineral Resources and Ore Reserves, AMC conducted checks and reported under the following headings:

- Processes.
- Input data.
- Calculations.
- Data transfers and validations.
- Outputs.
- Rating.

For the purpose of Review, fatal flaws are defined as any process that could affect the Ore Reserve estimate for a deposit by greater than 10%.

Project Descriptions

Base Resources' assets include the Kwale mineral sands mining operation in Kenya and the Toliara development project in Madagascar.

The Kwale mine began production in late 2013, focusing on high-grade ore rich in rutile, producing ilmenite, rutile, and zircon. Mining started on the Central Dune, transitioned to the South Dune in June 2019, and moved to the North Dune in February 2023. The operation initially used dozer mining but now solely employs hydraulic mining.

At Kwale, ore is processed at an onsite wet concentrator plant to separate heavy minerals from lighter gangue minerals. Further processing at a separate mineral separation plant (MSP) produces finished products for export via the Likoni Port facility. With Ore Reserves expected to be depleted by the end of 2024, Kwale Operations is planning a transition to post-mining activities.

The Toliara project, centred on the Ranobe deposit, is a greenfield ilmenite-dominant mineral sands development located 45 kilometres from Toliara, Madagascar. The project is advanced with mining licenses and environmental approvals in place, progressing towards development backed by a definitive feasibility study for its mineral sands components. The Ranobe deposit consists of a Mineral Resource of 2,580 Mt at 4.3% heavy mineral (HM) and Ore Reserves of 904 Mt at 6.1% HM, supporting a 38-year mine life.

Toliara's ore is characterized by low slimes content and no overburden, using dozer trap mining units with slurry pumping to an onsite wet concentrator. Secondary processing at a separate MSP will produce marketable rutile, ilmenite, and zircon. Additionally, the project includes a monazite waste stream intended to produce a commercially valuable rare earth element product. Final products will be transported to a purpose-built export facility.

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Site visit

A technical representative from AMC conducted a physical inspection of both sites, including the operational Kwale mine in Kenya and the planned Toliara site in Madagascar. This was necessary to meet the VALMIN Code² requirements for inspecting material assets.

Conclusions and recommendations

The key conclusions and recommendations from the Review are:

Kwale

Geology Mineral Resource review

Upon reviewing the provided data, AMC concludes that the data collection and estimation practices for the Kwale Mineral Resource are adequate. However, there are shortcomings in the data validation process. Despite these issues, the short remaining mine life means that the opportunity to rectify these problems has likely passed.

The technical quality of data management, estimation processes, and calculations used for the Mineral Resource estimate is considered sufficient, making the estimate technically compliant. Nevertheless, there is room for improvement in the reporting, particularly in the assessment and reporting of Reasonable Prospects for Eventual Economic Extraction (RPEEE). The absence of RPEEE discussion currently renders the reporting non-compliant. However, since Kwale is an operating mine, there is potential for RPEEE within the estimated Mineral Resource.

AMC acknowledges that the chance to address these reporting deficiencies may have passed but suggests that Base could have included RPEEE in the December 2023 Mineral Resource estimate for completeness.

Overall, AMC deems the reporting of the Mineral Resources at Kwale adequate to support the current mining inventory for Ore Reserve reporting. (as shown in Table II).

² Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, The VALMIN Code 2005 Edition, Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral industry Consultants Association with the participation of the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector.

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Table II Overall summary of Mineral Resources compliance (Kwale)

Discipline Component	Description	Colour
Geology Data Collection	Generally, to industry accepted practice.	Yellow
QA/QC	No material bias in available data	Yellow
Bulk Density	Adopted value not validated.	Yellow
Data Validation	No independent data validation for Mineral Resource.	Yellow
Geology Interpretation	Geology interpretation is sound. Evidence of detailed understanding.	Green
Grade Estimate	Accepted practices followed	Yellow
Overall Technical Rating	The data collection, assessment interpretation and estimation processes are acceptable to generate a Mineral Resource estimate for reporting.	Yellow
Mineral Resource Reporting	No consideration of RPEEE in reporting.	Red
Overall rating	The Mineral Resources were estimated using adequate data and processes. The non-reporting of RPEEE is considered not an issue for the overall rating given the mine is already operating and nearing its end.	Yellow

Modifying factors

As part of the core scope primarily focused on reviewing the Project's Mineral Resources and Ore Reserves, AMC conducted fatal flaw examinations of the key technical modifying factors underpinning the Ore Reserve to support the economic valuation of the Kwale project. These factors included geotechnical, hydrogeology/hydrology, metallurgical/mineral processing, and ESG study work. The results of these supplementary reviews are outlined as follows:

Hydrogeology

AMC has evaluated the hydrogeological conditions relevant to the cessation of mining activities at Kwale. While the overall hydrogeology is generally suitable for this transition, certain specific considerations require attention:

- Transfer of Borefield: Upon cessation of mining by Base Resources, the borefield will be transferred to the authorities, except for BH8, which will be handed over to the community.
- Mukurumudzi Dam: The dam may continue to be used by third-party agribusiness initiatives, requiring appropriate management of dam operations by the new owners.

The entity assuming control of the borefield must comply with the legislation and permit requirements outlined in Kenya Water Law. Furthermore, continued third-party use of the Mukurumudzi dam necessitates rigorous management to ensure operational integrity.

AMC concludes that the project's hydrogeological processes sufficiently support Ore Reserve reporting and are deemed compliant with regulatory standards.

Geotechnical

AMC evaluated the geotechnical practices at Kwale to determine their alignment with JORC Code guidelines for Ore Reserve reporting. Key findings include:

- Deficiency in Stability Analyses: Long-term slope stability analyses around the pit edge have not been conducted, posing safety concerns, particularly where infrastructure adjoins the pit edge.
- Required Improvements: The current geotechnical work is inadequate for supporting the mining inventory and Ore Reserve reporting, requiring further stability analyses.

All necessary geotechnical parameters have been acquired, and rectifying the deficiency to meet DFS standards is estimated to take less than one day by modelling representative sections around the pit edge.

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Metallurgical & Processing

AMC reviewed the processing aspects of the Kwale project to ensure alignment with JORC Code guidelines. Findings indicate:

- **Compliance with Industry Standards:** The processing work demonstrates compliance with industry standards, effectively supporting the current mining inventory and Ore Reserve reporting.

As a result, the processing practices are rated as meeting industry standards.

ESG

AMC assessed the ESG practices at Kwale Operations, concluding:

- **Adherence to Best Practices:** Kwale Operations are well-managed and guided by international best practices as far as feasible.
- **Commitment to High Standards:** The project's ESG efforts reflect a commitment to environmental stewardship, social responsibility, and governance, aligned with industry norms.

Overall, AMC's review confirms that the Kwale project's practices are largely compliant with JORC Code guidelines and industry standards, supporting the reporting of Ore Reserves and underscoring the project's robust management across various technical and ESG aspects.

Ore Reserve

This Ore Reserve review provides AMC's assessment of whether Base's modifying factors and subsequent mine planning activities adequately support the reported Ore Reserve statement in accordance with JORC Code guidelines.

A review of the mining costs for the Kwale operation indicates that the projected cost profile for the remainder of the project aligns with the costs achieved so far. Therefore, the cost profile is deemed adequate for reporting Ore Reserves and is accurately reflected in the Base financial modelling, supporting the economic viability of the remaining mine life.

After reviewing the provided Project data and conducting a comprehensive review, AMC concludes that the methodologies and procedures governing the Kwale project's Ore Reserve estimation have reached a level of development that sufficiently supports the current mining inventory. These processes are deemed adequate for the reporting of Ore Reserves. (as shown in Table III).

Table III Overall summary of Ore Reserve reporting compliance (Kwale)

Discipline component	Description	Colour
Mineral Resource model base	Adequate for reporting Ore Reserves	Yellow
Dilution of model	Adequate for reporting Ore Reserves	Yellow
Depletion and exclusion	At industry standard for reporting Ore Reserves	Green
Pit optimization, design & scheduling	At industry standard for reporting Ore Reserves	Green
Mining cost	At industry standard for reporting Ore Reserves	Green
Modifying factors	Adequate for reporting Ore Reserves	Yellow
Overall rating	Adequate for the reporting of Ore Reserves	Yellow

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Toliara

Mineral Resource

AMC conducted a review to assess whether the Ranobe Mineral Resources sufficiently support the reporting of an Ore Reserve in alignment with JORC Code guidelines and to identify areas for improvement.

Key Findings:

- 1 Data Collection and Estimation Practices:
 - The processes governing the Project's Mineral Resource work demonstrate adequate data collection and estimation practices.
 - The Mineral Resource estimate is technically compliant and suitable as the basis for an Ore Reserve.
- 2 Reporting Deficiencies:
 - The Mineral Resource estimate lacks critical elements, particularly the assessment and reporting of Reasonable Prospects for Eventual Economic Extraction (RPEEE), as required by the JORC Code.
 - This omission is significant, especially given the historical access restrictions and current uncertainty regarding future site access by government authorities.
- 3 Adequacy for Ore Reserve Reporting:
 - Despite these reporting challenges, the Mineral Resource is deemed adequate to support the current mining inventory for reporting Ore Reserves.
- 4 Regulatory and Approval Risks:
 - While there are promising indications from the mining minister, securing the necessary approvals remains uncertain, posing potential risks of continued restrictions.

Recommendations:

AMC recommends that future reporting of the Mineral Resource estimate include full disclosure on RPEEE to address current deficiencies and enhance transparency. The Competent Person should incorporate discussions on RPEEE to provide a more comprehensive and compliant Mineral Resource statement.

Conclusion:

The Ranobe Mineral Resources are technically compliant and suitable to support the reporting of Ore Reserves. However, improvements in reporting, particularly regarding RPEEE, are necessary to align fully with JORC Code guidelines and ensure transparent and comprehensive Mineral Resource disclosure. These processes are deemed adequate for the reporting of Mineral Resources (as shown in Table IV).

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Table IV Overall summary of Mineral Resources compliance (Toliara)

Discipline Component	Description	Colour
Geology Data Collection	Limited records of logging processes. No record of early assay details. Otherwise, generally to industry accepted practice.	Yellow
QA/QC	No QA/QC in 2001 and limited testing in 2003. No material bias in available data	Yellow
Bulk Density	Sand replacement method used. Adopted formula not validated.	Yellow
Data Validation	Data validated for Mineral Resource by IHC Robbins. No on-site validation loading database.	Yellow
Geology Interpretation	Geology interpretation is sound. Evidence of detailed understanding	Green
Grade Estimate	Accepted practices followed	Green
Overall Technical Rating	The data collection, assessment interpretation and estimation processes are acceptable to generate a technically compliant Mineral Resource estimate for reporting.	Yellow
Mineral Resource Reporting	No consideration of RPEEE in reporting. This is a significant factor given ongoing access restrictions.	Red
Overall rating	RPEEE aside, the Mineral Resources were estimated using adequate data and processes and is technically sound. Reporting of the Mineral Resource should consider RPEEE given the situation at Ranobe.	Yellow

Modifying factors

As part of the core scope primarily focused on reviewing the Project's Mineral Resources and Ore Reserves, AMC conducted fatal flaw examinations of the key technical modifying factors underpinning the Ore Reserve to support the economic valuation of the Toliara project. These factors included geotechnical, hydrogeology/hydrology, metallurgical/mineral processing, and ESG study work and a product market analysis review. The results of these supplementary reviews are outlined as follows:

Hydrogeology

AMC assessed the hydrogeological conditions and concluded that they are adequate to support the reporting of an Ore Reserve statement. Key findings include:

- The proposed mining does not intersect the water table, with pit dewatering needed only for process spillage and stormwater.
- Mitigation measures for rainfall impact are well developed.
- An Eocene limestone aquifer is a potential water source, with initial tests suggesting it could meet the plant's needs. However, further investigations are required to confirm productivity.
- The hydrogeological processes are rated as compliant with JORC Code requirements.

Geotechnical

AMC evaluated the geotechnical practices and found them sufficient for reporting Ore Reserves, the upper sand unit (USU) and minor surface silt unit (SSU) are to be mined. Key points include:

- Processes governing geotechnical work are adequate for current mining plans.
- If underlying units such as the intermediate clay sand layer unit (ICSU) are to be mined, additional geotechnical work will be necessary.
- The geotechnical activities are rated as adequate for Ore Reserve reporting under the given assumptions.

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Metallurgical & Processing

AMC's assessment of the processing aspects confirmed compliance with JORC Code guidelines, ensuring support for the current mining inventory. Key findings include:

- Methodologies used in processing work align with industry standards.
- The methodologies are robust for accurate Ore Reserve reporting.
- The processing aspects are rated as compliant.

ESG

AMC reviewed the ESG practices and concluded that they reflect a commitment to international best practices, although full implementation awaits the lifting of government suspension. Key points include:

- ESG efforts are rated as compliant, contingent on regulatory approvals.
- The proactive stance aligns with global standards for environmental and social responsibility.

Mineral Sands Product Market

AMC commissioned TZMI to assess the quality of planned products from the Toliara Project. Key aspects include:

- Evaluation focused on market positioning and achievable pricing for products such as sulphate ilmenite, slag ilmenite, chloride ilmenite, rutile, and zircon.
- The quality considerations are compliant with industry standards, supporting the reporting of Ore Reserves.

Conclusion

AMC's fatal flaw review of the Toliara modifying factors confirms that the various technical and operational aspects of the Project are generally compliant with JORC Code guidelines, with specific recommendations for improvements in certain areas. The Project's processes are deemed adequate to support the reporting of Ore Reserves, reflecting a solid foundation for the continued development and economic valuation of the Project.

Mineral Sands Ore Reserve

AMC conducted an Ore Reserve review to evaluate whether Base's modifying factors and mine planning activities sufficiently support the mineral sands Ore Reserve statement for the Toliara project, in alignment with JORC Code guidelines, and if the definitive feasibility study supporting the mineral sands components of the project are sufficiently developed. The review included a thorough analysis of provided data.

Key Findings:

- 1 Adequacy of Ore Reserve Estimation:
 - AMC concludes that the processes for Ore Reserve estimation in the Toliara project are sufficiently developed.
 - The current mining inventory is adequately supported for reporting Ore Reserves.
- 2 Identified Deficiencies:
 - Significant deficiencies were noted in the Toliara Mineral Resource estimate.
 - The absence of assessment and reporting of Reasonable Prospects for Eventual Economic Extraction (RPEEE) mandated by the JORC Code, is a critical shortfall.
 - Historical access restrictions and the lack of clear evidence on future site access by government authorities further exacerbate these concerns.

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3 Compliance Rating:

- Despite the identified deficiencies, the Ore Reserves for the Toliara project's mineral sand inventory are considered compliant.

Conclusion:

While AMC acknowledges that the Ore Reserve estimation processes are largely adequate (to a minimum of PFS standard, as required in the JORC Code), the review highlights crucial areas needing improvement, specifically the RPEEE assessment, current suspension and uncertainty regarding future site access by government authorities. Addressing these deficiencies is essential to fully comply with JORC Code guidelines and ensure the robustness of the Ore Reserve statement for the Toliara project.

A review of the projected mining costs for the Toliara project indicates that the cost profile for the mineral sands components generally aligns with industry standard expectations. Therefore, the cost profile is deemed adequate for reporting Ore Reserves and is accurately reflected in the Base financial modelling, as described in their second iteration of the project's definitive feasibility study (DFS#2), supporting the potential economic viability of the project. This assessment excludes the proposed auxiliary project value derived from the on-processing of the monazite waste stream, as described in Base's pre-feasibility study (PFS), which focuses on value addition from the potential exploitation of rare earth minerals.

As a result of these findings, the rating of the Ore Reserves for the project's mineral sand inventory is deemed compliant (as shown in Table V).

Table V Overall summary of Mineral Sand Ore Reserve compliance (Toliara)

Discipline component	Description	Colour
Mineral Resource model base	Adequate for reporting Ore Reserves	Yellow
Dilution of model	Adequate for reporting Ore Reserves	Yellow
Pit optimization, design & scheduling	At industry standard for reporting Ore Reserves	Green
Product market pricing	Adequate for reporting Ore Reserves	Yellow
Mining financial modelling	Adequate for reporting Ore Reserves	Yellow
Modifying factors	Adequate for reporting Ore Reserves	Yellow
Overall rating	Adequate for reporting Ore Reserves	Yellow

Rare Earths Monazite PFS

This review by AMC evaluates whether the on-processing of the monazite waste stream, as described in Base's pre-feasibility study (PFS) date March 2024, which focuses on value addition from the potential exploitation of rare earth elements (REE), is sufficiently developed to support the reporting of an Ore Reserve statement in accordance with JORC Code guidelines and identifies how deficiencies can be addressed.

Key Findings:

1 Integration into Financial Model:

- Base Resources incorporated a Rare Earths Monazite Project into the PFS version of the project financial model, including capital and operating costs.
- The project involves setting up a monazite concentration plant (MCP) alongside Stage 1 and Stage 2 processing plants for the mineral sands project.
- The MCP is designed to produce concentrated monazite from the MSP waste stream.

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- 2 Shortcomings of the PFS:
- The March 2024 PFS does not adequately address the exploitation of monazite components to maximize monazite concentrate within the Project's Mineral Resource.
 - Consequently, the PFS does not meet the requirements for including monazite concentrate in the Ore Reserve.
 - While there is potential for commercially viable REE extraction from the monazite waste stream, the PFS lacks comprehensive geological, metallurgical, and mining studies necessary to adequately assess the project's value.
- 3 Non-Compliance:
- AMC concludes that the processes governing the quotation of a monazite Ore Reserve are insufficient to support the reporting of a mining inventory and subsequent Ore Reserve reporting.
 - The current granted Toliara mining lease allows for the exploitation of only ilmenite, zircon, leucoxene, rutile, guano, basalt, and limestone. Therefore, Base currently have no rights to extraction of the monazite or derived rare earth minerals.

Conclusion:

While the integration of the potential monazite exploitation into the PFS version of the project financial model shows promise, the March 2024 PFS supporting technical study work falls short of fully addressing this potential. The current processes do not support the quotation of an Ore Reserve that is inclusive of monazite, rendering them non-compliant with JORC Code guidelines. Addressing these deficiencies through more comprehensive studies is essential for establishing an accurate view of the project's economic viability and achieving compliance for Ore Reserve reporting.

AMC acknowledges the potential for commercially viable REE extraction from the monazite waste stream, suggesting that Base could enhance the project's economic viability. However, the PFS falls short in fully exploring the project's value through comprehensive geological, metallurgical, and mining studies.

Based on the analysis of the provided data and our review, AMC finds that the processes governing the quotation of an Ore Reserve that is inclusive of monazite (essential for valuing a mineral project under the VALMIN code) lack validity to support the quotation of a mining inventory and subsequent Ore Reserve reporting. Specifically, the lack of a granted mining lease that includes monazite exploitation prevents the legitimate pursuit of potential value that could be achieved through the extraction and sale of the REE derived from the monazite components of the orebody. As a result of these findings, the rating of the Rare Earths Monazite PFS for the inclusion of monazite and REE into the mining inventory is deemed non-compliant. (as shown in Table VI).

Table VI Monazite Overall summary of compliance

Discipline component	Description	Colour
Monazite Resource Modelling	Grade distribution non-compliant for reporting Ore Reserves	Red
Product market pricing	Adequate for reporting Ore Reserves	Yellow
Operating cost estimation	At industry standard for reporting Ore Reserves	Green
Capital cost estimation	Adequate for reporting Ore Reserves	Yellow
Sustaining capital cost estimation	Non-compliant for reporting Ore Reserves	Red
Ore Reserve quotation	Non-compliant for reporting Ore Reserves	Red
Overall rating	Non-compliant for reporting Ore Reserves	Red

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Quality control

The signing of this statement confirms this report has been prepared and checked in accordance with the AMC Peer Review Process.

Project Manager

The signatory has given permission to use their signature in this AMC document

Adrian Jones

28 June 2024

Date

Peer Reviewer

The signatory has given permission to use their signature in this AMC document

Bruce Gregory

28 June 2024

Date

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1 Introduction

1.1 General

Base Resources Limited (Base) commissioned an Independent Expert to produce an Independent Expert's Report (IER) for a proposed takeover combination to be affected by way of scheme of arrangement under Australia's Corporations Act (Proposed Transaction). This involves evaluating the worth of Base, encompassing its Kwale mineral sands mining operation (Kwale) in Kenya and Toliara development project (Toliara) in Madagascar. The Independent Expert necessitates a technical specialist to furnish impartial advice on Base and its underlying mineral projects.

AMC Consultants Pty Ltd (AMC) is engaged as the technical specialist, scrutinizing specific technical facets of the Kwale and Toliara projects to draft an Independent Technical Specialist Report (ITSR). This report will be appended to the IER and included in the Scheme Booklet distributed to Base shareholders.

1.2 ITSR requirements

AMC understands that the context of the ITSR Scope of Work (Scope) includes:

- Azure Capital Pty Ltd (Azure) is engaged in advising Base on the Proposed Transaction and is authorized to act on Base's behalf to seek the proposal to provide the ITSR from AMC.
- PricewaterhouseCoopers Securities Ltd (PwCS) has been retained by Base to act as the Independent Expert and AMC is free to engage with the nominated PwCS representatives to complete the requirements of the ITSR to inform the outcomes of the IER.
- The ITSR comprises of a review of Base's mineral assets, specifically the Toliara and Kwale projects (the Projects).
- AMC have been provided with reasonable access to Base's technical Project information and personnel to assess the technical aspects of the Projects.
- Base has completed a definitive feasibility study (DFS), aimed at meeting accepted industry standard, upon the mineral sands Toliara development proposal.
- Base has completed a pre-feasibility study (PFS), aimed at meeting accepted industry standards upon the monazite concentrate (containing potential rare earth elements minerals) of the Toliara development proposal.
- Base is undertaking mineral sands mining and processing activities at the Kwale site, aimed at complying with conventional industry standard protocols for legal, safe, and sustainable operations.
- A technical representative from AMC has conducted a physical inspection of both sites, including the operational Kwale mine in Kenya and the planned Toliara site in Madagascar. This was necessary to meet the VALMIN Code³ requirements for inspecting material assets.
- AMC is operating under the instructions, remuneration, and indemnification terms specified in the AMC commercial proposal (PP0224066_4, Proposal – Project Discovery, 25 April 2023/2024), by Base, as per AMC's standard terms and conditions.

AMC confirm that:

- AMC is independent of Base, Azure, PwCS and Energy Fuels Inc. and has no interest in the Projects or the outcomes of the Proposed Transaction
- AMC has strong capability and extensive experience in undertaking technical due diligence on similar projects for banks, and due diligence for other purposes such as acquisitions.

³ Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, The VALMIN Code 2005 Edition, Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral industry Consultants Association with the participation of the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector.

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1.3 Background

1.3.1 Kwale

The Kwale mineral sands mine in Kenya commenced production in late 2013. Consisting of a high-grade ore body rich in rutile and producing three product streams of ilmenite, rutile, and zircon.

Mining began on the Central Dune orebody and later transitioned to the South Dune in June 2019 and the North Dune in February 2023. Initially utilizing dozer mining, the operation now exclusively employs hydraulic mining for the balance of the life of mine production.

Ore is processed at the onsite wet concentrator plant, where heavy minerals are separated from lighter gangue minerals. Secondary mineral processing is undertaken via a separate Mineral Separation Plant (MSP) to further process the concentrate into finished products for sale. Products are transported to the Likoni Port facility for export.

With Ore Reserves expected to be fully depleted by the end of 2024, Kwale Operations is planning its transition to post-mining activities following extensive exploration and evaluation.

1.3.2 Toliara

The Toliara project consists of the Ranobe deposit, which is a greenfield ilmenite dominate mineral sands mining development located in south-west Madagascar, approximately 45 kilometres from the port town of Toliara, capital of the Atsimo-Andrefana region.

The Toliara project development is publicly reported to be well advanced with mining license and environmental approvals already in place and is currently progressing through to development.

The Ranobe deposit is reported as a Mineral Resource of 2,580 Mt at 4.3% heavy mineral (HM), with Ore Reserves of 904Mt at 6.1% HM, indicated to be sufficient to support a 38-year mine life.

The Toliara project is reported to be low in slimes with no overburden, and planned to employ conventional dozer trap mining units, with ore being slurry pumped to an on-site wet concentrator primary mineral processing plant.

Secondary mineral processing will be undertaken via a separate MSP which will produce marketable products of rutile, ilmenite, and zircon minerals.

The Toliara project is also reported to contain a monazite waste stream which is proposed to produce a monazite product stream with a commercial content of rare earth elements. However, AMC notes that the current granted Toliara mining lease allows for the exploitation of only ilmenite, zircon, leucosene, rutile, guano, basalt, and limestone. Therefore, Base currently have no rights to extraction of the monazite or derived rare earth minerals

Final products will be transported to a purpose-built export shipping facility.

1.4 Objectives

The objectives of the ITSR process involve conducting a comprehensive technical analysis of Base's present and proposed mineral sands and rare earths mining and processing activities, guided by the publicly stated definitions of the current Mineral Resources and Ore Reserves for the Projects. These assessments are crucial as they underpin the validity of economic evaluations for the proposed mining projects and reinforce the accuracy of the project financial models used for project valuation.

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Specifically, concerning the Projects, the technical specialist is tasked with:

- Reviewing and providing a report on the technical aspects related to Base's operational and developmental assets, including:
 - Technical risks linked to future exploration and production operations.
 - Comment as to the validity of the LOMP to assist the Independent Expert value the assets.
 - Potential for upside gains and downside risks.
 - Assessing Base's exploration interests for the Projects.
 - The core areas of technical review will cover:
 - Geology and Mineral Resources.
 - Hydrology / hydrogeology and geotechnical.
 - Mining, Ore Reserves, and mine planning.
 - Mine geotechnical
 - Metallurgy and processing.
 - Product market assessment.
 - Environmental, social, and corporate governance (ESG).
 - Operating and capital cost estimates.
 - Key risks and opportunities as they relate to the Project.

AMC has undertaken the following activities during the ITSR:

- Visited the Kwale mine site, located 50 km south of Mombasa in Kenya, to inspect the status of the mining and processing operations, rehabilitation, and site closure provisions, ESG requirements, and the geographical features of the project.
- Visited the Toliara Project site, in south-west Madagascar, to inspect the status of the exploration and development activities, review the appropriateness of the proposed site infrastructure to support the proposed mining activities, ESG requirements, and the geographical features of the proposed project.
- Reviewed both Projects' resource models and associated geological aspects of the deposits which underpin the estimation and reporting of the Mineral Resources to JORC Code⁴ reporting standards.
- Reviewed the geotechnical test work and the appropriateness of the pit slope open pit mine design criteria utilized in the current and proposed pit designs.
- Reviewed the hydrology and hydrogeological study work undertaken and their implications for the current and proposed mining activities.
- Reviewed the metallurgical test work and mineral processing flowsheet to assess the suitability of the existing and proposed mineral processing facilities.
- Reviewed the environmental and cultural study work, approvals, and management plans to ensure appropriate provisions have been made to comply with international investment standards for acceptable ESG compliance for both Projects, and a high-level assessment of the rehabilitation and mine closure provisions for the Kwale operation.
- Reviewed operating cost and both initial and sustaining capital expenditure estimates for the existing and proposed mining operations.
- Reviewed the open pit design and mining and treatment scheduling supporting the LOMP which underpins the estimation and reporting of the Ore Reserve statements to JORC Code reporting standards for both projects.

⁴ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition. Effective 20 December 2012 and mandatory from 1 December 2013. Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC Code).

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- Completed a market analysis review to assess Toliara's proposed mineral sands products and their suitability for placement into the current market.

1.5 Scope of work

1.5.1 Geology and Mineral Resource review

AMC has carried out an in-depth examination of both projects' geology and Mineral Resources statements. The review encompassed three pivotal aspects: database integrity, geological model and estimation domain interpretation, and resource estimation methodology.

AMC's geological technical review incorporated assessment of:

- Resource models, geology, and held discussions.
- Database, focusing on added data from the last three years including:
- Analytical methods and quality assurance and quality control (QA/QC) procedures and data, considering the precision and accuracy of assay data on which MREs are based.
 - Geological logging and data storage.
 - Collar and survey information.
 - Database integrity and security.
 - Density measurements with mineralization domains and application to the block models.

Geological models in terms of:

- Lithology.
- Alteration.
- Mineralization.
- Structure.

Resource estimation methodologies focused on grades that included, but were not limited to:

- Domain definition.
- Grade capping/cutting.
- Variography.
- Quantitative Kriging Neighbourhood Analysis.
- Estimation techniques.
- Validation methods.
- Approach to mining depletion.
- Approach to mining dilution and application of reasonable prospects for eventual economic extraction (RPEEE) including selection of cut-off grade parameters.
- Resource classification methodology.

The technical assessment evaluated Base's geological modelling, resource estimation, and associated activities in accordance with industry best practices. It also validated the compliance of reporting with the JORC Code.

AMC did not take Competent Person responsibility for Base's Mineral Resource estimates. AMC expressed a view as to whether each of the selected mineral inventories and geological modelling parameters were sufficiently developed to underpin Ore Reserve statements that comply with the guidelines of the JORC Code, and if not, how those deficiencies or opportunities could be addressed.

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1.5.2 Ore Reserve modifying factor reviews

AMC discussed with Azure the requirement to provide a basic fatal flaw review of the key technical modifying factors supporting the Ore Reserves, including geotechnical, hydrology/hydrogeology, mineral processing and ESG study work.

AMC did not recommend the presence of geotechnical, hydrology/hydrogeology, mineral processing and ESG personnel at the projects' site visits during the review activities. Consequently, the technical modifying factor aspects of the review were confined to desktop studies, supplemented by a series of teleconference calls with Base's technical personnel or their engaged specialist consultants. These calls facilitated the exchange of essential data required to carry out the fatal flaw review of the key technical modifying factors supporting the quotation of the Projects Ore Reserves.

1.5.2.1 Hydrogeology review

To complete the necessary hydrology/hydrogeology modifying factor review, AMC reviewed the following data:

- Reviewed and commented on the quality and density of hydrogeological data gathered to date.
- Reviewed the dewatering requirements and water balance for the site over the life of the projects.
- Assessed the appropriateness of hydrogeology guidance and recommendations provided to the geotechnical slope stability analysis for mine designs.
- Identified and commented on material hydrogeological issues that may disrupt production or cause operational difficulties or delays.
- Reviewed and commented on the material hydrogeological aspects and risks for conventional open pit operations.

AMC has expressed a view as to whether the project hydrogeology recommendations were sufficiently developed to underpin the mining engineering pit designs leading to the quotation of an Ore Reserve statement that complies with the guidelines of the JORC Code. If not sufficiently developed, AMC addressed how those deficiencies or opportunities could be managed.

1.5.2.2 Geotechnical review

To complete the necessary geotechnical modifying factor review, AMC reviewed the following data:

- Geotechnical study documents.
- Slope recommendations supporting the mine planning work.
- Data supporting the geotechnical study including drilling density, rock mass classification, rock property testing, structural data, and geological interpretations.
- Reviewed the geotechnical risks to the projects.

AMC has expressed a view as to whether the project geotechnical slope recommendations were sufficiently developed to underpin the mining engineering pit designs leading to the quotation of an Ore Reserve statement that complies with the guidelines of the JORC Code. If slopes were not sufficiently developed, AMC addressed how those deficiencies or opportunities could be managed.

1.5.2.3 Mineral Processing review

To complete the necessary mineral processing modifying factor review, AMC reviewed the following data:

- Quality and standing of data and controls used to design and operate the mineral processing facilities.

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- Metallurgical sampling, test work, and interpretation.
- Flowsheet and process plant design parameters.
- Plant performance statistics.
- Commented upon the process plant performance aspects of the project's budget and long-term plan.
- Reviewed the proposed process flowsheet for the proposed extraction of Rare Earths minerals from the Toliara monazite concentrate stream.
- Identified and commented upon the mineral processing risks to the project's operation.
- Prepared a report setting out the review procedures and observations, reporting on any matters of concern or recommendations for further work.

AMC has expressed a view as to whether the projects' mineral processing facilities were well suited to the current and future ore processing requirements of the project and commented on the inputs to the mining and treatment scheduling, and whether they adequately supported the quotation of an Ore Reserve statement that complies with the guidelines of the JORC Code.

1.5.2.4 Environment, Social, and Governance (ESG) review

To complete the necessary ESG modifying factor review, AMC reviewed the following data:

- Identified and commented on the status of all material relevant environmental and regulatory approvals necessary for the development and operation of the projects.
- Reviewed the social and environmental assessments completed for the project and commented on their effectiveness in identifying relevant impacts and establishing appropriate mitigation and management measures.
- Reviewed stakeholder engagement plans and registers.
- Reviewed estimated greenhouse gas emissions and renewable energy targets.
- Identified and commented on key issues that may constrain production activities.
- Based on the above, assessed the ability of the project to meet the requirements of the Equator Principles guidelines, and provided an assessment of the project categorization in line with the Equator Principles. The review was fit for purpose and reasonable, given where the project sites are located in Madagascar and Kenya.
- Commented on the adequacy of rehabilitation plans and estimates of closure costs.

AMC has expressed a view as to whether the project ESG study work was sufficiently developed to underpin the quotation of an Ore Reserve statement that complies with the guidelines of the JORC Code. If not sufficiently developed, AMC addressed how those deficiencies or opportunities could be managed.

1.5.3 Market Analysis Review

AMC discussed with Azure the requirement to provide a market analysis review aimed at assessing Toliara's mineral sands products and their suitability for placement into the current market. To complete the necessary market analysis review, AMC undertook the following activities:

- Reviewed the quality and quantity considerations of planned mineral sands products from the Toliara project, including commentary on market placement and demand of the minerals proposed to be produced.
- Assessed the likely market viability of the planned mineral sands products, including sulphate ilmenite, slag ilmenite, chloride ilmenite, rutile, and zircon.

AMC did not recommend the presence of market analysis personnel at the projects' site visits during the review activities. Consequently, the market analysis aspects of the review were confined to a desktop study, supplemented by a series of teleconference calls with Base's technical personnel.

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1.5.4 Mining and Ore Reserve review

AMC undertook a comprehensive review of the projects' mining engineering and mining cost estimation processes. This included scrutinizing data supporting Base's derivation of economic mining targets, pit design, mining method and equipment selection, mining and treatment scheduling, and financial modelling processes. To complete the necessary mining and Ore Reserve review, AMC reviewed the following:

- Undertook site visits to both projects to review the mine planning, mining process, and held discussions.
- Used the most appropriate Mineral Resource and grade control models:
 - Correct interpretation of fields.
 - Use of appropriate grade control models.
- Regularization and merging of block models:
 - Dilution and mining recovery modelling.
 - Merging of grade control and regularized resource model.
- Mined off areas:
 - Sourcing of surveys.
 - Validation of surveys.
 - Model flagging.
- Other geometric flagging:
 - Exclusions.
- Infrastructure.
 - Tenement.
 - Heritage.
 - Written off areas.
- Flagging with life-of-mine ultimate pit designs:
 - Design derivation.
 - Parameters applied.
- Development of staged pit designs:
 - Appropriate use of cut-offs and limiting strip ratios.
 - QA/QC on results.
 - Minimum bench widths.
 - Final choice for inclusion in Mineral Reserve inventory.
- Exporting and reporting of scheduling inventory:
 - Filtering and aggregating schedulable increments.
 - Conversion of selected mining inventory.
- Mining and treatment scheduling:
 - Model structure (includes interaction with other deposits).
 - Conversion of inferred material to waste.
 - Model import transformations and assumptions.
 - Application of appropriate constraints.
 - Schedule reporting over the LOMP.
- Adjustments to account for end-of-year budget alignment:
 - Treatment of run-of-mine and product stockpiles.
 - Allocation of material to correct Mineral Reserve classes.
- Business Valuation (BV) of Reserves schedule:
 - Correct interpretation of schedule in BV model.

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- Commented as to the appropriateness of capital and operating cost estimates for the mining projects.
- Final report was faithful to detailed planning output.
- Final reporting JORC Code (ASX) and Annual Report:
 - Tables and narratives correctly reflected estimation results.
 - JORC Code reporting (including modifying factors).
- Identified and commented upon the mine planning and mining risks to the project operation.

AMC expressed a view as to whether each of the selected mineral inventories, geotechnical slope parameters, flowsheet and mineral processing parameters were sufficiently developed to underpin the quotation of Ore Reserve statements that comply with the guidelines of the JORC Code. If not, AMC addressed how those deficiencies or opportunities could be managed.

AMC did not take Competent Person responsibility for the Base Ore Reserves estimates.

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1.6 Abbreviations

Abbreviation	Definition	Abbreviation	Definition
AMC	AMC Consultants Pty Ltd	NEMA	National Environmental Management Authority
APMF	Maritime and River Port Authority	OK	ordinary kriging
Azure	Azure Capital Pty Ltd	ONE	Office National Pour l'Environnement / Malagasy Environmental Authority Office National Pour l'Environnement
Base	Base Resources Limited	OS	Oversize
BoD	Basis of Design	PE	Permis D'Exploitation
BTL	Base Titanium Limited	PFS	pre-feasibility study /prefeasibility study
BV	Business Valuation	PGE	Plan de Gestion Environnementale
DFS	definitive feasibility study	PLL in French	Community Liaison Committees
DFS2	Definitive Feasibility Study – Version 2	PMLU	Post Mining Land Use
DMU	Dry/Dozer-trap Mining Unit	PwCS	PricewaterhouseCoopers Securities Ltd
E	East	QA/QC	quality assurance and quality control
ESG	Environmental, social, and (corporate) governance	REE	rare earth elements
ESMS	Environmental and Social Management System	REO	Rare Earth Oxides
GoK	Government of Kenya	RERs	Primary rare earth roll separator
HM	heavy mineral	RL	Reduced Level
HMC	heavy mineral concentrate	RPEEE	Reasonable Prospects for Eventual Economic Extraction
HMU	hydraulic mining units	RWGs	Resettlement Working Groups
HT	High tension	Scope	context of the ITSR Scope of Work
HTRs	high tension electrostatic rolls	SML	Special Mining Lease
ICSU	intermediate clay sand layer unit	SPT	Standard Penetration Testing
ID3	inverse distance cubed	SR	synthetic rutile
IER	Independent Expert's Report	SSU	surface silt unit
IRMSSs	induced roll magnetic separators	the Projects	the Toliara and Kwale projects
ITSR	Independent Technical Specialist Report	THM	total heavy minerals
KN	Kwale North	TSF	tailings storage facility
LOM	Life of Mine	TZMI	TZ Minerals International
LOMP	life of mine plans	USSU	upper silty sand unit
LSU	lower sand unit	USU	upper sand unit
MCP	monazite (concentration) plant	WCP	Wet Concentrator Plant
MSP	Mineral Separation Plant	WTR	World Titanium Resources Limited
N	North		

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2 Kwale

2.1 Introduction

Base acquired the Kwale Mineral Sands Project in late 2010, progressing funding, engineering, constructing, and commissioning activities over a three-year period. Operations began in October 2013, with production of ilmenite, rutile, and zircon products ramping up to target levels by 2014.

Post-ramp-up, Base sought additional value from existing reserves and assets, initiating the Kwale Phase 2 Project (KP2 Project) in late 2017. This project transitioned mining methods from dozer trap to hydraulic mining and upgrade of the Wet Concentrator Plant (WCP) capacity from 1800 to 2400 tph, resulting in a reduction in operating costs. As a result, the Kwale operation's mine life was projected to deplete its reserves by October 2023.

Following a 2019 Concept Study and a subsequent Kwale North (KN) Pre-Feasibility Study, completed in March 2021, concluded that mining the entire KN deposit is currently unviable due to low mineral grade, high land acquisition costs, and tailings disposal costs. Instead, the focus shifted to developing Bumamani and select high-grade areas of the KN resource.

To extend the Kwale mine life by twelve months to October 2024, Base identified the Bumamani Project and two extension pits within Kwale North, involving three low-grade orebodies. Continuing to utilise hydraulic mining methods, continuing to target a mining and processing rate of 2400 tph within Prospecting Licence 2018/0119, an area with five villages and about 2,500 residents, necessitating a significant land acquisition process.

The Bumamani extension of the Kwale mine life was aimed at providing a strategic solution to potential delays in the permitting and commissioning of Base's Toliara Project or the time needed to discover new orebodies in Kenya.

2.2 Mineral Resource review

2.2.1 Background

The Kwale mineral sands operations commenced production in late 2013. Consisting of a high-grade ore body rich in rutile and producing three product streams of ilmenite, rutile, and zircon. Mining began on the Central Dune orebody and later transitioned to the South Dune in June 2019 and the North Dune in February 2023.

Ore is processed at the onsite WCP, where heavy minerals are separated from lighter gangue minerals. Secondary mineral processing is also undertaken onsite via a separate mineral separation plant (MSP) to produce three concentrates – ilmenite, rutile and zircon, for sale. Bulk products are transported by road to the Likoni Port facility, while containerized products are transported by road to Mombasa Port for export.

With Ore Reserves expected to be fully depleted by the end of 2024, Kwale Operations is currently planning its transition to post-mining activities followed by eventual closure of the site.

2.2.2 Kwale Mineral Resource estimate

For the review of the Kwale Mineral Resource estimate, AMC was provided with the June 2023 Mineral Resource report that was released to the public in August 2023. AMC was also provided with the report for the December 2023 Mineral Resource estimate signed off by the Competent Person.

The December 2023 Mineral Resource estimate as reported for Kwale which includes Kwale North Dune and Bumamani deposits by Base is shown in Table 2.1. No Mineral Resource is considered to remain at Kwale South Dune.

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Since the June 2023 Mineral Resource estimate and statement, the Kwale North Dune Mineral Resource estimate, that made up most of the Kwale Mineral Resource, was updated with significant reduction in tonnage and grade. The reasons for the significant change in tonnage and grade are attributed to the following, with the greater impacts listed first:

- Reduction in the perimeter of the Mineral Resource due to operational constraints.
- Removal of Ore 5 from the Mineral Resource inventory based on operational experience.
- Infill drilling data.
- Updated domain interpretations and wireframing.
- Update of the mineral assemblage modelling process.
- Depletion and sterilization from mining activity.

The June 2023 and December 2023 Mineral Resource estimates for Kwale North Dune are provided in Table 2.2.

The Kwale North Dune Mineral Resource estimates have been prepared by Ian Reudavey of Base as the Competent Person as defined by the JORC Code⁵. The Mineral Resource is reported inclusive of material that comprises the Ore Reserve estimate.

Table 2.1 December 2023 Mineral Resource Statement

Domain	Resource Category	ORE (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage		
							ILM (%)	RUT (%)	ZIR (%)
Ore 1	Measured	10.1	0.156	1.54	36.1	0.2	53.7	15.4	5.8
Ore 1	Indicated	-	-	-	-	-	-	-	-
Ore 1	Inferred	-	-	-	-	-	-	-	-
Ore 4	Measured	5.2	0.091	1.75	36.7	1.3	51.6	14.0	5.6
Ore 4	Indicated	7.5	0.110	1.48	38.8	1.3	49.5	13.9	5.5
Ore 4	Inferred	-	-	-	-	-	-	-	-
All	Total	22.8	0.357	1.57	37.1	0.8	51.8	14.6	5.7
Ore 1	Total	10.1	0.156	1.54	36.1	0.2	53.7	15.4	5.8
Ore 4	Total	12.7	0.202	1.59	38.0	1.3	50.4	13.9	5.6
Total	Measured	15.3	0.247	1.61	36.3	0.6	52.9	14.9	5.7
Total	Indicated	7.5	0.110	1.48	38.8	1.3	49.5	13.9	5.5
Total	Inferred	-	-	-	-	-	-	-	-

⁵ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition prepared by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia.

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Table 2.2 Mineral Resource estimation for Kwale North Dune in December 2023 and June 2023 at 1.0% THM cut-off

December 2023 Mineral Resource Estimate								
RESOURCE CATEGORY	ORE (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM ASSEMBLAGE		
						ILM	RUT	ZIR
Measured	15.3	0.25	1.61	36.3	0.6	52.9	14.9	5.7
Indicated	7.5	0.11	1.48	38.8	1.3	49.5	13.9	5.5
Inferred	-	-	-	-	-	-	-	-
Total	22.8	0.36	1.57	37.1	0.8	51.8	14.6	5.7
June 2023 Mineral Resource Estimate								
RESOURCE CATEGORY	ORE (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM ASSEMBLAGE		
						ILM	RUT	ZIR
Measured	106	1.6	1.5	37	1.5	40	13	5.4
Indicated	63	0.9	1.4	37	2.2	49	14	6.1
Inferred	2	0.03	1.2	37	2.9	49	15	6.5
Total	171	2.6	1.5	37	1.8	44	13	5.7
Difference								
RESOURCE CATEGORY	ORE (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM ASSEMBLAGE		
						ILM	RUT	ZIR
Measured	-89.0	-1.35	0.08	-0.5	-0.9	12.8	2.2	0.3
Indicated	-54.7	-0.78	0.05	1.7	-0.8	0.3	0.3	-0.6
Inferred	-2	-0.03	-	-	-	-	-	-
Total	-146	-2.16	0.08	0.2	-0.9	8.5	1.5	0.0
%	-86%	-86%	5%	0%	-54%	20%	12%	0%

Table 2.3 Mineral Resource estimation for Bumamani in June 2023 at 1.0% THM cut-off

Bumamani Mineral Resource									
Ore Zone	Category	Tonnes (Mt)	HM (kt)	HM (%)	SL (%)	OS (%)	HM Assemblage		
							ILM (%)	RUT (%)	ZIR (%)
Ore1	Measured	3.0	66	1.4	19	2	48	15	7.5
	Indicated	0.8	11	2.2	22	2	43	15	7.7
	Inferred	-	-	-	-	-	-	-	-
	Sub Total	3.7	77	2.1	20	2	47	15	7.5
Ore4	Measured	-	-	-	-	-	-	-	-
	Indicated	1.9	34	1.8	23	6	48	16	7.7
	Inferred	0.3	4	1.4	27	6	41	14	7.8
	Sub-Total	2.2	38	1.7	24	6	47	16	7.7
Total	Measured	3.0	66	2.2	19	2	48	15	7.5
	Indicated	2.6	45	1.7	23	5	47	16	7.7
	Inferred	0.3	4	1.4	27	6	41	14	7.8
	Total	5.9	115	1.9	21	4	47	15	7.6

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2.2.3 Geology

2.2.3.1 Regional and deposit geology

Kwale is situated in a zone of fluviatile Margarini Formation with a mineralized dunal component. The history of the formation of the deposit has been speculated. However, there is currently no clear explanation as to the occurrence of the Kwale deposits.

At North Dune the uppermost mineralized unit is the fine grained Ore 1 with high heavy mineral assemblage and along strike continuity. Ore 4 is lower in heavy minerals and directly beneath Ore 1 Ore1 with a lateritic boundary and strong lateral continuity. Ore 5 is separated from Ore 4 with a lateritic paleo surface and is recognised by a high garnet content and high slimes content. It has good continuity along strike.

At Bumamani Ore 1, is a dark brown, predominantly fine, well-sorted silty sand with very little induration. It is characterized by clean, well-sorted and polished HM. Ore 20 flanks the Ore 1 zone to the east and is hosted in well-sorted medium to coarse beach sands characterized by low slimes and induration. The HM product is well-sorted and polished containing elevated rutile and zircon as well as a high-Ti ilmenite. Ore 4 is a sandy-clay fluviatile unit with low-level sorting and common lateritic fragments below Ore 1 and Ore 20. The HM from this zone contains more gangue silicates and lateritic aggregates.

The minerals of interest are ilmenite, rutile and zircon.

2.2.3.2 Exploration and discovery

Surface exploration over the Kwale project area first occurred in the 1990s with drilling undertaken by Tiomin. This included a drilling program commencing in 1997 at Kwale North Dune of 37 drillholes for 1,824 m. Further drilling was undertaken by Base Titanium Limited (BTL) between 2010 and 2018 first Kwale North Dune Mineral Resource estimate was reported in 2019.

2.2.4 Geological data collection

The drilling, sample preparation, assaying and data validation procedures used by Base has been reviewed by AMC and are summarized in the following sections.

2.2.4.1 Drillholes

Kwale North Dune drilling comprises 590 aircore drillholes for 22,860 m and 7,788 samples. Drill spacing was typically 100 m by 200 m to 100 m by 100 m spacing. Drilling occurred in 2010 to 2013, 2018, 2019 and 2023.

Bumamani drilling comprises 247 reverse circulation holes for 3,990m and 71 auger drillholes for 1,099.5m. Drill spacing was typically 100m by 50m spacing in areas of mineralization with broader spaced reconnaissance drilling.

Drillholes were set out using a hand-held GPS. In 2001 completed drillholes were surveyed with a hand-held GPS. After drilling collars were surveyed using a digital GPD via a DGPS RTK unit linked to local base stations. The accuracy of the DGPS unit is stated at 0.02 metres.

2.2.4.2 Sample collection and preparation

Kwale samples were split with a rotary or riffle splitter. On 1.5 or 3 m intervals. Drilling was recorded in geological logs at the drill rig. Visual HM was recorded from panning, in addition to colour, grain size and induration. AMC considers logging practices at Kwale to be sufficiently detailed.

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2.2.4.3 Assaying

Assaying occurred at the time of each drilling programme. Kwale sample preparation was performed on site by BTL. SGS Laboratories personnel performed heavy liquid separation on site following accepted practices until 2023 when BTL personnel performed this task. The slimes fraction differed from Ranobe being <45 µm.

Samples underwent a process of drying, weighing and split. It was then deslimed and fractions reweighed and the fraction <45 µm considered as slimes. The 1 mm to 45 µm fraction is traded with heavy liquid with a density of between 2.94 and 2.98 to separate the THM fraction, which is then washed and weighed.

QEMSCAN, XRF and SEM analysis were used to develop a mineral assemblage algorithm which was generated mineralogy from XRF data.

Security of samples and database access controls and validation are present at Kwale.

Rating

AMC considers that geological data collection was, in general, undertaken in accordance with industry-accepted practices. AMC therefore rate geological data collection as adequate for reporting of Mineral Resources as show in the rating table below, Table 2.4.

Table 2.4 Geological data collection rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

2.2.5 Quality assurance / quality control (QA/QC) of assays

Rates of submission for QA/QC samples are provided in Table 2.5. AMC considers submission rates for all but the pre-2023 standards are within the accepted frequency of 1 in 20.

Table 2.5 Kwale North Dune QA/QC sample count

Program	Type	# Samples	# QA/QC Samples	Submission rate
Pre-2023	Field Duplicates	15,881	809	1 in 20
	Prep Duplicates	15,881	809	1 in 20
	Lab Duplicates	15,881	716	1 in 22
	Standards	15,881	294	1 in 54
2023	Field Duplicates	506	26	1 in 19
	Prep Duplicates	506	26	1 in 19
	Lab Duplicates	506	51	1 in 10
	Standards	506	0	na

AMC reviewed the results of the QA/QC at Kwale and did not identify any material issues. In AMC’s opinion, items identified by Base in the QA/QC data are not material to the quality of the data as input for the Mineral Resource estimate.

There are 41 twinned drillholes make up 5.7% of the database, with good correlation reported between each pair.

In AMC’s opinion, sample preparation and assaying procedures have been applied that are well suited to the nature of the mineralization. Both primary and umpire assaying are conducted

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using recognized commercial laboratories. and a range of industry-standard QA/QC procedures have been implemented to ensure appropriate levels of accuracy and precision.

Rating

AMC presumes that QA/QC results, in general, to be sufficient and the data of suitable quality for use in the Mineral Resource estimate and therefore rate as adequate as show in the rating table below, Table 2.6.

Table 2.6 QA/QC rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

2.2.6 Bulk Density

A bulk density algorithm was determined for Kwale based on mining of the Central Pit in 2014. The algorithm failed to reconcile tonnages and a fixed bulk density of 1.7 t/m³ was adopted. This is considered to be conservative due to the high slimes content.

AMC considers the approach reasonable given the remaining mine-life.

Rating

AMC presumes that bulk density is sufficient for the purposes of the Mineral Resource estimate and therefore rates as adequate as shown in the rating table below, Table 2.7.

Table 2.7 Bulk density rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

2.2.7 Data validation

No external audit validation was completed for the HM analyses included in the Kwale North Dune Mineral Resources estimate. Base considered this to not be material given the adequate performance of results from extensive QA/QC verification and on account of low HM grade variance and deposit homogeneity.

AMC has viewed the database as part of this review and has not identified issues. Overall, the data is of reasonable quality to support Mineral Resource estimation.

Rating

AMC presumes that data validation is undertaken appropriately and therefore rate as adequate for reporting of Mineral Resources as show in the rating table below, Table 2.8.

Table 2.8 Data validation rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

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2.2.8 Geological interpretation

Four units were defined at Kwale, being the dunal Margarini Sands (Ore 1) overlying a clay-rich fluviatile sequence (Ore 5) at North Dune separated by a distinct and widespread mixed dunal/fluviatile unit (Ore 4.) At Bumamani a younger marine sand onlaps Ore 1 along a distinct topographic rise interpreted as a fossil beach.

Contact analysis was used at Kwale to determine the relationships between the geological domains and transitional changes across boundaries.

The domain boundaries were determined by analysing the following data:

- Geological field logs.
- Assay data.
- Gross changes in mineralogy and induration.
- Mineralogy data and heavy mineral assemblage.

In AMC's opinion the local interpretation of mineralized zones is sound. The methods used to capture topography are appropriate. Correlation between the drillhole data and the geological domains is appropriate.

Rating

AMC presumes that geological interpretation is appropriate and suitable to be used for the Mineral Resource estimate, and therefore rate as being at industry standard as shown in the rating table below, Table 2.9.

Table 2.9 Geological interpretation rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

2.2.9 Grade estimate

2.2.9.1 Estimation method

Grade estimation samples were composited to 1.5 m, which is the most frequent sampling interval.

Variography analysis was undertaken on the THM assays using dedicated geostatistical software. Strong lateral grade relationships were generally identified within the main domain with short structure vertically. These were used to inform the size and anisotropy of the search ellipses.

Grade estimation into 50 m (E) x 50 m (N) x 1.5 m (RL) parent cells was undertaken by ID3 (inverse distance cubed) for each of THM, Slimes and OS and Nearest neighbour for mineralogy. Sub-cell divisions, including to 30 cm in RL, along the domain boundaries provided for accurate domain volume representations.

Three search passes were required to estimate grade into the model, with the second pass search distances being twice the first pass, and the third pass being four times the first pass.

In AMC's opinion, the data processes used to estimate grades into the geological models used for mineral resource estimation are thorough and reasonable and result in a robust global estimate. Three estimation methods are employed, following sound investigation of appropriate estimation parameters. Documentation of actual methods used for reporting should be clear, although this can be determined from the block model.

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2.2.9.2 Validation of grade estimation

Grade estimation of THM was validated by the Competent Person by:

- Validation of the domains assigned in the block model against those assigned to drill holes.
- Validation to ensure that the grade interpolation was supported, and the selected block size was adequate.
- Viewing the coded drill holes against the estimated grades in section and plan.
- Statistical comparison between the model and drillholes.
- Generation of swath plots on 50 m spacings along and across strike.
- Mineral assemblage visual, graphical and tonnage reviews

Rating

AMC presumes that grade estimate methods employed are appropriate for the style of mineralization to be used in the Mineral Resource estimate and therefore rate as being at industry standard as shown in the rating table below, Table 2.10.

Table 2.10 Grade estimate rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

2.2.10 Mineral Resource classification and reporting

2.2.10.1 Cut-off grade

A HM cut-off grade of 1.0% HM has been applied to the Kwale North Dune resource estimate based on the experience of the Competent Person after considering the continuity of mineralization at that cut-off grade.

2.2.10.2 Method of resource classification

The following criteria have been used to classify the Kwale Mineral Resource estimate:

- Drillhole spacing that is regular and defines geology and trends of the THM mineralization.
- Domain controlled variography for THM that supports the drill spacing for each classification.
- Distribution of mineral assemblage composites from the various mineralogy domains and their variability.

2.2.10.3 Classification criteria

AMC considers the classification to be highly dependent on the drillhole spacing. This is an accepted practice. However, the drillhole spacing for each classification and how the variography was used are not specified and it is recommended that these be reported.

The classification of a Mineral Resource estimate is a matter for the Competent Person, and opinions between resource estimation geologists can differ. In AMC’s opinion the classification criteria used to prepare the Mineral Resource estimate appear reasonable.

2.2.10.4 Reporting

AMC has used the block models provided to AMC by Base to confirm that the tonnage, grades, and classifications reported in the Kwale Mineral Resource Estimate can be reproduced. AMC confirmed this to be the case.

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In AMC’s opinion the Mineral Resource Estimates have been prepared and reported by a Competent Person in accordance with the JORC Code to the extent that the code has been applied, and for the topics discussed. As such the Mineral Resource estimate is technically compliant.

In the reporting of the Mineral Resources at Kwale there is no discussion as to the reasonable prospects of eventual economic extraction (RPEEE) as required in the JORC Code (2012). The Mineral Resource is being extracted and the remaining mine life is short. Therefore, the RPEEE is implied for the Mineral Resource estimate. As such, AMC does not see this as an issue for Kwale having RPEEE, more a point of compliance with the JORC Code (2012) for reporting purposes.

Rating

Despite the Mineral Resource being technically compliant, AMC considers the Mineral Resource classification and reporting is deficient in reporting RPEEE and therefore rate as non-compliant for reporting of Mineral Resources as show in the rating table below, Table 2.11.

Table 2.11 Mineral Resource classification and reporting rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

2.3 Hydrogeological review

2.3.1 Background

The Kwale mineral sands mine is located in the Msambweni District of the Coast Province in the south-eastern section of Kenya and comprises a high-grade ore body rich in rutile and producing three product streams (ilmenite, rutile, and zircon).

With Ore Reserves expected to be fully depleted by the end of 2024, Kwale Operations is planning its transition to post-mining land use (PMLU) activities following extensive exploration and evaluation. While Base has evaluated and proposed potential post-mining activities, the ultimate end land use is determined by the Government of Kenya and the committee established for this purpose.

Base uses a hydraulic mining method for the excavation of the Kwale deposit, with water being utilized in mining, transportation pumping and separation of the valuable heavy minerals fraction of the mined ore.

Key water infrastructure for Kwale are:

- A large storage dam on the Mukurumudzi River.
- Groundwater abstraction from the Msambweni Aquifer.

2.3.2 Data source

The hydrology/hydrogeology review is based on information contained in the following report:

- Coastal and Environmental Services, Jan 2007, Kwale Mineral Sands Project Water Management Plan OMP 03.2.
- Manken Geohydrotech Consultants, Aug 2010, Kwale Mineral Sands Project, Kenya, Water Supply Infrastructure Environmental Assessment.
- Envass Scientific Pty Ltd, March 2023, Mine Closure and Post Mine Land Use Planning.
- ENVASS Scientific (Pty) Ltd, December 2023, Base Titanium Kwale Mine Closure Plan Terms of Reference (TOR), SC-MCL-REP-192-23_24

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2.3.3 Mine closure

The closure vision for Base is to optimize the utilization of existing surface infrastructure and to obtain a sustainable, stable post mining land capability and use, signified by a free draining and fertile landform which is integrated safely with the surrounding biophysical and social environment on which independent and self-sustaining post mining land uses can be undertaken.

Base indicate they plan to return all-natural surface water and ground water back to pre-mining, except for the borefield, Mukurumudzi and sediment control dams and associated infrastructure.

Base’s PMLU studies have demonstrated that rehabilitated land can be successfully rehabilitated to support pre-mining land uses (agriculture and natural grasslands) and that opportunities exist for existing surface infrastructure and rehabilitated mining areas to support post mining land uses initiatives that include agriculture or conservation initiatives, but the end land use is determined by the Government of Kenya.

2.3.4 Material hydrogeological issues

Permit conditions and associated reporting and monitoring would apply to authorities who take over the borefield. Inherent risks previously identified with over abstraction from the borefield, such as drawdown of the phreatic surface resulting in salinization of the aquifer potentially impacting the mangroves are unchanged.

BH8 has been handed over to the community and BH5 supplies the KFS camp. The remaining borefield will be transferred to other authorities such as Coast Water or similar.

The Mukurumudzi dam is inherently a potential barrier to the flow of nutrients and sediment along the river which can lead to changes in water quality (i.e. temperature, pH, dissolved oxygen concentration, nutrient concentrations leading to the threat of eutrophication) in dams, and downstream in rivers upon release of water from dams.

Appropriate management of dam operations can reduce the water quality impact, e.g. by using top or middle release valves so as not to release poor quality water (anoxic water of low temperature) downstream.

With the retention of the Mukurumudzi dam and its transfer to a regional water authority, appropriate management of dam operations will continue to be required.

2.3.5 Key Review Aspect Borefield

Rating

AMC presumes that Key Review Aspect Borefield are compliant and therefore rate as adequate for reporting of Ore Reserves as show in the rating table below, Table 2.12.

Table 2.12 Key Review Aspect Borefield rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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2.3.6 Key Review Aspect Mukurumudzi dam**Rating**

AMC presumes that Key Review Aspect Mukurumudzi dam are compliant and therefore rate as adequate for reporting of Ore Reserves as show in the rating table below, Table 2.13.

Table 2.13 Key Review Aspect Mukurumudzi dam rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.4 Geotechnical review**2.4.1 Background**

This geotechnical assessment has been made to support the assessment of the Ore Reserve reporting for the Kwale North and Bumamani pits of the Kwale deposit. As such it considers the geotechnical works for the open pits only. Geotechnical works for infrastructure and TSF have not been assessed.

2.4.2 Data source

A number of studies and reports have been made available to AMC which contain geotechnically-relevant data are listed below. Reports which do not contain significant geotechnically-relevant data are not listed. Other data provided were drillhole databases for Kwale North and Bumamani, plus wireframes of the ore horizons, topography and proposed pit shells.

Kwale Mineral Sands Soil Characterization (Soilwater Group, 2012)

- This report is written with regard to characterising the mineral sand deposits for rehabilitation and stockpiling purposes. Rough particle size distributions are given (summary of clay, silt and sand percentages only) but the sieve sizes used are not stated.
- Report to Tiomin Resources Inc. on the laboratory testing of bulk ore-body samples obtained from Kwale Central titanium mineral sand deposit, Kenya (Davies Lynn & Partners, 1999)
- This report characterizes the deposit material with regard to treatment and handling. Three full particle size distributions are included from bulk samples in the Kwale Central deposit, showing the material to be a clayey sand (clay <20%, silt <5%).

Bumamani Definitive Feasibility Study (Base Resources, 2022)

- This report contains a detailed description of the regional and deposit geology, together with geological and geotechnical characterization of the three ore horizons (Ore 1, Ore 4 and Ore 5) which constitute the deposit. The results of drilling and testing of samples from four geotechnical holes are also described. The testing includes Standard Penetration Testing (SPT), PSD and consolidated undrained triaxial tests.

2.4.3 Deposit geology and structure

The deposit geology is described in detail in the Bumamani North Dune DFS Report. Full geology solids have been provided to AMC, which have presumably been derived from the detailed geological drilling undertaken (drillhole database has also been supplied to AMC). The geology solids and pit outlines are shown in Figure 2.1). As the deposit consists of unconsolidated material, no structures are present (other than bedding planes).

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AMC considers that:

- A lithology model is available.
- A major structures model is not relevant for this deposit.

Figure 2.1 Pit outlines and ore solids for Kwale North Dune (top right) and Bumamani (bottom left)



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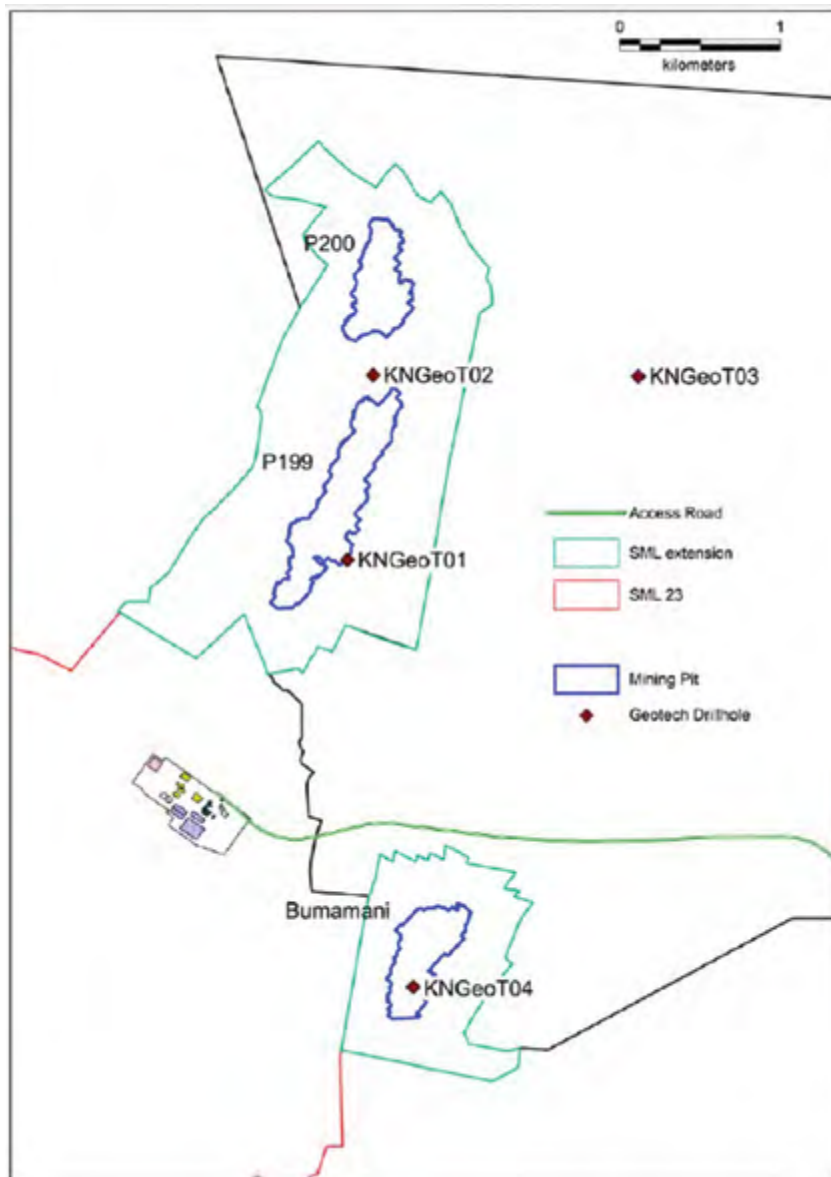
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2.4.4 Geotechnical investigation

Four geotechnical holes have been drilled for the Kwale North / Bumamani project in 2020. Samples were taken and laboratory tested for density and consolidated undrained triaxial testing was undertaken to obtain the shear strength parameters for the three ore horizons. SPT testing was also undertaken during drilling, but the results from this have not been compared to the results from the triaxial testing. Given the horizontally-layered nature of the deposit, this, combined with the PSD testing undertaken, is regarded as adequate to characterize the geotechnical properties of the materials that will be encountered during mining.

The geotechnical drillhole locations are shown in Figure 2.2.

Figure 2.2 Geotechnical hole locations for Kwale North / Bumamani



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2.4.5 Geotechnical model requirements for resource evaluation and mining

The rock mass response to mining is governed by the rock mass characteristics and the mining-induced changes that drive its behaviour. The objective of the geotechnical model is to provide slope design engineers with the information they need to correctly assess the inherently variable properties and characteristics of the materials that will be mined. The model is comprised of the following four components:

- Geology (the geological model).
- Structure (the structural model).
- Rock mass (the rock mass model).
- Hydrogeology (the hydrogeological model).

Guidelines showing five levels of geotechnical model development, depending on various stages of data collection and data confidence, were developed by Read and Stacey (2009). They are qualitative in nature, although numerical confidence levels have been defined (Table 2.14).

Table 2.14 Suggested target levels of data confidence by study stage (Dunn 2014, after Read and Stacey 2009)

Project stage					
Project level status	Conceptual	Prefeasibility	Feasibility	Design and construction	Operations
Geotechnical level status	Level 1	Level 2	Level 3	Level 4	Level 5
Geotechnical characterisation	Pertinent regional information	Assessment and compilation of initial mine scale geotechnical data	Ongoing assessment and compilation of all new mine scale geotechnical data	Refinement of geotechnical database and 3D model	Ongoing maintenance of geotechnical database and 3D model
Target levels of data confidence for each model					
Geology	>50%	50–70%	65–85%	80–90%	>90%
Structural	>20%	40–50%	45–70%	60–75%	>75%
Hydrogeological	>20%	30–50%	40–65%	60–75%	>75%
Rock mass	>30%	40–65%	60–75%	70–80%	>80%
Geotechnical	>30%	40–60%	50–75%	65–85%	>80%

2.4.6 AMC review

AMC reviewed the geotechnical model and its different components presented in the reports provided, against the required accuracies presented in Table 2.14.

2.4.6.1 Geological model

The purpose of the geological model is to link the regional geology and the events that were involved in the formation of the ore body to a mine-scale description of the geological setting, and the distribution and nature of the overburden soils and rock types at the site. Every model should be subdivided into consistent three-dimensional units or domains based on lithology, mineralization (ore and waste), alteration, and weathering.

There is a detailed description of the regional geology and the deposit geology and three-dimensional models of the relevant lithological units, based on closely-spaced (c. 50m) drilling. AMC considers that the geological model is sufficiently developed into three-dimensional units, and therefore is rated adequate for DFS requirements (see Table 2.15). It will also be adequate at operational level.

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Table 2.15 Deposit geology model rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.4.6.2 Structural model

The structural model describes the orientation and spatial distribution of the structural defects that are likely to influence the stability of the pit slopes. This model can be configured in two overlays: one that shows the major structural features, such as mine-scale faults and folds, and which can be used to subdivide the mine into a select number of structural domains; and one that shows the attributes of the more closely spaced fault and joint fabrics that occur within each structural domain.

In the case of the Kwale deposit, as this consists of unconsolidated material, structures are not present, and thus a structural model is not required.

AMC considers that a rating for the structural model is therefore not applicable.

2.4.6.3 Rock mass model

The rock mass model provides spatial variations in rock mass characteristics on a mine scale and establishes a database of the engineering properties of the rock mass. This data will be used to develop design parameters in the stability analyses for the slope designs at each stage of project development.

To develop a confident rock mass model, there should be sufficient coverage of geotechnical drilling. Although there are only 4 geotechnical drillholes (Figure 2.2), the horizontal continuity of the layers and the number of samples tested suggests that this is an adequate amount of drilling to allow geotechnical parameters to be assessed.

AMC considers that, although a formal rock mass model is not available, the horizontal continuity of the ore horizons and the consistency of the PSD and material test data is such that representative geotechnical parameters can be easily assessed. This data effectively constitutes an adequate rock mass model for the assessment of Ore Reserves at DFS level (Table 2.16), and will be adequate at operational level also.

Table 2.16 Rock mass model rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Mineral Resources	

2.4.6.4 Geotechnical model

AMC’s review finds that a geotechnical model combining the above components and defining geotechnical domains is not available for the project; however the components themselves are available and are assessed to be adequate (see Table 2.17).

Table 2.17 Geotechnical model rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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2.4.6.5 Slope stability assessments

When the geotechnical model for the project has been established, the next step in the slope design process is to divide the model into domains with similar lithological, structural, and material properties. At this stage, the potential for bench, inter-ramp, and overall slope failures within each domain can be assessed.

2.4.6.6 Bench (batter) slope stability and design

The next step is to identify potential failure mechanisms and carry out kinematic slope stability assessment (planar, wedge and toppling failure) for structural failure or rock mass failure in weak rock mass to optimize bench face angles. As this is an unconsolidated deposit with no small-scale structures, only failure due to weak rock (soil) material will be relevant in this case.

2.4.6.7 Inter ramp and overall slope stability assessment and design

Inter ramp or overall slope failure can occur and be partly influenced by structure and weak rock mass or a combination of both. For the stability assessments, there should be a fairly confident geotechnical model (combination of structural model and rock mass model) with design parameters obtained through an engineering assessment. This assessment should normally be done through some form of numerical modelling at DFS level – empirical slope design is normally only suitable for PFS or Scoping Study-level.

- From the pit shells provided to AMC, there appears to be only one overall pit slope face for each pit, with no division into batter slopes and berms. The edges of the pit shells are a single slope with angles of 40 to 50 degrees. AMC have been informed by Base that an angle of 35 degrees is assumed for long-term stability, but this angle has not been used in producing the pit shells. From photos taken during AMC’s site visit, it is obvious that the slopes at the edge of the pit have been cut to be almost vertical, rather than at a geotechnically-verified angle (Figure 2.3).

Figure 2.3 Pit edge slope at Kwale showing signs of instability (ravelled material at slope toe, subsiding blocks)



- The pit shells provided have a pit wall slope up to 21m high. However, a quick analysis of pit slope geometry using the geotechnical strength parameters presented in the DFS report suggests that, even at an angle of 35 degrees, a slope would not be stable for a vertical

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height of 21m. For an industry-acceptable Factor of Safety of 1.2-1.3, slopes at 35 degrees would have to be lower than this.

- The analyses carried out above have also assumed that the slopes are entirely above the water table, with a moisture content of 10% (as reported in some of the provided information). Examination of the drillhole database suggests that groundwater was only intercepted in an area to the east of the proposed Bumamani pit shell.

From the information provided to AMC, no defensible slope stability analysis has been carried out. Although slope stability considerations will not apply to short-term mining faces, due to the mining method being used, they will apply to longer-term faces, such as at the pit edges, particularly if infrastructure is located adjacent to these pit edges. Clear signs of instability in such slopes were noted during the site visit, as shown above. Based on observation of existing long-term slope performance, and modelling carried out using available parameters, the pit shells provided to AMC for mining Kwale North and Bumamani are not achievable. Therefore, the designs are not defensible (see Table 2.18). Notwithstanding this assessment, AMC considers that although the risk of slope failure is high for slopes at the edge of the pit, given the low slope heights the consequence of failure is low, unless the pit edge is adjacent to infrastructure. AMC expects that adequate risk mitigation strategies will be in place during mining.

Table 2.18 Slope stability assessment rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

This geotechnical review has presented the opinion of AMC as to whether the Project geotechnical activities are adequate to support the reporting of an Ore Reserve statement in alignment with the JORC Code guidelines. How deficiencies can be addressed is described below.

Following the analysis of the provided data and conducting the review, AMC concludes that the processes governing the Project’s ESG work demonstrate deficiencies in one geotechnical aspect, specifically, that geotechnical stability analyses have not been carried out for long term slope around the pit edge. This will have important safety ramifications where infrastructure is adjacent to the pit edge. Thus, the geotechnical work undertaken does not support the current mining inventory and are not adequate for reporting Ore Reserve. As a result, they are rated as needing to improve for reporting of Ore Reserves. (as shown in Table 2.19).

All of the geotechnical parameters needed to carry out stability analyses have been obtained for this deposit, so the actual work required to reach the required level for DFS is estimated to require less than one day for completion. Modelling of three or four representative sections around the pit edge using Limit Equilibrium analysis would be sufficient to address this deficiency.

Table 2.19 Overall summary of geotechnical compliance (Kwale)

Discipline component	Description	Colour
Geological model	Adequate for reporting Ore Reserves at DFS level	
Rock mass model	Adequate for reporting Ore Reserves at DFS level	
Geotechnical model	Adequate for reporting Ore Reserves at DFS level	
Slope stability assessments	Needs to improve for reporting of Ore Reserves	
Overall rating	Requires slope stability assessments to be carried out. However, the consequences of slope failure are assessed to be low (unless adjacent to infrastructure), given that the geotechnical risks can be managed operationally.	

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2.5 Metallurgy & processing review

2.5.1 Background

The Kwale mineral sands mine in Kenya commenced production in late 2013. Consisting of a high-grade ore body rich in rutile and producing three product streams of ilmenite, rutile, and zircon. Mining began on the Central Dune orebody and later transitioned to the South Dune in June 2019 and the North Dune in February 2023.

Ore is processed at the onsite primary wet concentrator plant (WCP), where heavy minerals are separated from lighter gangue minerals. Secondary mineral processing is undertaken via a separate MSP to produce three concentrates – ilmenite, rutile and zircon, for sale. Products are transported to the Likoni Port facility for export.

With Ore Reserves expected to be fully depleted by the end of 2024, Kwale Operations is currently planning its transition to post-mining activities followed by eventual closure of the site.

2.5.2 Plant design

The basic plant design is shown in Figure 2.4, Figure 2.5, and Figure 2.6. The plant is designed to produce three products – ilmenite, rutile and zircon, from high-rutile Kwale ROM ore. Ore is mined using hydraulic mining units (HMUs) then deslimed and upgraded by gravity in a WCP. Heavy mineral concentrate (HMC) with a grade of approximately 85% is produced by the WCP then rehandled from stockpile to the MSP. The flowsheet consists of the following basic circuits:

- HMU (hydraulic mining units)
 - Screened at 30 mm, oversize discarded.
- WCP
 - Screened at 4 mm, oversize discarded.
 - Deslimed with hydrocyclones, -45 µm discarded to tailings storage facility (TSF).
 - Spiral circuit produces HMC. Feed rate to the WCP is determined by the rougher spiral HM capacity.
 - Spiral circuit consists of a standard rougher, rougher concentrate cleaner, recleaner, rougher tailings scavenger arrangement.
 - HMC is dewatered and stockpiled.
- MSP
 - Feed preparation
 - Attritioning, to break up accretions and clean mineral grains.
 - Up-current classifier, to remove slime, fine quartz, fine HM
 - Secondary attritioning
 - Belt filtration of HMC
 - HMC dryer
 - Ilmenite circuit
 - Screening at 400 µm, +400 µm (quartz, non-value HM) discarded to reject
 - Low intensity magnetic separators, remove highly magnetic titanomagnetite and chrome to reject.
 - Rare earth drums, mag fraction to ilmenite product
 - Rutile circuit
 - Dry circuit
 - o Feed is non-mags from ilmenite circuit
 - o Fluid bed reheater
 - o High tension (HT) separators, conductors progress, non-conductors to non-conductor RERs

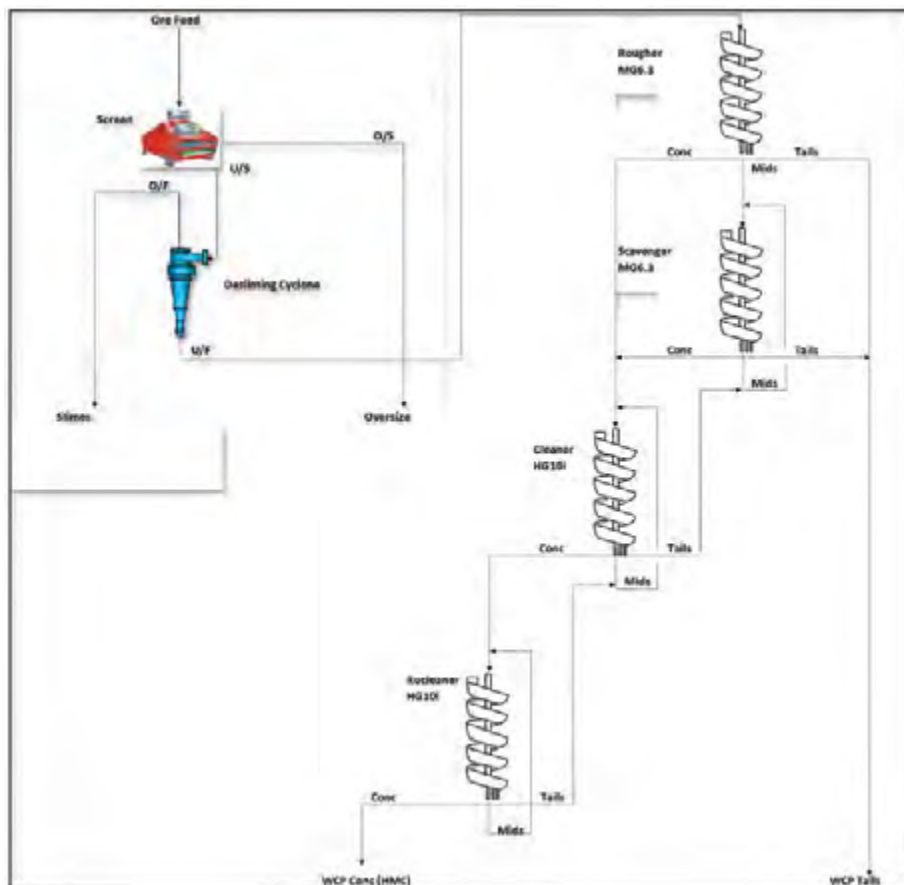
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- HT conductors to RERs, non-mags advance, mags to ilmenite product
- Non-mags screened, oversize to tails, undersize to rutile product
- Non-conductor RERs, non-mags to wet zircon circuit
- Zircon circuit
 - Wet circuit
 - Feed is non-conductor, non-magnetic
 - Three-stage spirals, hydraulic classifiers make size split
 - Alicoco spirals scavenge zircon from mids and coarse tails streams
 - Dry circuit
 - Horizontal belt filter
 - Dryer
 - Series of HT and magnetic separators produce final zircon product

Figure 2.4 Kwale – WCP block flow diagram



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Figure 2.5 Kwale MSP – wet zircon block flow diagram

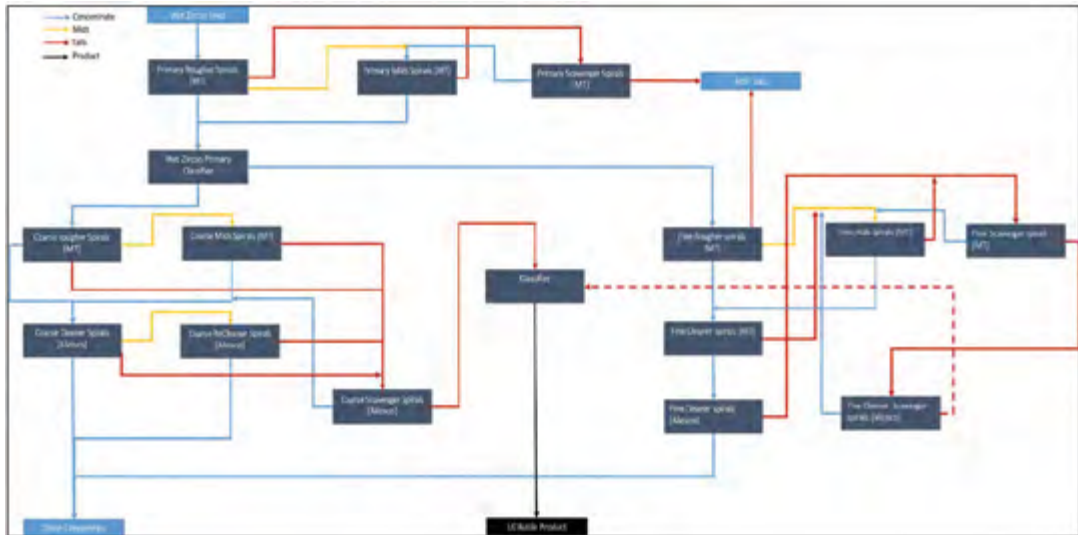
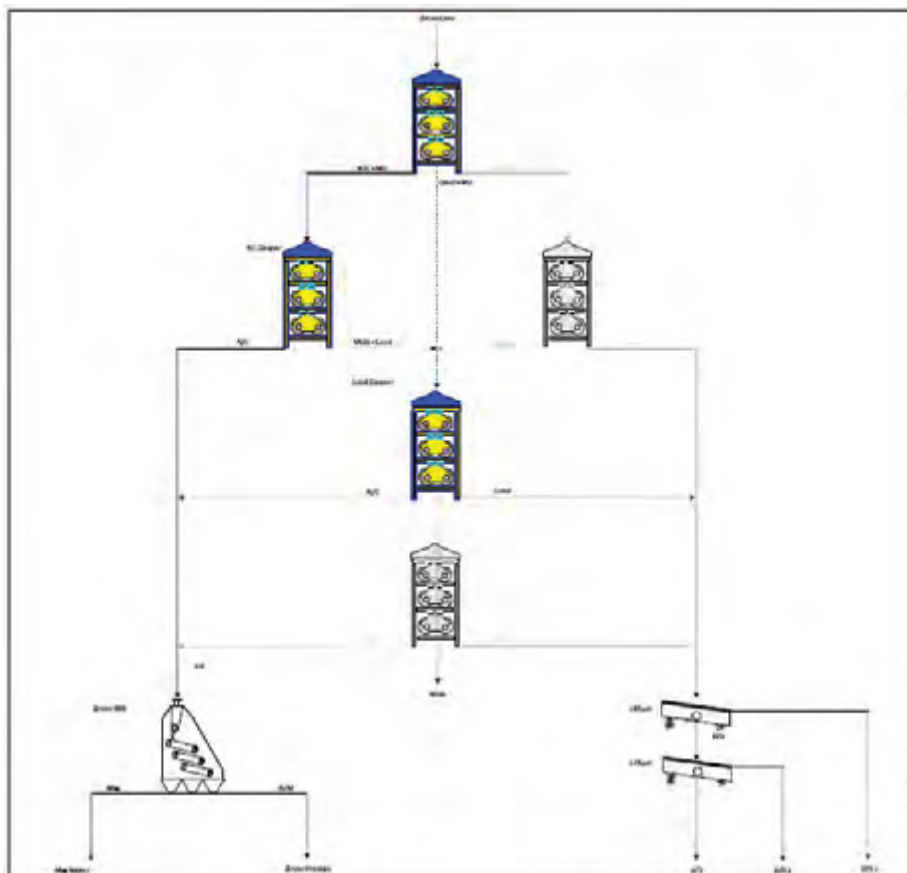


Figure 2.6 Kwale MSP – dry zircon block flow diagram



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Rating

AMC rates plant design “industry standard” (see Table 2.20). The design is proven in production and can reasonably be expected to deliver planned performance with respect to quantity and quality of products and at budgeted costs.

Table 2.20 Rating – Kwale plant designs

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Resources and Ore Reserves	
Non-compliant	Needs to improve for reporting of Resources and Ore Reserves	

2.5.3 FY2024 production

Production for FY2024 from July 2023 to March 2024 is shown in Table 2.21.

Table 2.21 FY2024 – YTD March – key production parameters

Parameter	Unit	FY2024 - YTD March	
		Actual	Plan
Ore mined	kt	11,722	10,844
HM	%	2.39	2.34
WCP VHM recovery	%	88.7	91.9
MSP throughput	t	206.0	214.3
Ilmenite recovery	%	97	102
Rutile recovery	%	102	101
Zircon recovery	%	89	85
Ilmenite production	kt	111.1	111.7
Rutile production	kt	27.9	27.5
Zircon production	kt	11.4	10.6

2.5.4 Recoveries

FY2024 recovery factors for ilmenite, rutile and zircon are shown in Table 2.21. Ilmenite recovery is behind plan while rutile and zircon recoveries are above plan YTD.

Rating

AMC rates Kwale processing recoveries as “Industry standard” (see Table 2.22). Recoveries greater than 100% are planned and achieved for the MSP. Recoveries greater than 100% result from recovery of other species to final product, e.g. leucoxene to rutile product.

Table 2.22 Rating – Kwale processing recoveries

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Resources and Ore Reserves	
Non-compliant	Needs to improve for reporting of Resources and Ore Reserves	

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2.5.5 Product quality**Rating**

AMC rates Kwale product quality as “industry standard” (Table 2.23). No issues with product quality have been noted in the documentation provided.

Table 2.23 Rating – Kwale product quality

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Resources and Ore Reserves	
Non-compliant	Needs to improve for reporting of Resources and Ore Reserves	

2.5.6 Processing costs

Table 2.24 shows processing operating costs for FY2024. Total costs (\$53.1M versus plan of \$57.7M), cost per tonne ore processed (\$4.53 versus plan of \$5.32) and cost per tonne of product (\$352.94 versus plan of \$385.21) are all below plan for FT2024.

Table 2.24 FY2024 – YTD March – operating costs

Parameter	Unit	FY2024 - YTD March	
		Actual	Plan
Total op costs	\$k	53,081	57,663
Total op cost - per t ore processed	\$/t ore	4.53	5.32
Total op cost - per t product	\$/t prod	352.94	385.21

Rating

AMC rates Kwale operating costs as “Industry standard” (see Table 2.25) and appropriate for reporting of Ore Reserves.

Table 2.25 Kwale – operating costs

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Resources and Ore Reserves	
Non-compliant	Needs to improve for reporting of Resources and Ore Reserves	

2.6 Environment, Social and Governance (ESG) review**2.6.1 Background**

Closure of the Kwale Operations was originally projected to commence in 2027 (Base Resources and ERM, 2020) but mining is now planned to cease in December 2024, due to mining methods being changed. This report assumes that no further mining or prospecting is being undertaken to further extend the life of the mine and is focussed on the imminent (December 2024) commencement of closure.

2.6.2 Regulatory approvals

EIA Licences, in terms of the Environmental Management and Coordination Act Cap 387, are in place for a number of activities at Kwale Operations. Depending on the final Post Mining Land Use (PMLU) options adopted by the GoK, the National Environmental Management Authority (NEMA) may require a further EIA licence for these post-closure activities, specifically for the establishment of a game or forest reserve, as per one of the PMLU options. Base Resources (2023a) states that the managing agency of the conservation PMLU will be responsible for completing the EIA, and that this will not be the responsibility of BTL. It is presumed that this

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will apply to other PMLU activities. The implementation of PMLU activities will likely only commence towards completion of rehabilitation and closure of the mine, if adopted by the GoK.

BTL has submitted a Closure Plan Terms of Reference for approval by the NEMA. The ToR excludes certain Base property that is on leasehold (including the port facility and residential housing) and prospecting areas. The ToR details the legislative and good practice requirements for closure, closure actions, process, schedule and financial provision (Envass Scientific, 2023b). An updated ToR incorporates comments received from NEMA (Envass Scientific, 2024).

Rating

AMC considers that from a Regulatory Approvals perspective, work undertaken to ensure acceptance / approval for rehabilitation and closure is advanced. Refer to rating table below, Table 2.26.

Table 2.26 Regulatory Approvals rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.6.3 Environmental and social assessments

Environmental and social assessments have been undertaken prior to each of the mining activities undertaken at Kwale, with many of these informed by specialist studies. Specialists are in the process of undertaking studies to assess aspects of the PMLU options.

Rating

AMC is of the opinion that the Environmental and Social Assessments undertaken for the project to date have been extensive and effective in identifying impacts and establishing mitigation and management measures. Refer to rating table below, Table 2.27.

Table 2.27 Environmental and Social Assessments rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.6.4 Stakeholder Engagement

Base Resources’ formal stakeholder engagement forums include committees intended to manage expectations, address grievances or concerns, and establish mechanisms for achieving more participatory and inclusive outcomes. The committees include resettlement and community committees; the Mining Alliance, which brings together national and Country government representatives and NGOs; and Community Development Agreement committees (Base Resources, 2023b). More recent discussions with the community involve the closure of Kwale Operations in December 2024. Grievances are recorded and addressed / resolved adequately (Base Titanium, 2024).

Stakeholder engagement for the closure process will be undertaken in line with the legislative requirements and international good practice, which also requires that a Stakeholder Engagement Plan be developed (Envass Scientific, 2023b).

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Rating

AMC is of the opinion that Stakeholder Engagement undertaken to date and planned for closure is satisfactory and considered in line with the industry standard. Refer to the rating table below, Table 2.28.

Table 2.28 Stakeholder Engagement rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.6.5 Biodiversity Conservation

Kwale Operations is located close to forests and remnant forest patches that constitute the Coastal Forests of the Eastern Africa Biodiversity Hotspot, which support high biodiversity and endemic plant species (Base Resources, 2023a). BTL has established and implemented environmental programmes for the following: biodiversity and conservation, rare and endangered flora propagation research, wetland restoration, rehabilitation and restoration, and environmental education (Evers, 2020). BTL is also in the process of establishing a biodiversity corridor to address obligations for its biodiversity offset requirement in the EIA, which involves the development of patches of Coastal Forest between Gongoni and Buda Forest (Base Resources, 2023a).

One of the PMLU options that is being investigated is Sustainable Conservation, which involves conservation in the South Dune area (preferred option), with the biodiversity corridor linking the Gongoni and Buda Forests, and development of this area into a wildlife sanctuary (Base Resources, 2023a). Whether this option goes further will depend on the decision of the GoK.

Rating

The rehabilitation of mined areas has been shown to support conservation outcomes equivalent to or better than what existed prior to mining. AMC is of the opinion that, to date, commitments to biodiversity conservation appear to have been implemented appropriately. Ongoing rehabilitation with indigenous species will further improve conservation outcomes in the region. Refer to the rating table below, Table 2.29.

Table 2.29 Biodiversity Conservation rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.6.6 Rehabilitation and Closure

In terms of Special Mining Lease (SML) No. 23, BTL is expected to continue fulfilling its obligations under the SML agreement until there is a complete handover of land back to government. The obligations of BTL do not end unless and until rehabilitation is completed to the authorities' satisfaction (Base Resources, 2023a). The minimum restoration obligations on BTL as per SML No.23 requires BTL to, within 30 days of the expiry of the lease, fence and make safe excavation areas, level and dispose of tailing heaps, respread the topsoil, where feasible, and re-plant trees, grass or other vegetation as the Chief Conservatoire of Forests may advise (Base Resources, 2023a). With the SML expiring in July 2025, there are approximately 6 months after mining ceases in December 2024 to undertake these rehabilitation activities. Based on Base Titanium (2024), completion of the South Dune rehabilitation is anticipated by June 2026, and Central Dune rehabilitation is anticipated by December 2026. Rehabilitation of the North Dune and Bumamani are anticipated for completion by December 2025. Timeframes for

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completion of the TSF rehabilitation are undetermined. Base Resources (personal communication) notes that discussions are in progress to secure the necessary tenure options on expiry of the SML to allow for completion of restoration and rehabilitation activities. As at June 2024 specialist closure studies are reportedly all underway. These studies include socio-economic, ecological, hydrogeological, hydrological, geotechnical, radiation, food biosafety and toxicology, geochemical and soil/land capability and soil contamination, air quality, noise, and climate change (Author unknown, 2024). These studies do not all need to feed into Base’s rehabilitation and closure obligations but will inform the PMLU options to be selected by the GoK.

PMLU options are being investigated and assessed. Constraints to the PMLU options include the validity of SML No. 23 (although extensions are being applied for to address rehabilitation and restoration activities), the Environmental Impact Assessment (which described the end of mine life engagement commitments), requirement to revegetate the forests upon completion of mining (per the Forests Act, 2005), water infrastructure and availability, and surface stability of dunes and TSF, among others (Base Resources and ERM, 2020). Base Resources (personal communication, June 2024) also notes that the PMLU options depend on allocation of land by the GoK for the proposed PMLUs and implementation of these depends on the installation of necessary governance structures.

Four main themes have been identified for the PMLU options following stakeholder engagement, including Agribusiness, Training, Sustainable Conservation, and Tails Recycling (Base Titanium and ERM, 2020). The Pre-Feasibility Studies (PFS) for Agribusiness, Training, and Sustainable Conservation have been successfully completed and were under review, set for finalization in November 2023. The PFS for Tailings Recycling is also advancing (Base Titanium, 2023). The PMLU options are likely only to commence once rehabilitation activities for the mine are complete, or close to being complete.

The 2023 final closure plan (Envass Scientific, 2023a) provides an update to the previous financial provision requirement and incorporates refinements to the PMLU options. The mine closure quantum was updated based on adjusted unit rates, obtained from financial controls on the mine. The unit rates applied in the 2022 /2023 BTL closure cost assessment are market related rates sourced from the BTL financial office, benchmarked, and contextualized in meetings and discussion with divisional specialists during the BTL site visit in March 2023. It was estimated (March 2023) that \$38.5 million would be required for unscheduled closure, and \$37.3 million would be required to achieve scheduled closure, excluding any post-closure costs. Inclusion of costs for post-closure aftercare, risks associated with PMLUs and Closure Aims, Ps&Gs, and contingency increases the costs to \$45.5 million and \$43.9 million, for unscheduled and scheduled closure, respectively. The decrease in cost (from unscheduled to scheduled closure) is attributed to third-party transfer of infrastructure (Envass Scientific, 2023a). Base Resources notes (personal communication, June 2024) that the latest closure estimate (March 2024) is \$49.8 million, which uses actual historical unit costs, contract costs or internally generated costs, and only uses the Envass estimates for areas where other costs don’t exist.

The TSF will contain approximately 45 Mt of fine tailings upon cessation of mining activities. Over half of this is wet / liquifiable. In the unlikely event of a TSF wall failure, the impact has been assessed as catastrophic; fatalities and significant environmental impact are possible. While TSF monitoring and an emergency plan are in place, the most effective ways to de-risk the TSF are to dry out the tails, to remove the tails or a combination of both. The separate TSF closure plan (not reviewed) currently shows that tree planting on the TSF could theoretically render the TSF completely safe to downstream communities within 10 to 15 years (Base Resources, 2022). The residual (post-closure) risk posed to the downstream communities therefore remains in place for at least another 15 years. Base Resources (personal communication, June 2024) has indicated that no resettlement is planned for downstream communities. Limited settlement of Vumbu village is underway but this relates to isolation and not TSF risk. Base Resources also notes that the closure plan currently being compiled for the TSF will address this risk.

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Rating

AMC considers that the Rehabilitation and Closure aspect of the ESG review is adequate (compliant) for the current purposes. The timeframes for closure may be considered a little ambitious although discussions are underway with the GoK to extend the lease for rehabilitation and restoration activities. The cost estimate for closure is based on sound reasoning and is appropriate. Having a conclusive approach to addressing the residual hazard of the TSF to downstream communities (as is planned in the TSF closure plan) will improve this rating. Refer to the rating table below, Table 2.30.

Table 2.30 Rehabilitation and Closure rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.6.7 Alignment with Equator Principles

Kwale Operations would be classified as a Category A project in terms of the Equator Principles, in that the mine has potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented. While the operations are at a stage where there is less risk going forward with the mining and rehabilitation activities, there is already a legacy of some environmental and social impacts associated with the mine.

Base Resources has compiled and is implementing an Environmental and Social Management System (ESMS) at Kwale Operations. A suite of Environmental Management Plans has been developed (Evers, 2020).

Base Resources acknowledges climate change as a global challenge. Kwale Operations currently accounts for almost all Group emissions, but because of the short remaining life, opportunities to introduce new technology or operational changes to materially reduce emissions are limited (Base Resources, 2023b).

Rating

Most of the impact management and mitigation to date, and especially in recent years, appears to have been implemented to a high standard, in line with and guided by international good practice. AMC is of the opinion that the Project could be fairly simply aligned with the Equator Principles. A detailed review in terms of the Equator Principles and other applicable international best practice would be required in order to do so. This is however unlikely considering the imminent closure of the mine. Refer to the rating table below, Table 2.31.

Table 2.31 Alignment with Equator Principles rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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2.7 Ore Reserve review

2.7.1 Background

Base commenced operating at the Kwale Mineral Sands Project in October 2013 with the production of ilmenite, rutile, and zircon.

In late 2014, Base undertook the Kwale Phase 2 Project technical study work to maximize value from existing Kwale reserves. The implementation of the Kwale Phase 2 Project transitioned mining methods from the original dozer trap to hydraulic mining units (HMU) and upgraded the WCP capacity from 1,800 to 2,400 tph, reducing operating costs.

To further extend the mine life to October 2024, Base initiated the Bumamani Project, targeting three low-grade orebodies. They continued using hydraulic mining at a rate of 2,400 tph within Prospecting Licence 2018/0119, involving significant land acquisition affecting five villages and approximately 2,500 residents.

A 2019 Concept Study and the March 2021 KN Pre-Feasibility Study found the KN deposit unviable due to low mineral grade and high costs for land acquisition and tailings disposal. Consequently, Base shifted focus to developing Bumamani and select high-grade areas of the KN resource.

At the time of writing, the Kwale mining operations are target for completion in December 2024, with the exhaustion of identified economic reserves from the Bumamani and KN resources.

2.7.2 Mining methodology

The mining operation exclusively utilizes an owner-operated hydraulic mining method, feeding 2,100 tph to the WCP with two collection hoppers and four HMU. Each hopper is fed by two HMU (one at 800 tph and one at 400 tph) to blend high slime ore from KN with lower slime ore from other pits.

Each 800 tph HMU includes high-pressure pumps, monitor guns, a hopper with a Warman pump, and two motor control centres. Each 400 tph HMU has similar equipment but fewer pumps and monitor guns.

The collection hopper setup is suitable for Bumamani, with a downstream settlement dam for overflows. Each HMU requires silt traps and settlement pits for managing suspended solids.

Tailing involves coarse, fine, and co-disposed tails flocculated at a 20:80 ratio. Sand tails from Stacker A will be placed in pits 199 and 200, with additional material dozed in. The Bumamani pit will be filled with dozed material only.

The tails water return system pipe overflows to a return hopper, then pumped to the TSF, with water flowing back to return ponds and the TSF return pump.

Mining configuration and activities are typical for mineral sands HMU operations.

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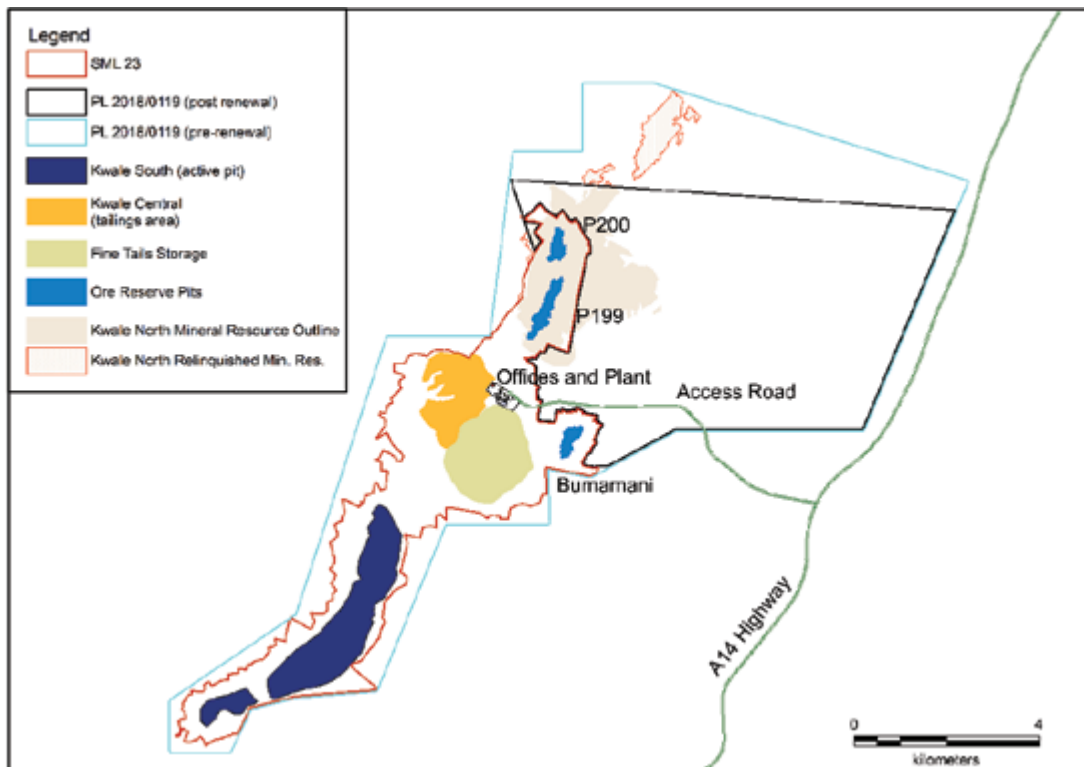
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2.7.3 Mining locations

The two remaining active mining location of Bumamani and KN are shown in the site layout presented in Figure 2.7 below.

Figure 2.7 Bumamani and Kwale North Dune mining areas



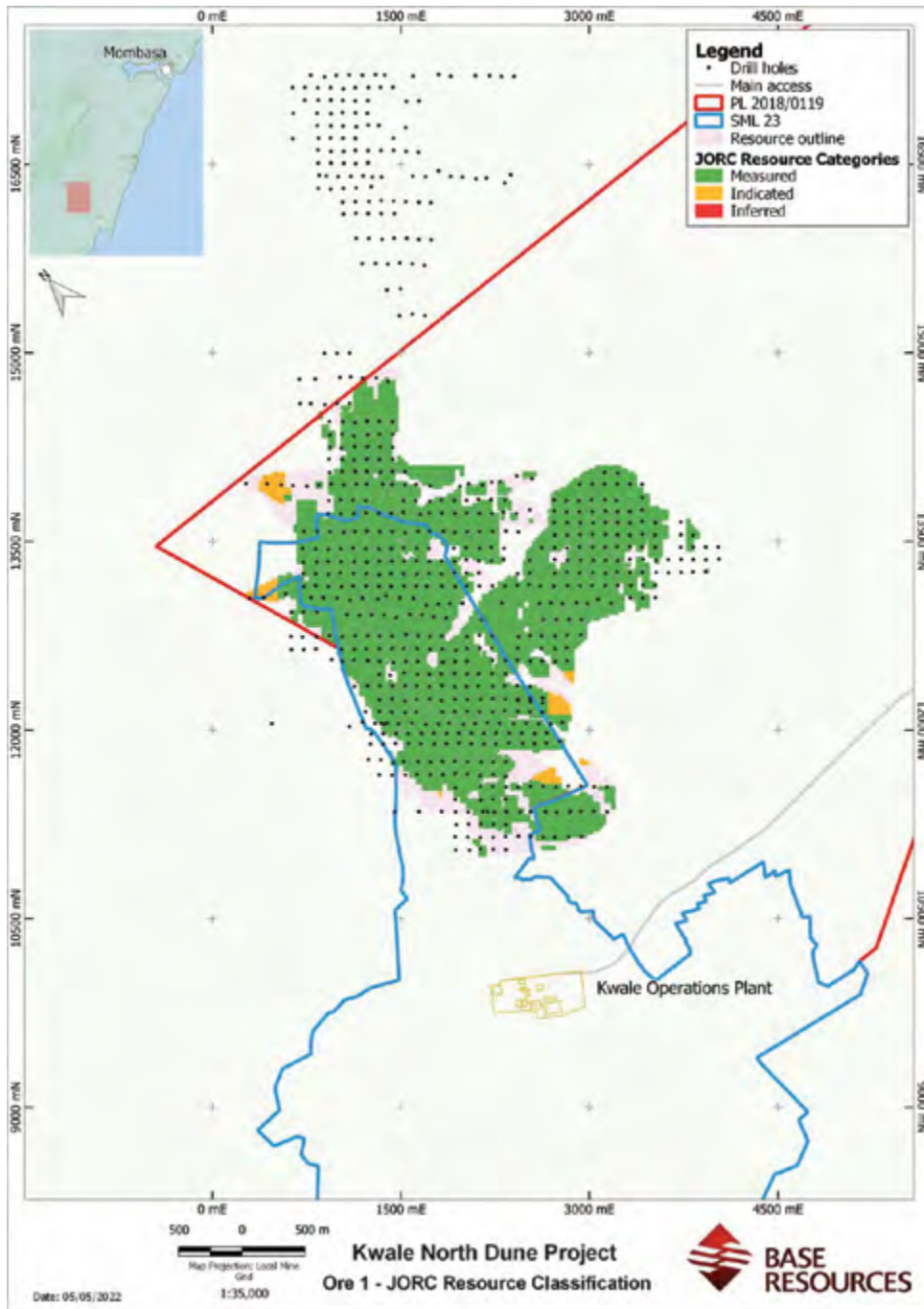
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The following identification of KN target economic mineralization is shown in three ore zones (zone 1, 4 and 5) as displayed in the following Figure 2.8 through Figure 2.10, together with the identification of underlying mineral resource classifications.

Figure 2.8 Kwale North Dune – Ore Zone #1 mining areas



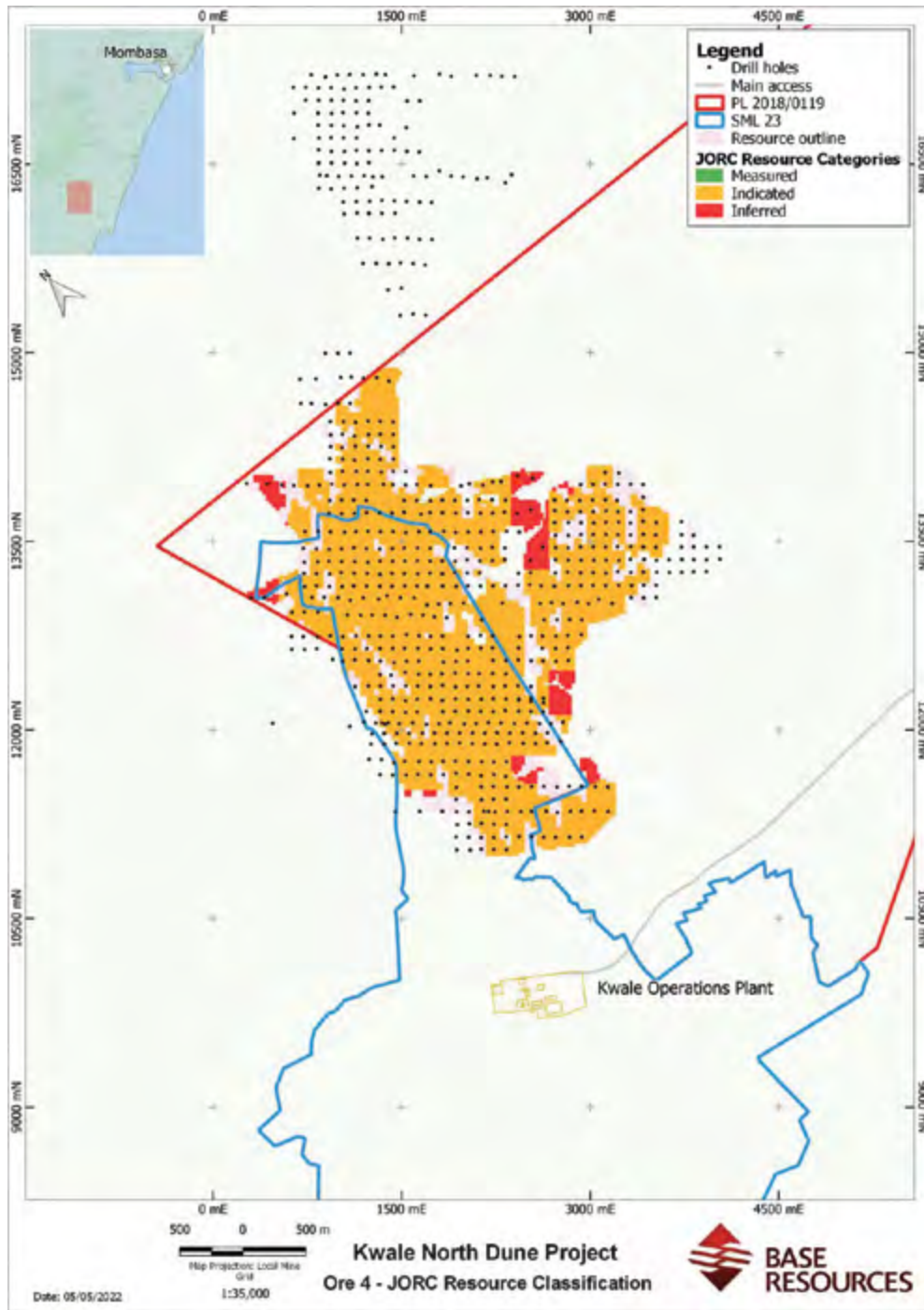
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Figure 2.9 Kwale North Dune – Ore Zone #4 mining areas



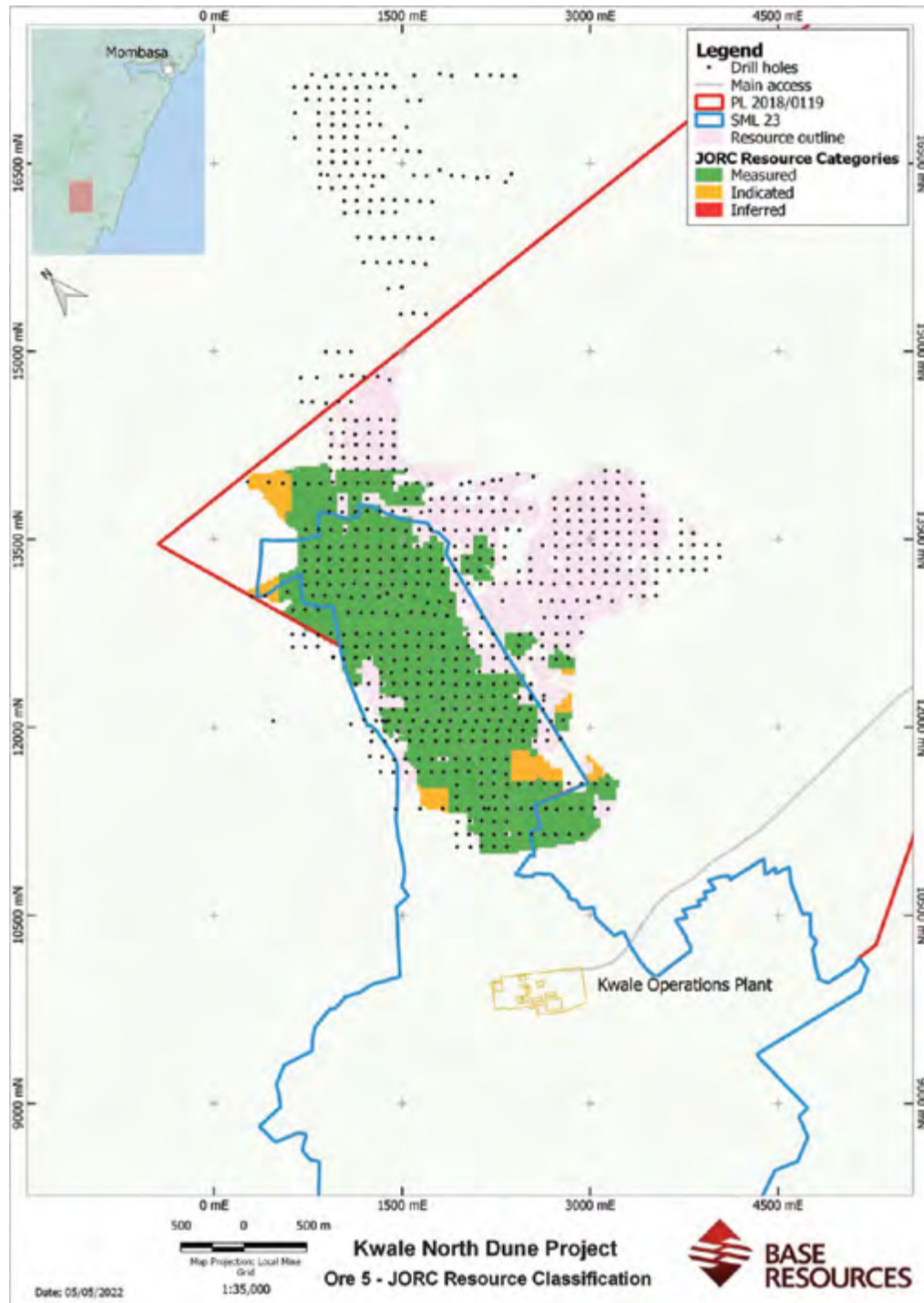
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Figure 2.10 Kwale North Dune – Ore Zone #5 mining areas



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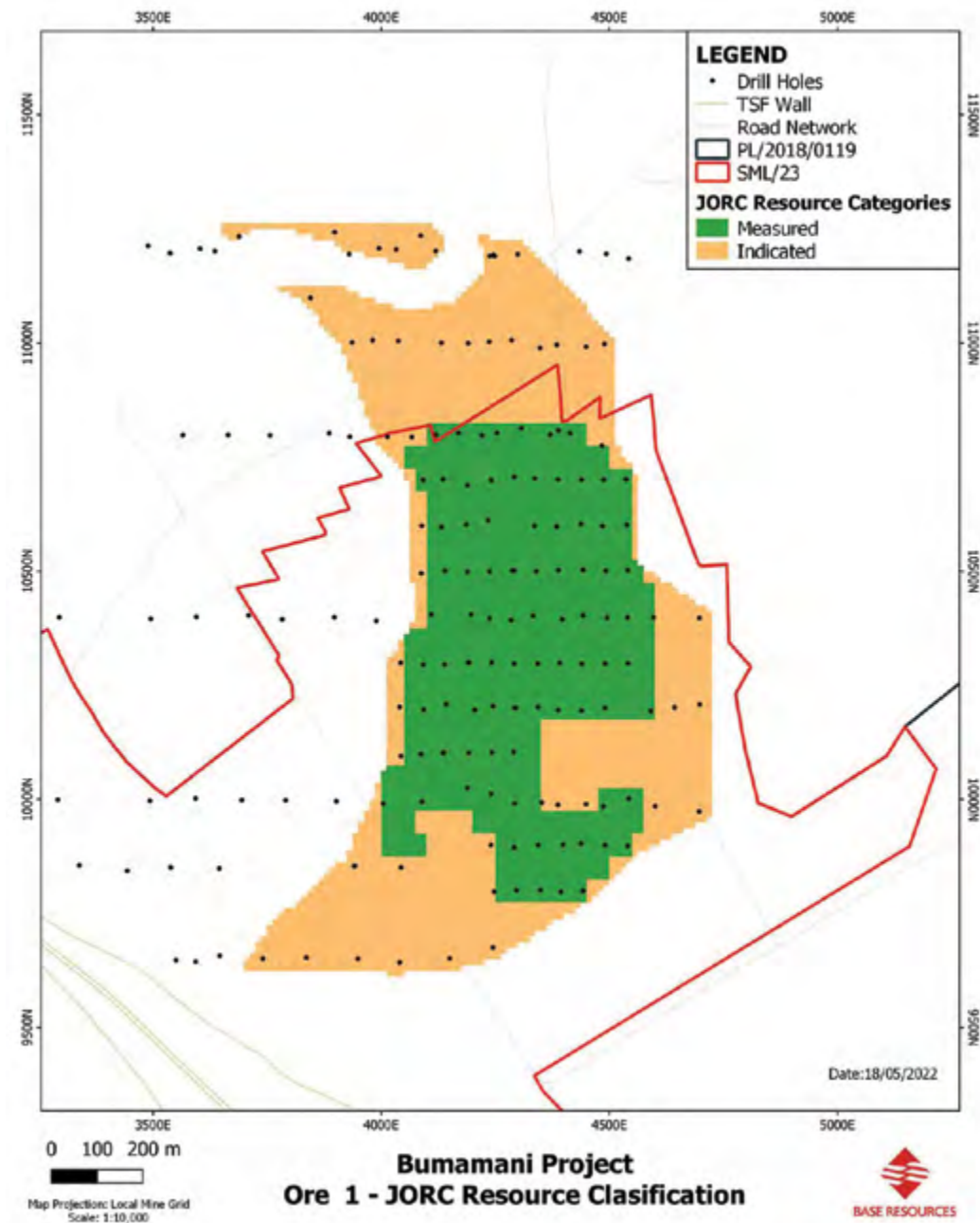
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The following representation of Bumamani target economic mineralization occurs in two ore zones (zone 1 and 4) as shown in Figure 2.11 and Figure 2.12, together will the identification of underlying mineral resource classifications.

Figure 2.11 Bumamani – Ore Zone #1 mining areas

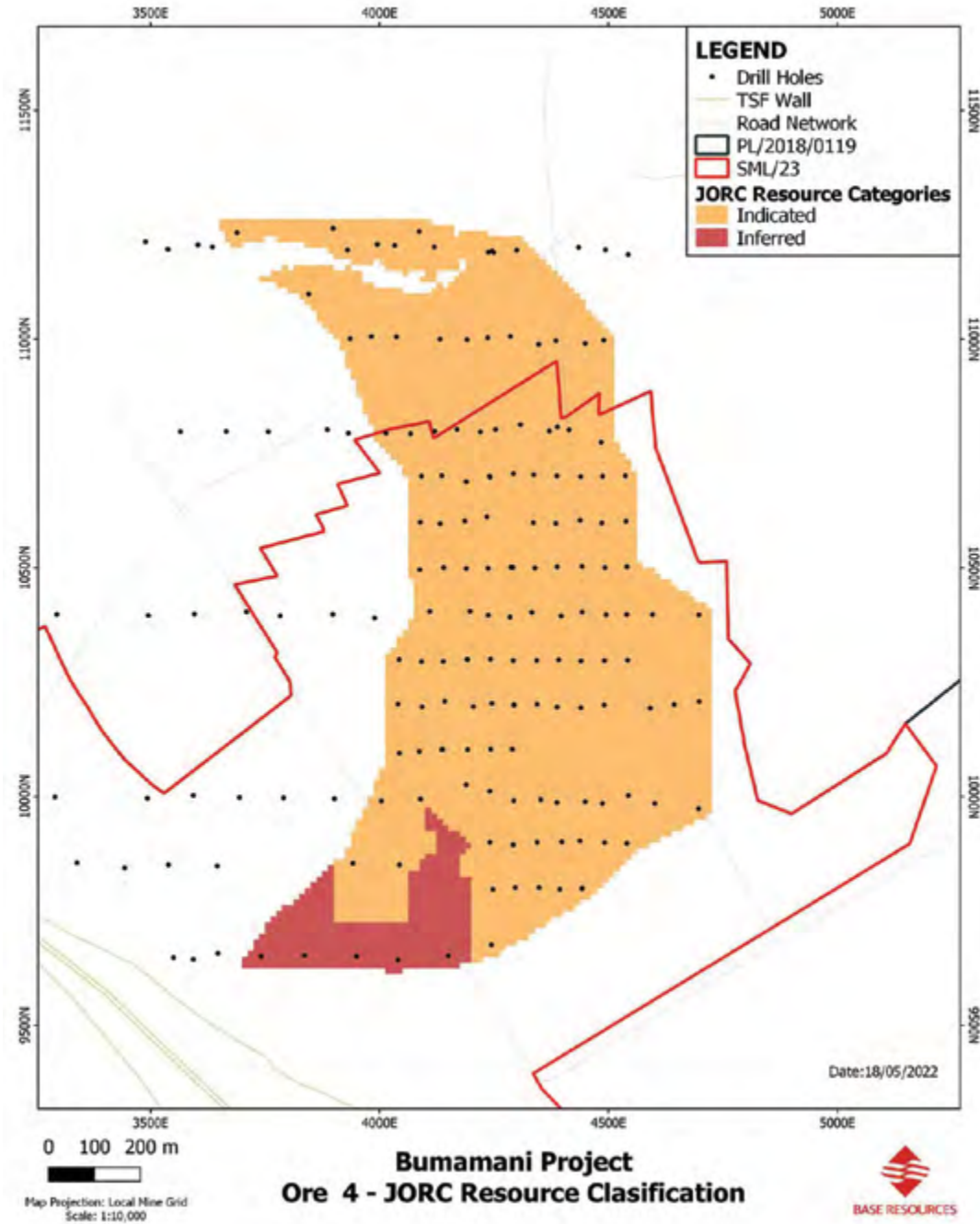


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Figure 2.12 Bumamani – Ore Zone #4 mining areas



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2.7.4 Kwale Ore Reserve estimate

Base reports the 2023 Kwale North Dune Ore Reserves and the 2023 Bumamani Ore Reserves as a joint statement due to the close proximity of the deposits. These Ore Reserves are supported by the definitive feasibility study (Bumamani DFS), which evaluates their potential to extend the Kwale Operations mine life.

The Kwale Ore Reserves are estimated to be 21.3 Mt at an average HM grade of 2.2%, containing 0.48 Mt of HM as of 30 June 2023. This represents a 56% decrease in contained HM tonnes compared to the 2022 Kwale Ore Reserves estimate.

The Kwale South Dune Ore Reserves decreased by 16.9 Mt, containing 0.57 Mt of HM, due to mining depletion and the sterilization of unmined material. This sterilization was caused by a combination of an elevated basement floor in some areas compared to the predictions in the underlying model, induration at the base of the mineralized profile that could not be readily mined, and infrastructure buffers. The Kwale North Dune Ore Reserves decreased by 1.8 Mt, containing 0.04 Mt of HM, due to mining depletion. There was no sterilization of unmined material as the design pit floor has yet to be reached. Table 2.32 below details the classification of these Ore Reserves and includes a comparison with the previous 2022 iteration of the Ore Reserves.

Table 2.32 Kwale Ore Reserves estimates (11 August 2023)

Category	2023 as at 30 June 2022						2022 as at 30 June 2022									
	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage			Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	HM Assemblage		
						ILM (%)	RUT (%)	ZIR (%)						ILM (%)	RUT (%)	ZIR (%)
Kwale South Dune Ore Reserves																
Proved	3.6	0.09	2.4	27	2.2	59	14	6.1	15	0.46	3.1	25	1.2	59	14	5.7
Probable	1.6	0.05	3.0	26	7.4	57	13	6.1	7	0.25	3.3	24	5.8	57	13	5.9
Total	5.2	0.13	2.6	27	3.8	58	14	6.1	22	0.71	3.2	24	2.8	58	14	5.8
Kwale North Dune Ore Reserves																
Proved	7.3	0.15	2.1	39	0.7	48	13	5.5	8.3	0.17	2.1	37	0.9	50	13	6.1
Probable	4.9	0.10	2.1	38	1.6	52	13	5.9	5.6	0.12	2.1	37	1.8	53	13	5.9
Total	12.1	0.25	2.1	39	1.1	50	13	5.6	13.9	0.29	2.1	37	1.2	51	13	6.0
Bumamani Ore Reserves																
Proved	2.6	0.06	2.3	19	2.2	48	16	7.5	2.6	0.06	2.3	19	2.2	48	16	7.5
Probable	1.3	0.03	2.2	19	5.3	48	16	7.6	1.3	0.03	2.2	19	5.3	48	16	7.6
Total	3.9	0.09	2.3	19	3.2	48	16	7.5	3.9	0.09	2.3	19	3.2	48	16	7.5
Total Kwale Ore Reserves																
Proved	13.5	0.30	2.2	32	1.4	51	14	6.1	26	0.69	2.7	28	1.2	56	14	6.0
Probable	7.8	0.18	2.3	33	3.4	53	14	6.2	14	0.40	2.7	29	4.2	55	13	6.0
Total	21.3	0.48	2.2	32	2.1	52	14	6.1	40	1.1	2.7	28	2.3	55	14	6.0

Table may be subject to slight arithmetic differences due to rounding.

2.7.5 Mineral Resource model base

The 2023 Ore Reserve for Kwale is based on the earlier June 2023 Mineral Resource assessment conducted by Greg Jones, From IHC Robbins, and publicly disclosed by Base in August 2023. This initial Mineral Resource report was later updated internally by Ian Reudavey of Base; however, this updated version was not publicly reported, and subsequent Ore Reserve calculations have not been provided for review based on this revised resource.

The AMC review of the Kwale Ore Reserve exclusively relies on the earlier June 2023 version of the Mineral Resource estimate, as described in the Mineral Resource review section of this report.

The Kwale North Dune Ore Reserves estimate was based on the Kwale North Dune Mineral Resources estimate, which was prepared by IHC Robbins. Similarly, the Bumamani Ore Reserves

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estimate was derived from the Bumamani Mineral Resources estimate, prepared by Base Titanium. Both Mineral Resources estimates were publicly reported on 19 February 2021. However, the Kwale North Dune estimate was later adjusted to include only the Mineral Resources entirely within SML 23 or PL 2018/0119.

2.7.5.1 Calculations

No calculations are conducted at this stage.

2.7.5.2 Data transfers and validations

AMC noted that handover document is sent from Geology team to Mine Planning team. However, no Basis of Design (BoD) documentation is created or signed off by the relevant people responsible for qualification of the geological input modifying factors to the Ore Reserve.

Base indicated that further validations of the source Resource modelling are undertaken by the mining engineer responsible for the reserves, but AMC did not verify this process.

2.7.5.3 Outputs

The verified Mineral Resource model forms the basis of the mining model used for economic evaluation of the mining inventory to support the Ore Reserve.

2.7.5.4 Rating

AMC considers that Data transfer and validation method to be Compliant, as shown in Table 2.33. AMC notes the recommendations for improvement outlined in the Mineral Resource review section of this report.

Table 2.33 Resource model base method rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

2.7.6 Dilution of model

2.7.6.1 Processes

Dilution and ore loss have not been applied directly to the Mineral Resource Model to produce a diluted model. Instead, call factors have been used when developing the pit optimization and schedule inventory.

The dilution and ore loss factors applied relate to the combined performance of the mining method and the mineral processing. There is no separate modelling of mining ore loss and dilution incurred from the in-pit mining process.

2.7.6.2 SMU size

AMC is not aware of any SMU studies having been completed. The Mineral Resource Model contains no sub-celling, but does contain proportion fields, within the model to estimate the amount of mineralization that is in each block.

AMC understands that the grade control blocks that are marked in the field for the operations team to extract are based on the Resource Model block size.

AMC observes that it is good practice for Mineral Resource modelling to only consider block estimation parameters appropriate for accurate representation of the underlying geological and metallurgical parameters. The consideration of SMU block sizes should be exclusively the domain of mining parameters and created as an overlay to the source Mineral Resource. This will allow

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the Mine Planning team to investigate running loss and dilution analysis with several trial parameters and utilize a single set of grades and density in the blocks instead of proportions. This approach to the creation of a separate mining model provides an opportunity to analyse the impact of loss and dilution when varying SMU parameters for the desired equipment selectivity, and ultimately improve mining selectivity and reduce the cost of operations.

2.7.6.3 Dilution and mining loss assumptions

Currently Base make the following statements in the 2022 Ore Reserve to outline the approach to the adoption of dilution and mining loss:

- *"There is no ore/waste discrimination and sub-economic material that cannot be selectively mined is included as planned dilution in the ore feed."*
- *"Mining recovery of hardness > 2 material (that which cannot be crushed by hand) is largely discounted by raising pit floor to exclude it from design. Small amounts of this material (representing less than 2% of the pit inventory) report fully inside the pit design on a localized basis, however these have been excluded from the process feed and Ore Reserve estimate as being unrecoverable using a HMU mining method."*
- *"Mining recovery makes provision for a 0.3 m topsoil profile which is excluded from reported ore material."*

AMC generally agrees with Base's assumption that hydraulic mining methods have limited selectivity, making the application of conventional dilution parameters to the mining model inappropriate. Although AMC has not reviewed Base's use of the stated call factors within the mining model to account for hard material on the pit floors, it is noted that the applied correction factors (less than 2% of the pit inventory) are common in mine modelling for mineral sands deposits.

No evidence has been provided to show any process of updating the call factors based on progressive mine reconciliation processes. Therefore, there is no geological or statistical basis supporting Base's assumptions for loss and dilution. This effectively means that metallurgical recovery, dilution, and mining/ore loss are combined into a single call factor. AMC recommends that these assumptions be clearly documented and justified to transparently state the Ore Reserve.

2.7.6.1 Input data

The input data for this process includes:

- Resource Models.
- Combined metallurgical recovery, ore loss and dilution call factors.

2.7.6.2 Data transfers and validations

The validation of these call factors has not been completed. To achieve this, a full mine to product reconciliation needs to be completed, which directly links the Resource Model to the plant's production and separates the metallurgical recovery from the dilution and ore loss factors.

2.7.6.3 Outputs

As these call factors are used in other processes there are no outputs for the dilution modelling step.

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2.7.6.4 Rating

AMC considers that current loss and dilution call factor application process method is adequate for the purpose of quoting an Ore Reserve inventory, as shown in Table 2.34.

Table 2.34 Dilution of model method rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

2.7.7 Depletion topography and exclusion zones**2.7.7.1 Processes**

A survey topography surface is used to deplete the model. The date for survey pickup is at the same time as the model hand-over to the mining engineers as the resource geologist depletes the model. There is no accounting for any difference between the survey date and required Ore Reserve date at the scheduling stage.

2.7.7.2 Input data

Input data for this step in the process are:

- The Mineral Resource Models. Kwale North Dune (rmod2a.dm) and Bumamani (bum_50x25.mdl).
- As mined survey topography surface.

2.7.7.3 Calculations

AMC has validated the use of the survey surfaces at the Mineral Resource model stage.

The Mineral Resource model fields represent the proportion of the block below the topography. This field generally matches with the topography file received visually.

AMC has not detected any of areas where waste fill is not being added to the Mineral Resource model prior to pit optimization.

2.7.7.4 Data transfers and validation

The mining engineer requests the latest as-built topography from the survey team and applies it to the Mineral Resource model. Visual checks are undertaken to ensure the models have been appropriately depleted.

2.7.7.5 Outputs

This step is stored as part of the Mining Model.

2.7.7.6 Rating

The survey data appears to have been applied appropriately with regards to removal of grades for depleted blocks are required to meet industry standard. AMC considers the current depletion method at industry standard, as shown in Table 2.35.

Table 2.35 Mined off area method rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

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2.7.8 Pit optimization, design, and scheduling

2.7.8.1 Processes

After gathering all the modifying factors, the mining engineer proceeds with the pit optimization process. These modifying factors are collected and then applied to each sector of the open pit during the optimization procedure, generating the necessary mining phases for scheduling evaluation. Base indicate that they engaged Entech Mining Consultants to perform the pit optimization process.

AMC acknowledges that there is currently no procedure to allocate mining loss and grade dilution to the resource for developing diluted tonnes and grade to be used in mining evaluation.

The Life of Mine (LOM) ultimate pit designs are created based on the targeted economic mineralization, with the geotechnical criteria being applied to the design process reported to be:

- *"pit slopes are currently about 50 degrees in Ore 1 and Ore 4 at the Kwale South Dune. The pit optimization used a more conservative slope angles of 35 degrees for Kwale North Dune and Bumamani".*

Further discussion of the justification of the stability parameters are noted in the geotechnical review section of this report.

Base describes the process for derivation of the chosen mining and treatment schedule to be based upon performing high-level scheduling upon potential pit shells generated by decreasing revenue in 1% intervals. These were then shortlisted based on various factors such as NPV, IRR, revenue-to-cost ratio, marginal cash flow, and production rates. The resulting schedules for the shortlisted shells were then input into the project financial model to select the final shell for detailed mine planning and scheduling.

Input Data:

- Modifying factors.
- Resource Model and mining depletion
- Pit design solids.
- Infrastructure waste quantities.
- Ramp design parameters.
- Lease boundary.

2.7.8.2 Calculations

AMC completed basic integrity checks on the input data manipulations carried out by the Base mine planning team to determine if the modifying factors had been applied correctly and found no errors.

2.7.8.3 Outputs

The following elements are output from the process:

- Ultimate and phase pit design.
- Scheduled phases of pit development, representing productive combined ore and waste movement, with assigned quality parameters.
- LOM mining and treatment schedule aligned with the selected mining inventory.
- A financial model that encompasses all the productive cost and revenue factors related to the LOM mining and treatment schedule.
- Ore Reserve statement and Table 1.

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2.7.8.4 Rating

AMC finds the pit optimization, inventory selection, design, and scheduling process to be suitable for estimating the Kwale open pit Ore Reserve, and the current application of modifying factors to the Resource Model are appropriate. Consequently, AMC rates the current pit optimization/design/scheduling processes at an Industry Standard, as indicated in Table 2.36.

Table 2.36 Pit optimization, design and scheduling process rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

2.7.9 Mining Cost

Rating

A review of the mining costs for the Kwale operation indicates that the mining cost buildup for the remainder of the project are in line with the mine costs achieved to date. Therefore, these rate as adequate for reporting of Ore Reserves as show in the rating table below, Table 2.37.

Table 2.37 Kwale Mining Cost rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

2.7.10 Modifying factors

The modifying factors are the key inputs used by the mining engineers to generate the pit optimizations and include:

- Mineral Resources.
- Hydrogeological context and interaction with pits.
- Geotechnical slope design criteria.
- Mineral processing factors and metallurgical recoveries.
- ESG context and constraints to mining operations
- Mining and processing costs.
- Commodity Prices.

2.7.10.1 Processes

Many of the modifying factors are sourced by the Mine Planning team, these are sourced from feasibility studies, previous LOM plans and budgets. The selected modifying factors are summarized and appropriately reported within Table 1 of the Ore Reserve statement.

The terms of reference are collected for the Ore Reserve Estimation process through a series of meetings and consequent communication via email. This process is not currently formalized, and no BoD documentation is created or signed off by the relevant people responsible for qualification of the input modifying factors.

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2.7.10.2 Input data

AMC have undertaken fatal flaw reviews of key modifying factors supporting the quotation of the 2022 Kwale Ore Reserves, including the following listed disciplines:

- Mineral Resource review.
- Hydrogeology review.
- Geotechnical review.
- Metallurgy and processing review.
- ESG review.

AMC has summarized the findings of the review of the above listed key modifying factors within the relevant sections of this report.

Product prices

Base has indicated that the basis for their product price justification, to underpin the quotation of the Kwale Ore Reserve, as stated within the Revenue Factors section of the quoted JORC Table 1, Section 4: Estimation and Reporting of Ore Reserves, as follows:

"Product price forecasts are based on Base Resources' internal price assumptions over the period for which Kwale North Dune and Bumamani Ore Reserves are projected to be mined.

Straight line product prices have been used for mine planning studies (optimization, value modelling) and a variable price deck used for final economic modelling."

AMC observes that these revenue factors appear to be honoured through the mine planning cycle and subsequent output corporate financial modelling processes.

AMC notes that it is typical that mining houses will utilize a proprietary third-party industry commodity forecast (normally long-term pricing predictions) as a target for future sales. Alternatively, a customised pricing forecast based upon specific sales (such as long-term supply contracts or internal mineral utilization for value-add processes), which is either prepared by a trading house or produced internally within a mining company's marketing department.

The current JORC-2012 code standard interpretation is quite broad regarding acceptable commodity pricing. So, industry standard is based upon a justification that the competent person responsible for the forecast commodity pricing has applied due diligence to the justification of the factors that are likely to influence the future saleability of the mineral that is being produced within the Ore Reserve statement. However, the absence of specified pricing, or published publicly available commercial indexation, of the elected commodity price may be perceived as not being translucent to the investor.

Inclusion of Inferred

No Inferred material was included in the pit optimization processes or the generation of the schedule inventory.

2.7.10.3 Calculations

High level checks were completed to check the source of the cost inputs. No calculation errors were found.

2.7.10.1 Outputs

A high-level summary of some of the key modifying factors attributes are provided in the 2022 JORC open pit Ore Reserve Statement, Table 1, Section 4: Estimation and Reporting of Ore Reserves.

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2.7.10.2 Rating

AMC considers the processes used to determine the modifying factors is adequate, as shown in Table 2.38, However, AMC notes that the fatal flaw review of the geotechnical modifying factors is deemed to be technically non-compliant for the purpose supporting an Ore Reserve statement. This issue is mitigated by the hydraulic mining methodology, which means the consequences of slope failure are low and the geotechnical risks can be managed operationally.

Table 2.38 Modifying factors method rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

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3 Toliara

3.1 Introduction

3.1.1 Mineral Sands

The Toliara Project is primarily a mineral sands asset located in southwest Madagascar, near the port of Toliara and about 640km from the capital, Antananarivo. The Ranobe deposit, 45km north of Toliara and 18km inland, features extensive heavy mineral sands (including ilmenite, rutile, and zircon) across a dune approximately 20km long, 1.5 to 4.5 km wide, and up to 60m deep.

AMC understands that there were disruptions to the exploration activities at Ranobe in 2018 and 2019. Since then, the government has prohibited any access to the site.

Exploration of the area began in 1995 by Madagascar Resources NL, which discovered several mineral zones. Tigor Ltd (later Kumba Resources and Exxaro Resources) optioned the project in 2003, focusing on the Ranobe deposit. Although Exxaro started a bankable feasibility study in 2005, it was not completed, and Exxaro exited the project in 2009. World Titanium Resources Limited (WTR), which Madagascar Resources NL became in 2011, continued work with a Definitive Engineering Study completed in 2012. African Minerals and Exploration Development Fund II acquired a majority stake in WTR in 2016, reverting to the original Definitive Engineering Study plan but increasing the project scale to a mining rate of 12Mtpa.

Following Base's acquisition of the Project they conducted a Concept Study to evaluate development options, leading to the completion of a Pre-Feasibility Study. The preferred development concept at that time included:

- A mining unit and Mineral Separation Plant (MSP) at the Ranobe deposit using a dry mining method.
- Primary concentration of minerals using spirals to produce a HMC at the Wet Concentrator Plant (WCP).
- Further beneficiation in the MSP through magnetic, electrostatic, and gravity separation.
- Production of three ilmenite products, zircon, and rutile through various separation processes.
- Storage of products in silos or site sheds near the MSP.
- Transport of products via 90t road trains on a new haul road to an export facility at Batterie Beach.
- Construction of a hybrid power station and accommodation camp near the MSP.
- A new export facility at Batterie Beach for bulk shipment of products.

Base progressed a DFS for the Toliara Project, completing it in December 2019. Since that time, Base has increased Mineral Resource and Ore Reserve estimates, benefiting from improved long-term market conditions. These enhancements in the mining inventory enabled a potential increase in production rate to boost marginal profitability. Base consolidated these developments through an updated Definitive Feasibility Study – Version 2 (DFS2), completed in 2021. Key improvements in DFS2 included:

- Base's estimated Project NPV: Increased from \$652 million (DFS) to \$1,008 million (DFS2) (NPV at 10% discount rate, real post-tax).
- Production Rate: Stage 2 mining rate increased by 35% to approximately 25Mt per annum, with MSP capacity rising by 47% to 220tph.
- Ore Reserve Estimate: Additional 318Mt of ore mined, yielding an extra 11Mt of ilmenite and 0.9Mt of rutile/zircon over the mine's 38-year lifespan.
- Development Capex: Reflects the larger Stage 2 project and cost escalation from the 2019 estimates for Stages 1 and 2.

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- **Commodity Prices:** Updated long-term pricing assumptions from Base and TZ Minerals International (TZMI).
- **Royalties and Community Development:** Assumed increase in Malagasy government royalties from 2% to 4%, plus \$10 million upfront for community investment and an additional \$1 million annually.
- **Operational Costs:** Adjusted for national/expat salary rates, capital expenditure, heavy fuel oil prices, and wet concentrator plant (WCP) recovery adjustments (+\$11 million).

Overall, Base estimated that the higher Stage 2 production rate contributed \$375 million to the project NPV, while the updated commodity price forecast adds \$56 million over the life of the mine. The extended reserve increases the mine life by 5 years to 38 years, adding an estimated \$88 million to the NPV. However, Base noted that the improvements in NPV are partially offset by increased capital costs, higher government royalties, and community development expenses.

3.1.2 Rare Earths

Up to 2021, the Toliara Project, as outlined in DFS2, focused exclusively upon the extractive potential of a conventional heavy mineral sands mining operation. Following the completion of the technical work underpinning DFS2, Base commenced a Rare Earths Concept Study in 2022 to investigate monazite and related rare earth elements (REE) potential of the deposit. Building upon the investigations undertaken during the Concept Study, Base has produced a Pre-Feasibility Study (PFS) document that summarizes their work to investigate the monazite potential of the Project.

The monazite PFS activities heavily leverage the work defined in the Mineral Sands DFS2, outlining additional processing, infrastructure, and operational needs. Base has not undertaken any additional mine planning activities to evaluate the combined targeting of mineral sands and REE from the Toliara Project and has chosen not to update the Ore Reserves to reflect any value from the inclusion of the REE value chain. Plans for a future refinery and separation plant for rare earth oxides are excluded from the PFS.

The current granted Toliara mining license, PE 37242, allows for the exploitation of only ilmenite, zircon, leucocoxene, rutile, guano, basalt, and limestone. Therefore, Base currently have no rights to extraction of the monazite or derived REE.

3.2 Mineral Resource review

3.2.1 Mineral Resource estimate

The June 2023 Toliara Mineral Resource estimate as reported for Ranobe deposit is shown in Table 3.1.

The Mineral Resource estimates have been prepared by Base and IHC Robbins consultants engaged under the direction of Ian Reudavey with joint Competent Persons as defined by the JORC Code. The Mineral Resources are reported inclusive of material that comprises the Ore Reserve estimate.

Historically, the Ranobe Mineral Resource estimate focused on the Zone 1 upper sand unit (USU). In 2018, the Zone 5 intermediate clay sand layer unit (ICSU) was included in the Mineral Resource. This is the same for the 2020 Mineral Resource. In 2023, the Mineral Resource was unchanged as there was no activity on site. The reporting of the 2023 Mineral Resource includes the material between the USU and ICSU. These are the Zone 2 surface silt unit (SSU) and Zone 3 upper silty sand unit (USSU).

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Table 3.1 June 2023 Mineral Resource estimate for Ranobe at 1.5% THM cut-off

Summary of Mineral Resources ⁽¹⁾							THM Assemblage ⁽²⁾							
Mineral Resource Category	Material (Mt)	In Situ THM (Mt)	BD (gcm ³)	THM (%)	SLIMES (%)	OS (%)	ILM (%)	RUT (%)	LX (%)	ZIR (%)	MON (%)	GARN (%)	OTH (%)	QTZ (%)
Measured	597	36	1.67	6.1	4.3	0.2	74.2	1.0	1.0	5.9	1.9	2.2	11.9	1.8
Indicated	793	35	1.65	4.4	7.1	0.5	70.6	1.0	1.0	5.9	1.9	3.6	14.0	1.9
Inferred	1,187	39	1.64	3.3	9.7	0.6	69.2	1.0	1.0	5.8	2.0	4.3	14.6	2.1
Total	2,576	111	1.65	4.3	7.7	0.4	71.3	1.0	1.0	5.9	2.0	3.4	13.5	1.9

Notes:

- (1) Mineral resources reported at a cut-off grade of 1.5% THM
(2) Mineral assemblage is reported as a percentage of in situ THM content.
(3) Reported resource excludes material affected by planned infrastructure and tails storage

3.2.2 Geology**3.2.2.1 Regional and deposit geology**

Ranobe is situated on a north-south trending dune system of coastal plain bound by the sea to the west and a limestone plateau to the east. This is within the Phanerozoic cover sequence of the Morondava Basin, situated on the southern region of Madagascar. The basin contains the Malagasy series of Late Carboniferous to Mid Jurassic sequences. There are several sedimentary facies within the series.

The coastal plain where Ranobe is located is underlain by limestone of Eocene age, that defines the base of the deposit. The Ranobe deposit is within an aeolian dune system with low clay content and heavy mineral concentrations. There are three main mineralized stratigraphic units. These are the USU and, ICSU that overlay the lower sand unit (LSU) that might have a fluvial or marine depositional component. Of these the USU and ICSU are included in the Mineral Resource estimate. The LSU is excluded due to mineralogical uncertainty.

The minerals of interest are ilmenite, leucoxene, rutile, zircon and monazite.

3.2.2.2 Exploration and discovery

The Ranobe deposit was first drilled in 2001 from available access. A second drilling campaign in 2003 used a formal grid layout with holes 400 m by 100 m to 200 m apart. The first Mineral Resource estimate was determined by Ticor in 2004. Further drilling was performed in 2005, then nothing until 2012 that looked to extend the deposit to the west and infill existing drilling.

Drilling campaigns planned for during 2018 and 2019 were both disrupted by community and political unrest. This was followed by the government announcing a suspension of field activities and communications by Base.

3.2.3 Geological data collection

The drilling, sample preparation, assaying and data validation procedures used by Base has been reviewed by AMC and are summarized in the following sections.

3.2.3.1 Drillholes

The Ranobe drill data set consists of aircore drilling from 1,942 drillholes for a total of 56,472.9 m. Over 5,350 samples are still in storage, not yet analysed.

Drilling intervals are typically spaced at 400 m to 200 m by 200 m by 100 m. Some close-spaced drilling has occurred at 50 m x 50 m and 100 m x 100 m for geostatistical assessment. This drill spacing increased westward to 800 mm by 200 m out to 800 m by 400 m spacing at the western boundary.

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Drillholes were set out using a hand-held GPS. In 2001 completed drillholes were surveyed with a hand-held GPS. In subsequent drilling campaigns a digital GPD was used following drilling. Drillholes were typically vertical and perpendicular to stratigraphy.

3.2.3.2 Sample collection and preparation

Ranobe samples were generally collected on 1.5 m, 2 m and 3 m intervals. Samples were collected via a cyclone and riffle split on site, commensurate with standard industry practice. The differences between the different drilling campaigns were not material. Drillholes were observed for changes in lithology.

3.2.3.3 Assaying

Samples for each Ranobe drilling campaign were assayed at various commercial geochemistry laboratories including Western Geochem Labs and Diamantina Laboratories in Australia and IMP Laboratories, ACT Laboratories and Bureau Veritas Laboratory in South Africa.

There is no record of assay procedures from 2001 to 2005. However, IHC Robbins suggest they were processed with desliming at 63 µm and screened at 1 mm, with various fractions weighed or calculated. Heavy liquid separation of the sand component between 63 µm and 1 mm separated the HM. Percentage weights of OS, SLIMES and HM are calculated.

Later samples underwent similar treatment with samples dried, weighed split, deslimed and fractions reweighed and the fraction <63 µm considered as slimes. The 1 mm to 63 µm fraction is traded with heavy liquid with a density of between 2.94 and 2.98 to separate the THM fraction, which is then washed and weighed.

In 2006, various methodologies were investigated to determine the mineralogy. Of these the QEMSCAN automated technique for XRF was selected to assess mineralogy with holes from 2005 and 2012 assessed. In 2018 Base's MinModel process was employed to increase resolution and is now used extensively. Testing of MinModel included testing of samples from Bureau Veritas Laboratory.

3.2.3.4 Rating

AMC considers that geological data collection was, in general, undertaken in accordance with industry-accepted practices. AMC recognises that methods used for the 2001 assay are not recorded in detail and the 2001 drilling makes up only 5% of the data. However, the apparent methods used were identified. AMC therefore rates geological data collection as adequate for reporting of Mineral Resources as show in the rating table below, Table 3.2.

Table 3.2 Geological data collection rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

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3.2.4 Quality assurance / quality control (QA/QC) of assays**Ranobe**

Rates of submission for QA/QC samples are provided in Table 3.3. AMC considers submission rates particularly for field duplicates, repeats and standards, of 1 in 20 is appropriate. The sample submission rates for these are between 1 in 30 and 1 in 46 for the 2018 and 2019 drilling. Client repeats in 2005 are approximately 1 in 20 as are each of the duplicates.

Table 3.3 Ranobe QA/QC sample count

Type & Year	2001	2003	2005	2012	2018/19
Total Analyses	1,225	1,715	2,117	3,580	12,086
Lab Replicates	-	-	72	282	683
Lab Repeats	-	-	-	194	357
Client Repeats	-	-	117	46	45
Control	-	-	68	146	264
B Duplicate	-	152	97	177	397
C Duplicate	-	45	110	2	40
Base Resources 2018/19 Drilling					
Type	Laboratory	# samples	Submission Rate Actual	Submission Rate Plan	
Field Duplicates	Bureau Veritas	397	1 in 30	1 in 33	
Lab Replicates	Bureau Veritas	683	1 in 18	1 in 20	
Lab Repeats	Bureau Veritas	357	1 in 34	n/a	
Base Repeats	Bureau Veritas	45	1 in 269	n/a	
Blind Standards	Bureau Veritas	264	1 in 46	1 in 50	
Lab Standards	Bureau Veritas	81	1 in 149	n/a	
Umpire Analysis	Diamantina Labs	40	1 in 302	n/a	

There is no QA/QC of 2001 data used for the Mineral Resource estimate, and limited QA/QC in 2003. QA/QC in 2003 and 2005 data shows no clear bias. Bias identified in QA/QC testing included 4% in HM grades in 2005 field duplicates between laboratories and 19% in Slimes grade.

The difference in mean grades for field duplicates and laboratory replicates in 2018 and 2019 is not material.

Standard samples rarely fell outside two standard deviations. A 4.8% positive bias is present in 2018 with a 5.64% THM laboratory mean reported against the standard mean of 5.38%.

In 2019, bias identified between laboratories is negligible. The Slimes assay results were below the standard results, however, umpire results correlated with umpire assay results of the standards rather than the original standard grades.

In AMC's opinion, these and other items identified in the QA/QC data are not material to the quality of the data as input for the Mineral Resource estimate.

In AMC's opinion, sample preparation and assaying procedures have been applied that are well suited to the nature of the mineralization. Both primary and umpire assaying are conducted using recognized commercial laboratories. and a range of industry-standard QA/QC procedures have been implemented to ensure appropriate levels of accuracy and precision.

AMC notes that in 2020, IHC Robbins performed an independent review of QA/QC data, with no material issues found.

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Samples at the drill rig are transported directly to the sample preparation facility in sealed labelled bags with shipment forms. It is not reported whether samples and assay results are managed for security. Sample security is particularly relevant given the unrest on site.

Samples are logged at the drill rig by the geologist by lithology code from a list, grain size, sorting, colour, competence and moisture content. It is not reported how logging is recorded, or whether there are validation processes in place as data is entered into the database. AMC notes that IHC Robbins performed its own validation for the estimate.

Rating

AMC presumes that QA/QC bias results identified are not material, and confidence in the sample data, in general, to be sufficient and of suitable quality for use in the Mineral Resource estimate and therefore rate as adequate as show in the rating table below, Table 3.4.

Table 3.4 QA/QC rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

3.2.5 Bulk Density

At 14 sites across Ranobe, sand-replacement density determinations were performed in 2007. These results reported an average density of 1.701 tonnes per cubic metre. A review of this testing in 2012 revealed a bias in the results. The samples were collected from the top 2.15 m or the profile where higher than average HM grades are observed, up to 9.3% HM. A revised calculation proposed for determining bulk density is $1.61 + (0.01 \times \text{HM}\%)$. This proposed method, suggests a slight reduction in bulk density. For the Mineral Resource estimate at a grade of 4.3%, the bulk density is 1.653, a reduction of less than 3%. AMC considers this is not material to the Mineral Resource estimate.

AMC considers the derivation of the equation that is applied to the estimation to be an appropriate determination method. However, it is based on a correlation with only 14 sand-replacement samples collected some time ago. There has been no validation of the equation adopted. As such, further validation of the bulk density equation is recommended with further site work.

Rating

AMC presumes that bulk density is sufficient for the purposes of the Mineral Resource estimate and therefore rates as adequate as shown in the rating table below, Table 3.5.

Table 3.5 Bulk density rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

3.2.6 Data validation

For its Ranobe Mineral Resource estimate, IHC Robbins reviewed the database correcting typographical entries and made adjustments to data based on supporting information or misallocation. Some anomalous values were removed. Evidence provided suggest this process has been thorough. There is no evidence of a site-based validation process during data collection.

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AMC has reviewed the database as part of this review and has not identified issues. Overall, the data is of reasonable quality to support a Mineral Resource estimation.

Rating

AMC presumes that data validation is undertaken appropriately and therefore rate as adequate for reporting of Mineral Resources as show in the rating table below, Table 3.6.

Table 3.6 Data validation rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

3.2.7 Geological interpretation

Key criteria used to develop the geological interpretations of the mineralization at Ranobe include the different depositional environment including the aeolian USU, clayey ICSU and marine LSU. In addition to this is the different levels of HM and trash component, and the presence of garnet in the LSU.

Rating

AMC presumes that geological interpretation are appropriate and suitable to be used for the Mineral Resource estimate, and therefore rate as equivalent to peers for reporting of Mineral Resources as show in the rating table below, Table 3.7.

Table 3.7 Geological interpretation rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

3.2.8 Grade estimate

3.2.8.1 Estimation method

Grade estimation samples were composited to 1.5 m, which is the most frequent sampling interval. Univariate data analysis was undertaken on the THM assays using dedicated geostatistical software. Strong lateral grade relationships were generally identified within the main domain with short structure vertically.

Grade estimation into 50 m (E) x 100 m (N) x 1.5 m (RL) parent cells was undertaken by (ID3), ordinary kriging (OK) for each of THM, Slimes and OS. Sub-cell divisions, including to 20 cm in RL, along the domain boundaries provided for accurate domain volume representations. Nearest neighbour is applied to other indices such as hardness and mineralogy.

The estimation process describes the estimation methods adopted as follows:

- *"ID3 provides a linear approach to the interpolation process and when compared to OK in areas of wider spaced drilling it results in a more representative interpretation of the surrounding grades. Effectively, where drill density was that (or greater than) of the dominant drill grid spacing then Ordinary Kriging was utilized for grade interpolation. Ordinary Kriging was deemed a more suitable method where density of data was greater as it generally provides a more accurate description of grade during the interpolation method."*

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The method description does not specify the drill density that is used to differentiate between ID3 and OK estimations. Nor does it specify how the boundary between the two estimation methods is applied. For the mineralogy, nearest neighbour was adopted, giving rise to a coarser model. Estimation parameters were based on the variogram models and data geometry. The estimates were constrained by the interpreted geological domains, with hard boundaries between mineralized and non-mineralized zones.

Three search passes were required to estimate grade into the model, with the second pass search distances being twice the first pass, and the third pass being four times the first pass. Reporting of the estimate used the OK estimate where the drill data had higher density and ID3 where drilling is more sparse.

3.2.8.2 Validation of grade estimation

Grade estimation of THM was validated by IHC Robbins by:

- Visually comparing drillholes against assigned geology and wireframe allocation.
- Visually comparing drillholes to the estimated model grade.
- Comparing input de-clustered samples and model sample statistics.
- Generation of swath plots on 100 m spacings along strike and 50 m spacing across strike.

IHC Robbins undertook a mineralogy review that included:

- Visual assessment of the mineralogy assignment and distribution, and comparison with heat maps for each species.
- Generation of swath plots of grade and mineral species tonnage on 100 m spacings along strike and 50 m spacing across strike.

Rating

AMC presumes that grade estimate methods employed are appropriate for the style of mineralization to be used in the Mineral Resource estimate and therefore rate as equivalent to peers as show in the rating table below, Table 3.8.

Table 3.8 Grade estimate rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

3.2.9 Mineral Resource classification and reporting

3.2.9.1 Cut-off grade

The Mineral Resource is reported at a cut-off grade of 1.5% THM. AMC notes that the calculation for the cut-off grade is reported as being based on parameters developed during the feasibility studies for the deposit. AMC considers the cut-off grade selected to be reasonable but recommends that evidence of its determination should be included in the Mineral Resource report.

3.2.9.2 Method of resource classification

The following criteria have been used to classify the Ranobe Mineral Resource estimate:

- Drillhole spacing that is regular and defines geology and trends of the THM mineralization.
- Domain controlled variography for THM that supports the drill spacing for each classification.
- Distribution of mineral assemblage composites from the various mineralogy domains and their variability.

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LSU is classified as an Exploration Target in accordance with the JORC Code.

3.2.9.3 Classification criteria

AMC considers the classification to be highly dependent on the drillhole spacing. The drill spacing for the classifications is reported in an ASX release (27 September 2021) but not elsewhere. The drill spacings applied to the classifications are 100 m by 200 m for Measured, 200 m by 400 m for Indicated and between 400m and 1,600 m for Inferred. For Measured and Indicated, MinMod mineralogy is also required. The drillhole spacing for each classification and how the variography was used are not specified in the Mineral Resource estimate Table 1 and should be reported.

The classification of a Mineral Resource estimate is a matter for the Competent Person, and opinions between resource estimation geologists can differ. In AMC's opinion the classification criteria used to prepare the Mineral Resource estimate appear reasonable. This includes the lower implied level of confidence in the estimation of LSU as an Exploration Target.

3.2.9.4 Reporting

AMC has used the block models provided to AMC by Base to confirm that the tonnage, grades, and classifications reported in the Ranobe Mineral Resource Estimate can be reproduced. AMC confirmed this to be the case.

In AMC's opinion the Mineral Resource Estimates have been prepared and reported by a Competent Person in accordance with the JORC Code to the extent that the code has been applied, and for the topics discussed.

However, in the reporting of the Mineral Resources at Ranobe there is no discussion as to the reasonable prospects of eventual economic extraction (RPEEE).

AMC understands that at Ranobe there were disruptions to the 2018 and 2019 exploration activities. Since that time the government has prohibited any access to that site. AMC understands that there is optimism that this will change, but there is no evidence as to if and when it may occur. AMC considers this to be a significant impediment to the RPEEE at Ranobe. This is not being considered in the reporting of Mineral Resource estimate. Given the significant impact access to site has for RPEEE, AMC considers the reporting of the Mineral Resource estimate to be significantly deficient in meeting the reporting requirements of the JORC Code 2012.

The JORC Code 2012 required RPEEE to be 'more likely than not'. Information provided by Base to AMC suggests that there is a strong possibility that the project might recommence.

The mining minister Olivier Rakotomalala, is reported to have said publicly on Television Madagascar on 4 March 2024 that:

"In the case of Base Toliara in particular, in-depth discussions are ongoing to thoroughly explore details of the terms and conditions enabling the implementation of the project. Senior leadership team of the company recently engaged with the government to discuss not only the technical aspect of the project but also the benefits it would bring to the population.... Among the discussions, we questioned Base Toliara's plans, the annual envelope they would dedicate for the implementation of such activities. Several other topics were discussed but in short, the engagement is ongoing and is on the right track. We really take time to look at all the aspects and conditions that help ensure that when the project goes ahead, it will bring real benefits not only to the surrounding population in Toliara, but to the whole Malagasy country.

The President of the Republic is very strict on this point. We must ensure that the benefits of the project are felt at all levels, from local to national. We look forward to seeing a positive conclusion resulting from these talks."

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On this basis, AMC considers that although RPEEE is a matter for the Competent Person to address, there are signs to suggest that the current restrictions for the project might be resolvable.

3.2.9.5 Rating

Despite the Mineral Resource being technically compliant, AMC considers the Mineral Resource classification and reporting is deficient in its reporting of RPEEE and therefore rate it as non-compliant for reporting of Mineral Resource as shown in the rating table below, Table 3.9.

Table 3.9 Mineral Resource classification and reporting rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Mineral Resources	
Non-compliant	Needs to improve for reporting of Mineral Resources	

3.3 Hydrogeological review

3.3.1 Background

The Toliara Project consists of the Ranobe deposit, which is a greenfield ilmenite dominated mineral sands mining development located in south-west Madagascar, approximately 45 kilometres from the port town of Toliara, capital of the Atsimo-Andrefana region.

Data source

The hydrology/hydrogeology review is based on information contained in the following documents:

- Rison Consulting Pty Ltd, March 2008, Groundwater Model Toliara Sands Project Final Report.
- Someah Groupe Artelia, Jan 2013, Hydrologic, Hydrogeologic and Hydraulic Study Of The Fiherenana Crossing Proposed By Toliara Sands In The Operating Phase.
- Aquaterre, Feb 2013, Toliara Sand Project Water Assessment for The Ranobe.
- Mineral Deposit Dry Mining Alternative.
- Rakotondrainibe Jean Herivelo, March 2017, Hydrogeological Study In Support Of A Water Extraction Permit: From The Eocene Limestone Aquifer At Manombo In The West South Region, On Behalf Of Toliara Sands.
- Lycopodium, June 2019, Toliara Project Infrastructure Basis Of Design, 2026-GBOD-001.
- SRK Consulting, Jan 2020, Technical Review Of The Toliara Mineral Sands Project, Madagascar.
- Base Resources, September 2021, Toliara Project Definitive Feasibility Study 2, Rev 1.

SRK (2020) indicated that the chosen mining method is planned to be undertaken with a dry dozer-trap mining unit method using D11 dozers. Conventional mineral sands processing is proposed to be undertaken with a wet concentrator plant followed by a MSP. Process tailings streams are proposed to be progressively returned to the pit voids as mining progresses.

From a mining perspective there are two principal hydrogeological considerations:

- 1 Mining pit dewatering.
- 2 Process water supply.

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3.3.2 Mining pit dewatering

The mining pit shells do not intersect the water table, so pit dewatering is only required to remove process spillage and storm water.

For most rainfall events, the storm water will be channelled to sumps at low points within the pit. From there, what does not infiltrate to ground will be pumped using diesel powered pit pumps to the nearest wet concentrator plant (WCP) process water pond, if clean. It is possible that water may seep into the pit along the contact between the limestone range and the USU after storm water run-off has ceased. This will also be channelled to the sumps excavated to deal with stormwater.

Very large rainfall events represent a risk to the Dry Mining Unit (DMU) when surface water enters the pit. To mitigate this risk, a drain will be excavated to allow water to escape the pit at a level of 110m and the mine path schedule ensures that the DMU is situated above 110m during wet seasons (December to March).

3.3.3 Process water supply

The total projected water demand for the process and infrastructure will be:

- 205 l/s (738 m³/h) for Stage 1 (Years 1 - 4), 12 Mtpa plant requiring 7 duty +2 standby bores at 30 l/s each.
- 245 l/s (882 m³/h) for Stage 2 (Years 5 - 20), 25 Mtpa plant requiring 8 duty +2 standby bores at 30 l/s each.

An Eocene limestone aquifer east of the project has been identified as a prospective water source. The limestones, identified as the likely project water source form the escarpment to the east of the deposit, exhibit significant karstification and weathering processes have resulted in the formation of sinkholes.

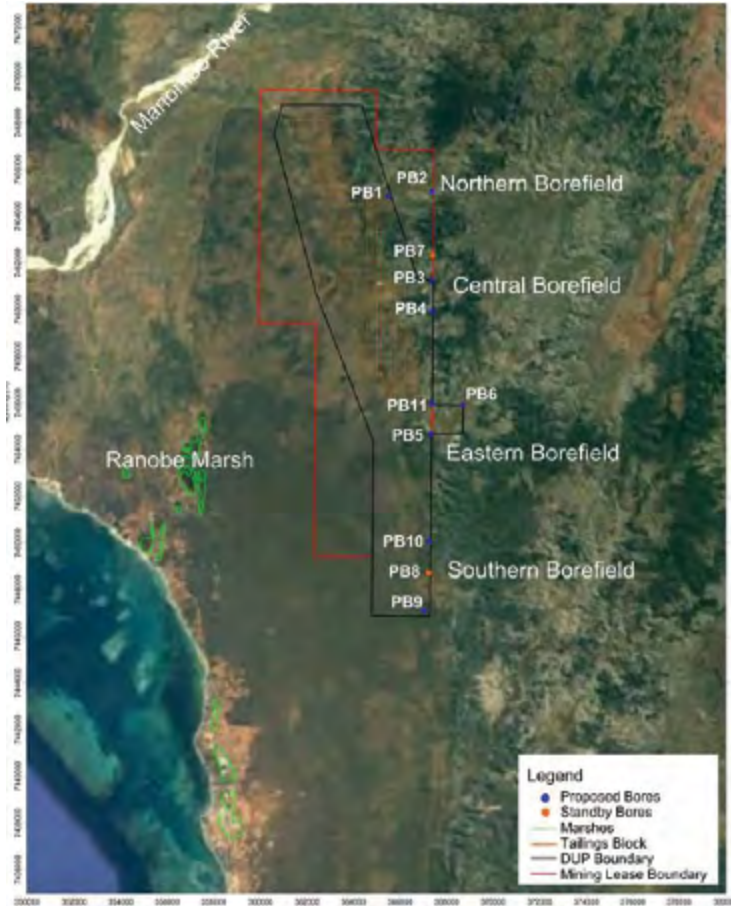
It is planned to supply all of the process and infrastructure demands for the 18 Mtpa plant from a string of two bores located 5 km Northeast of WCP1 (described as the Northern Borefield development), three bores located 3 km east of WCP1 (described as the Central Borefield development) three bores located 6 km south east of the MSP (described as the Eastern Borefield development) and three bores located 11 km south-east of the MSP (described as the Southern Borefield development) (Figure 3.1).

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Figure 3.1 Ranobe mine site proposed borefields - Stage 2 (Base Resources 2021)



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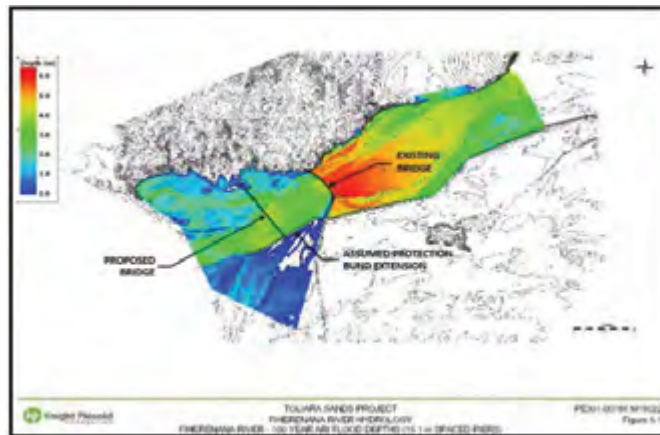
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3.3.4 Hydrology

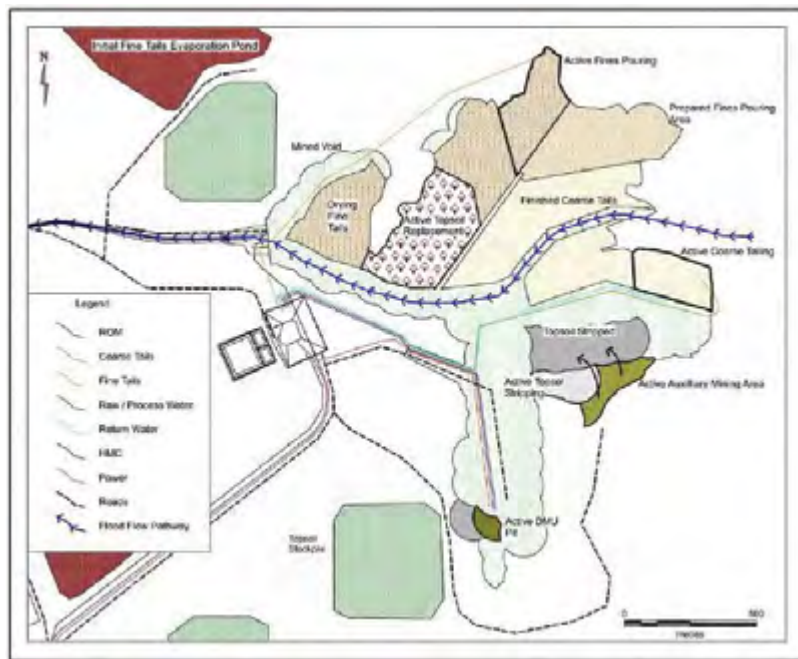
Knight Piésold completed an assessment of the hydrology of the Fiherenana River. The assessment focused on the aspects of the river which need to be understood for the design of the proposed bridge that will cross the river downstream of the National Route 9 bridge. Figure 3.2 reflects predicted 1:100-year flood levels around the new bridge.

Figure 3.2 Flood depths at Fiherenana River bridge (Base Resources 2021)



Flood hydrological studies for the mine site and haul road were undertaken by Lycopodium and an outlet drain from the mine pit is required and will be created as shown in Figure 3.3.

Figure 3.3 Flood hydrological studies (Lycopodium 2019)



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3.3.5 Modelling

Knight Piésold were appointed to undertake a groundwater resource assessment to confirm that the operations can abstract the volumes of water required for the life of the mine and to determine the effects, if any, this abstraction will have on:

- The Manombo River flows and other water uses.
- The Andoharano Canal and communities that rely on it.
- The Ranobe and Ambolomailaka wetland system and users of them.
- Coastal communities and hotels that rely on groundwater.
- Salt evaporation ponds on the coastal strip.

A three-dimensional transient ground water model was developed with assumptions of various locations and numbers of boreholes in the northern, central, eastern, and southern portions of the eastern Borefield.

Modelling was run for the four years of Stage 1 and the first 6 years of Stage 2 operations, and the predictive model simulation shows:

- Drawdown is limited in extent and does not extend to the Ranobe wetland.
- The Manombo River, Andoharano Canal, coastal communities, and salt evaporation ponds will not be affected.
- The leakage from the tailings cells acts as artificial recharge buffering drawdown.
- Groundwater mounding develops from the tailings cells.
- The four borefields (9 production boreholes) are capable of producing the required 976m³/hr, to meet the Stage 2 demand.
- The net abstraction rate in Stage 2 (8.5Mm³/yr) represents 7.8% of the annual recharge.

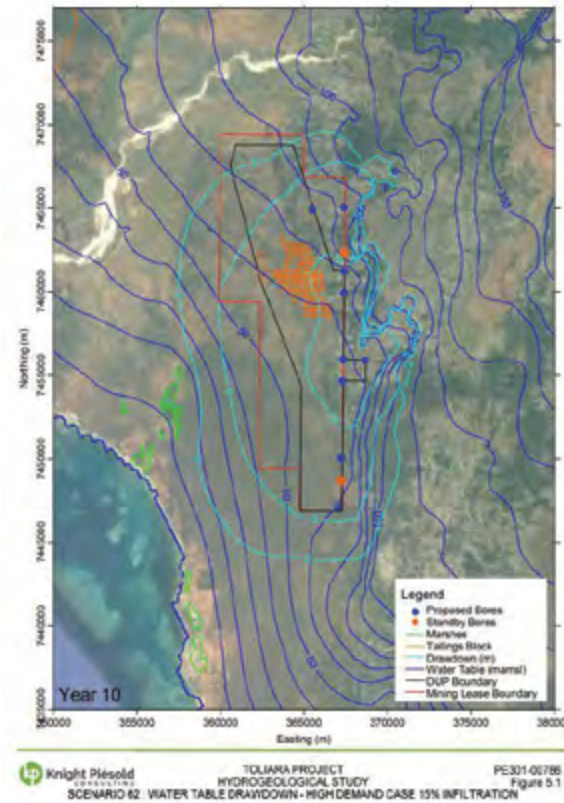
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The predicted water surface and drawdown levels for year ten of operations are shown in Figure 3.4

Figure 3.4 Predicted water drawdown levels year 10 (Base Resources 2021)



3.3.6 Hydrocensus

A hydrocensus was undertaken to characterize the groundwater regime in terms of the depth to groundwater, groundwater quality and groundwater consumption. The report confirms that villages are dependent on shallow hand dug wells and that the water quality is very variable across the area.

3.3.7 Material hydrogeological issues

As the mining pit shells do not intersect the water table, pit dewatering is only required to remove process spillage and storm water. Mitigation measures for incident rainfall are well developed, including the mine path schedule to ensure the DMU is situated above 110m during wet seasons (December to March).

An Eocene limestone aquifer east of the project has been identified as a prospective water source. Over 30 holes have been drilled, including two test production bores, and numerical modelling has been conducted. While the drilling and modelling results strongly suggest the four borefields could supply the project, until the borefields are largely installed the work to date is not definitive. Additional drilling and testing is required to confirm the borefields productivity.

The numerical modelling suggests drawdown will be limited in extent and not extend to the Ranobe wetland or Manombo River, nor other water users.

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3.3.8 Key Review Aspect Dewatering

Rating

AMC presumes that Key Review Aspect Dewatering are well developed and therefore rate as Industry standard for reporting of Ore Reserves as show in the rating table below, Table 3.10.

Table 3.10 Key Review Aspect Dewatering

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.3.9 Key Review Aspect Water Supply

Rating

AMC considers that Key Review Aspect Water Supply is prospective but not proven and therefore rate as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.11.

Table 3.11 Key Review Aspect Water supply

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.4 Geotechnical review

3.4.1 Background

This geotechnical assessment has been made to support the assessment of the Ore Reserve reporting for the Toliara Project (Ranobe Deposit) deposit in Madagascar. As such it considers the geotechnical works for the open pits only. Geotechnical works for infrastructure and TSF have not been assessed. The works are stated to be at DFS level, and it is against this standard that the works are assessed.

3.4.2 Data source

A number of studies and reports have been made available to AMC which contain geotechnically-relevant data are listed below. Reports which do not contain significant geotechnically-relevant data are not listed.

- JORC Technical Report, Toliara Project, Ranobe Deposit, Ore Reserve Report 2021 (IHC Mining, 2021)
 - This report describes the geology of the deposit and its regional setting. It also sets out mining and other considerations that may affect the Ore Reserves. The geotechnical assumptions regarding the extraction of the Upper Sand Unit are stated.
- JORC Technical Report, Toliara Project, Ranobe Deposit Madagascar, Mineral Resource Update (Ian Reudavey and IHC Robbins, 2021)
 - This report, which is an update to the one described above, describes the geology of the deposit and its regional setting. The geological domains are defined and described, and their mineralogical characteristics described. No PSD or geomechanically relevant properties are discussed.
- Toliara Project Definitive Feasibility Study 2 (Base Resources, 2021)
 - This report describes the studies undertaken to evaluate mining, processing and transport options for the project. It includes a description of the geological setting

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and deposit geology. The assumptions made regarding pit slope stability are stated in the section on mine design, but no geotechnical data is presented.

- Definitive Feasibility Study, Geotechnical Interpretative Report, Mine Site Infrastructure (Knight Piésold, 2019)
 - This report contains the results and interpretation of ground conditions for various parts of the infrastructure associated with the proposed mining operations. SPT and DCP testing was carried out at several locations and the results are presented. Two remoulded consolidated undrained triaxial tests were done on aeolian sand from the Mineral Separation Plant (MSP) area and c' and ϕ' parameters assessed. Preliminary strength parameters were also assessed for other sands in the infrastructure areas.

3.4.3 Deposit geology and structure

The deposit geology is described in detail in the JORC Technical Report and the update. Five units/domains have been defined: the USU, the SSU, the USSU, the ICSU and the LSU. As of 2021 the LSU had been classified as an exploration target only and is not considered in the resource model. Geology solids have been provided to AMC for the basement, USU, SSU and USSU units, plus the top of the LSU unit, which have been derived from the detailed geological drilling undertaken (drillhole database has also been supplied to AMC).

AMC considers that:

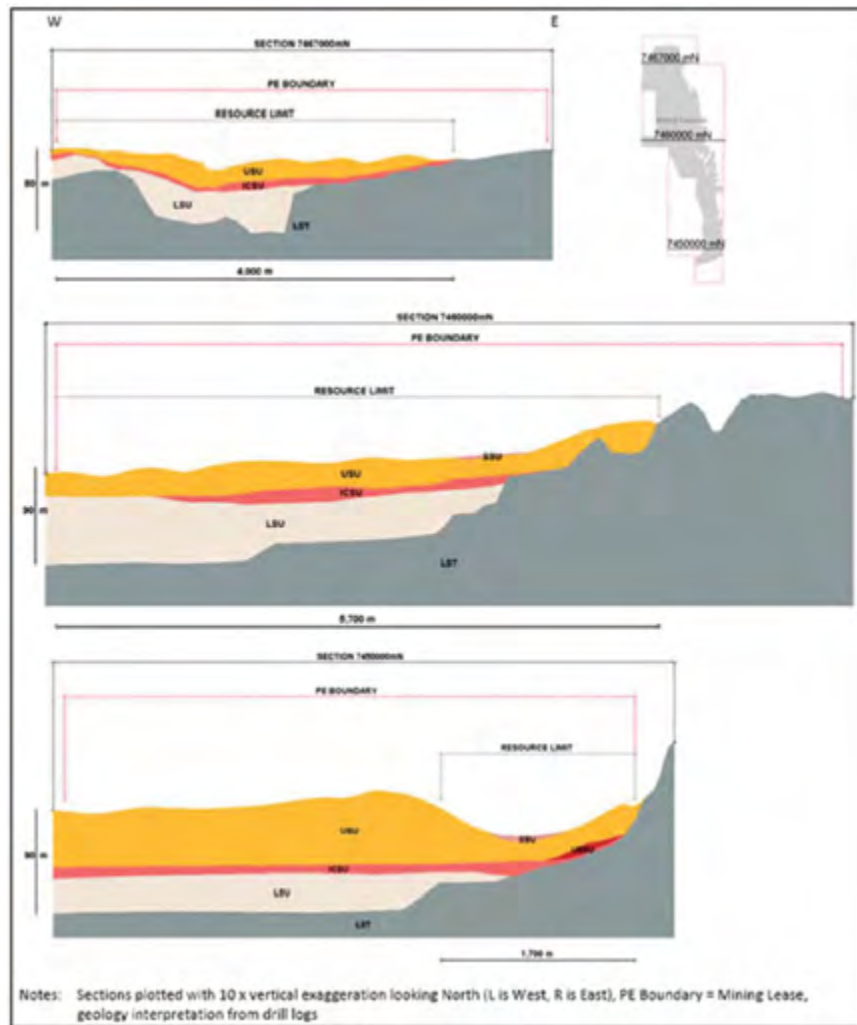
- A lithology model is available.
- A major structures model is not relevant for this deposit.

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Figure 3.5 Geological cross-sections for the Toliara Project



3.4.4 Geotechnical investigation

No geotechnical investigation has been undertaken in the area of the proposed pit, although a reasonably extensive geotechnical investigation has been undertaken (Knight Piésold, 2019) for infrastructure which includes the MSP adjacent to the pit on the western side. Two remoulded consolidated undrained triaxial tests were done on samples of aeolian sand, which may be the USU, but this is not stated. These give cohesion of around 1.4kPa and a friction angle of 29°. From SPT results, a friction angle of 29-33° is suggested for sandy material for design purposes, with 0 kPa cohesion. These are the only actual geotechnical strength parameters that have been assessed.

The JORC Technical Report states: *The Ranobe Ore Reserve material is unconsolidated sand and by definition and observation (during test pitting) has a natural batter angle of approximately 35 degrees. The mine pit walls will be slightly shallower than this, approximately 33 degrees. The pit walls will be stable as there are no indurated or clay layers within the USU that could cause over-steepening or allow development of planes of weakness for mass slope failure.*

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It is understood that the SSU and USU units of the deposit are currently proposed to be mined. The USUs unit is quite consistent laterally and fits the description of a sand with only slight traces of silt/clay. If the mining will be restricted to this unit (and the SSU, which is of relatively small lateral extent) then for DFS level work, this unit could be considered as a cohesionless sand with a friction angle of 29°. The observed slightly steeper angles are probably due to moisture or some clay present in the sand, thus at DFS level, a pit slope angle of 33° could be used for shallow (10m or less high slopes).

The underlying ICSU unit is not currently designated for mining, however, it contains significant clay and in some places is described as a sandy clay rather than a clayey sand. It also demonstrates high lateral variability. This unit would require additional testing to allow it to be characterized geotechnically.

3.4.5 Geotechnical model requirements for resource evaluation and mining

The rock mass (in this case perhaps better described as sub-surface material) response to mining is governed by its characteristics and the mining-induced changes that drive its behaviour. The objective of the geotechnical model is to provide slope design engineers with the information they need to correctly assess the inherently variable properties and characteristics of the materials that will be mined. The model is comprised of the following four components:

- Geology (the geological model).
- Structure (the structural model).
- Rock mass (the rock mass (or sub-surface material) model).
- Hydrogeology (the hydrogeological model).

Guidelines showing five levels of geotechnical model development, depending on various stages of data collection and data confidence, were developed by Read and Stacey (2009). They are qualitative in nature, although numerical confidence levels have been defined (Table 3.12).

Table 3.12 Suggested target levels of data confidence by study stage (Dunn 2014, after Read and Stacey 2009)

Project stage					
Project level status	Conceptual	Prefeasibility	Feasibility	Design and construction	Operations
Geotechnical level status	Level 1	Level 2	Level 3	Level 4	Level 5
Geotechnical characterisation	Pertinent regional information	Assessment and compilation of initial mine scale geotechnical data	Ongoing assessment and compilation of all new mine scale geotechnical data	Refinement of geotechnical database and 3D model	Ongoing maintenance of geotechnical database and 3D model
Target levels of data confidence for each model					
Geology	>50%	50–70%	65–85%	80–90%	>90%
Structural	>20%	40–50%	45–70%	60–75%	>75%
Hydrogeological	>20%	30–50%	40–65%	60–75%	>75%
Rock mass	>30%	40–65%	60–75%	70–80%	>80%
Geotechnical	>30%	40–60%	50–75%	65–85%	>80%

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3.4.6 AMC review

AMC reviewed the geotechnical model and its different components presented in the reports provided, against the required accuracies presented in Table 3.12

3.4.6.1 Geological model

The purpose of the geological model is to link the regional geology and the events that were involved in the formation of the ore body to a mine-scale description of the geological setting, and the distribution and nature of the overburden soils and rock types at the site. Every model should be subdivided into consistent three-dimensional units or domains based on lithology, mineralization (ore and waste), alteration, and weathering.

There is a detailed description of the regional geology and the deposit geology and three-dimensional models of the relevant lithological units, based on closely-spaced drilling. AMC considers that the geological model is sufficiently developed into three-dimensional units, and therefore is rated adequate for DFS requirements (see Table 3.13).

Table 3.13 Deposit geology model rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.4.6.2 Structural model

The structural model describes the orientation and spatial distribution of the structural defects that are likely to influence the stability of the pit slopes. This model can be configured in two overlays: one that shows the major structural features, such as mine-scale faults and folds, and which can be used to subdivide the mine into a select number of structural domains; and one that shows the attributes of the more closely spaced fault and joint fabrics that occur within each structural domain.

In the case of the Ranobe deposit, as this consists of unconsolidated material, structures are not present, and thus a structural model is not required.

AMC considers that a rating for the structural model is therefore not applicable.

3.4.6.3 Rock mass model (subsurface materials)

The rock mass model provides spatial variations in rock mass characteristics on a mine scale and establishes a database of the engineering properties of the rock mass. This data will be used to develop design parameters in the stability analyses for the slope designs at each stage of project development.

To develop a confident rock mass model, there should be sufficient coverage of geotechnical drilling. Although there are only 2 geotechnical tests on material adjacent to the pit, if the USU only is to be mined (together with the minor SSU), the results from these tests and visual observation of test pit behaviour would constitute the equivalent of an adequate rock mass model for DFS level (Table 3.14).

Table 3.14 Rock mass model rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Mineral Resources	

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3.4.6.4 Geotechnical model

AMC’s review finds that although a formal geotechnical model combining the above components and defining geotechnical domains is not available for the project, the combination of existing test data and observation mean that at DFS level, the work done is adequate to support ore reserve definition (see Table 3.15) for the USU (plus SSU) only. If the ICSU is to be mined, then further work is required to produce an adequate geotechnical model.

Table 3.15 Geotechnical model rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.4.6.5 Slope stability assessments

When the geotechnical model for the project has been established, the next step in the slope design process is to divide the model into domains with similar lithological, structural, and material properties. At this stage, the potential for bench, inter-ramp, and overall slope failures within each domain can be assessed.

3.4.6.6 Bench (batter) slope stability and design

The next step is to identify potential failure mechanisms and carry out kinematic slope stability assessment (planar, wedge and toppling failure) for structural failure or rock mass failure in weak rock mass to optimize bench face angles.

3.4.6.7 Inter ramp and overall slope stability assessment and design

Inter ramp or overall slope failure can occur and be partly influenced by structure and weak rock mass or a combination of both. For the stability assessments, there should be a fairly confident geotechnical model (combination of structural model and rock mass model) with design parameters.

The water table is stated to lie well beneath the proposed pit base, so groundwater influence on stability should be negligible. Severe weather events are likely to cause slope erosion and slumping, and could conceivably raise the water table temporarily to affect the base of the slopes, but this situation should be able to be managed operationally.

As the material of the pit is unconsolidated and the proposed pit very shallow, there is effectively only one slope angle to be considered. Based on observation and properties assessed for the USU, the suggested pit slope angle of 33° is assessed to be adequately supported for mining of this unit, plus the SSU, at DFS level (see Table 3.16).

Table 3.16 Slope stability assessment rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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3.5 Metallurgy & processing review

3.5.1 Background

The Toliara Project consists of the Ranobe deposit, which is a greenfield, ilmenite dominate, mineral sands mining development located in south-west Madagascar.

The Project ore is reported to be low in slimes and is planned to be pumped as a slurry to an on-site wet concentrator primary mineral processing plant (Wet Primary Concentrator, or WCP). Secondary mineral processing will be undertaken via a separate MSP which will produce marketable products of rutile, ilmenite, and zircon minerals.

The Toliara Project flowsheet produces a waste stream which contains monazite. It is proposed to further process the waste stream to produce a monazite product stream with a potential commercial content of rare earth elements (REEs).

Final products will be transported to a purpose-built export shipping facility in the Toliara vicinity.

3.5.2 Testing programs

Design of the Toliara processing plant is based on several testing programs as follows:

- Tigor, 2004, scoping level.
- Tigor/Kumba and Exxaro, 2007, prefeasibility study level.
- WTR, 2013, using five representative samples.
- Base Resources, 2018.

Base used HMC from the WTR program to develop and prove an upgraded MSP capable of producing three grades of ilmenite – sulphate, slag and chloride in addition to rutile and zircon. Testing for the MSP was conducted at IHC Robbins, Queensland who is a leader in development of mineral sands processing plants. The DFS mass and water balances, flowsheet, recoveries and product qualities were based on the IHC Robbins work.

Testing for development of the Monazite Concentrator Plant (MCP) flowsheet was conducted by Mineral Technologies was conducted using tailings from the Toliara DFS2 Project.

Rating

AMC rates Toliara metallurgical testing as “industry standard” (Table 3.17). An appropriate volume of testing of the appropriate standard and detail for the level of the specific study, was conducted using representative samples that addressed variability in the ROM material that is likely to be processed.

Table 3.17 Rating – Toliara metallurgical testing

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.5.3 Plant design

Base is planning to exploit the Ranobe heavy mineral sand deposit to produce ilmenite (three grades), rutile, zircon and monazite concentrate and has completed the Toliara Project Definitive Feasibility Study 2 (DFS2), 2021 and the Toliara Monazite Project Pre-feasibility Study, 2024.

Production is planned in two stages. An initial stage of 4.25 years operation at 1,750 tph will utilize a dry mining unit (DMU1) and an accompanying wet concentration plant (WCP1). A second 1,750 tph mining operation (DMU2 and WCP2) will raise the total feed rate to 3,500 tph for the remainder of the 38-year mine life.

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Annual throughput in Stage 1 is planned to be 12.6 Mtpa, operating 24 hours per day and 365 days per year with time utilization of 82% (7,200 operating hours per year). Throughput will double to 25.2 Mtpa in Stage 2. HMC from the WCPs becomes feed to the MSP which produces ilmenite (three grades), rutile and zircon. Based on a life-of-mine (LOM) average heavy mineral (HM) grade of 6.08%, average HMC production will be 1.354 Mtpa. Nominal feed grades used in plant design are shown in Table 3.18.

A separate plant (the Monazite Concentrator Plant, or MCP) is planned to treat tailings from the MSP and produce 21.8 ktpa of 90% monazite concentrate.

Table 3.18 Toliara – nominal LOM feed grades

Mineral	Unit	Design Nominal grade
Feed - ilmenite - sulphate grade	%	8.0
Feed - ilmenite - slag grade	%	24.0
Feed - ilmenite - chloride grade	%	39.0
Feed - rutile grade	%	2.0
Feed - zircon grade	%	5.0
Feed - monazite grade (of HMC)	%	1.9
Feed - VHM total	%	78
Feed - other HM components	%	20.1
HMC grade	%	91.0

The WCP flowsheet is shown in Figure 3.6. ROM feed (nominally 8.8% HM) from the DMU is deslimed at a D50 size (50% split size) of 72 μm , removing 5% of the mass. A three-stage spiral circuit produces 91% HM concentrate.

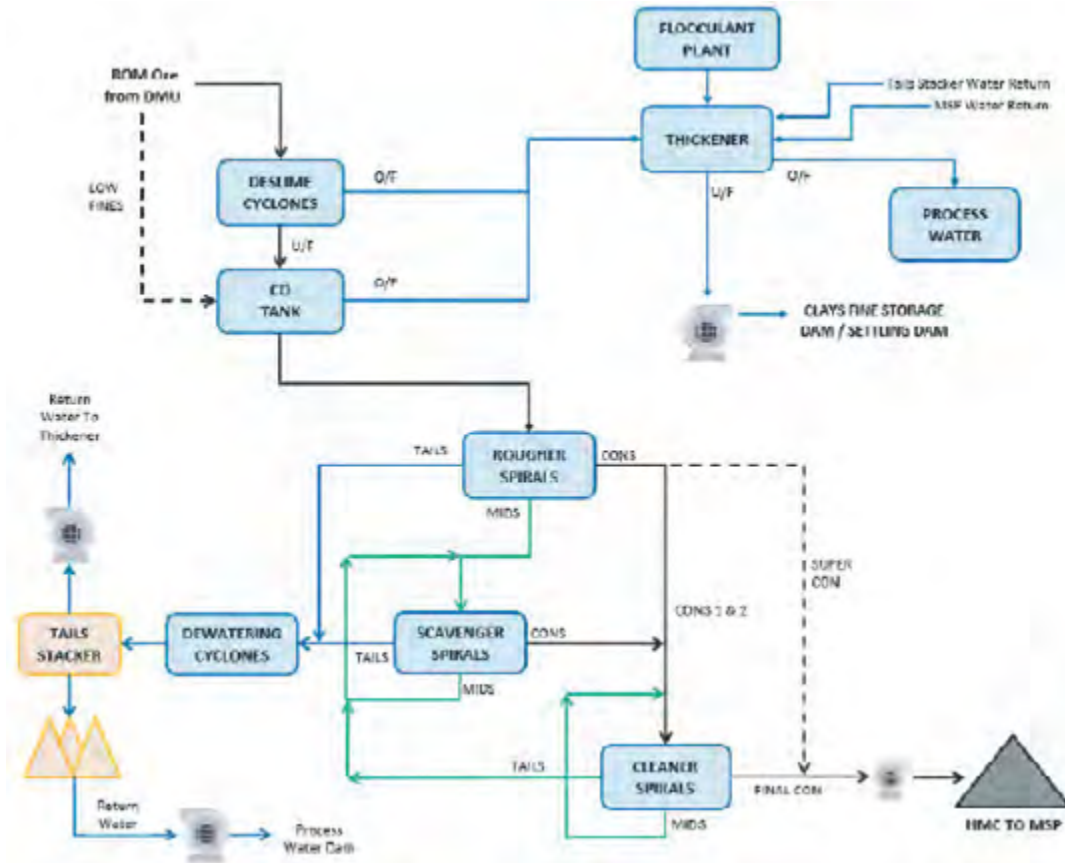
The WCP is relocated (and hence shut down) according to the mining schedule and is also shut down when the DMU is being relocated, resulting in time utilization of 82%.

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Figure 3.6 Toliara – WCP block flow diagram



Mineral Technologies (MT), a Gold Coast, Queensland based engineering company specializing in processing of mineral sands designed the WCP and IHC Mining (IHC), a Queensland based specialist in mineral sands project development, designed the MSP. The MSP is a fixed plant co-located with the majority of site infrastructure. The designed time utilization is 95%. Figure 3.7 shows a general block flow diagram of the MSP circuit. Basic circuits are as follows:

- Feed preparation
 - HMC stockpile – 250,000 t capacity
 - 150 tph feed rate
 - HM stream produced by up current classifier
 - Feed preparation concentrate is feed to ilmenite circuit
- Ilmenite circuit (see Figure 3.8)
 - Fluid bed dryer
 - Rare earth drum separator (REDS) produces sulphate ilmenite product (Sulphate ILM).
 - Primary rare earth roll separator (RERS) separates monazite and non-magnetics from ilmenite.
 - Slag ilmenite and chloride ilmenite products produced by high tension electrostatic rolls (HTRs)

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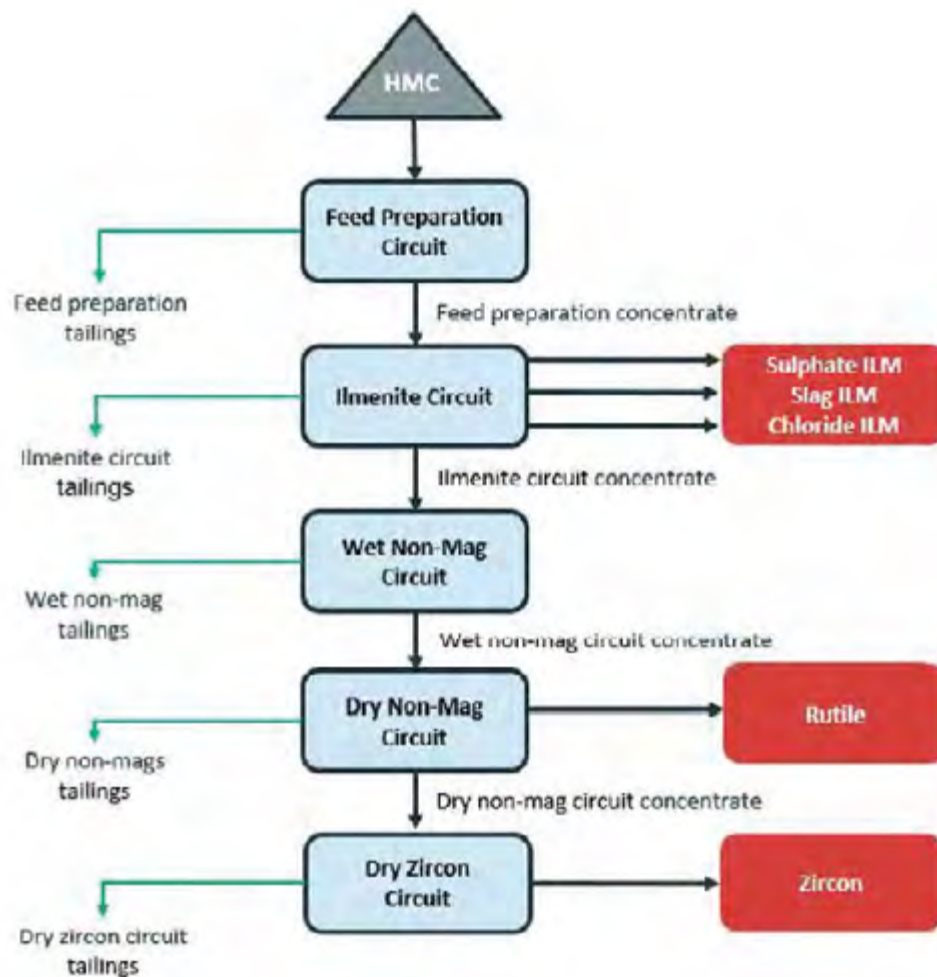
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- Wet non-magnetic circuit
 - Up current classifier removes a light fraction (predominantly quartz) to tailings.
 - Product feeds rutile circuit.
- Dry non-magnetic circuit
 - Fluid bed dryer
 - Rutile and chloride ilmenite products produced by HTRs.
 - Zircon-rich stream is feed to dry zircon circuit
- Dry Zircon circuit
 - Uses HTRs and induced roll magnetic separators to produce zircon product.
 - Dry zircon circuit tailings is feed for the Monazite Plant (MCP).

Figure 3.7 Toliara – MSP block flow diagram

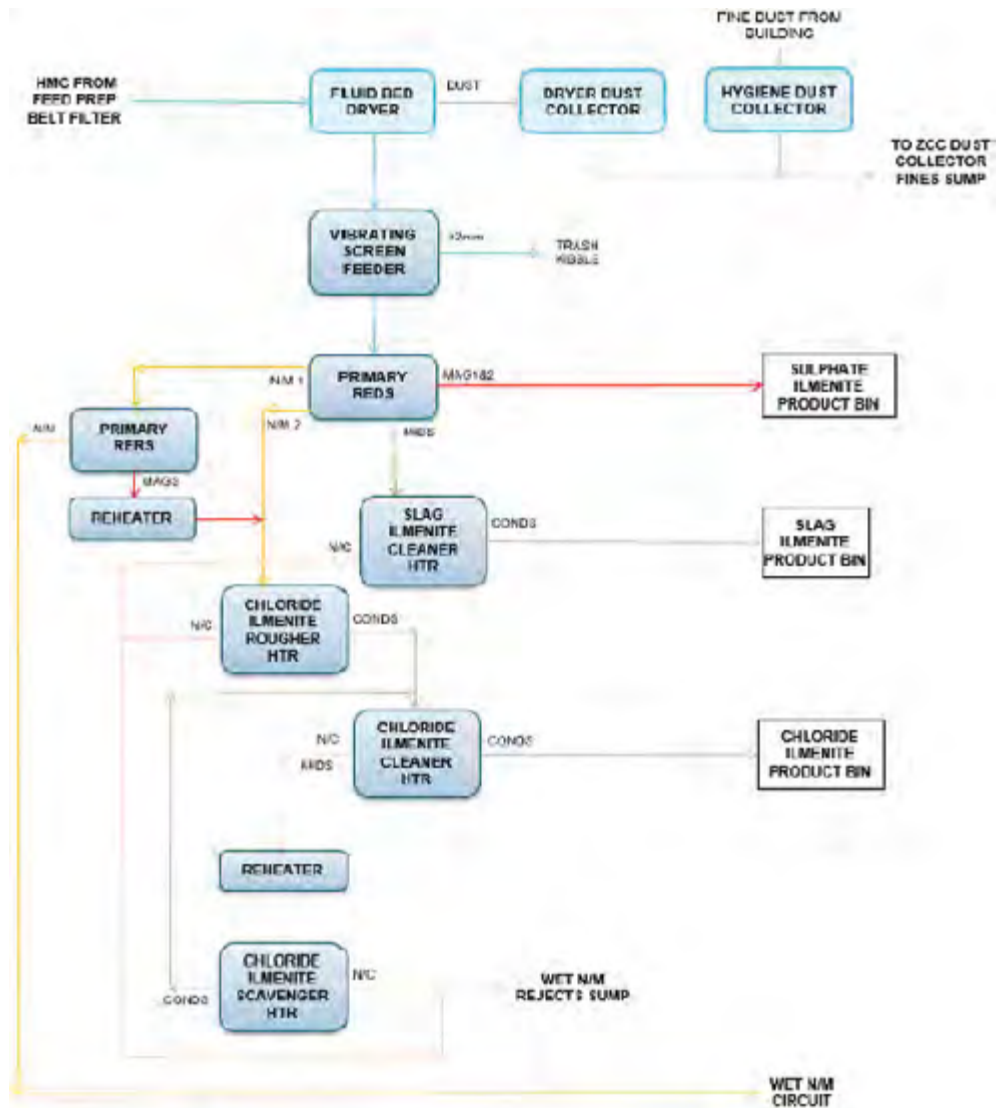


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Figure 3.8 Toliara – ilmenite circuit flowsheet



IHC designed a concept-level flowsheet consisting of gravity and magnetic separation circuits which successfully produced 90% monazite concentrate from Dry Zircon Circuit tailings. The circuit is currently being refined as part of the Monazite Project PFS. Figure 3.9 shows the concept-level flowsheet for the MCP which is currently under refinement. A primary rare earth roll separator (RER mag separator) removes magnetics to tails. Non-magnetics are tabled wet in two stages of gravity separation to produce monazite concentrate which is further upgraded in a cleaner RER.

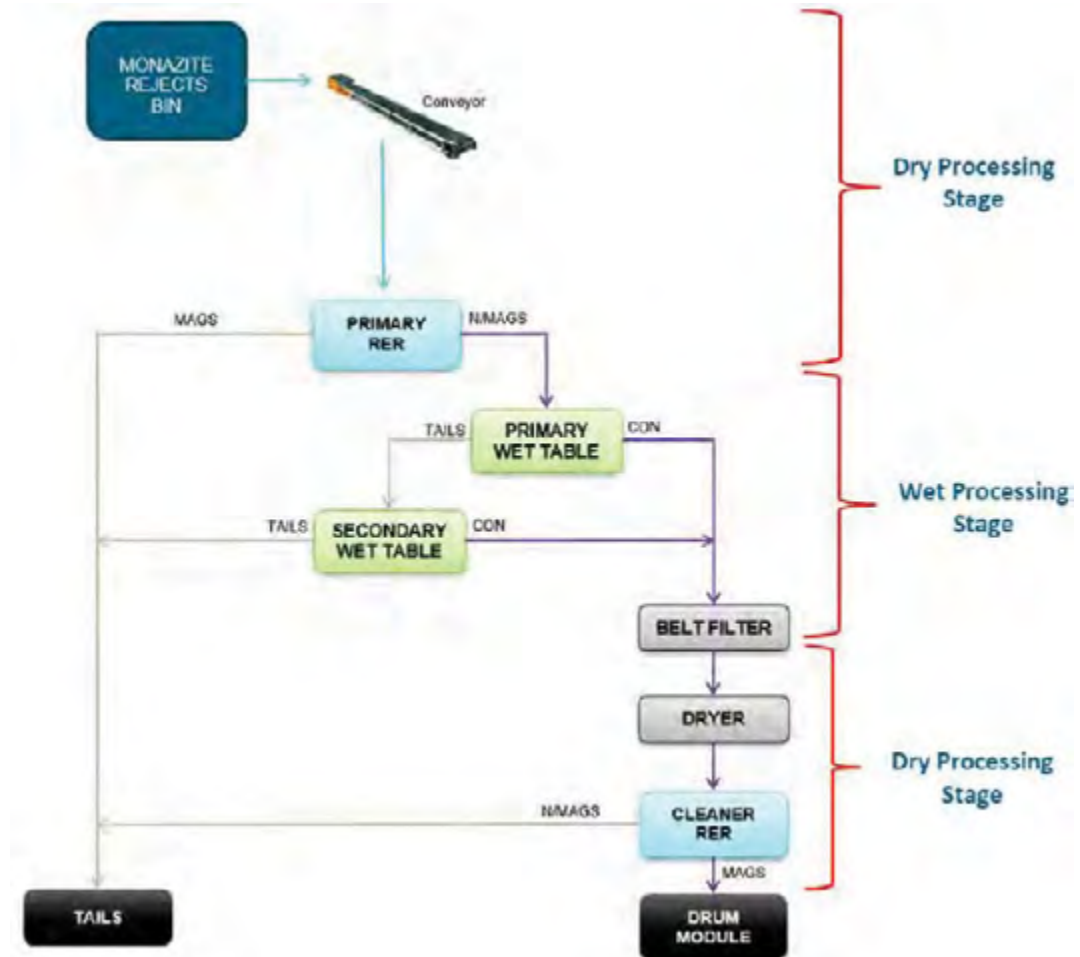
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Figure 3.9 Toliara – Monazite Concentrator Plant (MCP) block flow diagram

**Rating**

AMC rates the Toliara plant designs as “industry standard” (Table 3.19). Designs of the WCP and MSP are appropriate for the level of study, to deliver the throughput, recoveries and yields used in engineering of the plants and estimation of Capex and Opex.

Sufficient development work for the concept / PFS stage of design of the MCP has been completed.

Table 3.19 Rating – Toliara plant designs

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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3.5.4 Throughput

Throughput rates for the plants were designed using nominal feed rates for appropriately sized equipment and the following time utilization factors:

- WCP - 84% (for spirals which control throughput).
- MSP - 95%.
- MCP - 95%.

WCP utilization is based on detailed scheduling of DMU and WCP movements with appropriate provision of time for maintenance operational issues. 95% utilization for MSP and MCP plants is a reasonable assumption for plants of this nature. Six-month ramp-up in time utilization during commissioning has been provided in the financial model.

Rating

AMC rates Toliara processing throughput projections as “industry standard” (Table 3.20). Appropriate testwork was conducted to establish design parameters and reasonable estimation of expected run times has been conducted.

Table 3.20 Rating – Toliara processing throughput

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.5.5 Recoveries

Recovery factors determined based on testing conducted and flowsheet simulation are shown in Table 3.21.

Monazite recovery factors were determined by testwork as follows:

- Monazite grade in HMC (WCP product) - 1.9%.
- Monazite recovery to MSP tails (MCP feed) - 96.57%.
- Monazite recovery in MCP - 81.09%.
- Overall monazite recovery (from HMC) - 78.31%.

Table 3.21 Toliara – processing recoveries

Mineral	Unit	HMC recovery	MSP recovery
Ilmenite	%	94.9	94.4
Rutile	%	92.3	54.1
Zircon	%	97.2	79.4

These values have been used in the financial model employed to evaluate the Project, Toliara Fin Model – DFS2 + Monazite PFS – March 2024 Update. The model incorporates a six-month ramp up in recoveries during commissioning of the MSP and MCP.

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Rating

AMC rates Toliara processing recoveries as industry standard (Table 3.22). The factors used in the financial analysis of the Project were determined based on representative samples, appropriate testwork and mass balancing and circuit simulation.

Table 3.22 Rating – Toliara processing recoveries

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.5.6 Mineral Sands product quality

Sulphate ilmenite. Samples of Toliara sulphate ilmenite with the indicative composition shown in Table 3.23 have been sent to existing Base customers for Kwale sulphate ilmenite and to other likely consumers of the product. Base indicates that in general Toliara material was regarded as acceptable for use as “sulphateable ilmenite”. Specific potential quality issues noted were as follows:

- Fe₂O₃ - 21.0%
 - This is at the upper end of the acceptable range of 7% to 24%.
 - The preferred content is 13%.
 - Processors may moderate purchases dependant on availability of blendable feed stock with content <13%.
 - Base has set 21.5% as the maximum content.
 - Base notes that Kwale ilmenite is currently being sold with Fe₂O₃ content of 24.7%.
- Nb₂O₅ - 0.12%
 - 0.06% is the customary internal limit for processors.
- V₂O₅ – 0.24%
 - One customer has indicated that the [Nb₂O₅+ V₂O₅] content is approaching their internal limit.

Table 3.23 Indicative product quality – Toliara sulphate ilmenite

	%	Proposed guarantee
TiO ₂	48.5	>48.0
Fe ₂ O ₃	21.0	<21.5
FeO	26.8	
SiO ₂	0.6	
Al ₂ O ₃	0.5	
Cr ₂ O ₃	0.08	<0.10
MgO	0.6	
MnO	0.8	
ZrO ₂	0.02	
P ₂ O ₅	0.02	<0.15
U	<10ppm	
Th	30ppm	
V ₂ O ₅	0.24	<0.25
Nb ₂ O ₅	0.12	<0.15
CaO	0.01	

Particle size (d₅₀): 141 micron

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Slag ilmenite. Samples with composition equivalent to that shown in Table 3.24 were sent to likely chloride slag customers who rated the material as acceptable. TiO₂ content >50% is preferred. Limits of 0.10% for Cr₂O₃ and P₂O₅ are required, and these are satisfied by Toliara slag ilmenite. Base notes that slag ilmenite customers for Kwale ilmenite have accepted an increase in the CR₂O₃ maximum to 0.14%.

Table 3.24 Indicative product quality – Toliara slag ilmenite

	%	Proposed guarantee
TiO ₂	50.5	>50
Fe ₂ O ₃	27.5	
FeO	16.0	
SiO ₂	1.2	
Al ₂ O ₃	1.0	
Cr ₂ O ₃	0.08	<0.10
MgO	0.4	<1.0
MnO	1.0	<1.2
ZrO ₂	0.04	
P ₂ O ₅	0.07	<0.10
U	<10ppm	
Th	75ppm	
V ₂ O ₅	0.23	
Nb ₂ O ₅	0.15	
CaO	0.03	<0.10
SO ₃	0.02	

Particle Size (d₅₀): 138 micron

Chloride ilmenite. Marketing samples that broadly met the chloride ilmenite product composition shown in Table 3.25 were sent to likely chloride pigment and synthetic rutile (SR) producers. Chloride ilmenite producers prefer >60% TiO₂ and are likely to set a lower limit of 57.0%.

SR producers prefer MnO to be <1.5% (the indicative content of Toliara chloride product), however indications are that the product will be acceptable. Content of [U+Th] of 85 ppm meets the specification of <100 ppm.

Toliara chloride ilmenite meets the particle size specification of the maximum amount of fine material (<75 µm) present.

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Table 3.25 Indicative product quality – Toliara chloride ilmenite

	%	Proposed guarantee
TiO ₂	57.0	>56.5
Fe ₂ O ₃	30.5	
FeO	6.0	
SiO ₂	1.0	
Al ₂ O ₃	0.9	
Cr ₂ O ₃	0.10	<0.20
MgO	0.3	
MnO	1.5	<1.7
ZrO ₂	0.03	
P ₂ O ₅	0.06	<0.10
U	<10ppm	
Th	138ppm	
V ₂ O ₅	0.22	<0.50
Nb ₂ O ₅	0.20	<0.25
CaO	0.02	<0.06
SO ₃	0.03	

Particle Size (d₅₀): 171 micron

Zircon. Prospective customers rated Toliara zircon as “good standard grade” feed stock and suitable for the ceramics sector.

[U+Th] of 550 ppm (see Table 3.26) exceeds the industry benchmark of <500 ppm. for “premium zircon”, however significant quantities with [U+Th] >500 ppm are traded globally. Some regions and market sectors (Japan, USA, some Chinese ports) restrict importation of material above 500 ppm and require specific import permits. Base believes sufficient customers who will accept Toliara zircon exist, and also states that most new production coming to the market is at or above the Toliara number.

Table 3.26 Indicative product quality – Toliara zircon

	%	Proposed Guarantee
ZrO ₂ + HfO ₂	65.6	>65.5
SiO ₂	32.9	
Al ₂ O ₃	0.89	<1.30
Fe ₂ O ₃	0.12	<0.15
TiO ₂	0.09	<0.15
P ₂ O ₅	0.10	
U+Th	550ppm	<600ppm

Particle Size (d₅₀): 138 micron

Rutile. Base is confident that Toliara rutile at 95.0% TiO₂ and with the minor constituent profile shown in Table 3.27 is readily marketable into the chloride pigment production sector.

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Table 3.27 Indicative product quality – Toliara rutile

	%	Proposed guarantee
TiO ₂	95.0	>95.0
Fe ₂ O ₃	0.81	<1.5
SiO ₂	1.09	
Al ₂ O ₃	0.59	
Cr ₂ O ₃	0.15	
MgO	0.01	
MnO	0.01	
ZrO ₂	0.84	<1.5
P ₂ O ₅	0.03	
U	77ppm	
Th	163ppm	
V ₂ O ₅	0.59	
Nb ₂ O ₅	0.47	
CaO	<0.01	
SO ₃	0.01	
SnO ₂	0.05	

Particle Size (d₅₀): 140 micron**Rating**

AMC rates Toliara mineral sands product quality as Compliant (Table 3.28). Potential customers for sulphate ilmenite, slag ilmenite, chloride ilmenite, rutile and zircon have indicated that the Toliara product samples provided are acceptable. However, some issues were noted as follows:

- Sulphate ilmenite
 - Fe₂O₃ at 21.0% is at the upper end of the acceptable range of 7% to 24%. The preferred content is 13%. Processors may moderate purchases dependant on availability of other blendable feed stock with content <13%.
 - Base has operationally set 21.5% as the maximum content.
 - In the past three years, the copperas market has been strong, leading to a relaxation of the specifications. In a normal market, pigment producers are likely to tighten the Fe₂O₃ specification again, with <20% likely becoming the limit, which will then be blended down with other ilmenite.
 - Nb₂O₅ at 0.12% exceeds the customary internal limit for ilmenite processors of 0.06%.
 - V₂O₅ is 0.24%. One customer has indicated that the [Nb₂O₅+V₂O₅] content is approaching their internal limit.
- Slag ilmenite
 - TiO₂ content >50% is preferred. Toliara content was 50.5%.
- Chloride ilmenite
 - Chloride ilmenite producers prefer >60% TiO₂ and are likely to set a lower limit of 57.0%. Toliara does meet this limit, and Base notes that prospective customers have indicated a willingness to accept the Toliara product.
 - SR producers prefer MnO to be <1.5% (the nominal content of Toliara chloride product), however indications are that the product will be acceptable.
- Zircon
 - [U+Th] of 550 ppm exceeds the industry benchmark of <500 ppm for "premium zircon". Some regions and market sectors (Japan, USA, some Chinese ports) restrict importation of material above 500 ppm and require specific permits. Base believes sufficient customers who will accept Toliara zircon exist, and states that most new production coming to the market is at or above the Toliara level.

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Base believes all issues identified can be managed using blending at the ROM and the flexibility of the plant to adjust mineral sands product qualities. Some risk does remain that contracts will be difficult to secure, or that off-spec material could be produced that could not be sold profitably due to penalties applied by customers.

Table 3.28 Rating – Toliara product quality

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.6 Environment, Social and Governance (ESG) review

3.6.1 Regulatory approvals

The mining lease for the Toliara Project (Permis D’Exploitation (PE) 37242) was granted in March 2012 for a 40-year term. This was significantly expanded in area in October 2017 following consolidation with adjoining tenure PE 39130 and PR 3315 (IHC Mining, 2021). PE 37242 gives Base Toliara the right to mine and process ore, subject to obtaining surface rights and meeting the terms of the Mining Code. The mining lease allows for the exploitation of ilmenite, zircon, leucosene, rutile, guano, basalt, and limestone. In 2021, prior to its suspension, Base Toliara had commenced the process of securing surface rights, with the ultimate aim of the process being to secure requisite rights through private treaty arrangements with landowners, rather than via expropriation (IHC Mining, 2021).

An Environmental Permit (55-15/MEEMF/ONE/DG/PE) was granted by the Malagasy Environmental Authority Office National Pour l’Environnement (ONE) in June 2015 (Base Resources, 2021b). The Project’s Plan de Gestion Environnementale (PGE) (Environmental Management Plan) was issued in 2015, and an addendum in 2017 (ONE, 2017) following the approval of the Addendum ESIA. (CES, 2017). The Environment Permit remains current with the PGE specifying completion of various ESMS components prior to the commencement of construction and mining activities – this is consistent with the ESIA’s Environment and Social Management Plan, international best practice, and the Toliara Project’s ESMS. The necessary environmental permits are in place for construction and mining to commence once surface rights are granted. The Project has been issued water permits for boreholes for use for mining and processing operations including for the establishment and maintenance of a rehabilitation nursery and 10ha of forest plantation (intended for rehabilitation trials) (Base Resources, 2021b).

Amongst the ESMS components included in the 2017 PGE Addendum are signed Memorandum of Understanding with the Directorate-General of the Forests on the use and construction of the access route and haul road and management of the Ranobe-PK32 protected area, and with the Maritime and River Port Authority regarding finalization of the location of the jetty on Battery Beach.

In November 2019 the Government suspended activities at the Base Toliara mine citing opposition from local communities and unfavourable terms for the people and government. In September 2020, Madagascar’s Court of Auditors, a branch of the Supreme Court, issued a report assessing internal Government compliance on the process applicable to the granting of mining permits and environmental certification of Base Toliara’s project (as per Base Resources, report unseen). The 2020 Report made no adverse findings against Base Toliara, and no findings against the legitimacy of Base Toliara’s mining permit, PE 37242, but did make recommendations regarding internal Government processes.

During the suspension period, Base finalized its DFS2 on the Mineral Sands Project and has also recently concluded a Prefeasibility Study (PFS) on the incorporation of monazite as a resource. While the monazite aspect does not appear to add any additional footprint to the project, there

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are additional environmental and social impacts as a result of this project, which would need to be fully assessed via an ESIA process. These have not yet been undertaken, and therefore approvals are not yet in place for monazite. It is also anticipated that an amendment would be required to the current mining lease to include monazite as a mineral listed for exploitation, which is currently precluded from the existing licence.

IHC Mining (2021) concluded that it could be reasonably expected that surface rights would be obtained, and the suspension lifted once negotiations on fiscal terms with the government have concluded. However, with no clear guidance documented by the government, it cannot be confirmed that the suspension will be lifted. There is both community support for and opposition to the Project, and additional work would likely be required before the Project could be accepted in terms of its social licence to operate.

Rating

AMC considers that from a Regulatory Approvals perspective, there is uncertainty regarding the lifting of the suspension of site works at the mine. Memorandum of Understanding are in place for the use of the access road and location of the jetty. Refer to rating table below, Table 3.29.

Table 3.29 Regulatory Approvals rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.6.2 Environmental and social assessments

PGE Addendum 1 is an updated version of the PGE issued in June 2015, reflecting the Toliara Project changes presented in the Addendum ESIA. The PGE documents Base’ commitment to address and manage the potential positive and negative impacts of the Toliara Project and defines the provisions to avoid significant adverse impacts (ONE, 2017).

As part of the ESIA, several baseline specialist studies were undertaken; these studies were completed during 2005 and 2006 and reviewed and updated in 2012 and 2013. Some of the 2012 and 2013 reviews and updates did not incorporate additional field studies. Consequently, the baseline data for these studies is dated and, in some cases, does not reflect the current ground conditions. Prior to the suspension, work had commenced on establishing the vegetation baseline data, as well as collection of geohydrological and water quality data, and background noise, dust and radiation levels. A Critical Habitats Assessment has been prepared which will inform the Biodiversity Action Plan following verification of information in the field and engagement with relevant stakeholders. Work on these studies will resume following lifting of suspension (Base Resources, 2021b).

Additional studies have also been undertaken, including a socio-economic baseline study, human rights impact assessment, gender impact assessment, and health impact assessment scoping study (Base Resources, 2021a).

A Resettlement Action Plan is still to be compiled. The process of identifying beneficiaries and compensation had commenced prior to suspension and is expected to be completed for all areas once the government suspension is lifted (Base Resources, 2021a). The Resettlement Action Plan will also document the process by which tombs and cultural spaces will be identified and approaches to relocate them. Seventy-two burial sites have been identified and a process of relocation has commenced. The relocation process has identified 96 tombs and undertaken consultation on the purchase of land to which the tombs can be relocated. To date, 39 replacement tombs have been completed and another 13 were under construction prior to the suspension (Base Resources, 2021a).

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Due to the level of naturally occurring radioactivity in monazite, appropriate safety protocols and management are required during processing and logistics (Base Resources, 2023a). Radiation studies are still to be finalized.

The full suite of E&S baseline studies for the Project is scheduled to be updated on lifting of the suspension and once access to site is possible (Base Resources, 2023a). An update to the ESIA may also be required.

Rating

AMC is of the opinion that the Environmental and Social Assessments undertaken for the project to date have been extensive and effective in identifying impacts and establishing mitigation and management measures. Further studies are required as updates, and to address new project impacts related to monazite inclusion. The Project is therefore considered compliant, which will be improved once the additional studies are undertaken. Refer to rating table below, Table 3.30

Table 3.30 Environmental and Social Assessments rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.6.3 Stakeholder Engagement

Soon after Base acquired the Toliara Project stakeholder mapping was completed. More detailed stakeholder mapping has been undertaken as part of the Community Stakeholder Engagement Plan (Base Resources, 2021a).

The Regional Coordination Committee was established by the Malagasy Government to manage stakeholder engagement during the WTR ownership period. It comprises 45 members and sits monthly to discuss engagement progress, community grievances and provide feedback. Once other engagement committees become well established the Regional Coordination Committee will take on the role of a high-level oversight committee to ensure project information is shared at all levels and comprehensive consultation is achieved (Base Resources, 2021a).

Resettlement Working Groups (RWGs) have been established to bring together communities that will be required to resettle. The RWGs enable the communities and relevant government agencies to participate in the resettlement program decision-making process. Membership of the RWGs includes a suitable number of affected landowner/occupier representatives, members representing vulnerable groups such as women, youth and the disabled, local leadership, local administrators and relevant government lead agencies (Base Resources, 2021a).

Two RWGs have been created:

- Mine site – this committee is involved in the consultation process for those people affected by surface rights granted in respect of the mineral deposit and areas allocated for mine infrastructure in Ankilimalinike and Tsianisiha communes.
- Haul road, export facility and jetty – this committee deals with matters concerning relocation of communities associated with the infrastructure required for access to the Ranobe mine site and Toliara export facility. Maromiandra, Belalanda and Toliara I communes are affected by these infrastructure developments (Base Resources, 2021a).

Community Liaison Committees (PLL in French) are the main stakeholder and communication link between communities outside the Toliara Project’s footprint. The PLL will be formed once the RWG process is well established. Each village will have a representative in a PLL to enhance the community’s ability to share information amongst themselves (Base Resources, 2021a).

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To address the social conflict that occurred in 2019, Base has engaged specialists in conflict resolution. They will implement a specialized engagement process to identify root causes of conflict following which, steps will be taken to resolve matters and create better understanding between stakeholders. This conflict resolution consultation process will continue once the government-imposed suspension is lifted (Base Resources, 2021a).

CES (2013) specifically noted during the ESIA process stakeholder engagement that monazite is not an end product of the process. The incorporation of monazite into the project outputs, without the benefit of formal stakeholder engagement to explain the process to the local communities (due to the suspension, no stakeholder engagement has been undertaken on this), has likely already created confusion, misunderstanding and further opposition to the project. Base (2023a) expects that the community concerns around radiation risks can be managed through development and delivery of a specific stakeholder engagement strategy and plan. IHC Mining (2021) reports that limited community engagement has been ongoing since the suspension, due to the limits placed by the suspension. This engagement has been limited to maintaining a relationship with the community leaders and responding to community grievances and requests. No project disclosure engagement has taken place.

Rating

Historically, engagement with local communities could potentially have been lacking as this has been cited by community groups and NGOs as to the reasoning for the conflict in 2019. However, AMC is of the opinion that significant Stakeholder Engagement will be required prior to any development taking place. Planning for future engagement is considered comprehensive and based on this it is considered in line with the industry standard. Refer to the rating table below, Table 3.31.

Table 3.31 Stakeholder Engagement rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.6.4 Biodiversity Conservation

The Toliara Project area falls into the Madagascar Spiny Thicket Ecoregion. The total size of the ecoregion is 124 000 km² and is a Critically Endangered region. The Project comprises a block of land surrounded by a protected area, PK32, on all sides and the haul road runs through the protected area. The Project will result in a loss of general biodiversity which will probably continue in the long-term on a local and regional scale (CES, 2017). Even with the implementation of mitigation and management measures, the significance of the impact remains high.

Martin and de Wet (2012) present an option for rehabilitation that involves a potential offset project of conserving high value biodiversity areas (e.g. the PK32 protected area). They further state that biological offsets will be considered as a primary means to mitigate negative impacts on the biological environment (addendum ESIA). The IFC (2019) states that for the protection and conservation of biodiversity, the mitigation hierarchy includes biodiversity offsets, which may be considered only after appropriate avoidance, minimization, and restoration measures have been applied. It is not clear how intensively the alternative options to biodiversity conservation and preservation (avoid, minimize and restoration) have been investigated.

Base (2023b) states that it will engage biodiversity specialists and conservation organizations to develop and implement a Biodiversity Action Plan. This will need to be informed by updated baseline studies including a critical habitat assessment, and potential consideration of an alternative road route to minimize the biodiversity and socio-economic impact.

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Rating

AMC is of the opinion that Biodiversity Conservation has been considered but is complex and likely requires the involvement of an offset project to prevent biodiversity loss. This is not considered ideal, and AMC would rate the Project as compliant until the specific details of conservation-related commitments have been identified. This would potentially affect the social licence to operation, on a more international level. Refer to the rating table below, Table 3.32.

Table 3.32 Biodiversity Conservation rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.6.5 Rehabilitation and Closure

In accordance with Malagasy law and IFC Requirements, a Mine Closure Plan will be required (CES, 2017). A conceptual rehabilitation plan is provided in the 2012 ESIA. It is recommended in the ESIA addendum (CES, 2017) that all Malagasy laws are adhered to and that the Integrated Mine Closure approach developed by the International Council on Mining and Metals be used as a guideline.

The proposed post-mining vision for the Toliara Project is to provide areas of conservation value and enterprises that can support improved economic, social and environmental conditions (Base Resources, 2021b).

The ESIA addendum (CES, 2017) estimates the cost of closure and rehabilitation, and cautions that the accuracy is +33%, -10%. The conceptual cost of closure is \$4.196 million, including a 10% contingency (CES, 2017). At an average inflation rate of 5.95% (macro trends.net) since 2018, this amounts to approximately \$6.287 million in 2024 terms (although no formal updates have been compiled to date). This excludes any post-closure land use options.

Rating

AMC considers that the Rehabilitation and Closure aspect of the ESG review is adequate (compliant) for the current purposes. Once further specialist studies and stakeholder engagement have been undertaken, more information should be available regarding rehabilitation and closure options. These will need to be addressed urgently. Refer to the rating table below, Table 3.33.

Table 3.33 Rehabilitation and Closure rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.6.6 Alignment with Equator Principles

The Toliara Project would be classified as a Category A project in terms of the Equator Principles, in that the mine has potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented.

According to the DFS 2, Base is committed to complying with the Equator Principles (EP 4, 2020), and the Project’s ESMS will be developed to meet them (Base Resources, 2021b). Base states that the 2015 ESIA (and by implication the 2017 addendum) has been prepared adhering to the Equator Principles guidelines. Base further commits to the following:

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- All environmental and social policies, procedures, ESIA’s, management plans and programmes have been or will be prepared in accordance with standards and recommendations of the Equator Principles, IFC Performance Standards and EHS Guidelines.
- A comprehensive ESMS System will be developed and implemented in line with International Best Practice and industry standards.
- Stakeholder engagement, community consultation and disclosure will be undertaken for all phases of the Toliara Project.
- A grievance mechanism has been implemented.
- In accordance with International Best Practice and Madagascar EIA processes, the full ESIA was available online as part of the disclosure process.
- An ESIA Technical Summary will be prepared for the Project, reflecting DFS Project changes and will be made available online for stakeholder reference.
- Human Rights and climate change risks and impacts will be identified, and mitigation measures integrated into the relevant ESMPs and incorporated into the ESIA Technical Summary.
- During operations greenhouse gas emissions levels will be reported annually.
- Commercially non-sensitive project-specific biodiversity data will be shared with relevant data depositories.

Rating

AMC is of the opinion that Base has the intention of aligning the Toliara Project with the Equator Principles. To date, there is some evidence of international best practice being applied to aspects of the Project. Refer to the rating table below, Table 3.34.

Table 3.34 Alignment with Equator Principles rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.7 Mineral Sands product marketing review

3.7.1 Background

TZMI was engaged to undertake a quality assessment of the planned products from Base’ Toliara Project in Madagascar. The scope of work included:

- Quality consideration of planned products from the Toliara project, including commentary on market placement and achievable pricing.
- The planned products in scope are sulphate Ilmenite, slag ilmenite, chloride ilmenite, rutile and zircon.

3.7.2 Mineral Sands products quality considerations

A summary of the Toliara Project planned mineral sands product specifications is compared to other competing products in the marketplace. The following comments on product quality are made with reference to both the general industry quality requirements and the specifications of competing products.

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3.7.2.1 Sulphate ilmenite

The specification of Toliara sulphate ilmenite is compared with other selected well-known sulphate ilmenite products in the market as shown in Table 3.35.

Table 3.35 Toliara sulphate ilmenite compared to other competing products

Chemical analysis (%)	Toliara sulphate ilmenite	Kwale ilmenite	Europe ilmenite	China ilmenite	Africa ilmenite	Vietnam ilmenite	India ilmenite
TiO ₂	48.5	48.3	44.0	47.5	52.7	52.0	50.4
FeO	26.8	27.6	34.6	34.3	19.4	31.1	34.4
Fe ₂ O ₃	21.0	20.4	13.0	5.6	22.2	11.6	12.1
FeO:Fe ₂ O ₃	1.28	1.35	2.7	5.8	0.87	2.70	2.8
Al ₂ O ₃	0.5	0.6	-	1.2	0.54	0.30	0.72
CaO	0.01	0.02	0.32	1.3	<0.01	-	0.05
Cr ₂ O ₃	0.08	0.09	0.08	0.02	0.10	0.05	0.05
MgO	0.6	0.7	4.5	5.3	0.31	-	0.78
MnO	0.8	0.6	0.32	0.65	1.67	2.0	0.55
Nb ₂ O ₅	0.12	0.06	-	0.03	0.10	-	-
P ₂ O ₅	0.02	0.02	0.03	0.02	0.02	0.04	0.04
SiO ₂	0.6	0.7	3.0	3.0	0.46	0.70	0.90
V ₂ O ₅	0.24	0.23	0.25	0.1	0.12	0.15	0.22
U+Th (ppm)	<40	55	<1	-	101	75	45
D ₅₀ (µm)	141	-	-	-	160	-	159

The following are the major points to note:

- Although the TiO₂ content of 48.5% is at the lower end of the range of commonly traded sulphate ilmenite products, it is nonetheless still an acceptable product.
- Levels of FeO and Fe₂O₃ of the sulphate ilmenite appears acceptable and should provide reasonable reactivity in the digestion process. However, the level of Fe₂O₃ at 21% is considered high, particularly in the Chinese market where an Fe₂O₃ content of 13% is often quoted as the acceptable maximum. Elevated Fe₂O₃ levels in ilmenite will require reduction with iron and a corresponding increase in the amount of copperas that will need to be removed from the process. That said, Chinese sulphate pigment producers typically use a combination of sulphate ilmenite products and will have the ability to blend down the Fe₂O₃ content to acceptable levels but no doubt this could be used as a pricing negotiation point for the product.
- The Cr₂O₃ content at 0.08% is below the typical acceptable threshold for sulphate pigment production to prevent discolouration of the final pigment product. However, Chinese pigment producers tend to be more sensitive to chrome levels, often requiring Cr₂O₃ less than 0.05%.
- The Nb₂O₅ content at 0.12% is on the high side, particularly for Chinese sulphate pigment producers which typically prefer Nb₂O₅ levels below 0.05%. That said, there are some sulphate pigment producers that prefer ilmenite with higher Nb₂O₅ content at between 0.1% and 0.2% to impart a blue colour to mask colour from other contaminants.
- All other impurities appear fine for sulphate pigment manufacture.

Overall, based on the indicative specification, the Toliara sulphate ilmenite would be a suitable blend feedstock if it is targeted at sulphate pigment manufacture in China.

As the largest sulphate pigment producing country, China would be a logical target market. Chinese demand for sulphate ilmenite for sulphate pigment manufacture is estimated at 3.4 million TiO₂ units in 2023 and this is estimated to grow to 4.1 million TiO₂ units by 2030 and 4.2 million TiO₂ units by 2035. Based on the planned output of 388,000tpa in Phase 1,

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increasing to 566,000tpa following the Phase 2 expansion, TZMI does not foresee any difficulties in placing the Toliara sulphate ilmenite into the Chinese market. The target customers in China would be the larger pigment producers that are situated on the eastern seaboard, giving them the competitive advantage over inland plants due to the proximity to the ports.

The market for lower TiO₂ sulphate ilmenite in Europe is limited, with most sulphate pigment producers favouring the use of sulphate ilmenite with TiO₂ content above 50%, except for Kronos' sulphate pigment facilities in Germany and Norway which consume ilmenite of 44% TiO₂ content, sourced from the company's wholly owned subsidiary Titania operation in Norway. Excluding the Kronos' demand, TZMI estimates sulphate ilmenite demand by European sulphate pigment producers at around 190,000 TiO₂ units in 2023. The demand outlook for sulphate ilmenite (for sulphate pigment end-use) in this region is currently expected to be relatively flat as TZMI has assumed limited sulphate pigment output growth during the forecast period to 2035.

There are also opportunities to place the Toliara sulphate ilmenite in Asia-Pacific, particularly Malaysia and Japan. Demand for sulphate ilmenite for sulphate pigment end-use is estimated at approximately 120,000 TiO₂ units in 2023, with the bulk of the ilmenite currently sourced from Mozambique, Kenya and India. Going forward, TZMI estimates demand for sulphate ilmenite in Japan and Malaysia at close to 100,000 TiO₂ units for the period 2030-2035.

In terms of pricing, TZMI estimates that up to a 5% price discount off the benchmark sulphate ilmenite (50% TiO₂ content) may be applicable for the Toliara sulphate ilmenite due to the lower TiO₂ content and slightly elevated Cr₂O₃ and Nb₂O₅ putting the Toliara sulphate ilmenite at US\$223 per tonne FOB (real 2023 dollars) in the long-term.

3.7.2.2 Slag ilmenite

The Toliara project also plans to produce a slag ilmenite of 50.5% TiO₂ content that is targeted at chloride slag manufacture. Table 3.36 compares the Toliara slag ilmenite with other merchant sulphate ilmenite that is typically used for chloride slag manufacture. The following can be noted:

- The TiO₂ content at 50.5% is in line with other sulphate ilmenite used for beneficiation purposes.
- The P₂O₅ level at 0.07% is on the high side and could impact on by-product pig iron quality.
- The SiO₂ content at 1.2% is also higher than other competing products but is still within the acceptable limit for chloride slag manufacture.
- Other impurities appear to be within the generally acceptable threshold for beneficiation use to manufacture titanium slag for the chloride-based process.
- The U+Th at 85ppm is comparable with other ilmenite products and should not pose any waste disposal issues.

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Table 3.36 Toliara slag ilmenite compared to other competing products

Chemical analysis (%)	Toliara slag ilmenite	Africa ilmenite 1	Africa ilmenite 2	China ilmenite from African HMC	Vietnam ilmenite	India ilmenite
TiO ₂	50.5	54.5	50.2	50.2	52.0	50.4
FeO	16.0	16.0	21.8	24.7	31.1	34.4
Fe ₂ O ₃	27.5	27.0	22.9	22.0	11.6	12.1
Al ₂ O ₃	1.0	0.64	0.48	0.12	0.30	0.72
CaO	0.03	0.03	0.01	0.14	-	0.05
Cr ₂ O ₃	0.08	0.16	0.07	0.15	0.05	0.05
MgO	0.4	0.64	0.31	0.38	-	0.78
MnO	1.0	0.95	1.54	1.51	2.0	0.55
Nb ₂ O ₅	0.15	-	0.10	-	-	-
P ₂ O ₅	0.07	0.04	0.01	0.05	0.04	0.04
SiO ₂	1.2	0.58	0.16	0.89	0.70	0.90
V ₂ O ₅	0.23	0.25	0.12	0.16	0.15	0.22
U+Th (ppm)	<85	58	92		75	45
D ₅₀ (µm)	138	109		125	-	159

In terms of targeting the Toliara slag ilmenite for titanium slag manufacture, the Chinese chloride slag producers present an attractive target group given the planned chloride slag capacity growth in the country. TZMI estimates Chinese chloride slag production to grow from 570,000 TiO₂ units in 2023 to 1 million TiO₂ units by 2035, translating into approximately 2.0 million tonnes of sulphate ilmenite smelter feed. It should be noted that the quality of sulphate ilmenite produced from China's domestic mines is not suitable for chloride slag manufacture, and therefore the bulk of the ilmenite requirements will need to be imported from overseas.

The Middle East will also be another potential market for the Toliara slag ilmenite. TZMI estimates chloride slag production in the region will grow from 83,000 TiO₂ units in 2023 to around 210,000 TiO₂ units by 2035. This translates to approximately 430,000tpa of sulphate ilmenite feed requirement in 2035. Given the relative proximity of the Toliara Project to this region, the planned Toliara slag ilmenite is well positioned to supply the beneficiation requirement of the Middle East.

In terms of pricing, TZMI is of the view that the Toliara slag ilmenite could achieve a price of US\$235 per tonne FOB (real 2023 dollars) in the long-term.

3.7.2.3 Chloride ilmenite

The following are key noteworthy points about the Toliara chloride ilmenite product:

- The TiO₂ content of 57% is marginally below TZMI's definition of a chloride ilmenite product, which typically has an average TiO₂ content of at least 58% but is nonetheless still an acceptable product for the chloride pigment industry.
- The MnO level of 1.5% is high with the generally preferred level at below 1.0%. Manganese chloride can deposit in the chlorinator exit ducting and manganese can also cause operational difficulties in the waste neutralization process. Notwithstanding that, it is still an acceptable feedstock for chloride pigment end-use.

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Table 3.37 Toliara chloride ilmenite compared to other competing products

Chemical analysis (%)	Toliara chloride ilmenite	Africa ilmenite 1	Australia ilmenite	Europe ilmenite	Africa ilmenite 2
TiO ₂	57.0	56.4	60-65	64.0	61-65
Fe ₂ O ₃ (total)	36.5	38.2	25-30	26.0	22.0-33.0
Al ₂ O ₃	0.9	0.82	0.8-1.5	2.8	0.5-1.7
CaO	0.02	0.02	0.01-0.1	-	0.05-0.10
Cr ₂ O ₃	0.10	0.35	0.3-0.6	0.4	0.20-0.30
MgO	0.3	0.43	0.1-0.3	0.48	0.5-1.0
MnO	1.5	1.56	0.8-1.0	0.80	0.1-0.5
Nb ₂ O ₅	0.20	0.14	0.1-0.2	-	0.02-0.08
P ₂ O ₅	0.06	0.09	0.05-0.15	0.12	0.1-0.2
SiO ₂	1.0	0.87	1.5-3.0	1.8	0.6-1.2
V ₂ O ₅	0.22	0.15	0.18-0.24	0.19	0.2-0.4
U+Th (ppm)	<148	234	120-220	<100	240-270
D ₅₀ (µm)	171	172	N/A	117	112

- Other key impurities levels such as CaO, MgO, P₂O₅ and Al₂O₃ levels are within acceptable thresholds and are comparable to other competing products.
- The U+Th levels of 148ppm compares favourably with other competing products and should not pose any waste or transportation issues.
- The particle size at 171µm is sufficiently coarse for use as a direct feed in western style chlorinators and should not result in blow over issues.

Overall, the planned Toliara chloride ilmenite is suitable for use as a direct feed for chloride ilmenite manufacturing. The product is also suitable as a blend feed for either chloride slag or synthetic rutile manufacture.

In terms of targeting the Toliara chloride ilmenite at the chloride pigment end-use, Chemours would be the main target customer, given its current dominance in merchant chloride ilmenite offtake. INEOS Pigments in North America is also a potential customer, but chloride ilmenite only accounts for a very small proportion of the company's overall feedstock blend (less than 30,000 TiO₂ units per annum).

For beneficiation end-use, the Chinese and Indian SR producers, as well as chloride slag producers in China are key target customers for the Toliara chloride ilmenite. TZMI's latest estimates suggest global demand for chloride ilmenite (inclusive of beneficiation needs) will increase from 840,000 TiO₂ units in 2023 to 1.05 million TiO₂ units by 2030. This demand projection is in line with available supply on the market, higher demand for chloride ilmenite is possible if new supply of chloride ilmenite becomes available.

As far as pricing is concerned, TZMI estimates that a discount off TZMI's benchmark chloride ilmenite product may be applicable to the Toliara chloride ilmenite due to elevated MnO level and lower TiO₂ content. Based on TZMI's latest long-term inducement price for chloride ilmenite TZMI estimates that a long-term price of approximately US\$294 per tonne FOB (real 2023 dollars) would be applicable to the Toliara chloride ilmenite.

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3.7.2.4 Rutile

The specification of planned Toliara rutile is compared with other selected rutile products in the market is shown in Table 3.38.

Table 3.38 Toliara rutile product compared to other competing products

Chemical analysis (%)	Toliara rutile	Africa rutile	Australia rutile	Africa rutile 2	Europe rutile
TiO ₂	95.0	94.5	95.8	>95.0	94
Fe ₂ O ₃ (total)	0.81	0.8	0.94	0.5-1.0	<1.5
Al ₂ O ₃	0.59	0.6	0.27	0.15-0.4	<0.6
CaO	<0.01	0.04	<0.02	<0.03	0.01
Cr ₂ O ₃	0.15	0.14	0.15	0.25	0.2
MgO	0.01	0.03	0.02	<0.03	0.07
MnO	0.01	<0.01	0.01	0.03	0.019
Nb ₂ O ₅	0.47	0.4	0.34	0.23	N/A
P ₂ O ₅	0.03	0.04	<0.02	0.01-0.03	0.07
SiO ₂	1.09	2.0	0.60	0.5-1.0	1.5
V ₂ O ₅	0.59	0.33	0.43	0.65	0.4
ZrO ₂	0.84	1.2	0.92	0.5-1.0	1.0
S as SO ₃	<0.01	<0.05	<0.05	0.05-0.5	0.02
U+Th (ppm)	240	105	90	70-115	70
D ₅₀ (µm)	140	131	173	184	63-160

The following quality commentary pertaining to the Toliara rutile can be made:

- The TiO₂ content at 95% is consistent with most other competing products. Generally, there are no bonuses applied to the TiO₂ content of rutile and producers tend to maximize output by adjusting mineral recoveries to achieve a TiO₂ content just above the industry standard of 95%.
- The CaO and MgO levels also compare favourably with other competing products in the market.
- Levels of U+Th are on the high end, it is nevertheless still an acceptable product.
- Other impurities are within the generally accepted levels for chloride pigment end-use, except for Nb₂O₅ which is slightly higher than those seen in other products.
- The D₅₀ of 140µm is comparable to other competing products and is not expected to result in blow-over issues in western style chlorinator.
- Levels of P₂O₅ and SO₃ levels of 0.03% and 0.01% respectively are also favourable, which makes it suitable for welding applications.
- The SnO₂ levels is not available, and therefore, TZMI cannot provide an opinion about the suitability of the product for the titanium sponge segment. The preferred maximum SnO₂ level is 0.05% for titanium sponge manufacture, with some sponge producers specifying a maximum threshold as low as 0.03% SnO₂.

In terms of targeting the Toliara rutile at the chloride pigment end use, TZMI estimates the product should achieve a long-term price of US\$1,354 per tonne FOB (real 2023 dollars) in line with other bulk rutile sold to the pigment end-use.

For bagged rutile sales to the welding end-use, a price premium over that of bulk rutile is applicable. Given that the fine fraction (<75 µm) is less than 10% and meets the specification for the welding end-use, the Toliara rutile should be targeted at the welding end-use in order to maximize its pricing outcome. TZMI estimates a price premium of 25% over the long-term bulk rutile price of US\$1,354 per tonne FOB (real 2023 dollars) is achievable for the Toliara rutile if it were to be sold into the welding sector as a bagged product. TZMI's latest forecast indicates

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a decline in global rutile demand from approximately 400,000 TiO₂ units in 2023 to 360,000 TiO₂ units by 2030, reflecting a supply constrained outlook. Like chloride ilmenite, there is scope for increased rutile demand if more supply is available. As such, TZMI believes the planned 6,100-9,200tpa of rutile output from the Toliara Project will be easily absorbed by the market given the long-term structural supply deficit for natural rutile.

3.7.2.5 Zircon

The industry classification of 'premium' grade zircon (for ceramic applications) encompasses the following specifications: ZrO₂ >66%, Fe₂O₃ <0.08% and TiO₂ <0.15%. As such, the Toliara zircon planned product is unlikely to be classified as a premium-grade product given its ZrO₂ and Fe₂O₃ levels do not meet the guideline threshold. Nonetheless, the product quality suggests the product can be considered as good standard grade.

The product specification of the Toliara zircon relative to existing commercial premium grade products is shown in Table 3.39.

Table 3.39 Toliara zircon product compared to other competing products

Chemical analysis (%)	Toliara zircon	Australia premium grade	South Africa premium grade	Africa premium grade
ZrO ₂ + HfO ₂	65.6	>66	66.3	66.3
Fe ₂ O ₃	0.12	0.04-0.06	0.05	0.08
TiO ₂	0.09	<0.15	0.11	0.09
Al ₂ O ₃	0.89	0.3-0.5	0.25	0.29
SiO ₂	32.9	32.2	32.8	32.5
P ₂ O ₅	0.10	0.11	0.11	0.08
U+Th (ppm)	550	300-500	410	324

The attributes of the Toliara zircon are described below:

- Level of ZrO₂ (including HfO₂) is consistent with those of selected competing products.
- The Fe₂O₃ at 0.12% is considered high, but the Toliara zircon can certainly be considered as a blend feed for the ceramic end-use in China.
- The TiO₂ content of 0.09% is within the limits suitable for ceramics and other key end-use applications.
- The U+Th levels are slightly above the typical 500ppm threshold seen in most commercial zircon products and would limit the sale of the Toliara zircon in the US and Japanese markets.
- The elevated U+Th level is also an issue for fused zirconia manufacture as most fused zirconia producers require U+Th levels in the final fused zirconia product to be <500ppm, which implies a combined U+Th level of <300ppm in zircon. In addition, the relatively high Al₂O₃ content at 0.89% will also limit the marketability of the product as a standalone feed for fused zirconia applications.

In summary, the planned Toliara zircon is best marketed as a blend feed for ceramic and specialty chemical end-use in China given the constraints from elevated U+Th levels and iron content. TZMI does not foresee any issues in marketing the Toliara zircon to Chinese opacifier and ZOC producers.

In terms of pricing, TZMI estimates the Toliara zircon could achieve a long-term price of US\$1,602 per tonne FOB (real 2023 dollars), reflecting a moderate discount relative to the long-term price of premium zircon due to the lower ZrO₂ levels, elevated Fe₂O₃ and U+Th content.

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3.8 Mineral Sands Ore Reserve review

3.8.1 Background

The Ranobe deposit, also referred to as the Toliara Project (Toliara) is situated about 50 km north of the settlement of Toliara in Southwest Madagascar, has been explored since the late 1990s. Initial exploration and scout drilling identified ilmenite-rich heavy mineral sands, leading to further development drilling in the early to mid-2000s. Originally owned by the Australian company Madagascar Resources NL, a joint venture was formed in 2003 with Kumba Resources (later Exxaro Resources) for exploration and feasibility studies. This joint venture dissolved in 2009, and by 2011, Madagascar Resources rebranded as WTR and listed on the ASX. WTR conducted drilling in 2012, advanced feasibility studies, and sought development partners. In January 2018, Base acquired the Toliara project.

Currently, the Ranobe deposit is fully owned by Toliara Sands SARL, a subsidiary of Base, within Mining Lease PE 37242. This lease, granted in March 2012 for 40 years, expanded in 2017 to include adjacent areas.

3.8.2 Technical study work

The DFS for the Ranobe deposit was completed in December 2019 and later updated (DFS2) in 2021. This update significantly increased the project's resource and reserve estimates and incorporated improved market conditions, enhancing project value. Base has reported that DFS2 reflects a substantial increase in project value, with the net present value (NPV at 10% discovery rate, real post-tax) rising from \$652 million in the DFS to \$1,008 million.

Key factors reported by Base as contributing to this increase include:

- **Production Rate:** A 35% higher annual average Stage 2 mining rate (~25Mt) and a 47% increase in MSP production capacity (220tph).
- **Reserve Estimate:** An additional 318Mt of ore mined, with an extra 11Mt of ilmenite and 0.9Mt of rutile/zircon produced over the mine's 38-year lifespan.
- **Development Capex:** Reflects the larger Stage 2 project and cost escalations from the 2019 estimates.
- **Commodity Prices:** Updated long-term pricing assumptions from Base and TZMI.
- **Royalties and Community Development:** An increased Malagasy government royalty from 2% to 4%, a \$10 million upfront community investment, and an additional \$1 million annually over the life of the mine.
- **Capex, Opex, and Other Factors:** Adjustments for salary rates, capital expenditure, heavy fuel oil prices, and corrections in wet concentrator plant (WCP) recovery errors (+\$11 million).

The 35% higher Stage 2 production rate alone contributes a \$375 million increase to the NPV, while improved commodity price forecasts add \$56 million. The increase in project reserves, extending the life of the mine to 38 years, adds \$88 million to the NPV. However, the NPV gains are partly offset by higher capital costs, Stage 2 expansion expenses, and increased government royalties and community development expenditures.

3.8.3 Project development outline

The Toliara DFS proposes to develop the project in stages, beginning with Stage 1, which targets higher-grade zones with a mining rate of approximately 13Mtpa. Stage 1 involves the following components:

- Engineering, procurement, construction, and commissioning of a DMU.
- A 1,750tph wet concentrator plant (WCP1, relocatable).
- A 150tph fixed MSP.
- Field services such as pipes, pumps, power lines, and roads.

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- A power generation facility provided by an Independent Power Provider.
- Water supply from a borefield.
- Accommodation camp, offices, laboratories, workshops.
- A sealed haul/access road (45km) and bridge linking the mine to the export facility at Batterie Beach, north of Toliara, which includes a storage shed, jetty, mooring facility, and ship loader.

Stage 2 will increase throughput to about 19Mtpa from Year 5, to counteract declining ore grades. This stage includes:

- Engineering, procurement, construction, and commissioning of a second DMU.
- An 825tph fixed wet concentrator plant (WCP2).
- Upgrading power plant capacity by 30%.
- Adding two more water supply boreholes.
- Increasing the accommodation camp capacity.

The MSP, haul road, bridge, and export facility will remain unchanged in Stage 2.

The Ranobe deposit is reported as a Mineral Resource of 2,580 Mt at 4.3% heavy mineral (HM), with Ore Reserves of 904Mt at 6.1% HM, indicated to be sufficient to support a 38-year mine life.

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3.8.4 Mining locations

The proposed Toliara mining area is shown in the site layout presented in Figure 3.10 below.

Figure 3.10 Toliara proposed site layout location



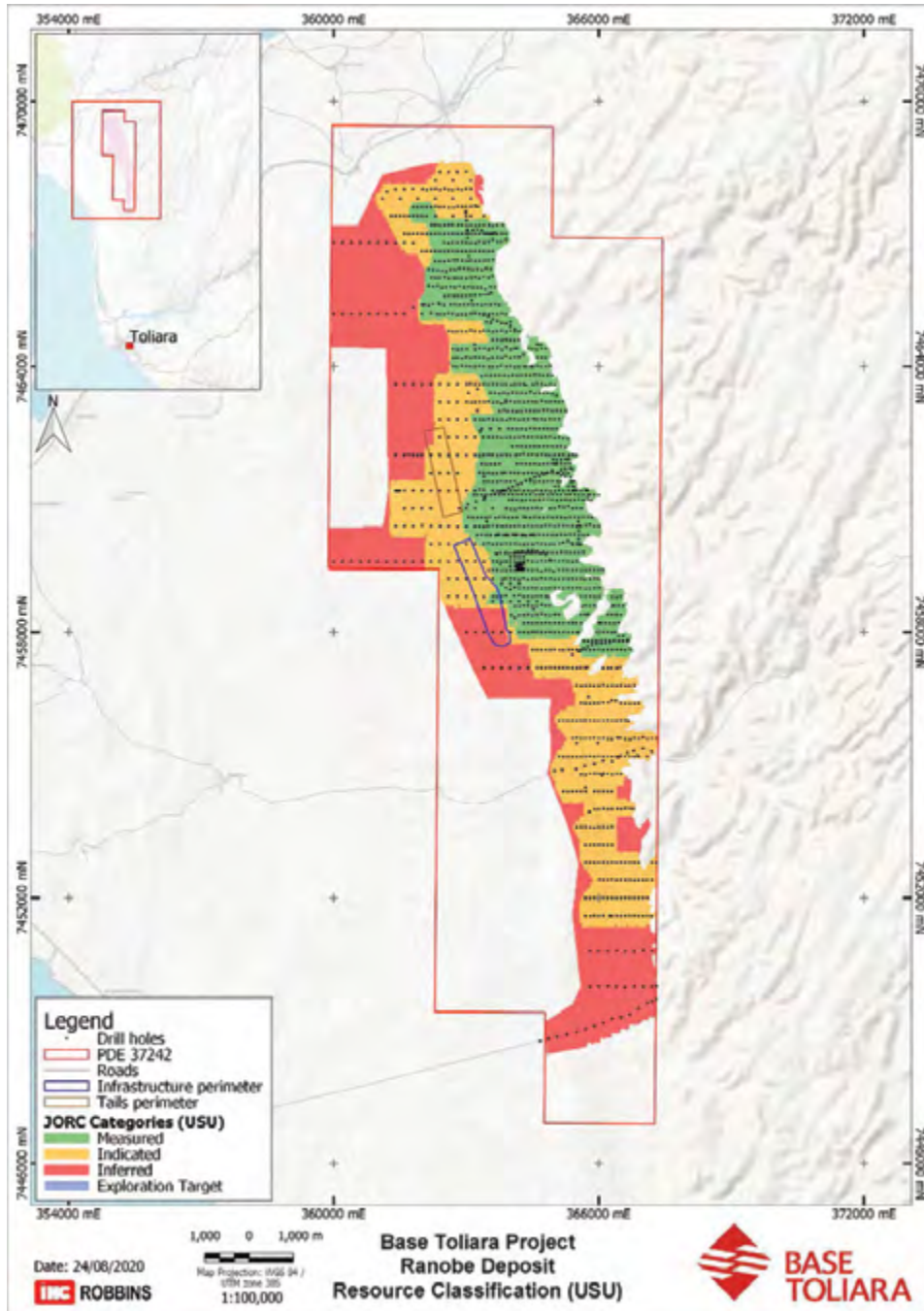
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Toliara target economic mineralization is shown in Figure 3.11, together with the identification of underlying Mineral Resource classifications.

Figure 3.11 Toliara proposed mining areas



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3.8.5 Ore Reserve estimate

Base last reported the Toliara Ore Reserves statement in September 2021.

The 2021 Ranobe Ore Reserves are estimated at 904Mt with an average heavy mineral (HM) grade of 6.1%, containing 55Mt of HM. This represents a 318Mt increase in Ore Reserves and a 17Mt (45%) increase in contained HM compared to the previous estimate from November 27, 2019. The 2021 estimate does not include monazite or garnet, as the current mining tenure (Permis D'Exploitation 37242, PDE 37242) does not presently allow for their exploitation. Only Base Toliara, a wholly-owned subsidiary of Base and the holder of PDE 37242, can be granted the rights to exploit these minerals, pending fulfillment of all necessary criteria. Table 3.40 below details the classification of the Mineral Resources estimates from September 27, 2021 and 23 January 2019.

Table 3.40 Ranobe (Toliara) Resources and Ore Reserves estimates (27 September 2021)

Category	Tonnes (Mt)	HM (Mt)	HM (%)	SL (%)	OS (%)	Mineral Assemblage as % of HM			
						ILM (%)	RUT (%)	LEUC* (%)	ZIR (%)
2021 Ranobe Ore Reserves (as at 27 September 2021)									
Proved	433	30	6.9	3.8	0.1	75	1.0	1.0	6.0
Probable	472	25	5.3	3.9	0.2	72	1.0	1.0	5.8
Total	904	55	6.1	3.8	0.1	73	1.0	1.0	5.9
2019 Ranobe Ore Reserves (as at 27 November 2019)									
Proved	347	24	7.0	3.8	0.1	75	1.0	1.0	5.9
Probable	239	14	5.8	4.2	0.2	73	1.3	0.8	5.7
Total	586	38	6.5	3.9	0.1	74	1.1	0.9	5.9

Table subject to rounding differences.

*Recovered Leucoxene will be split between Rutile and Chloride ilmenite depending on product specification requirements.

Base has also noted that the 2021 Ranobe Mineral Resources include 2.0% monazite, making the deposit a potentially significant source of Rare Earth Oxides (REO), which will be explored in future studies. Analysis of monazite from a 2018 bulk sample revealed that Toliara monazite contains REO. The monazite itself consists of 59% total rare earth oxides. Of this, approximately 73% was cerium oxide (CeO₂) and lanthanum oxide (La₂O₃), 24% was neodymium oxide (Nd₂O₃) and praseodymium oxide (Pr₆O₁₁), 0.1% was dysprosium oxide (Dy₂O₃), and 0.02% was terbium oxide (Tb₄O₇).

AMC notes that the reference to potential REO extraction potential does not constitute any contribution to the evaluation of the 2021 Ranobe JORC compliant Ore Reserve statement, which only considers the contribution of the project value from heavy mineral sands products.

3.8.6 Mineral Resource model base

AMC understands that the 2021 Ranobe Ore Reserves are based on Resource Models produced in 2021, these are discussed in the Mineral Resource section of this report. All work reviewed in the Ore Reserve section is based on the 2021 Resource Models.

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3.8.6.1 Processes

The Ranobe Ore Reserves estimate was based on the Ranobe Mineral Resources estimate, which was prepared by IHC Robbins.

The Mineral Resource for the Ranobe deposit, reported at cut-off grades of 1.5% and 3% total heavy minerals (THM). The previous estimate by IHC Robbins indicated a resource of 1,293 Mt at 5.1% THM, containing 66 Mt of THM (at a 1.5% THM cut-off grade). The significant increase in resource tonnage and the concurrent decrease in HM grade are mainly due to extending drilling further west, away from the higher-grade core near the limestone escarpment.

3.8.6.2 Calculations

No calculations are conducted at this stage.

3.8.6.3 Data transfers and validations

AMC noted that handover document is sent from Geology team to IHC to undertake the mine planning activities to underpin the quotation of an Ore Reserve. However, no BoD documentation is created or signed off by the relevant people responsible for qualification of the geological input modifying factors to the Ore Reserve.

Base indicated that further validations of the source Resource modelling are undertaken by the mining engineer responsible for the reserves, but AMC did not verify this process.

3.8.6.4 Outputs

The verified Mineral Resource model forms the basis of the mining model used for economic evaluation of the mining inventory to support the Ore Reserve.

3.8.6.5 Rating

As noted in the Mineral Resource review section of this report, Base's reporting of the Mineral Resource estimate is deficient in some key areas. In particular, assessment and reporting of RPEEE, as required by the JORC Code is absent. This is a significant omission and given the Project's history of access restrictions and coupled with the absents of discernible evidence to demonstrate that access to site will be granted by the government foreseeable future.

However, AMC concludes that the processes governing the Project's Mineral Resource work demonstrate the data collection and estimation processes are adequate, and that the Mineral Resource estimate is technically compliant and therefore suitable as the basis for an Ore Reserve. Consequently, the utilization of the Mineral Resource model base for compiling the Ore Reserve is rated as compliant, as shown in Table 3.41.

Table 3.41 Resource model base method rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	RPEEE aside, the Mineral Resources were estimated using adequate data and processes and is technically sound. Reporting of the Mineral Resource should consider RPEEE given the situation at Ranobe	
Non-compliant	Needs to improve	

3.8.7 Dilution of model

3.8.7.1 Processes

Dilution and ore loss have not been applied directly to the Mineral Resource Model to produce a diluted model, instead, call factors have been used when developing the pit optimization and schedule inventory.

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The dilution and ore loss factors applied relate to the combined performance of the mining method and the mineral processing. There is no separate modelling of mining ore loss and dilution incurred from the in-pit mining process.

3.8.7.2 SMU size

AMC is not aware of any SMU studies having been completed. The Mineral Resource Model block contains no sub-celling, but does contain proportion fields, within the model to estimate the amount of mineralization that is in each block.

AMC understands that the grade control blocks that are proposed to be marked in the field for the operation team to extract are based on the Resource Model block size.

AMC observes that it is good practice for Mineral Resource modelling to only consider block estimation parameters appropriate for accurate representation of the underlying geological and metallurgical parameters, the consideration of SMU block sizes should be exclusively the domain of mining parameters and created as an overlay to the source Mineral Resource, which will allow the Mine Planning team to investigate running loss and dilution analysis with several trial parameters and utilize a single set of grades and density in the blocks instead of proportions. This approach to creating a separate mining model offers the opportunity to analyse the impact of loss and dilution by varying SMU parameters for the desired equipment selectivity, ultimately improving mining selectivity and reducing operational costs. This is particularly relevant when different types of mining equipment are used for ore extraction, as proposed by Base. In this case, the primary mining equipment will be dozer trap pushing, while secondary cleanup and transitional ore mining will be handled by a conventional excavator and truck fleet. The dynamics of these two mining methods are very different, and accurately determining the relative loss and dilution is crucial for deciding when to allocate areas to the secondary fleet to maximize productivity and minimize ore losses.

3.8.7.3 Dilution and mining loss assumptions

Currently Base make the following statements in the 2021 Ore Reserve to outline the approach to the adoption of dilution and mining loss:

- *"There is no ore/waste discrimination and sub-economic SSU/USU. Material that cannot be selectively left in the void is included as planned dilution in the ore feed. No global dilution factor has been applied.*
- *A mining recovery factor of 98% was applied when using the Lerch-Grossman algorithm to undertake economic evaluation and the generation of the pit shells. Following more detailed mining shape design, planning and scheduling, a mining recovery factor of 100% was applied in the 2021 Ranobe Ore Reserves estimate. Mining recovery also makes provision for a 0.25m topsoil profile."*

AMC generally agrees with Base's assumption that dozer trap mining methods have limited selectivity, making the application of conventional dilution parameters to the mining model inappropriate. Although AMC has not reviewed Base's use of the stated call factors within the mining model to account for the inclusion of sub-economic grade material within the mining profiles. However, it is noted that the application of correction factors (less than 5% of the pit inventory) is common in mine modelling for mineral sands deposits.

3.8.7.4 Input data

The input data for this process includes:

- Resource Models.
- Combined metallurgical recovery, ore loss and dilution call factors.

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3.8.7.5 Data transfers and validations

Base has not provided a methodology for the operational validation of the applied call factors. To achieve this, upon commencement of mining activities, a full mine to product reconciliation would need to be completed, which directly links the Resource Model to the plant’s production and separates the metallurgical recovery from the dilution and ore loss factors.

3.8.7.6 Outputs

As these call factors are used in other processes there are no outputs for the dilution modelling step.

3.8.7.7 Rating

AMC considers that current loss and dilution call factor application process method is adequate for the purpose of quoting an Ore Reserve inventory for mineral sands estimates, as shown in Table 3.42.

Table 3.42 Dilution of model method rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

3.8.8 Pit optimization, design, and scheduling

3.8.8.1 Processes

After gathering all the modifying factors, the mining engineer proceeds with the pit optimization process. These modifying factors are collected and then applied to each sector of the open pit during the optimization procedure, generating the necessary mining phases for scheduling evaluation. Base indicate that they engaged IHC Robbins to perform the pit optimization process.

AMC acknowledges that there is currently no procedure to allocate mining loss and grade dilution to the resource for developing diluted tonnes and grade to be used in mining evaluation.

The Life of Mine (LOM) ultimate pit designs are created based on the targeted economic mineralization, with the geotechnical criteria being applied to the design process reported to be:

- *"Pit slopes for the Stage 1 mining shapes have been assumed at 33 degrees, with a maximum target of a 100m dozing distance. Where possible, the mining locations and sequence was developed to avoid uphill dozing.*
- *For the purposes of scheduling the ore for Stage 2, mining shapes have been assumed as rectangular sides up to a maximum size of 200m by 400m for the remainder of the LOM schedule."*

Further discussion of the justification of the stability parameters are noted in the geotechnical review section of this report.

Base outlines the process for deriving the chosen economic mining inventory and subsequently developing the LOM mining and treatment schedule. This process is initiated by converting Mineral Resources into Ore Reserves using open pit optimization software (Datamine MaxiPit), which employs the Lerch-Grossman algorithm to generate nested pit shells. A subset of these shells is preliminarily scheduled to test HMC production profiles, finalize production requirements, and inform financial investment decisions. The preferred pit shell is then selected for the development of detailed mine planning and scheduling.

The initial mining area (Stage 1) is chosen based on its high grade and strategic location. Detailed mining shapes, based on rectangular dozing push profiles towards a centrally located

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DMU, are developed. Shapes deemed too small (less than nominal 150kt) or inefficient to directly feed a DMU (greater than 100m away) through dozer mining are earmarked for auxiliary mining using trucks and excavators. Material from these shapes is hauled to feed an existing DMU.

3.8.8.2 Input Data

- Modifying factors.
- Resource Model.
- Pit design solids.
- Infrastructure waste quantities.
- Ramp design parameters.
- Lease boundary.

3.8.8.3 Calculations

AMC completed basic integrity checks on the input data manipulations carried out by the Base mine planning team to determine if the modifying factors had been applied appropriately and found no errors.

3.8.8.4 Outputs

The following elements are output from the process:

- Ultimate and phase pit design.
- Scheduled phases of pit development, representing productive combined ore and waste movement, with assigned quality parameters.
- LOM mining and treatment schedule aligned with the selected mining inventory.
- A financial model that encompasses all the productive cost and revenue factors related to the LOM mining and treatment schedule.
- Ore Reserve statement and Table 1.

3.8.8.5 Rating

AMC finds the pit optimization, inventory selection, design, and scheduling process to be suitable for estimating the Ranobe open pit Mineral Sands Ore Reserve, and the current application of modifying factors to the Resource Model are appropriate. Consequently, AMC rates the current pit optimization/design/scheduling processes at an Industry Standard, as indicated in Table 3.43.

Table 3.43 Pit optimization, design and scheduling process rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

3.8.9 Mining financial modelling

3.8.9.1 Product market pricing

Rating

Product market pricing used in the Project financial model were obtained from TZMI Q3-2023 benchmark pricing for the following mineral sands products:

- Sulphate Ilmenite.
- Chloride Ilmenite.
- Slag Ilmenite.
- Rutile.
- Zircon.

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A more detailed review of the market placement of the Toliara project proposed products is discussed in the Mineral Sands product market review section of this report.

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.44.

Table 3.44 Product Market Pricing rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2 Mining operating costs

Mining operating costs used in the Project financial model are detailed below. The Toliara operating costs, whilst derived from first principles, were originally sourced from the Kwale operating costs in FY2018 and FY2019. An escalation amount of 40% is applied to all costs in order to align them with FY23 pricing. An additional 5% of escalation should be applied to align with FY24 pricing.

3.8.9.2.1. Clear and grub

A review of the first principles buildup for the clearing and grubbing indicates that the estimate appears to be light by \$2.5M

The dozer productivity, excavator productivity and truck numbers used should be reviewed, with more conservative numbers like:

- D8 Production rate of 4 hr/ha.
- Cat 740 Truck Production rate of 10 hr/ha. (based on two trucks).

Rating

This item taken in isolation and after consideration of the cost increase, is rated as adequate for reporting of Ore Reserves as shown in the rating table below, Table 3.45.

Table 3.45 Clear and Grub rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.2. Topsoil removal and replacement

A review of the first principles buildup for the topsoil removal indicates that the estimate appears to be light by \$23M, especially given the DFS commentary indicating the topsoil removal shall be directly placed on rehabilitated areas. The haul distance to which is likely to involve multiple trucks.

The volumes of topsoil removal exactly match the total cleared area (with a depth of 250mm), inferring that 100% of the topsoil removed will be placed onto rehabilitated areas. AMC considers that this is unlikely especially during project ramp up.

The dozer productivity, excavator productivity and truck numbers used should be reviewed, with more conservative numbers like:

- D8 Production rate of 400 m³/hr.
- Cat 320 Excavator Production rate of 176 m³/hr.

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- Cat 740 Truck Production rate of 59 m³/hr (based on three trucks).
- Additional D8 Production rate of 200 m³/hr to spread topsoil at destination.

Rating

This item taken in isolation and after consideration of the cost increase, is rated as adequate for reporting of Ore Reserves as shown in the rating table below, Table 3.46.

Table 3.46 Topsoil rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.3. DMU ore mining

A review of the first principles buildup for the DMU Ore mining indicates that the estimate appears to be light by \$147.5M, especially given the DFS commentary indicating a D11 Dozer is capable of achieving just under 900 tph. AMC appreciates that at the start of each block, one dozer is capable of achieving the desired throughput, however as the block progresses, two dozers would be required. Once mining continues below the mouth of the dozer trap, the dozers will be required to push uphill, requiring either three dozers or two dozer plus two Cat352 excavators to achieve the desired throughput.

The equipment productivities should be reviewed, with more conservative numbers like:

- D11 Production rate of 900 t/hr.
- Addition of two Cat 352 Excavators to assist the dozers, by elevating the material into the DMU bin, for 20% of the block volume at a rate of 875 tph each (or 1,750 tph combined).

Rating

This item taken in isolation and after consideration of the cost increase, is rated as adequate for reporting of Ore Reserves as shown in the rating table below, Table 3.47.

Table 3.47 DMU Ore mining rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.4. DMU moves

A review of the first principles buildup for the DMU movements appears to be appropriate.

Rating

This item is rated as adequate for reporting of Ore Reserves as shown in the rating table below, Table 3.48.

Table 3.48 DMU Moves rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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3.8.9.2.5. Auxiliary Moves

A review of the first principles buildup for the Auxiliary mining indicates that the estimate appears to be light by \$3M, especially given the DFS commentary indicating that the following activities would be included within the auxiliary scheduled tonnages:

- Any Ore that is less than 5m thick.
- Any Ore that is greater than 20m thick would have the top ore removed.
- All starter pit volumes
- Overburden
- Any "edge" Ore that sits outside of the standard DMU block designs, where it is more economic to move it to the DMU rather than moving the DMU to it.

The auxiliary tonnes schedules do not specifically indicate where the material comes from or which of the above categories it falls into. It is however assumed that all of the auxiliary material would be loaded and hauled to a location of a future DMU block (with an Ore thickness of less than 18m), where the DMU dozer will push it into the DMU for ore processing when that particular block is mined. Currently less than 0.5% of the total ore movement has been classified as auxiliary material, which on face value, appears to be very low.

The excavator productivity and truck numbers used should also be reviewed, with more conservative numbers like:

- Cat 352 Excavator Production rate of 400 tph.
- Cat 740 Truck Production rate of 200 tph (based on two trucks).

Rating

This item taken in isolation and after consideration of the cost increase, is rated as adequate for reporting of Ore Reserves as shown in the rating table below, Table 3.49.

Table 3.49 Auxiliary Mining rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.6. Landform restoration

A review of the first principles buildup for the Landform Restoration indicates that the estimate appears to be appropriate.

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.50.

Table 3.50 Landform Restoration rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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3.8.9.2.7. WCP and MSP support

A review of the first principles buildup for the WCP and MSP Support indicates that the estimate appears to be appropriate.

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.51.

Table 3.51 WCP and MSP Support rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.8. Workshop support

A review of the first principles buildup for the Workshop Support indicates that the estimate appears to be appropriate.

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.52.

Table 3.52 Workshop Support rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.9. Pump, pipe and power mobility

A review of the first principles buildup for the Pump, Pipe and Power Mobility indicates that the estimate appears to be appropriate.

It is assumed that the oversize removal, ramp accesses, drainage installation, sump installation etc are all accounted for under this activity.

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.53.

Table 3.53 Pump, Pipe and Power rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.10. Coarse & fines tails management

A review of the first principles buildup for the Coarse and Fines Tails Management indicates that the estimate appears to be appropriate.

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It is assumed that all dam wall installations, including seepage drains are all accounted for under this activity.

AMC notes that fine tailings disposal have been scheduled to occur 2 months after the end (three months from the start) of coarse tailings disposal within each block, and occur all year round, including during the wet months between December and March each year. AMC considers the timing between the finish of coarse tailings, and the start of fines tailings, which will involve the use of machine to traverse over the tailings to create build bund walls during wet periods may prove to be problematic.

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.54.

Table 3.54 Coarse and Fines Tailings Management rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.2.11. Fuel burns

A review of the first principles buildup of the Fuel Burns indicates that the estimate appears to be appropriate, except for the Cat 980 Loader.

The loader fuel burn used should also be reviewed, with more conversative numbers like:

- Cat 980 Loader Fuel Burn of 45 lph.

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.55.

Table 3.55 Fuel Burn rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.3 Process Operating Costs

Process operating costs (Opex) (prior to escalation) of \$1.03/t of ore treated at the Toliara Project were estimated by Lycopodium and Base as shown in Table 3.56 below.

Unit rate quotes for key commodities were sought from local suppliers and Base provided estimates of costs based on their experience in East Africa and in the industry. An escalation amount of 40% is applied to all costs in order to align them with FY23 pricing. An additional 5% of escalation should be applied to align with FY24 pricing.

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Table 3.56 Toliara Processing Cost Summary

Department	LOM total US\$m	US\$m/ annum ¹	US\$/t mined ¹	US\$/t product ¹
Mining Operations	343.5	9.0	0.38	8.69
Mine Technical Services	8.6	0.2	0.01	0.21
Processing Operations	941.8	24.6	1.03	23.86
Maintenance	678.0	17.9	0.75	17.37
Port Operations	384.7	10.1	0.42	9.81
Support Services	468.2	12.0	0.50	11.57
Environment & Security	118.6	3.0	0.13	2.95
Total operating costs	2,943.5	76.9	3.22	74.45
Royalties (4% of FOB)	475.4	12.6	0.53	12.24
Total operating costs (incl. royalties)	3,418.8	89.6	3.75	86.70

¹ – excludes first and last partial operating years

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.57.

Table 3.57 Processing Costs

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.4 Construction capital costs

Construction capital costs used in the Project financial model for Stage 1 of the Toliara project are summarized in Table 3.58 below. After contingency and escalation factors are applied, the Stage 1 Construction Capital is US\$519.8M. The declared accuracy shown is +15%/-5% and aligns with accepted feasibility study level standards. Build-up of the estimate appears thorough, with the total within benchmark ranges of comparable projects. The capital costs are base dated 2Q 2021.

Table 3.58 Toliara Construction Capital Costs – Stage 1

Capital Cost Estimate												
Summary x Main Area												
	Supply Cost	Site Man Hrs	Direct Labour	Direct Equipment	Distribution Distributables	Project Ancillary	Freight Cost	Subtotal Cost	Contingency Cost	Escalation Cost	Taxes & Duties	Project Total
1 - Mining	7,245,391	324,558	1,129,101	140,308	5,242,236	-	1,173,823	14,950,910	1,504,911	2,480,752	-	19,947,673
2 - Process Plant	99,999,293	1,626,373	7,115,572	2,824,943	21,628,867	-	9,154,443	99,932,219	9,762,689	16,619,737	-	128,244,645
3 - Plant Services & Utilities	8,394,797	90,442	867,229	168,574	-	-	730,811	10,091,808	1,075,083	2,884,545	-	13,651,428
4 - Infrastructure	38,198,267	3,376,533	8,162,375	11,998,631	17,084,054	3,847,763	1,348,277	76,836,294	7,651,103	11,546,977	-	96,032,376
5 - Export Facility	36,448,288	1,747,308	3,089,693	3,996,136	17,301,567	-	1,430,024	62,446,708	9,917,409	12,629,859	3,996,136	94,292,576
6 - Professional Services	-	269,645	-	-	1,199,250	36,416,637	-	31,615,607	3,063,769	4,195,162	-	38,874,528
7 - Owners PD Indirect Costs	692,000	485,826	-	-	851,230	25,303,968	-	26,730,100	2,594,563	841,167	-	30,369,857
8 - Owners PD Direct Costs	21,571,371	5,211	57,985	26,580	2,131,172	11,392,230	1,136,301	36,319,239	3,728,327	5,422,228	-	46,476,793
9 - Owners Operational Costs	-	185,958	-	-	-	39,210,936	-	39,210,936	1,960,547	-	-	41,171,483
	192,448,028	8,226,325	25,302,804	15,352,621	65,696,350	109,371,842	14,964,679	421,149,181	46,234,901	58,435,306	-	619,817,988

Construction capital costs for Stage 2 of the Toliara project were not summarized in detail like the Stage 1 costs, however they were developed using some of the same components (WCP 2

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similar to WCP 1). After contingency and escalation factors are applied, the Stage 2 construction capital used in the financial model is US\$137.3M.

In addition to the Stage 1 and 2 capital costs above, an additional US\$8.7M for Community Development Foundation Funding were included in the financial model, bringing the construction capital to US\$736.8M.

Changes to the mining equipment productivities documented above, will require additional mining resources for both Stage 1 and 2, increasing the capital spend of the mining equipment by US\$5.8M.

A Construction Capital Sensitivity Value of 15% was then applied to the total construction costs to align them with current pricing. Hence the total construction capital expenditure is US\$772.4M (excluding the Monazite Plant).

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.59.

Table 3.59 Construction Capital Cost rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.5 Sustaining costs

Sustaining costs used in the Project financial model include an allowance for Stage 1 processing, Stage 2 processing, mobile equipment replacement, WCP moves and GoM Major Project Funding and totalled US\$385.2M. The sustaining costs are base dated 2Q 2021.

An Operating Capex Sensitivity Value of 15% (or US\$57.8M) was then applied to the total sustaining costs to align them with current pricing. Hence the total sustaining expenditure is US\$443.0M.

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.60.

Table 3.60 Sustaining Cost rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.8.9.6 Mining financial modelling rating

This Operating and Capital Cost review presents the opinion of AMC as to whether the Project costs are adequate to support the reporting of an Ore Reserve in alignment with the JORC Code guidelines. AMC has also indicated how deficiencies can be addressed.

Following the analysis of the provided data and conducting the review, AMC concludes that the Project's costs used to support the current mining inventory, after consideration of the proposed cost increases, are rated as adequate, for reporting of the Ore Reserve.

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Table 3.61 Overall summary of mining financial modelling compliance

DISCIPLINE component	Description	Colour
Product Market Pricing	Product Market Pricing	
Mining Operating Cost	Clear and Grub	
Mining Operating Cost	Topsoil Removal and Replacement	
Mining Operating Cost	DMU Ore Mining	
Mining Operating Cost	DMU Moves	
Mining Operating Cost	Auxiliary Mining	
Mining Operating Cost	Landform Restoration	
Mining Operating Cost	WCP and MSP Support	
Mining Operating Cost	Workshop Support	
Mining Operating Cost	Pump, Pipe and Power Mobility	
Mining Operating Cost	Coarse and Fines Management	
Mining Operating Cost	Fuel Burn	
Processing Operating Cost	Processing Operating Cost	
Construction Capital Cost	Construction Capital Cost	
Sustaining Cost	Sustaining Cost	
Overall rating	Adequate for reporting of Mineral Sands Ore Reserves	

3.8.10 Modifying factors

The modifying factors are the key inputs used by the mining engineers to generate the pit optimizations and include:

- Hydrogeological context and interaction with pits
- Geotechnical slope design criteria
- Mineral processing factors and metallurgical recoveries.
- ESG context and constraints to mining operations
- Commodity Prices.
- Mining and processing costs.

3.8.10.1 Processes

Many of the modifying factors are sourced from the project's feasibility studies. The selected modifying factors are summarized and appropriately reported within Table 1 of the Ore Reserve statement.

The terms of reference are collected for the Ore Reserve Estimation process through a series of meetings and consequent communication via email. This process is not currently formalized, and no BoD documentation is created or signed off by the relevant people responsible for qualification of the input modifying factors.

3.8.10.2 Input data

AMC have undertaken fatal flaw reviews of key modifying factors supporting the quotation of the 2022 Kwale Ore Reserves, including the following listed disciplines:

- Hydrogeology review
- Geotechnical review
- Metallurgy and processing review
- ESG review
- Mineral Sands product marketing review

AMC has summarized the findings of the review of the above listed key modifying factors within the relevant sections of this report.

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Inclusion of Inferred

No Inferred material was included in the pit optimization processes or the generation of the schedule inventory.

3.8.10.3 Calculations

High level checks were completed to check the source of the cost inputs. No calculation errors were found.

3.8.10.4 Outputs

A high-level summary of some of the key modifying factor attributes are provided in the 2021 JORC open pit Ore Reserve Statement, Table 1, Section 4: Estimation and Reporting of Ore Reserves.

3.8.10.5 Rating

AMC considers the processes used to determine most of the modifying factors underpinning the compilation of the Ore Reserve to be adequate.

AMC's overall rating of the modifying factors supporting the Ore Reserve is compliant as shown in Table 3.62

Table 3.62 Modifying factors method rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate	
Non-compliant	Needs to improve	

3.9 Rare Earths Monazite PFS review

3.9.1 Background

Base has presented a Pre-Feasibility Study (PFS) to explore the potential of monazite and related rare earth elements (REE) as an extension of the Toliara Project, which was initially detailed in Definitive Feasibility Study 2 (DFS2) focusing exclusively on mineral sands extraction. The proposed Monazite Project, as outlined in the PFS, builds on DFS2 by addressing additional processing, infrastructure, and operational requirements for the production, sale, and export of monazite. The PFS excludes the construction of a refinery and separation plant for producing and selling REOs.

The Toliara Mineral Sands Project contains a relatively high proportion of monazite—about 1.9% of the HMC. The REE assemblage of Toliara monazite is comparable to other global REO sources, positioning Toliara to potentially become a low-cost producer of monazite and/or REOs as an extension of its planned mineral sands production.

If monazite is not produced as a product, it will be treated as a waste stream from the MSP, containing about 10% monazite, and will be pumped back into the pit. Currently, the mining permit only allows the extraction and export of ilmenite, zircon, leucoxene, rutile, guano, basalt, and limestone, so additional permits would be required for monazite. It is also note that the uranium and thorium content of the monazite stream exhibits appreciable radioactive spontaneous emissions and therefore requires substantial control and handling requirements to safely process and export the monazite concentrate.

Given the current increasing market value of monazite concentrates with REO content, Base considers that it has the opportunity to significantly enhance the value of the Toliara Mineral Sands Project by developing a plan to extract monazite from the heavy mineral.

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Base reports that sample analysis indicates that the THM contains approximately 2.0% monazite, of which about 59% is total rare earth oxides including around 24% Nd/Pr oxides and 0.7% Dy/Tb oxides. Most of the REO content is in the form of lower-value light rare earths such as cerium (Ce) and lanthanum (La), which constitute about 70% of the total rare earth oxides.

3.9.2 Monazite Resource Modelling

AMC understands that the 2021 Ranobe Mineral Resource estimate focused on exploiting the total heavy mineral (THM) sands aspect of the geology. However, subsequent technical studies have revealed the presence of REE, particularly associated with monazite, which may have economic significance. Consequently, AMC has reviewed the distribution of monazite relative to THM within the Mineral Resource, and its in situ grade, to determine whether a revision of the mine plan is necessary.

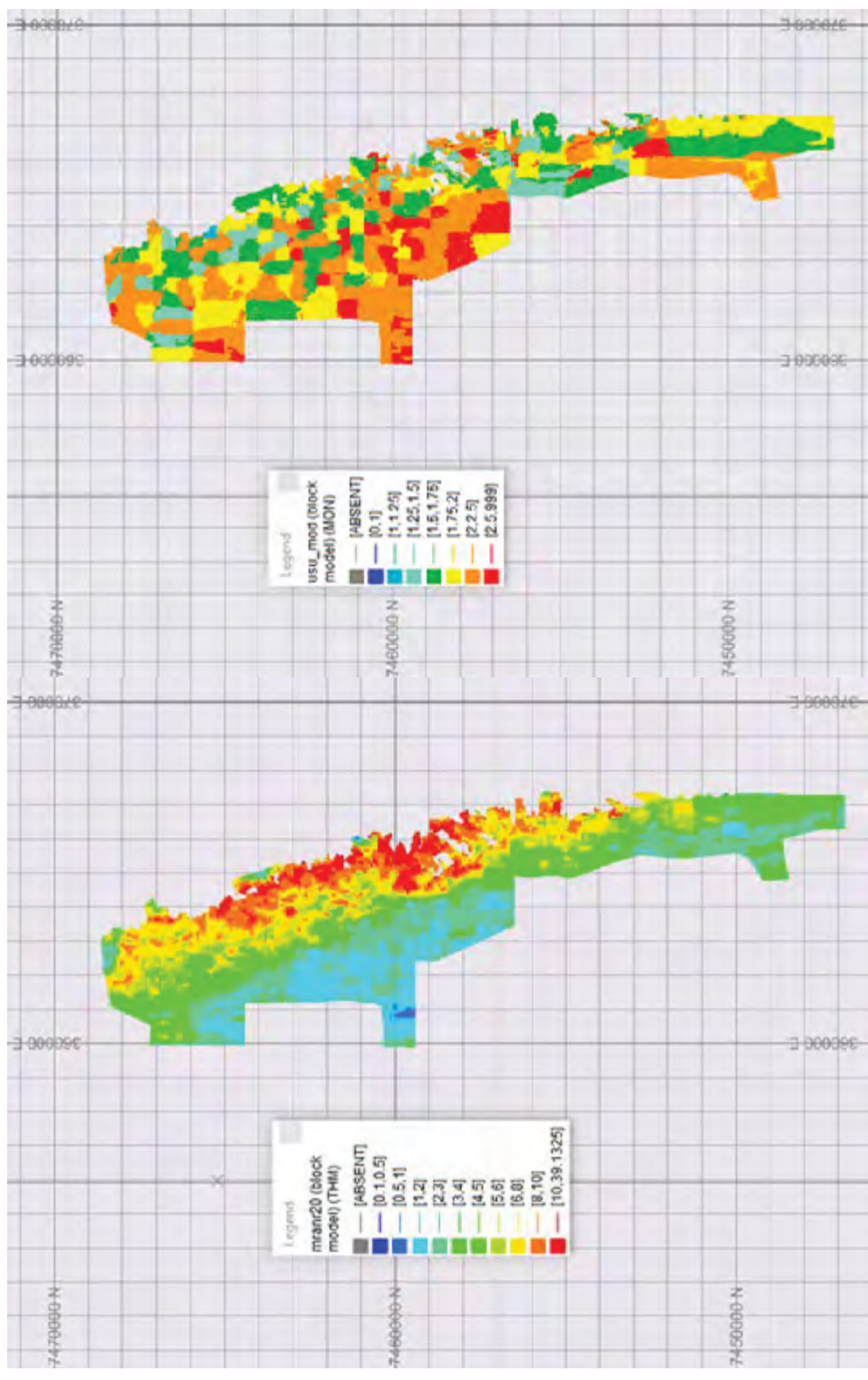
Monazite was estimated using the nearest neighbour method, giving it a pixelated appearance, as seen in Figure 3.12, highlighting the less precise estimation of monazite. This is due to monazite not being a focus during the estimation. THM was estimated by OK. The comparison identified zones with a higher proportion of monazite are in zones of lower-grade THM. Figure 3.12 shows the distribution of THM (left) and monazite as a proportion of THM (right) for USU, which contains most of the Mineral Resource tonnage. Similar trends are seen for the other layers.

The distribution of absolute monazite grade as a percentage of total tonnage (THM% x monazite%) is provided in Figure 3.13. This more closely follows the THM grade, however, the pixelated monazite grade is distorted by the short-range changes in THM grade. This, and the apparent inverse relationship between increasing THM grade and decreasing monazite content (and thus valuable REE content) raises questions about whether Base’s current mining evaluation work has accurately accounted for the inherent in-ground value of REEs. The current THM mining inventory, as quoted in the 2022 Mineral Sands Ore Reserve, undoubtedly contains a certain quantum of monazite, which is considered a waste reject stream and is assigned zero value for the purpose of reporting the Ore Reserve. However, there is potential that simply assigning value to this ancillary waste stream, as a supplementary revenue source from the exploitation of REEs, does not accurately reflect the in-ground value of the combined THM and REE resource.

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Figure 3.12 USU THM (left) and monazite (right) grade heat maps



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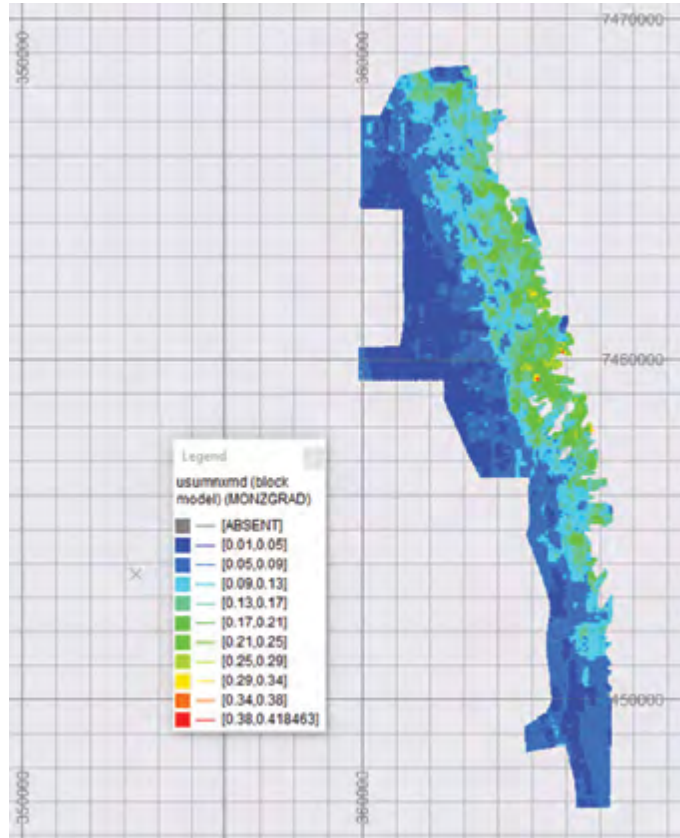
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Figure 3.13 Monazite percentage grade heat map



Rating

A Rare Earths Monazite Project has been integrated into the project financial model based on capital and operating costs from a Pre-Feasibility Study (PFS) conducted by Base and dated March 2024. This project involves the development of a monazite concentration plant (MCP) in addition to the Stage 1 and Stage 2 processing plants required for the mineral sands project, to produce a concentrated monazite product from the waste stream of the MSP.

Based on the analysis of the provided data and our review, AMC finds that the processes governing the quotation of a Mineral Resource that is inclusive of monazite (essential for valuing a mineral project under the VALMIN code) lack validity. Specifically, the lack of a granted mining lease that includes monazite exploitation prevents the legitimate pursuit of potential value that could be achieved through the extraction and sale of the REE derived from the monazite components of the orebody. As a result of these findings, the rating of the Rare Earths Monazite PFS for the inclusion of monazite and REE into the Mineral Resource is deemed non-compliant., as shown in the rating table below, Table 3.63.

Table 3.63 Rare Earths Monazite Mineral Resource model base

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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3.9.3 Mining financial modelling**3.9.3.1 Product market pricing**

Product market pricing used in the Project financial model were obtained from Adamas Intelligence Q1 2024 price forecast using a payability ratio of 35% on the permanent magnet REOs only contained within the Monazite. Magnet REO's being NdPrO, Dy2O3 and Tb4O7 only).

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.64.

Table 3.64 Monazite Product Market Pricing rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.9.3.2 Operating costs

Monazite Operating Costs, as shown in Table 3.65, are estimated to average \$13.8M/yr which is equivalent to \$51.86/t MCP feed (266,312 tpa MCP feed, 21,423 tpa Monazite product). This is made up of \$1.55M/yr (or \$5.84/t MCP feed) for operation and maintenance of the MCP, and \$12.26M/yr (or \$46.02/t MCP feed) for product transport.

A more detailed buildup of the unit costs are shown in Financial Model, however they have been escalated by 40% to increase the total costs to \$72.60/t MCP.

Table 3.65 Monazite Operating Costs

Annual Operating Cost (Average of Life of Mine)			
Area	US\$/annum	% of Monazite Concentrator Plant	% of Total
Maintenance	600,000	39%	4%
Power	591,734	38%	4%
Labour	144,863	9%	1%
Miscellaneous	120,000	8%	1%
Consumables	98,679	6%	1%
Total	1,555,276	100%	
Product transport	12,255,029		89%
Total	13,810,305		100%

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Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.66.

Table 3.66 Operating costs rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.9.3.3 Capital costs

Capital Costs for the Monazite Concentration Plant (MCP), shown in Table 3.67 below, were calculated by Lycopodium to be \$71.1M to an accuracy of -20%/+30%, which is consistent with an early-stage PFS study. AMC finds this range of accuracy reasonable.

A Construction Capital Sensitivity Value of 15% was also applied to the total construction costs within the Financial Model, bringing the total capital expenditure is US\$81.7M.

Table 3.67 Monazite (MCP) Capex

Capital Cost Estimate												Base Resources Ltd
Summary x Main Area												Yukon South Monazite Concentrator PFS - Rev 02
												Project Country: MO
	Supply Cost	Labour P/E	Direct Labour	Direct Equipment	Construction Distributables	Project Auxiliary	Freight Cost	Subtotal Cost	Contingency Cost	Escalation Cost	Taxes & Duties	Project Total
1 - Contractor Distributables	456,223	5,812	30,625	21,922	4,186,319	330,000	81,454	5,185,646	1,621,089	-	-	6,806,735
2 - Process Plant	6,457,025	832,472	1,563,307	326,897	-	-	2,071,844	13,146,263	2,662,491	-	-	18,239,143
3 - Infrastructure	1,891,165	83,336	448,018	554,254	-	-	-	2,985,857	585,187	-	-	3,571,125
5 - Management Costs	-	-	-	-	-	-	5,695,006	5,695,026	1,321,035	-	-	7,296,631
6 - Owner Project Costs	-	-	-	-	-	13,380,000	-	13,380,000	2,676,000	-	-	16,356,000
7 - Owner - Post-Production	-	-	-	-	-	19,115,376	-	19,115,376	3,823,074	-	-	22,938,450
	11,801,413	191,432	1,891,648	954,042	4,186,319	36,400,376	2,173,326	39,217,731	11,843,368	-	-	71,061,277

Rating

This item is rated as adequate for reporting of Ore Reserves as show in the rating table below, Table 3.68.

Table 3.68 Capital costs rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.9.3.4 Sustaining capital costs

No sustaining costs appear to have been allowed within the PFS or the Financial model.

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Rating

This item is rated as non-compliant for reporting of Ore Reserves as show in the rating table below, Table 3.69.

Table 3.69 Sustaining capital costs rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

3.9.4 Ore Reserve

A rare earths Monazite Project has been imbedded into the Project financial model based on capital and operating costs sourced from a Pre-Feasibility Study (PFS) undertaken by Base and is dated March 2024.

The Rare Earths Monazite Project reflects the development of a monazite concentration plant (MCP), in addition to the Stage 1 and Stage 2 processing plants required for the mineral sands project, to produce a concentrated monazite product from the waste stream coming out of the MSP.

While the integration of the potential monazite exploitation into the PFS version of the project financial model shows promise, the March 2024 PFS supporting technical study work falls short of fully addressing this potential. The current processes do not support the quotation of an Ore Reserve that is inclusive of monazite, rendering them non-compliant with JORC Code guidelines. Addressing these deficiencies through more comprehensive studies is essential for establishing an accurate view of the project's economic viability and achieving compliance for Ore Reserve reporting.

AMC acknowledges the potential for commercially viable REE extraction from the monazite waste stream, suggesting that Base could enhance the project's economic viability. However, the PFS falls short in fully exploring the project's value through comprehensive geological, metallurgical, and mining studies

Based on the analysis of the provided data and our review, AMC finds that the processes governing the quotation of an Ore Reserve that is inclusive of monazite (essential for valuing a mineral project under the VALMIN code) lack validity to support the quotation of a mining inventory and subsequent Ore Reserve reporting. Specifically, the lack of a granted mining lease that includes monazite exploitation prevents the legitimate pursuit of potential value that could be achieved through the extraction and sale of the REE derived from the monazite components of the orebody. As a result of these findings, the rating of the Rare Earths Monazite PFS for the inclusion of monazite and REE into the mining inventory is deemed non-compliant.

Rating

This item is rated as non-compliant for reporting of Ore Reserves as show in the rating table below, Table 3.70.

Table 3.70 Monazite Project Ore Reserve rating

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

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4 Conclusions

4.1 Kwale

4.1.1 Mineral Resource review

AMC have assessed whether the Kwale Mineral Resources align with JORC Code guidelines for the purposes of JORC compliant Mineral Resource reporting and suggests avenues for addressing deficiencies.

Upon analysing the provided data and conducting the review, AMC concludes that the processes governing the Project's Mineral Resource work demonstrate adequate data collection and estimation practices. However, AMC notes shortcomings in the data validation process for the Mineral Resource estimate. Despite these concerns, given the short remaining mine life, the opportunity to rectify these issues has likely passed.

AMC considers the technical quality of data management, estimation processes, and calculations used to generate the Mineral Resource estimate as sufficient, thus rendering the estimate technically compliant.

AMC assessed that there is minimal economic potential for converting additional viable mining inventory from the remaining explored Kwale Mineral Resources.

There remains room for improvement in reporting the Mineral Resource estimate, particularly in the assessment and reporting of RPEEE. Although the current reporting lacks discussion on RPEEE, rendering it non-compliant, Kwale being an operating mine suggests potential for RPEEE within the estimated Mineral Resource. AMC acknowledges that the opportunity to address these reporting deficiencies may have passed, yet Base could have considered including RPEEE in the December 2023 Mineral Resource estimate for completeness.

Overall, the reporting of the Mineral Resources at Kwale supports the current mining inventory for Ore Reserve reporting, thus deemed adequate by AMC. (as shown in Table 4.1).

Table 4.1 Overall summary of Mineral Resources compliance (Kwale)

Discipline Component	Description	Colour
Geology Data Collection	Generally, to industry accepted practice.	Yellow
QA/QC	No material bias in available data	Yellow
Bulk Density	Adopted value not validated.	Yellow
Data Validation	No independent data validation for Mineral Resource.	Yellow
Geology Interpretation	Geology interpretation is sound. Evidence of detailed understanding.	Green
Grade Estimate	Accepted practices followed	Yellow
Overall Technical Rating	The data collection, assessment interpretation and estimation processes are acceptable to generate a Mineral Resource estimate for reporting.	Yellow
Mineral Resource Classification and Reporting	No consideration of RPEEE in reporting.	Red
Overall rating	The Mineral Resources were estimated using adequate data and processes. The non-reporting of RPEEE is considered not an issue for the overall rating given the mine is already operating and nearing its end.	Yellow

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4.1.2 Hydrogeological review

AMC has evaluated the hydrogeological conditions relevant to the cessation of mining activities at Kwale. While the overall hydrogeology is generally suitable for this transition, certain specific considerations require attention.

From a hydrogeological perspective, the cessation of mining by Base Resources involves transferring the borefield to the authorities, except for BH8, which will be handed over to the community. The Mukurumudzi dam may continue to be used by third-party agribusiness initiatives.

The entity assuming control of the borefield will need to comply with the legislation and permit requirements outlined in Kenya Water Law. Furthermore, with the ongoing use of the Mukurumudzi dam by other parties, appropriate management of dam operations will be essential for whoever assumes ownership of the dam assets.

Upon analysing the provided hydrogeological data and conducting a thorough review, AMC concludes that the processes governing the Project's hydrogeology work sufficiently support the reporting of Ore Reserves (as shown in Table 4.2). Therefore, these processes are deemed compliant according to regulatory standards.

Table 4.2 Overall summary of hydrogeology compliance (Kwale)

Hydrogeology – key aspects	Description	Colour
Borefield	Adequate for reporting of Ore Reserves	Yellow
Mukurumudzi dam	Adequate for reporting of Ore Reserves	Yellow
Overall rating	Overall rating is "Compliant"	Yellow

4.1.3 Geotechnical review

This geotechnical review of Kwale reflects AMC's assessment of whether the Project's geotechnical practices align with JORC Code guidelines to support the reporting of an Ore Reserve statement. The identified deficiencies and proposed actions are detailed below.

After analysing the provided data and conducting our review, AMC has identified a specific deficiency in the Project's ESG work related to geotechnical stability analyses. Notably, long-term slope stability analyses around the pit edge have not been conducted, posing significant safety concerns, especially where infrastructure adjoins the pit edge. Consequently, the current geotechnical work does not adequately support the mining inventory and is insufficient for reporting Ore Reserves. Therefore, these practices are rated as requiring improvement for Ore Reserve reporting, as indicated in Table 4.3.

All necessary geotechnical parameters for conducting stability analyses at this deposit have been acquired. The effort required to rectify this deficiency to meet DFS standards is estimated to be less than one day. It involves modelling three to four representative sections around the pit edge using Limit Equilibrium analysis, which would sufficiently address the identified deficiency.

Table 4.3 Overall summary of geotechnical compliance (Kwale)

Discipline component	Description	Colour
Geological model	Adequate for reporting Ore Reserves at DFS level	Yellow
Rock mass model	Adequate for reporting Ore Reserves at DFS level	Yellow
Geotechnical model	Adequate for reporting Ore Reserves at DFS level	Yellow
Slope stability assessments	Needs to improve for reporting of Ore Reserves	Red
Overall rating	Requires slope stability assessments to be carried out. However, the consequences of slope failure are assessed to be low (unless adjacent to infrastructure), given that the geotechnical risks can be managed operationally.	Red

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4.1.4 Metallurgical & processing review

This Processing review by AMC assesses whether the processing aspects of the Kwale Project align with JORC Code guidelines to support the reporting of an Ore Reserve statement. The evaluation of deficiencies and proposed improvements is detailed below.

After analysing the provided data and conducting our review, AMC concludes that the processes governing the Project's Processing work demonstrate compliance with industry standards. These processes effectively support the current mining inventory and meet the requirements for reporting an Ore Reserve. Therefore, they are rated as meeting Industry Standard. (as shown in Table 4.4).

Table 4.4 Overall summary of Processing compliance

Processing – key aspects	Description	Colour
Plant design	Plant design has proven capability to deliver planned operating performance.	
Throughput	Plant has proven capability to deliver planned operating performance.	
Recoveries	Plant has proven capability to deliver planned operating performance.	
Product quality	No significant quality-related issues noted in the Review.	
Opex	Opex is well below plan in FY2024.	
Overall rating	Industry standard	

4.1.5 Environment, Social & Governance (ESG) review

Following the review of the Kwale project data, AMC has reached a conclusion regarding the ESG practices implemented at Kwale Operations. AMC's assessment indicates that overall, Kwale Operations are well-managed and adhere to international best practices to the extent feasible.

The processes governing the Project's ESG work demonstrate a commitment to maintaining high standards in environmental stewardship, social responsibility, and governance practices. These efforts are aligned with industry norms and reflect a proactive approach towards sustainable mining operations.

As a result of this evaluation, AMC rates the ESG practices at Kwale Operations as meeting industry standards. This assessment underscores the project's dedication to responsible resource development and its efforts to mitigate environmental impacts while positively contributing to local communities and adhering to governance guidelines (as shown in Table 4.5).

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Table 4.5 Overall summary of ESG compliance (Kwale)

ESG component	Description	Colour
Regulatory approvals	All approvals appear to be in place or in an advanced stage of planning to allow for rehabilitation and closure to commence.	Green
Social and environmental assessment	Social and environmental assessments to date appear to have been comprehensive. Planned specialist studies will guide rehabilitation and closure further.	Green
Stakeholder engagement	To date stakeholder engagement appears to have been satisfactory. Plans are in place for closure-related stakeholder engagement, with a Stakeholder Engagement Plan still to be compiled.	Green
Biodiversity conservation	Planning for closure involves post-closure land use options that include sustainable conservation options. Management measures to date include addressing commitments made in terms of biodiversity.	Green
Rehabilitation and closure	Rehabilitation and Closure is adequate (compliant) for the current purposes. Clarification on addressing downstream risk of TSF will improve this rating.	Yellow
Alignment with Equator Principles	Most of the impact management and mitigation to date appears guided by international good practice. The Project could be fairly simply aligned with the Equator Principles.	Green
Overall rating	ESG work is considered to be equivalent to industry standard for the purpose of quotation of an Ore Reserve	Green

4.1.6 Ore Reserve Review

This Ore Reserve review provides AMC's assessment of whether Base's modifying factors and subsequent mine planning activities adequately support the reported Ore Reserve statement in accordance with JORC Code guidelines.

A review of the mining costs for the Kwale operation indicates that the projected cost profile for the remainder of the project aligns with the costs achieved so far. Therefore, the cost profile is deemed adequate for reporting Ore Reserves and is accurately reflected in the Base financial modelling, supporting the economic viability of the remaining mine life.

After reviewing the provided Project data and conducting a comprehensive review, AMC concludes that the methodologies and procedures governing the Kwale project's Ore Reserve estimation have reached a level of development that sufficiently supports the current mining inventory. These processes are deemed adequate for the reporting of Ore Reserves. (as shown in Table 4.6).

Table 4.6 Overall summary of Ore Reserve reporting compliance (Kwale)

Discipline component	Description	Colour
Mineral Resource model base	Adequate for reporting Ore Reserves	Yellow
Dilution of model	Adequate for reporting Ore Reserves	Yellow
Depletion and exclusion	At industry standard for reporting Ore Reserves	Green
Pit optimization, design & scheduling	At industry standard for reporting Ore Reserves	Green
Mining cost	At industry standard for reporting Ore Reserves	Green
Modifying factors	Adequate for reporting Ore Reserves	Yellow
Overall rating	Adequate for the reporting of Ore Reserves	Yellow

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4.2 Toliara

4.2.1 Mineral Resource review

This Mineral Resource review presents AMC's assessment of whether the Ranobe Mineral Resources adequately support the reporting of an Ore Reserve statement in accordance with the JORC Code guidelines and outlines how deficiencies can be addressed.

After analysing the provided data and conducting the review, AMC concludes that the processes governing the Project's Mineral Resource work demonstrate adequate data collection and estimation practices. The Mineral Resource estimate is technically compliant and suitable as the basis for an Ore Reserve.

AMC understands that there were disruptions to the exploration activities at Ranobe in 2018 and 2019. Since then, the government has prohibited any access to the site.

However, the reporting of the Mineral Resource estimate lacks crucial elements, particularly the assessment and reporting of RPEEE, as mandated by the JORC Code. This omission is significant, especially considering historical access restrictions and the current uncertainty regarding future site access by government authorities.

Despite these challenges, the Mineral Resource is considered adequate to support the current mining inventory for reporting Ore Reserves. Consequently, the Ranobe Mineral Resource is rated overall as compliant, as indicated in Table 4.7. It is important to note that while there are promising indications from the mining minister, securing necessary approvals remains uncertain, with potential risks of continued restrictions.

AMC recommends full disclosure in future reporting of the Mineral Resource estimate, urging the Competent Person to include discussions on RPEEE to address current deficiencies and enhance transparency.

Table 4.7 Overall summary of Mineral Resources compliance (Toliara)

Discipline Component	Description	Colour
Geology Data Collection	Limited records of logging processes. No record of early assay details. Otherwise, generally to industry accepted practice.	Yellow
QA/QC	No QA/QC in 2001 and limited testing in 2003. No material bias in available data	Yellow
Bulk Density	Sand replacement method used. Adopted formula not validated.	Yellow
Data Validation	Data validated for Mineral Resource by IHC Robbins. No on-site validation loading database.	Yellow
Geology Interpretation	Geology interpretation is sound. Evidence of detailed understanding	Green
Grade Estimate	Accepted practices followed	Green
Overall Technical Rating	The data collection, assessment interpretation and estimation processes are acceptable to generate a technically compliant Mineral Resource estimate for reporting.	Yellow
Mineral Resource Classification and Reporting	No consideration of RPEEE in reporting. This is a significant factor given ongoing access restrictions.	Red
Overall rating	RPEEE aside, the Mineral Resources were estimated using adequate data and processes and is technically sound. Reporting of the Mineral Resource should consider RPEEE given the situation at Ranobe.	Yellow

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4.2.2 Hydrogeological review

This hydrogeology review presents AMC's assessment of whether the Project's hydrogeological aspects are sufficient to support the reporting of an Ore Reserve statement in accordance with the JORC Code guidelines and discusses how deficiencies can be addressed.

Given that the proposed mining inventory does not intersect the water table, pit dewatering is solely necessary for managing process spillage and stormwater. Adequate measures are in place to mitigate the impact of incident rainfall on the open pits.

Furthermore, an Eocene limestone aquifer located east of the project site has been identified as a potential water source. Testing and modeling results strongly indicate that the four borefields could supply the required 976m³/hr for the 18 Mtpa plant. However, additional groundwater investigations are needed to verify the borefields' productivity.

Following the analysis of the provided hydrogeology data and conducting the review, AMC concludes that the processes governing the Project's hydrogeology work adequately demonstrate support for reporting an Ore Reserve. Therefore, they are rated as compliant with JORC Code requirements. (as shown in Table 4.8).

Table 4.8 Overall summary of hydrogeology compliance (Toliara)

Hydrogeology Key Aspect	Description	Colour
Dewatering	Equivalent to or better than peers	Green
Water supply	Adequate for reporting of Ore Reserves	Yellow
Overall rating	Overall rating is "Compliant"	Yellow

4.2.3 Geotechnical review

This geotechnical review presents AMC's assessment of whether the Project's geotechnical activities are adequate to support the reporting of an Ore Reserve statement in accordance with the JORC Code guidelines at DFS level.

Following the analysis of the provided data and conducting the review, AMC concludes that the processes governing the Project's geotechnical work demonstrate adequacy in addressing the geotechnical aspects, as only the USU (plus the minor SSU) is intended to be mined. In this scenario, they are rated as sufficient for reporting Ore Reserves (as indicated in Table 4.9).

However, considering the nature of underlying units such as the ICSU, further geotechnical work would be necessary if there are plans to mine these units to adequately characterize them for a DFS-level study.

Table 4.9 Overall summary of geotechnical compliance (Toliara)

Discipline Component	Description	Colour
Geological model	Adequate for reporting Ore Reserves at DFS level	Yellow
Rock mass model	Adequate for reporting Ore Reserves at DFS level	Yellow
Geotechnical model	Adequate for reporting Ore Reserves at DFS level	Yellow
Slope stability assessments	Adequate for reporting Ore Reserves at DFS level	Yellow
Overall rating	Adequate for reporting Ore Reserves at DFS level, for USU and SSU mining only.	Yellow

4.2.4 Metallurgical & processing review

This metallurgical and processing review has provided AMC's evaluation of whether the Processing aspects of the Project meet the requirements for reporting an Ore Reserve statement according to the JORC Code guidelines, along with recommendations for addressing any deficiencies.

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After analysing the provided data and conducting a thorough review, AMC has determined that the processes overseeing the Project's processing work are in compliance with the stipulated guidelines. These processes adequately support the current mining inventory and are suitable for reporting a Mineral Sands Ore Reserve. Consequently, AMC rates the Processing aspects of the Toliara Project as Compliant (as shown in Table 4.10).

This assessment reflects that the processing methodologies and procedures in place align with industry standards and are robust enough to ensure accurate reporting of Ore Reserves.

Table 4.10 Overall summary of Processing compliance (Toliara)

Processing – key aspects	Description	Colour
Testing programs	Industry standard – sampling, type & quantity of testing appropriate.	Green
Plant designs	Appropriate for the stage of development.	Green
Throughput	Plant designs capable of achieving required production.	Green
Recoveries	Plant designs capable of achieving required production.	Green
Mineral Sands product quality	Adequate for reporting of Resources and Ore Reserves	Yellow
Overall rating	Overall Processing rating is "Compliant".	Yellow

4.2.5 Environment, Social & Governance (ESG) review

Following review of the provided Project data, AMC has reached the conclusion that the processes governing the Project's ESG work reflect a commitment to adhering to international best practices. However, it is important to note that these practices can only be fully implemented once the government lifts the suspension.

As a result of AMC's assessment, the Project's ESG efforts are rated as compliant, as depicted in Table 4.11. Nevertheless, regulatory approvals are deemed non-compliant until the suspension is lifted, and all necessary permits are secured to commence with the Project.

This rating underscores the Project's proactive stance in aligning with global standards for environmental and social responsibility, contingent upon the timely resolution of regulatory matters by the governing authorities.

Table 4.11 Overall summary of ESG compliance (Toliara)

ESG component	Description	Colour
Regulatory approvals	No confirmation from government that suspension will be lifted but other approvals are in place to commence the Project as soon as it is lifted	Red
Social and environmental assessment	Comprehensive studies, some outdated and need updating. These will commence when suspension is lifted	Yellow
Stakeholder engagement	Various working groups have been formed, will commence engagement when suspension is lifted	Yellow
Biodiversity conservation	Intention to develop Biodiversity Action Plan and consider offset strategies	Yellow
Rehabilitation and closure	Only a conceptual closure plan and outdated closure costing	Yellow
Alignment with Equator Principles	Intention of aligning the Project with Equator Principles, some evidence of this being done to date	Yellow
Overall Rating	Adequate for reporting of Ore Reserves	Yellow

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4.2.6 Mineral Sands product market review

AMC commissioned TZMI to conduct a comprehensive quality assessment of the planned products from Base's Toliara Project in Madagascar. The scope of this engagement encompassed several key areas:

- Evaluation of the quality aspects pertaining to the planned products from the Toliara Project, with specific focus on market positioning and achievable pricing.
- The products under scrutiny include sulphate ilmenite, slag ilmenite, chloride ilmenite, rutile, and zircon.

AMC maintains that the quality considerations of these mineral sands products are compliant with industry standards. Therefore, they are deemed adequate for the reporting of Ore Reserves, as indicated in the rating table below. Table 4.12.

Table 4.12 Mineral Sands product market assessment (Toliara)

Rating	Description	Colour
Industry standard	Equivalent to or better than peers	
Compliant	Adequate for reporting of Ore Reserves	
Non-compliant	Needs to improve for reporting of Ore Reserves	

4.2.7 Mineral Sands Ore Reserve review

This Ore Reserve review by AMC presents an evaluation of whether Base's modifying factors and subsequent mine planning activities adequately support the quoted mineral sands Ore Reserve statement in accordance with JORC Code guidelines. Following a thorough analysis of the provided data and conducting a comprehensive review, AMC concludes that the processes governing the Ore Reserve estimation for the Toliara project have reached a sufficient level of development to support the current mining inventory and are adequate for reporting Ore Reserves for the project's mineral sands inventory.

However, upon detailed scrutiny, AMC has identified deficiencies in the Toliara Mineral Resource estimate in several critical areas. Specifically, there is a notable absence in the assessment and reporting of RPEEE, as mandated by the JORC Code. This omission is significant, particularly considering the project's historical challenges with access restrictions and the absence of clear evidence indicating that government access to the site will be granted in the foreseeable future.

A review of the projected mining and processing costs for the Toliara project indicates that the cost profile for the mineral sands components, after some minor recommended adjustments are deemed adequate for the reporting of an Ore Reserve, and support the economic viability of the project. This assessment excludes the proposed auxiliary project value derived from the on-processing of the monazite waste stream, as described in Base's PFS study, which focuses on value addition from the potential exploitation of rare earth minerals.

As a result of these findings, the rating of the Ore Reserves for the project's mineral sand inventory is deemed compliant, as indicated in Table 4.13.

Table 4.13 Overall summary of Mineral Sand Ore Reserve compliance (Toliara)

Discipline component	Description	Colour
Mineral Resource model base	Adequate for reporting Ore Reserves	
Dilution of model	Adequate for reporting Ore Reserves	
Pit optimization, design & scheduling	At industry standard for reporting Ore Reserves	
Product market pricing	Adequate for reporting Ore Reserves	
Mining financial modelling	Adequate for reporting Ore Reserves	
Modifying factors	Adequate for reporting Ore Reserves	
Overall rating	Adequate for reporting Ore Reserves	

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4.2.8 Rare Earths Monazite PFS review

This review presents the opinion of AMC as to whether the Monazite Project support the reporting of an Ore Reserve statement in alignment with the JORC Code guidelines, and how deficiencies can be addressed.

Base Resources integrated a Rare Earths Monazite Project into its financial model, incorporating capital and operating costs from a Pre-Feasibility Study (PFS) dated March 2024. This initiative includes establishing a monazite concentration plant (MCP) alongside the Stage 1 and Stage 2 processing plants required for the mineral sands project. The MCP aims to produce concentrated monazite from the waste stream of the MSP.

While the integration of the potential monazite exploitation into the PFS version of the project financial model shows promise, the March 2024 PFS supporting technical study work falls short of fully addressing this potential. The current processes do not support the quotation of an Ore Reserve that is inclusive of monazite, rendering them non-compliant with JORC Code guidelines. Addressing these deficiencies through more comprehensive studies is essential for establishing an accurate view of the project's economic viability and achieving compliance for Ore Reserve reporting.

AMC acknowledges the potential for commercially viable REE extraction from the monazite waste stream, suggesting that Base could enhance the project's economic viability. However, the PFS falls short in fully exploring the project's value through comprehensive geological, metallurgical, and mining studies

Based on the analysis of the provided data and our review, AMC finds that the processes governing the quotation of an Ore Reserve that is inclusive of monazite (essential for valuing a mineral project under the VALMIN code) lack validity to support the quotation of a mining inventory and subsequent Ore Reserve reporting. Specifically, the lack of a granted mining lease that includes monazite exploitation prevents the legitimate pursuit of potential value that could be achieved through the extraction and sale of the REE derived from the monazite components of the orebody. As a result of these findings, the rating of the Rare Earths Monazite PFS for the inclusion of monazite and REE into the mining inventory is deemed non-compliant, as detailed in Table 4.14 below.

Table 4.14 Monazite Overall summary of compliance

Discipline component	Description	Colour
Monazite Resource Modelling	Grade distribution non-compliant for reporting Ore Reserves	Red
Product market pricing	Adequate for reporting Ore Reserves	Yellow
Operating cost estimation	At industry standard for reporting Ore Reserves	Green
Capital cost estimation	Adequate for reporting Ore Reserves	Yellow
Sustaining capital cost estimation	Non-compliant for reporting Ore Reserves	Red
Ore Reserve quotation	Non-compliant for reporting Ore Reserves	Red
Overall rating	Non-compliant for reporting Ore Reserves	Red

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Annexure 4 – Scheme of arrangement

SCHEME OF ARRANGEMENT – SHARE SCHEME

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

between

Base Resources Limited
ACN 125 546 910

and

EACH PERSON REGISTERED AS A HOLDER OF FULLY PAID ORDINARY SHARES IN BASE RESOURCES LIMITED AS AT 5.00 PM ON THE RECORD DATE

1. Preliminary

1.1 Company Limited

- (a) The Company is a public company incorporated in Australia and registered in Western Australia and is a company limited by shares.
- (b) The Company has been admitted to the official list of the ASX and the:
 - (i) Company Shares are quoted for trading on the financial market operated by the ASX; and
 - (ii) Company DIs (representing Company Shares) are quoted on AIM.

1.2 Bidders

Bidder Holdco is a company incorporated in the Province of Ontario, Canada.

Bidder AU is a company incorporated in Australia and registered in the State of Victoria, Australia and is a proprietary company limited by shares.

1.3 Effect of Scheme

If this Scheme becomes Effective, then:

- (a) in consideration of the transfer of each Company Share to Bidder AU and cancellation of the Company DIs, Bidder Holdco will provide the Scheme Consideration to Scheme Shareholders and Scheme DI Holders in accordance with the terms of this Scheme and the Deed Poll;
- (b) all of the Company Shares, and all the rights and entitlements attaching to them as at the Implementation Date, held by Scheme Shareholders will be transferred to Bidder AU;
- (c) the Company will enter the name of Bidder AU in the Register in respect of all of the Company Shares transferred to Bidder AU in accordance with the terms of this Scheme; and
- (d) the Company will become a wholly-owned subsidiary of Bidder AU.

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1.4 Scheme Implementation Deed

Bidder Holdco, Bidder AU and the Company have agreed, by executing the Scheme Implementation Deed, to fulfil their respective obligations under that agreement and to implement this Scheme.

1.5 Deed Poll

Bidder Holdco and Bidder AU have entered into the Deed Poll in favour of Scheme Shareholders pursuant to which Bidder Holdco has covenanted to provide to each Scheme Shareholder the Scheme Consideration to which such Scheme Shareholder is entitled under this Scheme and to carry out its other obligations under this Scheme.

2. Conditions**2.1 Conditions precedent to this Scheme**

This Scheme is conditional on and will come into effect only if:

- (a) neither the Scheme Implementation Deed nor the Deed Poll have been terminated in accordance with their respective terms before 8.00am on the Second Court Date;
- (b) all of the Conditions Precedent in clause 3.1 of the Scheme Implementation Deed have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed (other than the Condition Precedent in clause 3.1(e) of the Scheme Implementation Deed relating to the Court approving this Scheme in accordance with section 411(4)(b) of the Corporations Act) by 8.00am on the Second Court Date;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, the Company and Bidder Holdco having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by the Company and Bidder Holdco having been satisfied or waived; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme on or before the End Date (or any later date the Company and Bidder Holdco agree in writing in accordance with the Scheme Implementation Deed).

2.2 Effect of Conditions

The fulfilment of the conditions in clause 2.1 is a Condition Precedent to the operation of clauses 3, 4 and 6 of this Scheme.

2.3 Certificate

- (a) Each of the Company, Bidder Holdco and Bidder AU will provide to the Court at the Second Court Hearing a certificate in the form of a deed and substantially in the form set out in Annexure D of the Scheme Implementation Deed, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) that all the Conditions Precedent in the Scheme Implementation Deed

and this Scheme (other than Court approval under section 411(4)(b) of the Corporations Act) have been satisfied or waived.

- (b) The certificates referred to in clause 2.3(a) will constitute conclusive evidence that such Conditions Precedent were satisfied or waived or taken to have been waived as at 8.00 am on the Second Court Date.

2.4 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) this Scheme does not become Effective on or before the End Date; or
- (b) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with their respective terms,

unless Bidder Holdco, Bidder AU and the Company otherwise agree in writing.

3. Scheme Implementation

3.1 Lodgement of Court Order with ASIC

As soon as possible following the approval of this Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, the Company must lodge with ASIC under section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme.

3.2 Transfer of Company Shares held by Scheme Shareholders

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 4.2:
 - (i) the Company Shares held by Scheme Shareholders, together with all rights and entitlements attaching to the Scheme Shares as at that date, must be transferred to Bidder AU without the need for any further acts by Scheme Shareholders (other than acts performed by the Company as attorney and agent for the Scheme Shareholders under clause 7.5) by:
 - (A) the Company delivering to Bidder AU a duly completed and executed master transfer form (executed by the Company as the attorney for the Scheme Shareholders) to transfer all of the Company Shares held by Scheme Shareholders to Bidder AU; and
 - (B) Bidder AU duly executing the master transfer form, attending to the stamping of the master transfer form (if required) and delivering it to the Company for registration; and
 - (ii) the Company DIs must be cancelled by Computershare Investor Services PLC, and the Company must request it to do so, without the need for any further acts by the Scheme DI Holders; and
- (b) immediately following receipt of the master transfer form in accordance with clause 3.2(a)(i)(B), but subject to the stamping of the master transfer form (if required), the Company will record Bidder AU in the Register as holder of all the Company Shares transferred to Bidder AU under this Scheme.

3.3 Agreement by Scheme Shareholders

In consideration of receipt of the Scheme Consideration by the Scheme Shareholders (including the Depositary, for and on behalf of the Scheme DI Holders, as bare trustee), the Scheme Shareholders (including the Depositary) agree to the transfer of all of their Company Shares to Bidder AU and the Depositary accepts the cancellation of the Company DIs.

4. Scheme Consideration**4.1 Scheme Consideration**

- (a) Subject to clause 4.1(b), on the Implementation Date, in consideration of the transfer of the Company Shares to Bidder AU under this Scheme, Bidder Holdco must issue the Scheme Consideration to each Scheme Shareholder in accordance with the terms of this Scheme.
- (b) Bidder Holdco must discharge its obligation to issue the Scheme Consideration to the Depositary under this Scheme by issuing the Scheme Consideration to the Scheme DI Holders in accordance with the terms of this Scheme (it being acknowledged that Bidder Holdco will not issue the Scheme Consideration to the Depositary directly under this Scheme and that the issue of the Scheme Consideration to the Scheme DI Holders in accordance with the terms of the Scheme will constitute full, final and proper discharge of Bidder Holdco's obligation to issue the Scheme Consideration to the Depositary).

4.2 Provision of Scheme Consideration

Subject to clauses 4.3, 4.6 and 4.8, the obligation of Bidder Holdco to provide, or procure the provision of, the Scheme Consideration to the Scheme Shareholders will be satisfied by Bidder Holdco:

- (a) on the Implementation Date, issuing the Scheme Consideration comprising New Bidder Holdco Shares to each Scheme Shareholder (and in the case of the Depositary, to each Scheme DI Holder in accordance with clause 4.1(b)) and procuring that the name and address of each such Scheme Shareholder and Scheme DI Holder is entered in the share register of Bidder Holdco in respect of those New Bidder Holdco Shares; and
- (b) procuring that as soon as practicable following the Implementation Date (and in any event, on or before the date that is five Business Days after the Implementation Date), a share certificate or direct registration system holding statement (or equivalent document) is sent to the Registered Address of each Scheme Shareholder (and in the case of the Depositary, to each Scheme DI Holder in accordance with clause 4.1(b)) representing the number of New Bidder Holdco Shares issued to the Scheme Shareholder or Scheme DI Holder pursuant to this Scheme.

4.3 Fractional Entitlements and Splitting

Where the calculation of the number of New Bidder Holdco Shares to be issued to a particular Scheme Shareholder or Scheme DI Holder would result in the Scheme Shareholder or Scheme DI Holder becoming entitled to a fraction of a New Bidder Holdco Share, the fractional entitlement will be rounded down to the nearest whole number of New Bidder Holdco Shares.

4.4 Election procedure for Small Shareholders

- (a) The Company must provide or procure that an Election Form is provided to each Small Shareholder with the Scheme Booklet that is sent to them.
- (b) Subject to clause 4.4(c), each Small Shareholder will be entitled to elect (and Bidder Holder will allow each Small Shareholder to elect) to be treated as an Electing Small Shareholder for the purposes of clause 4.6.
- (c) For an election to be valid a Small Shareholder must complete and sign the Election Form in accordance with the terms and conditions of the Election Form, the instructions in the Scheme Booklet, this Scheme and this clause 4.4 and the Election Form must be received by the Company Registry at the address specified on the Election Form by no later than 5.00pm on the second Business Day before the Record Date, which is currently expected to be on 18 September 2024.
- (d) The Election Form must include the relevant matters set out in this Scheme and must otherwise be in a form agreed by the Company and Bidder Holdco in writing (each acting reasonably).
- (e) The Company must procure that, to the extent reasonably practicable, the Company Shareholders who acquired Company Shares after the date of the despatch of the Scheme Booklet and the Election Form receive an Election Form on request to the Company.

4.5 Election procedure for Small DI Holders

- (a) Subject to clause 4.5(b), the Depositary will be entitled to elect (and Bidder Holdco will allow the Depositary to elect) to be treated as an Electing Small Shareholder for the purposes of clause 4.6 separately and for and on behalf of each Small DI Holder, and only in so far as concerns relevant holdings of each such relevant Small DI Holder.
- (b) For an election to be valid, a Small DI Holder must provide an election instruction through CREST by following the instructions set out in Annexure 2 of the Scheme Booklet so that it is received by the Depositary by no later than 1.00pm (London time) on the second Business Day before the Record Date, which is currently expected to be on 18 September 2024.
- (c) For the avoidance of any doubt, if one or more Small DI Holders do not provide an election instruction, an election by one or more Small DI Holders cannot constitute the Depositary as an Electing Small Shareholder in respect of all Scheme Shares held by the Depositary.

4.6 Ineligible Foreign Shareholders and Electing Small Shareholders

- (a) Bidder Holdco has no obligation to issue any New Bidder Holdco Shares under this Scheme to any Ineligible Foreign Shareholder or Electing Small Shareholder and instead:
 - (i) subject to clauses 4.3 and 4.7, Bidder Holdco must, on or before the Implementation Date, issue the New Bidder Holdco Shares which would otherwise be required to be delivered to the Ineligible Foreign Shareholders or Electing Small Shareholders (**Relevant Bidder Holdco Shares**) under this Scheme to the Sale Agent;
 - (ii) Bidder Holdco must procure that as soon as reasonably practicable after the Implementation Date (and in any event within 30 days after the Implementation Date), the Sale Agent:

- (A) in consultation with Bidder Holdco, sells or procures the sale of the Relevant Bidder Holdco Shares in the ordinary course of trading on the TSX or the NYSE and in such manner, at such price and on such other terms as the Sale Agent reasonably determines; and
 - (B) as soon as reasonably practicable after settlement (and in any event within 10 Business Days), remits to Bidder Holdco the proceeds of the sale (after deduction of any reasonable brokerage or other selling costs, taxes and charges) in United States dollars (**Proceeds**);
- (iii) promptly after receiving the Proceeds in respect of the sale of all of the Relevant Bidder Holdco Shares in accordance with clause 4.6(a)(ii)(B), Bidder Holdco must pay, or procure the payment of, to each Ineligible Foreign Shareholder and Electing Small Shareholder the amount 'A' calculated in accordance with the following formula and rounded down to the nearest cent (with such payment to be made in accordance with clause 4.6(c)):

$$A = \left(\frac{B}{C} \right) \times D$$

Where

A = the amount to be paid to the relevant Ineligible Foreign Shareholder or Electing Small Shareholder in accordance with clause 4.6(c);

B = the number of Relevant Bidder Holdco Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder or Electing Small Shareholder had it not been (as the case may be) an Ineligible Foreign Shareholder or Electing Small Shareholder and which were instead issued to the Sale Agent;

C = the total number of Relevant Bidder Holdco Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders or Electing Small Shareholders collectively and which were issued to the Sale Agent; and

D = the Proceeds (as defined in clause 4.6(a)(ii)(B)).

- (b) The Ineligible Foreign Shareholders and Electing Small Shareholders acknowledge that none of Bidder Holdco, Bidder AU, the Company nor the Sale Agent gives any assurance or representation as to the price that will be achieved for the sale of New Bidder Holdco Shares described in clause 4.6(a) or the amount of proceeds of sale to be received by Ineligible Foreign Shareholders and Electing Small Shareholders under the Sale Facility. Each of the Company, Bidder Holdco or Bidder AU and the Sale Agent expressly disclaim any fiduciary duty to the Ineligible Foreign Shareholders and Electing Small Shareholders which may arise in connection with this clause 4.6.
- (c) Bidder Holdco or Bidder AU must make, or procure the making of, payments to Ineligible Foreign Shareholders and Electing Small Shareholders under clause 4.6(a) by direct credit to the bank account nominated before the Record Date, with such payment:
 - (i) for Ineligible Foreign Shareholders that are Scheme Shareholders and Electing Small Shareholders that are Small Shareholders, to be in Australian dollars, unless the Company Shareholder elects to be paid by direct credit in US dollars or British pounds sterling by providing banking

- details for a financial institution in the relevant currency prior to the Record Date;
- (ii) for Ineligible Foreign Shareholders that are Scheme DI Holders, to be in British pounds sterling; and
 - (iii) for Electing Small DI Holders in respect of which the Depositary is being treated as an Electing Small Shareholder, to be in British pounds sterling and made directly to the relevant Electing Small DI Holder.
- (d) If Bidder Holdco or Bidder AU receives professional advice that any withholding or other tax is required by law or by a Governmental Agency to be withheld from a payment to an Ineligible Foreign Shareholder or Electing Small Shareholder, Bidder Holdco is entitled to withhold the relevant amount before making the payment to the Ineligible Foreign Shareholder or Electing Small Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Scheme, including clause 4.6(a)(iii)). Bidder Holdco or Bidder AU must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Foreign Shareholder or Electing Small Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Foreign Shareholder or Electing Small Shareholder.
- (e) Each Ineligible Foreign Shareholder or Electing Small Shareholder appoints Bidder Holdco as its agent to receive on its behalf any financial services guide (or similar or equivalent document) or other notices (including any updates of those documents) that the Sale Agent is required to provide to Ineligible Foreign Shareholders or Electing Small Shareholders under the Corporations Act or any other applicable law.
- (f) Payment of the amount 'A' calculated in accordance with clause 4.6(a) to an Ineligible Foreign Shareholder or Electing Small Shareholder in accordance with this clause 4.6 satisfies in full the Ineligible Foreign Shareholder's or Electing Small Shareholder's right to the Scheme Consideration.
- (g) Where the issue of New Bidder Holdco Shares to which a Company Shareholder or Company DI Holder would otherwise be entitled under this Scheme would result in a breach of law:
- (i) Bidder Holdco will issue the maximum possible number of New Bidder Holdco Shares to the Company Shareholder or Company DI Holder without giving rise to such a breach; and
 - (ii) any further New Bidder Holdco Shares to which that Company Shareholder or Company DI Holder is entitled, but the issue of which to the Company Shareholder would give rise to such a breach, will instead be delivered to the Sale Agent and dealt with under the preceding provisions in this clause 4.6, as if a reference to Ineligible Foreign Shareholders also included that Company Shareholder or Company DI Holder and references to that person's New Bidder Holdco Shares in that clause were limited to the New Bidder Holdco Shares issued to the Sale Agent under this clause.
- (h) If, for any reason, the mechanism in this clause 4.6 fails, becomes impossible or reasonably impractical to implement or the time prescribed for sale passes, Bidder Holdco or any interested person may apply to a Court for advice, directions or orders, to, so far as the Court may permit, undertake such alternative actions to as fully or effectively complete the contemplated transactions, or some broadly

comparable transaction, without the need for any alteration to this Scheme or any further scheme.

4.7 Orders of a court or Governmental Agency

If a law requires, or if written notice is given to the Company (or the Company Registry or the Depository) or Bidder Holdco (or Bidder Holdco's share registry) of an order or direction made by a court of competent jurisdiction or by another Governmental Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder (or Company DIs held by a particular Scheme DI Holder), which would otherwise be payable or required to be issued to that Scheme Shareholder (or Scheme DI Holder) by the Company or Bidder Holdco in accordance with this clause 4, or which requires an amount to be deducted or withheld from any consideration which would otherwise be payable or provided to a Scheme Shareholder in accordance with this clause 4, then the Company or Bidder Holdco (as applicable) shall be entitled to procure the provision of that consideration, or deduction or withholding, is made in accordance with that order or direction; or
- (b) prevents the Company or Bidder Holdco from providing consideration to any particular Scheme Shareholder or Scheme DI Holder in accordance with this clause 4, or the payment or issuance of such consideration is otherwise prohibited by applicable law, the Company or Bidder Holdco shall be entitled to (as applicable):
 - (i) in the case of an Ineligible Foreign Shareholder or Electing Small Shareholder or other shareholder referred to in clause 4.6, retain an amount, in United States dollars, equal to the relevant shareholder's share of the Proceeds; or
 - (ii) not to issue (or direct Bidder Holdco to issue), or to issue to a trustee or nominee, such number of New Bidder Holdco Shares that such Scheme Shareholder or Scheme DI Holder would otherwise be entitled under clause 4.2,

until such time as provision of the Scheme Consideration in accordance with this clause 4 is permitted by that (or another) order or direction or otherwise by law.

To the extent that amounts are deducted or withheld under or in accordance with this clause 4.7, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction or withhold was made.

4.8 Unclaimed monies

The Unclaimed Money Act will apply in relation to any Scheme Consideration that becomes "unclaimed money" (as defined in section 6 of the Unclaimed Money Act), but any interest or other benefit accrued from the unclaimed Scheme Consideration will be for the benefit of Bidder AU.

4.9 Status of New Bidder Holdco Shares

Bidder Holdco covenants in favour of the Company (in its own right and on behalf of the Scheme Shareholders and the Scheme DI Holders) that the New Bidder Holdco Shares required to be issued by it under this Scheme will:

- (a) on their issue rank equally in all respects with all other Bidder Holdco Shares on issue;
- (b) on their issue be duly and validly issued and authorized in accordance with all applicable laws and Bidder Holdco's articles of incorporation, by-laws and other constituent documents;
- (c) on their issue be entitled to participate in and receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Bidder Holdco Shares on and from the Implementation Date;
- (d) from the Business Day following the date this Scheme becomes Effective (or such later date as NYSE or TSX requires), be quoted and listed for trading on the NYSE and TSX; and
- (e) on their issue be fully paid, non-assessable and free of any Security Interest or encumbrance.

4.10 Joint Holders

In the case of the Company Shares or Company DIs held in joint names:

- (a) the New Bidder Holdco Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of the Company, the holder whose name appears first in the Share Register (for Company Shareholders) and the DI Register (for Company DI Holders) as at the Record Date or to the joint holders.

5. Dealings in the Company Shares

5.1 Determination of Scheme Shareholders

For the purposes of identifying the Scheme Shareholders, dealings in the Company Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Share Register as the holder of the relevant Company Shares at or before 5.00 pm on the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before 5.00 pm on the Record Date,

and the Company must not accept for registration, nor recognise for any purpose (except a transfer to Bidder AU pursuant to this Scheme and any subsequent transfer by Bidder AU or its successors in title), any transfer or transmission application or other request received

after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

5.2 Determination of Scheme DI Holders

For the purposes of identifying the Scheme DI Holders, dealings in the Company DIs or other alterations to the DI Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CREST, the transferee is registered in the DI Register as the holder of the relevant Company DIs at or before 6.00 pm (London time) on the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received at or before 6.00 pm (London time) on the Record Date,

and the Company must not accept for registration, nor recognise for any purpose any transfer or transmission application or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

5.3 Register

- (a) **(Transmission applications or transfers received at or before the Record Date):** the Company must register registrable transmission applications or transfers of the kind referred to in clause 5.1(b) and 5.2(b) by the Record Date, provided that, for the avoidance of doubt, in the case of Company Shares, nothing in this clause 5.3(a) requires the Company to register a transfer that would result in a Company Shareholder holding a parcel of the Company Shares that is less than a “marketable parcel” (for the purposes of this clause 5.3(a), “marketable parcel” has the meaning given in the Operating Rules).
- (b) **(Disposals by Scheme Shareholders or Scheme DI Holders after Scheme becomes Effective):** If this Scheme becomes Effective, a holder of Scheme Shares must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Record Date otherwise than (in the case of a holder of Scheme Shares) pursuant to this Scheme, and any attempt to do so will have no effect and the Company shall be entitled to disregard any such disposal. If this Scheme becomes Effective, the Depositary must disregard any disposal of, or purport or agree to disposal of, any Scheme DIs or any interest in them on or after the Record Date.
- (c) **(Maintaining of the Register):** for the purpose of determining entitlements to participate in this Scheme, the Company will, until the Scheme Consideration has been provided, maintain the Scheme Register and DI Register in accordance with the provisions of this clause 5 and the Scheme Register and DI Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) **(Scheme Shareholder and Scheme DI Holder details):** the Company must procure that by 9.00 am on the Implementation Date:
 - (i) details of the names, registered addresses and holdings of the Company Shares of every Scheme Shareholder as shown in the Share Register on the Record Date;
 - (ii) details of the names, registered addresses and holdings of the Company DIs of every Scheme DI Holder as shown in the DI Register on the Record Date;

are available to Bidder Holdco in such form as Bidder Holdco may reasonably require.

- (e) **(Effect of the Record Date):** From the Record Date:
- (i) all statements of holding for the Company Shares or Company DIs (other than statements of holding in favour of Bidder AU) will cease to have any effect as documents of title in respect of (as the case may be) the relevant Company Shares or Company DIs; and
 - (ii) each entry current at that date on the Share Register relating to the Company Shares and on the DI Register relating to the Company DIs will cease to be of any effect other than as evidence of entitlement to the Scheme Consideration in respect of (as the case may be) the Company Shares or Company DIs relating to that entry.

6. Quotation of Shares

6.1 Suspension of Trading in the Company Shares

- (a) The Company must apply for suspension of trading in the Company Shares on the financial market operated by ASX from the close of trading on the Effective Date.
- (b) The Company must apply for suspension of trading in the Company DIs on AIM from the commencement of trading on the Effective Date.

6.2 Termination of Official Quotation of the Company Shares on ASX and cancellation and delisting from AIM

The Company will apply for:

- (a) termination of the official quotation of the Company Shares on the financial market operated by ASX; and
 - (b) for the admission to trading of Base Resources DIs on AIM to be cancelled,
- each to take effect after this Scheme has been fully implemented.

7. General Scheme Provisions

7.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) the Company may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder Holdco (for and on behalf of Bidder Holdco and Bidder AU) has consented to in writing; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which the Company (by its counsel) has consented to.

7.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (i) agrees for all purposes to:

- (A) the transfer of their Company Shares together with all rights and entitlements attaching to those Company Shares in accordance with this Scheme;
 - (B) the variation, cancellation or modification (if any) of the rights attached to their Company Shares constituted by or resulting from this Scheme; and
 - (C) on the direction of Bidder Holdco, destroy any share certificates or holding statements relating to their Company Shares;
- (ii) that is issued New Bidder Holdco Shares, agrees to become a member of Bidder Holdco and to be bound by the certificate of incorporation, by-laws and other constituent documents of Bidder Holdco;
 - (iii) who holds their Company Shares in a CHESS Holding agrees to the conversion of those Company Shares to an Issuer Sponsored Holding and irrevocably authorises the Company to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion; and
 - (iv) acknowledges and agrees that this Scheme binds the Company and all Scheme Shareholders (including those who do not attend the Scheme Meeting and those Scheme Shareholders (and in the case of the Depositary, Scheme DI Holders) who do not vote, or vote against this Scheme, at the Scheme Meeting),

in each case, irrevocably and without the need for any further act by the Scheme Shareholder.

- (b) Each Scheme Shareholder is taken to have warranted to the Company and Bidder Holdco, and appointed and authorised the Company as its attorney and agent to warrant to Bidder Holdco, on the Implementation Date, that:
 - (i) all of their Company Shares (including any rights attaching to those shares) which are transferred to Bidder AU under this Scheme will, at the date of the transfer of the Company Shares to Bidder AU, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any Security Interests), and rights and interests of third parties of any kind, whether legal or otherwise (given that, in the case of the Company Shares held by the Depositary, the interests of Scheme DI Holders in respect of the Company DIs, which will be extinguished upon implementation of the Scheme and cancellation of the Company DIs in accordance with clauses 3.3 and 6.2(b)), and any restrictions on their transfer;
 - (ii) all of their Company Shares which are transferred to Bidder AU under this Scheme will, on the date the Company Shares are transferred to Bidder AU, be fully paid;
 - (iii) they have full power and capacity to sell and transfer their Company Shares to Bidder AU under this Scheme together with any rights and entitlements attaching to those shares; and
 - (iv) they have no existing right to be issued any Company Shares, or any options, performance rights, securities or other instruments exercisable, or convertible, into Company Shares.

- (c) The Company undertakes that it will provide such warranty in clause 7.2(b) to Bidder AU as agent and attorney of each Scheme Shareholder.
- (d) The Depositary (in its capacity as a Scheme Shareholder) provides the acknowledgements and agreements in clause 7.2(a)(ii) for and on behalf each Scheme DI Holder.

7.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme will, at the time of transfer, vest in Bidder AU free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any Security Interests) and interests of third parties of any kind, whether legal or otherwise and free from any restrictions on transfer of any kind.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (and in the case of the Depositary, to each Scheme DI Holder in accordance with clause 4.1(b)) in the manner contemplated by clause 4.2, Bidder AU will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by the Company of Bidder AU in the Share Register as the holder of the Scheme Shares.

7.4 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (and in the case of the Depositary, to each Scheme DI Holder in accordance with clause 4.1(b)) in the manner contemplated by clause 4.2 and until the Company registers Bidder AU as the holder of all Scheme Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder AU as attorney and agent (and directed Bidder AU in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder AU from time to time as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution or document (whether in person, by proxy or corporate representative);
- (b) must not attend or vote at any of those meetings, exercise the votes attaching to Scheme Shares registered in their names, or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 7.4(a));
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder AU reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 7.4(a), Bidder AU and any director, officer, secretary or agent nominated by Bidder AU under clause 7.4(a) may act in the best interests of Bidder AU as the intended registered holder of the Scheme Shares.

7.5 Authority given to the Company

- (a) Each Scheme Shareholder, without the need for any further act by the Scheme Shareholder:
 - (i) on the Effective Date, irrevocably appoints the Company and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of enforcing the Deed Poll against Bidder Holdco and Bidder AU, and the Company undertakes in favour of

each Scheme Shareholder that it will enforce the Deed Poll against Bidder Holdco and Bidder AU on behalf of and as agent and attorney for each Scheme Shareholder; and

- (ii) on the Implementation Date, irrevocably appoints the Company and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including (without limitation):
 - (A) executing the Scheme Transfer; and
 - (B) executing and delivering any deed or document required by Bidder Holdco, that causes each Scheme Shareholder and each Scheme DI Holder to become a shareholder of Bidder Holdco and to be bound by the certificate of incorporation and by-laws of Bidder Holdco,

and the Company accepts each such appointment.

- (b) The Company acknowledges that the Depositary holds the benefit of all provisions of the Deed Poll providing rights or any other form of benefit in favour of a Scheme DI Holder on trust for that Scheme DI Holder (the **Trust Provisions**) and, as a consequence (and without limiting clause 7.5(a)), further acknowledges that, in the case of the Depositary, the appointment and undertaking set out in clause 7.5(a)(i) extends to the enforcement of the Trust Provisions in the Deed Poll on behalf of a Scheme DI Holder.
- (c) The Company as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.5 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

7.6 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Governmental Agency), all instructions, notifications or elections by a Scheme Shareholder or a Scheme DI Holder to the Company that are binding or deemed binding between the Scheme Shareholder or Scheme DI Holder and the Company relating to the Company or Company Shares, including instructions, notifications or elections relating to:

- (a) payments of dividends on Company Shares; and
- (b) notices or other communications from the Company (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by Bidder Holdco in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder or Scheme DI Holder to Bidder Holdco and to be a binding instruction, notification or election to, and accepted by, Bidder Holdco in respect of the New Bidder Holdco Shares issued to that Scheme Shareholder or Scheme DI Holder until that instruction, notification or election is revoked or amended in writing addressed to Bidder Holdco at its registry.

7.7 Binding effect of scheme

This Scheme binds the Company and all of the Scheme Shareholders (including the Depositary and those who did not attend the Scheme Meeting to vote on this Scheme, did

not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of the Company.

8. General

8.1 Company and Scheme Shareholders Bound

This Scheme binds the Company and all Scheme Shareholders and will, for all purposes, have effect despite any provision in the constitution of the Company.

8.2 Enforcement by Scheme DI Holders

The Company agrees that the Depositary holds the benefit of all provisions of this Scheme providing rights or any other form of benefit in favour of a Scheme DI Holder on trust for that Scheme DI Holder and the Depositary may enforce this Scheme on the Scheme DI Holder's behalf and for their benefit.

8.3 Further Assurances

The Company will execute all documents and do all acts and things necessary to give full effect to this Scheme and the transactions contemplated by it.

8.4 Authority

Each of the Scheme Shareholders consent to the Company doing all things necessary or incidental to, or to give effect to, the implementation of this Scheme, whether on behalf of the Scheme Shareholders (and in the case of the Depositary, on behalf of the Scheme DI Holders), the Company or otherwise.

8.5 Communications

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to the Company, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Company's registered office or at the Company Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a particular Company Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

8.6 Stamp Duty

- (a) All stamp duty and any related fines and penalties in respect of this Scheme and the Deed Poll, the performance of the Deed Poll and each transaction effected by or made under or in connection with this Scheme and the Deed Poll will be paid by Bidder Holdco or Bidder AU.
- (b) Bidder Holdco will indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 8.6(a).

8.7 Governing Law

This Scheme is governed by the laws of Western Australia. The parties submit to the exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this

Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

8.8 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Company, Bidder Holdco, nor Bidder AU nor any director, officer, secretary, representative, adviser or employee of any of those companies (including the Sale Agent, Company Registry or the Depositary) shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

9. Definitions

9.1 Definitions

In this Scheme, except where the context otherwise requires:

AIM means the market of that name operated by the London Stock Exchange.

AIM Rules means the AIM Rules for Companies published by the London Stock Exchange.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it (as the context requires).

ASX Listing Rules means the official listing rules of the ASX as from time to time amended or waived in their application to a party.

Bidder AU means EFR Australia Pty Ltd ACN 676 689 419.

Bidder Holdco means Energy Fuels Inc..

Bidder Holdco Share means a common share in the capital of Bidder Holdco.

Business Day means any day that is:

- (a) a business day as defined in the ASX Listing Rules;
- (b) a business day as defined in the AIM Rules; and
- (c) a day, other than a Saturday or Sunday, that banks are open for business in Denver, Colorado, USA.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

CHESS Holding has the meaning given in the Settlement Rules.

Company means Base Resources Limited ACN 125 546 910.

Company DIs means the depositary interests issued by the Computershare Investor Services PLC in respect of the Company Shares deposited with the Depositary, which are quoted for trading on AIM.

Company DI Holder means each person registered in the DI Register as a holder of the Company DIs.

Company Group means the Company and each of its subsidiaries, and a reference to a **Company Group Member** or a **member of the Company Group** is to the Company or any of its subsidiaries.

Company Registry means Computershare Investor Services Pty Limited.

Company Shareholder means each person registered in the Share Register as a holder of the Company Shares.

Company Shares means fully paid ordinary shares in the Company.

Corporations Act means the *Corporations Act* 2001 (Cth).

Court means the Federal Court of Australia (commenced in the Perth registry) or any another court having jurisdiction under the Corporations Act, as determined by the Company.

CREST the relevant system (as defined in the CREST Regulations) in respect of which Euroclear UK and International is the Operator (as defined in the CREST regulations) in accordance with which securities may be held and transferred in an uncertified form.

CREST Regulations means the United Kingdom Uncertified Securities Regulations 2001 (SI 2001 No. 3755) (as amended).

Deed Poll means the deed poll dated [] made by Bidder Holdco and Bidder AU in favour of Scheme Shareholders, a copy of which is contained in Annexure 5 of the Scheme Booklet.

Depository means Computershare Clearing Pty Ltd.

DI Register means the register of Company DI Holders maintained by Computershare Investor Services PLC.

Effective, when used in relation to this Scheme, means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to this Scheme.

Effective Date means date on which this Scheme becomes Effective.

Electing Small DI Holder means a Small DI Holder that provides an election in accordance with clause 4.5(b).

Electing Small Shareholder means:

- (a) a Small Shareholder that provides an election in accordance with clause 4.4; and
- (b) the Depository, separately and for and on behalf of each Electing Small DI Holder.

Election Form means a form issued by or on behalf of the Company for the purposes of each Small Shareholder making a valid election in writing to have all of their Scheme Consideration issued to the Sale Agent and sold under the Sale Facility.

End Date means 20 December 2024 or such other later date as agreed in writing between Bidder Holdco and the Company before that date.

Governmental Agency has the meaning given in the Scheme Implementation Deed.

Implementation Date means the date that is 10 Business Days after the Record Date or such other date as the Company, Bidder Holdco and Bidder AU agree in writing (acting reasonably).

Ineligible Foreign Shareholder means a Scheme Shareholder or Scheme DI Holder whose address shown in the Share Register or DI Register (as applicable) as at the Record Date is a place outside:

- (a) Australia and its external territories;
- (b) Canada;
- (c) New Zealand;
- (d) the United Kingdom;
- (e) the United States;
- (f) the Cayman Islands (British Overseas Territory) (limited to the Company Shareholders or Company DI Holders who are issued Bidder Holdco Shares for their own account and not as an agent or on behalf of others);
- (g) Kenya (limited to up to 100 current or former employees of a Company Group Member); and
- (h) Madagascar (limited to employees of a Company Group Member in respect of whom Malagasy Ministry of Finance approval has been obtained prior to the Implementation Date),

unless Bidder Holdco (after consultation with the Company) determines that it is lawful and not unduly onerous or unduly impractical to issue that Scheme Shareholder or Scheme DI Holder with New Bidder Holdco Shares.

Issuer Sponsored Holding means has the meaning given in the Settlement Rules.

New Bidder Holdco Share means a fully paid Bidder Holdco Share to be issued to Scheme Shareholders (and in the case of the Depositary to Scheme DI Holders) as Scheme Consideration under the terms of this Scheme.

NYSE means the NYSE American (or any successor to the NYSE American).

Operating Rules means the official operating rules of the financial market operated by the ASX.

Record Date means 5.00 pm on the fifth Business Day following the Effective Date and, for Company DI Holders, 6.00pm (London time) on the fifth Business Day after the Effective Date, which is currently expected to be on 20 September 2024 or such other time and date as the Company, Bidder AU and Bidder Holdco agree in writing (acting reasonably).

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Bidder Holdco Shares has the meaning given to in clause 4.6(a)(i) of this Scheme.

Sale Agent means the person appointed by Energy Fuels to sell the New Bidder Holdco Shares that are to be issued under clause 4.6(a)(i).

Sale Facility means the facility to be conducted in accordance with clause 4.6(a).

Scheme means this scheme of arrangement subject to any modifications or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed or consented to by the Company or Bidder Holdco.

Scheme Booklet means the explanatory statement that is registered by ASIC under section 412(6) of the Corporations Act in relation to this Scheme.

Scheme Consideration means the consideration to be provided to each Scheme Shareholder by Bidder Holdco for the transfer to Bidder AU of each Scheme Share, being 0.0260 New Bidder Holdco Shares for each Company Share held by a Scheme Shareholder as at the Record Date.

Scheme Implementation Deed means the Scheme Implementation Deed between Bidder Holdco, Bidder AU and the Company dated 21 April 2024.

Scheme Meeting means the meeting of Company Shareholders ordered by the Court to be convened under subsection 411(1) of the Corporations Act to consider any vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme DI Holders means the Company DI Holders as at the Record Date.

Scheme Shareholders means the Company Shareholders as at the Record Date.

Scheme Shares means all Company Shares held by the Scheme Shareholders as at the Record Date.

Scheme Transfer for each Scheme Shareholder, means a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which will be represented by a master transfer of all Scheme Shares.

Second Court Date means the first day on which the Second Court Hearing is heard or, if the application is adjourned for any reason, means the date on which the adjourned application is heard.

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving this Scheme.

Security Interest means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 12 of the *Personal Property and Securities Act 2012* (Cth).

Settlement Rules means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

Share Register means the share register of the Company maintained in accordance with the Corporations Act.

Small DI Holder means a Scheme DI Holder who holds 350,000 Scheme DIs or fewer at the Record Date.

Small Shareholder means a Scheme Shareholder who holds 350,000 Scheme Shares or fewer at the Record Date.

TSX means the Toronto Stock Exchange.

Unclaimed Money Act means the *Unclaimed Money Act 1990* (WA).

9.2 Interpretation

In this Scheme, unless the context otherwise requires:

- (a) headings and bolding are for convenience and do not affect interpretation;
- (b) the singular includes the plural and vice versa;
- (c) the word **person** includes a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Governmental Agency;
- (d) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this Scheme or that provision;
- (e) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes and assigns;
- (g) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (h) references to any legislation or regulations include any statutory modification of or substitution for such legislation or regulations;
- (i) references to agreements or deeds are to agreements or deeds as amended from time to time;
- (j) a reference to a clause, party, annexure, exhibit or schedule is a reference to a clause of, and a party, annexure, exhibit and schedule to, this Scheme and a reference to this Scheme includes any annexure, exhibit and schedule;
- (k) the words **including, for example** or **such as** when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (l) a reference to a holder includes a joint holder;
- (m) references to a **\$** or **dollar** is to United States currency (unless otherwise stated); and
- (n) a reference to any time is a reference to Australian Western Standard Time.

Annexure 5 – Deed Poll

This deed poll is made on

2024

By **Energy Fuels Inc.**
225 Union Boulevard, Suite 600
Lakewood, Colorado 80228
United States
(Bidder Holdco)

and

EFR Australia Pty Ltd
ACN 676 689 419
Level 43, 600 Bourke Street
Melbourne, VIC, 3000
Australia
(Bidder AU)

IN FAVOUR OF Each holder of ordinary shares in

Base Resources Limited
ACN 125 546 910
Level 3, 46 Colin Street
West Perth, WA, 6005
Australia

as at the Record Date
(Scheme Shareholders)

Background

- A. The Company, Bidder Holdco and Bidder AU have entered into the Scheme Implementation Deed.
- B. Under the Scheme Implementation Deed, Bidder Holdco and Bidder AU have agreed, subject to the satisfaction or waiver of certain conditions, to do all things within its power necessary or desirable on its part to implement the Scheme, including providing the Scheme Consideration.
- C. Bidder Holdco and Bidder AU are entering into this document for the purpose of covenanting in favour of Scheme Shareholders to:
 - (a) comply with all of its obligations under the Scheme Implementation Deed;
 - (b) perform the obligations attributed to Bidder Holdco and Bidder AU (as applicable) under the Scheme; and
 - (c) provide the Scheme Consideration in accordance with the Scheme.

For personal use only

Operative provisions

1. Interpretation

1.1 Definitions

- (a) The following definitions apply in this deed poll.

First Court Date means the first day on which an application made to the Court for an order under subsection 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between the Company and the Scheme Shareholders, substantially in the form set out in Annexure A, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by the Company and Bidder Holdco and Bidder AU.

Scheme Implementation Deed means the Scheme Implementation Deed dated 21 April 2024 between the Company and Bidder Holdco and Bidder AU.

- (b) Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

In this deed poll, headings and bolding are for convenience only and do not affect its interpretation and, unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) a reference to any document (including the Scheme Implementation Deed and the Scheme) is to that document as varied, novated, ratified or replaced;
- (c) a reference to a clause, party, annexure or schedule is a reference to a clause of, and a party, annexure and schedule to, this deed poll and a reference to this deed poll includes any annexure and schedule;
- (d) the word **person** includes a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Governmental Agency;
- (e) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (f) a reference to a party to a document includes that party's successors and permitted assigns;
- (g) no provision of this deed poll will be construed adversely to a party solely on the ground that the party was responsible for the preparation of this deed poll or that provision;
- (h) a reference to an agreement or consent by a person is to an agreement or consent in writing;
- (i) the word **includes** in any form is not a word of limitation;
- (j) a reference to a holder includes a joint holder;

- (k) a reference to \$ or dollar is to United States currency (unless otherwise stated); and
- (l) a reference to any time is a reference to Australian Western Standard Time.

1.3 Nature of this deed poll

Bidder Holdco and Bidder AU acknowledge:

- (a) that this deed poll may be relied on and enforced by a Scheme Shareholder in accordance with its terms, even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints the Company and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Bidder Holdco and Bidder AU.

1.4 Scheme DI Holders

Without limiting clause 1.3, in the case of the Depositary, Bidder Holdco and Bidder AU acknowledge that the Depositary holds the benefit of all provisions of the Scheme and this deed poll providing rights or any other form of benefit in favour of a Scheme DI Holder on trust for that Scheme DI Holder and the Depositary may enforce the Scheme and this deed poll on the Scheme DI Holder's behalf and for their benefit (the **Trust Provisions**) and that, as a consequence of the foregoing:

- (a) the acknowledgement in clause 1.3(a) extends to the Depositary's reliance on and enforcement of the Trust Provisions of this deed poll on behalf of a Scheme DI Holder; and
- (b) the irrevocable appointment in clause 1.3(b) extends to enforcement of the Trust Provisions of this deed poll on behalf of a Scheme DI Holder.

2. Conditions

2.1 Conditions precedent

The obligations of Bidder Holdco and Bidder AU under clause 3 are subject to the Scheme becoming Effective.

2.2 Termination

If the Scheme Implementation Deed is terminated in accordance with its terms or the Scheme has not become Effective on or before the End Date, the obligations of Bidder Holdco and Bidder AU under this deed poll will automatically terminate, unless Bidder Holdco and Bidder AU otherwise agree in writing.

2.3 Consequences of Termination

If this deed poll is terminated under clause 2.2 then, in addition and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder Holdco and Bidder AU are released from their obligations to further perform this deed poll except those obligations under clause 7; and
- (b) each Scheme Shareholder retains the rights it has against Bidder Holdco and Bidder AU in respect of any breach of this deed poll which occurs before it is terminated.

3. Consideration**3.1 Performance of Obligations Generally**

Subject to clause 2, Bidder Holdco and Bidder AU must comply with their obligations under the Scheme and must do all things necessary or expedient on its part to implement the Scheme.

3.2 Scheme Consideration

Subject to clause 2, in consideration of the transfer to Bidder AU of each Company Share held by a Scheme Shareholder under the terms of the Scheme, Bidder Holdco undertakes in favour of each Scheme Shareholder to issue the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme (including, in relation to the Depositary, to issue the Scheme Consideration to the Scheme DI Holders in accordance with the Scheme).

3.3 Shares to rank equally

Bidder Holdco covenants in favour of each Scheme Shareholder (and, in relation to the Depositary, in favour of the Scheme DI Holders) that the New Bidder Holdco Shares which are issued to each Scheme Shareholder in accordance with the Scheme will:

- (a) on their issue rank equally in all respects with all other Bidder Holdco Shares on issue;
- (b) on their issue be duly and validly issued and authorized in accordance with all applicable laws and Bidder Holdco's articles of incorporation, by-laws and other constituent documents;
- (c) on their issue be entitled to participate in and receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Bidder Holdco Shares on and from the Implementation Date;
- (d) from the Business Day following the date this Scheme becomes Effective (or such later date as NYSE or TSX requires), be quoted and listed for trading on the NYSE and TSX; and
- (e) on their issue be fully paid, non-assessable and free of any Security Interest or encumbrance.

4. Bidder representations and warranties

Bidder Holdco and Bidder AU each represent and warrant in favour of each Scheme Shareholder (and, in relation to the Depositary, in favour of the Scheme DI Holders), in respect of itself, that:

- (a) it has been incorporated or formed in accordance with the laws of its place of incorporation or formation and is a validly existing under those laws;
- (b) it has the power to enter into and perform its obligations under this deed poll, to comply with its obligations under this deed poll, to carry out the transaction contemplated by this deed poll, and to exercise its rights under this deed poll in accordance with its terms;
- (c) it has taken all necessary action to authorise entry into this deed poll and has taken or will take all necessary action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;

- (d) this deed poll is valid and binding on it and is enforceable in accordance with its terms;
- (e) the execution and performance of this document and each transaction contemplated by it did not and will not conflict with or violate in any respect:
 - (i) any provision of its constitution or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (ii) any writ, order or injunction, judgement, law, rule or regulation to which it is subject or by which it is bound; or
 - (iii) any Security Interest or other encumbrance binding on or applicable to it;
- (f) it is not otherwise bound by any agreement that would prevent, restrain or restrict it from entering into or performing any of its obligations contained in this deed poll; and
- (g) no Insolvency Event has occurred in relation to Bidder Holdco nor Bidder AU nor has any regulatory action of any nature of which Bidder Holdco or Bidder AU is aware been taken or threatened to be taken that would prevent or restrict Bidder Holdco's and Bidder AU's ability to fulfil its obligations under this deed poll.

5. Continuing obligations

This deed poll is irrevocable and remains in full force and effect until the earlier of:

- (a) the time that Bidder Holdco and Bidder AU have fully performed its obligations under this deed poll; and
- (b) termination of this deed poll under clause 2.2.

6. Notices

6.1 Form

Any communications in connection with this deed poll must be:

- (a) in writing;
- (b) addressed to Bidder Holdco or Bidder AU at the address shown below and marked for the attention of the Company Secretary;

Bidder

Address: 225 Union Blvd., Suite 600
Lakewood Co., 80228, USA
Attention: Mark S. Chalmers, President and CEP
Email: mchalmers@energyfuels.com

with a copy to:

Address: Level 43, Bourke Place
600 Bourke Street
Narrm Country
Melbourne, VIC 3000, Australia
Attention of: John Mollard
Email: john.mollard@dentons.com

signed by the person making the communication or (on its behalf) by the solicitor for, or by any attorney, director, secretary, or authorised agent of that person.

6.2 Delivery

Communications under this deed poll must be:

- (a) left at the address set out for referred to in clause 6.1(b) of this deed poll;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in clause 6.1(b) of this deed poll;
- (c) sent by email to the email address set out or referred to in clause 6.1(b) of this deed poll; or
- (d) given in any other way permitted by law.

They take effect from the time they are received unless a later time is specified in this clause 6.

6.3 Receipt - Postal

Communications sent by post are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

6.4 Receipt – Email

Communications sent by email are taken to be received on sending (unless the sender's computer reports that the message has not been delivered).

6.5 Receipt – General

Despite clauses 6.3 and 6.4, communications are received after 5.00 pm in the place of receipt or on a non-Business Day are taken to be received at 9.00 am on the next Business Day.

7. Duty

Bidder Holdco or Bidder AU (as applicable) will:

- (a) pay all duties and any related fines and penalties in respect of this deed poll, the performance of this deed poll and each transaction effected by or made under this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with paragraph 7(a).

8. General

8.1 Exercise of Rights

If a Scheme Shareholder does not exercise a right of remedy fully or at a given time, it may still exercise it later.

8.2 Cumulative Rights

The rights, powers and remedies of Bidder Holdco, Bidder AU and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this deed poll.

8.3 Assignment

- (a) The rights and obligations of Bidder Holdco, Bidder AU and each Scheme Shareholder under this deed poll are personal (except that, in relation to the Depositary, the Depositary holds its rights and benefits under this deed poll in favour of and on trust for the Scheme DI Holders) and must not be assigned or otherwise dealt with at law or in equity.
- (b) Any purported dealing in contravention of clause 8.3(a) is invalid.

8.4 Amendment

Bidder Holdco or Bidder AU must not vary a provision of this deed poll, or right created under it, unless:

- (a) before the First Court Date, the variation is agreed to in writing by the Company; or
- (b) on or after the First Court Date, the variation is agreed to in writing by the Company and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event Bidder Holdco and Bidder AU will enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

8.5 Waiver

Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Deed by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other rights, power or remedy provided by law or under this Deed.

8.6 Severability

If the whole or part of a provision of this deed poll is void, unenforceable or illegal in jurisdiction it is severed for that jurisdiction. The remainder of this deed poll has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not effected. This clause 8.6 has no effect if the severance alters the basic nature of this deed poll or is contrary to public policy.

8.7 Further Action

Bidder Holdco and Bidder AU each will promptly do all things and execute and deliver all further documents required by law or reasonably requested by any other party to give effect to this deed poll.

8.8 Joint and several obligations

Bidder Holdco and Bidder AU are jointly and severally liable for each obligation imposed on both of them by the terms of this deed poll.

8.9 Governing Law and Jurisdiction

This deed poll is governed by the law in force in the State of Western Australia. Bidder Holdco and Bidder AU each irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the State of Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme.

For personal use only

Annexure A – Scheme

[Attached]

For personal use only

Signing page

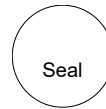
Executed as a Deed Poll.

Signed, sealed and delivered by
EFR Australia Pty Ltd
by

sign here ► _____ *sign here* ► _____
Director Director/Company Secretary

print name _____ *print name* _____

Signed sealed and delivered by
Energy Fuels Inc.
in the presence of



sign here ► _____ *sign here* ► _____
Authorised signatory Witness

print name _____ *print name* _____

For personal use only

Annexure 6 – Notice of Scheme Meeting

For personal use only

Notice of Scheme Meeting

Base Resources Limited ACN 125 546 910

Notice is hereby given that, by an order of the Federal Court of Australia (**Court**) made on 1 August 2024, pursuant to subsection 411(1) of the Corporations Act, a meeting of Base Resources Shareholders (**Scheme Meeting**) will be held at 11.00am (Perth time) on 5 September 2024 at the Gallery Suite, InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia and virtually via the Lumi platform accessible using the URL: <https://web.lumiconnect.com/388093896>.

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions) proposed to be made between Base Resources and Base Resources Shareholders (**Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Scheme Resolution

The meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (**Scheme Resolution**):

“That, pursuant to and in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed between Base Resources Limited and the holders of its ordinary shares, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to (with or without alterations or conditions as approved by the Federal Court of Australia to which Base Resources Limited and Energy Fuels Inc. agree).”

Dated 2 August 2024

By order of the Court and the Base Resources Board

sign here ►



Company Secretary

print name Chadwick Poletti

Explanatory notes

1 General

This notice of meeting, including these explanatory notes, relates to the Scheme and should be read in conjunction with the Scheme Booklet dated 2 August 2024, of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Annexure 4 of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the meaning set out in Section 11 of the Scheme Booklet, unless the context otherwise requires.

2 Entitlement to vote

Base Resources Shareholders registered on the Base Resources Share Register at 5.00pm (Perth time) on 3 September 2024 will be entitled to vote on the Scheme.

Base Resources DI Holders registered on the Base Resources DI Register at 6.00pm (London time) on 29 August 2024 will also be entitled to vote on the Scheme (by providing voting instruction in advance to the Depositary, rather than in person or online at the Scheme Meeting).

While Base Resources DI Holders will be entitled to join the Scheme Meeting in person or online, such admission will be as a guest only and Base Resource DI Holders will not be entitled to vote or ask questions at the Scheme Meeting.

3 Required majorities

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Base Resources Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution (either in person or by proxy, attorney or, in the case of corporate Base Resources Shareholders, corporate representative).

Voting at the Scheme Meeting will be conducted by poll.

If necessary, Base Resources will seek a declaration from the Court at the Second Court Date to treat the Base Resources DI Holders who provide voting instructions to the Depositary or through CREST as if they were present at the meeting.

This is so that they can be included in the calculation of the number of Base Resources Shareholders present and voting at the Scheme Meeting and, in turn, the calculation of

whether a majority in number of Base Resources Shareholders voted in favour of the Scheme.

4 Chair

The Court has directed that Scot Sobey is to act as chair of the meeting (and that, if Scot Sobey is unable or unwilling to attend, Simon Reed is to act as chair of the meeting) and has directed the chair to report the result of the Scheme Resolution to the Court.

The chair of the meeting intends to vote all available and valid undirected proxies in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders.

5 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alterations or conditions) is subject to the approval of the Court. If the Scheme Resolution is agreed to by the Requisite Majorities and the other conditions precedent to the Scheme (other than approval by the Court) are satisfied or waived by the time required under the Scheme, Base Resources intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

6 How to vote

(a) **Base Resources Shareholders (excluding Base Resources DI Holders) - How to vote?**

As the Scheme Meeting will be held as a hybrid meeting and also enable online attendance (in addition to in person attendance) Base Resources Shareholders may vote:

- **in person**, by attending the Scheme Meeting in person at the Gallery Suite, InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, Western Australia;
- **online**, by accessing the Lumi software platform using the URL <https://web.lumiconnect.com/388093896>;
- **by proxy**, by lodging a proxy form in one of the following ways:
 - **online at** www.investorvote.com.au or www.intermediaryonline.com for Intermediary Online subscribers only;
 - **by mobile** by scanning the QR Code on the proxy form and following the prompts;
 - **by mail** in the reply-paid envelope provided to Computershare Investor Services Pty Limited GPO Box 1282 Melbourne Victoria 3001, Australia; or

- **by fax** to 1800 783 447 (in Australia) or +61 3 9473 2555 (outside Australia).

For an appointment of a proxy for the Scheme Meeting to be effective, the proxy's appointment (and if the appointment is signed by the appointer's attorney – the authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it), must be received by Base Resources at least 48 hours before the start of the Scheme Meeting (i.e. by 11.00am (Perth time) on 3 September 2024). Proxy appointments received after this time will be invalid for the meeting.

- **by attorney**, by appointing an attorney to attend and vote at the Scheme Meeting on their behalf and providing a duly executed authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it to the Base Resources Share Registry by 11.00am (Perth time) on 3 September 2024; or
- **by corporate representative**, in the case of a body corporate which is a Base Resources Shareholder, by appointing a corporate representative to attend and vote at the Scheme Meeting on behalf of that Base Resources Shareholder and providing a duly executed certificate of appointment (in accordance with section 250D of the Corporations Act) prior to the Scheme Meeting.

(b) **Base Resources DI Holders – How to vote?**

While Base Resources DI Holders will be entitled to join the Scheme Meeting in person or online (using the URL <https://web.lumiconnect.com/388093896>) as a guest, such admission will be as a guest only and they will not be entitled to vote or ask questions at the meeting.

In order to have votes cast on their behalf at the Scheme Meeting, Base Resources DI Holders must complete and sign the Form of Instruction sent to them and return that form to the Depositary, or vote via the CREST voting service using a CREST Voting Instruction. To be effective, the Form of Instruction or the CREST Voting Instruction must be received by the Depositary, by no later than 6.00pm (London time) on 30 August 2024.

Base Resources DI Holders with Base Resources DIs in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (CREST Voting Instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available at www.euroclear.com/CREST).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Depositary no later than 6.00pm (London time) on 30 August 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which Base Resources' agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. Base Resources DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of a CREST Voting Instruction. It is the responsibility of the Base Resources DI Holder concerned to take (or, if the Base Resources DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST

sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

Base Resources DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

7 How to ask questions

Base Resources Shareholders who would like to ask questions at the Scheme Meeting are encouraged to do so in writing before the Scheme Meeting by emailing their questions to info@baseresources.com.au prior to 11.00am (Perth time) on 3 September 2024.

Alternatively, Base Resources Shareholders will have an opportunity to ask questions at the Scheme Meeting in person and online via the Lumi software platform at appropriate times during the Scheme Meeting.

8 Attendance

If you or your proxies, attorneys or representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Base Resources Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

9 Jointly held securities

If you hold Base Resources Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote at the meeting and the attempts are either in person only or in person and online, only the vote of the most senior joint holder will be counted. Seniority depends on the order in which the names of the joint holders are listed in the register.

If more than one of you attempts to vote at the meeting and both attempts are online, only the last direction selected at the close of the poll will be counted.

See also the comments in paragraph 11 below regarding the appointment of a proxy by persons who jointly hold Base Resources Shares.

10 Attending and voting online

Members or their attorneys or corporate representatives who wish to participate online may do so, from their computer, tablet or mobile device, by entering in their browser the URL: <https://web.lumiconnect.com/388093896>.

If you choose to participate in the Scheme Meeting online, registration will be open at 10.00 am (Perth time) on the day of the Scheme Meeting. Base Resources Shareholders, corporate representatives, and attorneys can log in to the Scheme Meeting by:

- using the direct link above or using the URL <https://web.lumiconnect.com> and entering the Meeting ID, which is 388093896;
- entering their username, which is the SRN/HIN for the holding; and
- entering their password, which is the postcode registered to the holding if the registered address is an address in Australia. For a holding with an overseas registered address, please refer to the Lumi Online Meeting Guide on pages 10 to 14 of this notice for the password details.

Proxy holders and guests should refer to the Lumi Online Meeting Guide on pages 10 to 14 of this notice for details about how to log in to the Meeting. Specifically, proxy holders will need to contact Computershare on +61 3 9415 4024 to receive a unique username and password.

Attending the meeting online will enable you to view the Scheme Meeting live and, if you are not a guest, to ask questions (both orally and via a text-based Q&A function) and cast votes in the real time poll while voting is enabled.

Please note that if you join the Scheme Meeting online as a member and vote, any proxy appointed by you will not be entitled to vote and votes lodged by your proxy in respect of your Base Resources Shares will be withdrawn.

Further details are set out in the Lumi Online Meeting Guide on pages 10 to 14 of this notice.

11 Proxy voting

11.1 Voting by proxy

You may appoint one or two proxies. Your proxy need not be another Base Resources Shareholder. Each proxy will have the right to vote on the poll and also to speak at the meeting.

For an appointment of a proxy for the Scheme Meeting to be effective, the proxy's appointment (and if the appointment is signed by the appointer's attorney – the authority under which the appointment was signed (e.g. a power of attorney) or a certified copy of it), must be received by Base Resources at least 48 hours before the start of the Scheme Meeting (i.e. by 11.00am (Perth time) on 3 September 2024).

Proxy forms received after this time will be invalid.

If a proxy form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed proxy form unless the power of attorney or other authority has previously been provided to and noted by the Base Resources Share Registry.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless:

- notice in writing of the revocation has been received by the Base Resources Share Registry before the start of the meeting (or, if the meeting is adjourned or postponed, before the resumption of the meeting in relation to the resumed part of the meeting) by mail, or by fax as described above in paragraph 6; or

- notice of revocation is received by the Base Resources Share Registry on registering their attendance at the Scheme Meeting at the registration desk located at the Scheme Meeting.

If you wish to appoint a second proxy, a second proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. You can obtain a second proxy form from the Base Resources Share Registry. Replacement proxy forms can also be obtained from the Base Resources Share Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified percentage of votes or number of securities. If you do not specify the proportions in the proxy forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

If you hold Base Resources Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the proxy form.

You should consider how you wish your proxy to vote. That is, whether you want your proxy to vote 'for' or 'against', or abstain from voting on, the Scheme Resolution, or whether to leave the decision to the proxy after he or she has considered the matters discussed at the meeting.

If you do not direct your proxy how to vote on an item of business, the proxy may vote, or abstain from voting, as he or she thinks fit. If you instruct your proxy to abstain from voting on an item of business, he or she is directed not to vote on your behalf, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

If you return your proxy form:

- without identifying a proxy on it, you will be taken to have appointed the chair of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chair of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your proxy form.

The chair of the meeting intends to vote all valid undirected proxies which nominate the chair in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Base Resources Shareholders.

Proxies of eligible Base Resources Shareholders will be admitted to the meeting and given a voting keypad on providing their name at the point of entry to the meeting.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

11.2 Voting by attorney

You may appoint an attorney to attend and vote at the Scheme Meeting on your behalf. Your attorney need not be another Base Resources Shareholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the meeting must be duly executed by you and specify your name, the company (that is, Base Resources), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged at the Base Resources Share Registry before 11.00am (Perth time) on 3 September 2024

(or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- **by mail** in the reply-paid envelope provided to Computershare Investor Services Pty Limited GPO Box 1282 Melbourne Victoria 3001, Australia; or
- **by fax** to 1800 783 447 (in Australia) or +61 3 9473 2555 (outside Australia).

Attorneys of eligible Base Resources Shareholders where a valid power of attorney has been lodged will be admitted to the meeting and given a voting keypad on providing their name at the point of entry to the meeting.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

11.3 Voting by corporate representative

If you are a body corporate, you may appoint an individual to act as your corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Base Resources will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Base Resources Share Registry by calling 1300 271 804 (within Australia) and +61 3 9938 4380 (outside Australia) between 8.30am and 5.00pm (Melbourne time) or online at www.investorcentre.com/au and select "Printable Forms". The certificate of appointment may set out restrictions on the representative's powers.

The certificate should be lodged at the registration desk on the day of the meeting or with the Base Resources Share Registry before 11.00am (Perth time) on 3 September 2024 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

- **by mail** to Computershare Investor Services Pty Limited GPO Box 2975 Melbourne Victoria 3001, Australia; or
- **by fax** to +61 3 9473 2500 (outside Australia).

If a certificate is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been provided to and noted by the Base Resources Share Registry.

Corporate representatives of eligible Base Resources Shareholders will be admitted to the meeting and given a voting keypad on providing their name and address and either having lodged their certificate by the above deadline with the Base Resources Share Registry or providing the certificate at the point of entry to the meeting.

12 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from Base Resources' website (<https://baseresources.com.au/>) or by contacting the Company Secretary of Base Resources or the Base Resources Share Registry.

For personal use only

Online Meeting Guide

Base Resources Limited (BSE) 2024 Scheme
5 Sep 2024, 11:00 AWST



Attending the meeting virtually

Those attending online will be able to view a live webcast of the meeting. Shareholders and proxyholders can ask questions and submit votes in real time.

To participate online, <https://web.lumiconnect.com/388093896> visit on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.

To log in, you must have the following information:

Meeting ID: 388-093-896

Australian residents

- **Username** (SRN or HIN)
- **Password** (postcode of your registered address)

Overseas residents

- **Username** (SRN or HIN)
- **Password** (three-character country code) e.g. New Zealand - **NZL**; United Kingdom - **GBR**; United States of America - **USA**; Canada - **CAN**

Appointed Proxies

To receive your unique username and password, please contact Computershare on +61 3 9415 4024.

Guests

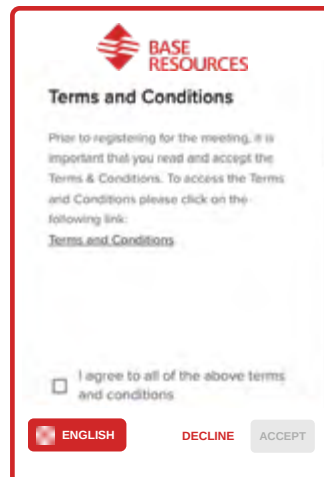
To register as a guest, you will need to enter your name and email address.

Participating at the meeting

1 To participate in the meeting, you will be required to enter the unique 9-digit Meeting ID as provided above.



2 To proceed into the meeting, you will need to read and accept the Terms and Conditions.



- 3** Select the relevant log in option to represent yourself in the meeting.
Note that only shareholders and proxies can vote and ask questions in the meeting.

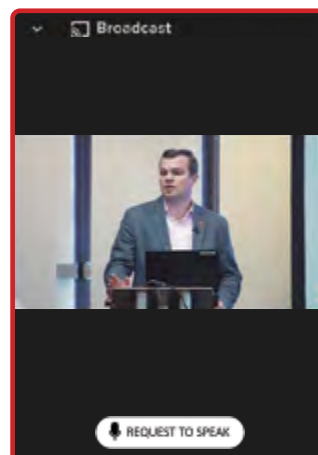
To register as a shareholder, select 'Securityholder or Proxy' and enter your SRN or HIN and Postcode or Country Code.

To register as a proxyholder, select 'Securityholder or Proxy' and you will need your username and password as provided by Computershare. In the 'SRN or HIN' field enter your username and in the 'Postcode or Country Code' field enter your password.

To register as a guest, select 'Guest' and enter your name and email address.


- 4** Once logged in, you will see the home page, which displays the meeting title and instructions.

- 5** On a desktop/laptop device the webcast will appear at the side automatically. On a mobile device, select the broadcast icon at the bottom of the screen to watch the webcast.




6 During the meeting, mobile users can minimise the webcast at any time by selecting the arrow by the broadcast icon. You will still be able to hear the meeting. Selecting the broadcast icon again will reopen the webcast.



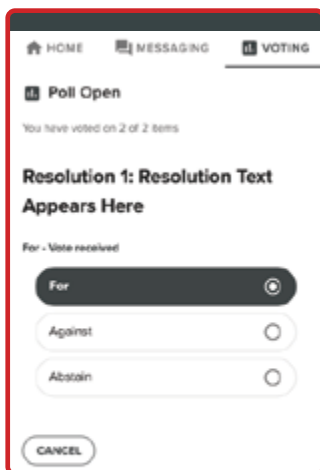
7 Desktop/laptop users can watch the webcast full screen, by selecting the full screen icon . To reduce the webcast to its original size, select the X at the top of the broadcast window.





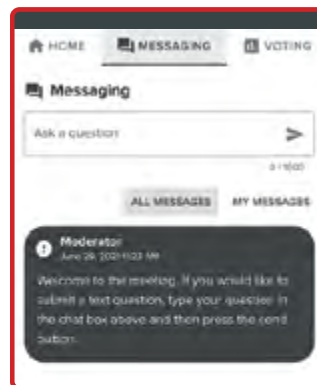
8 For shareholders and appointed proxies only. When the Chair declares the poll open:

- A voting icon  will appear on screen and the meeting resolutions will be displayed
- To vote, select one of the voting options. Your response will be highlighted
- To change your vote, simply select a different option to override

There is no need to press a submit or send button. Your vote is automatically counted. Votes may be changed up to the time the Chair closes the poll.



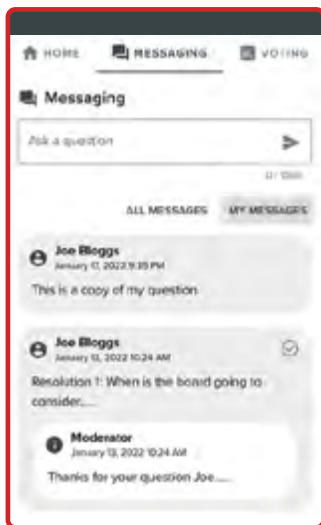
9 For shareholders and appointed proxies only. To ask a written question, tap on the messaging icon , type your question in the chat box at the top of the screen and select the send icon . Confirmation that your message has been received will appear.



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10 For shareholders and appointed proxies only. Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.

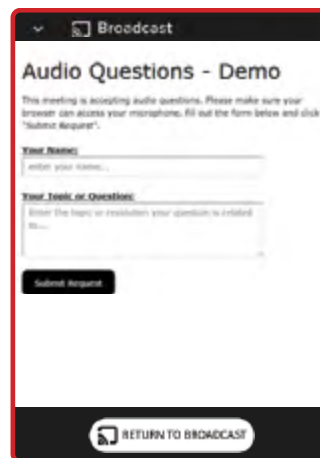
A copy of your sent questions, along with any written responses from the meeting team, can be viewed by selecting "my messages".



11 For shareholders and appointed proxies only. To ask a question orally:

- Click on the 'Request to speak' button at the bottom of the broadcast window
- Confirm your details
- Click 'Submit Request'
- Follow the audio prompts to connect

You will hear the meeting while you wait to ask your question.



Icon descriptions



Home tab - Displays meeting instructions and audio questions link



Messaging tab - Submit written questions or comments



Voting tab - View and select voting options. Only visible once the chair opens voting



Documents tab - View documents relating to the meeting, if available

Need help?

If you require any help using this system prior to or during the Meeting, please call +612 8075 0100 so we can assist you.

Country Codes

For overseas shareholders, select your country code from the list below and enter it into the password field.

ABW	Aruba	DOM	Dominican Republic	LAO	Lao Pdr	QAT	Qatar
AFG	Afghanistan	DZA	Algeria	LBN	Lebanon	REU	Reunion
AGO	Angola	ECU	Ecuador	LBR	Liberia	ROU	Romania Federation
AIA	Anguilla	EGY	Egypt	LBY	Libyan Arab Jamahiriya	RUS	Russia
ALA	Aland Islands	ERI	Eritrea	LCA	St Lucia	RWA	Rwanda
ALB	Albania	ESH	Western Sahara	LIE	Liechtenstein	SAU	Saudi Arabia
AND	Andorra	ESP	Spain	LKA	Sri Lanka	SDN	Sudan
ANT	Netherlands Antilles	EST	Estonia	LSO	Kingdom of Lesotho	SEN	Senegal
ARE	United Arab Emirates	ETH	Ethiopia	LTU	Lithuania	SGP	Singapore
ARG	Argentina	FIN	Finland	LUX	Luxembourg	SGS	Sth Georgia & Sandwich Isl
ARM	Armenia	FJI	Fiji	LVA	Latvia	SHN	St Helena
ASM	American Samoa	FLK	Falkland Islands (Malvinas)	MAC	Macao	SJM	Svalbard & Jan Mayen
ATA	Antarctica	FRA	France	MAF	St Martin	SLB	Soloman Islands
ATF	French Southern	FRO	Faroe Islands	MAR	Morocco	SCG	Serbia & Outlying
ATG	Antigua & Barbuda	FSM	Micronesia	MCO	Monaco	SLE	Sierra Leone
AUS	Australia	GAB	Gabon	MDA	Republic Of Moldova	SLV	El Salvador
AUT	Austria	GBR	United Kingdom	MDG	Madagascar	SMR	San Marino
AZE	Azerbaijan	GEO	Georgia	MDV	Maldives	SOM	Somalia
BDI	Burundi	GGY	Guernsey	MEX	Mexico	SPM	St Pierre and Miqueion
BEL	Belgium	GHA	Ghana	MHL	Marshall Islands	SRB	Serbia
BEN	Benin	GIB	Gibraltar	MKD	Macedonia Former Yugoslav Rep	STP	Sao Tome and Principle
BFA	Burkina Faso	GIN	Guinea	MLI	Mali	SUR	Suriname
BGD	Bangladesh	GLP	Guadeloupe	MLT	Malta	SVK	Slovakia
BGR	Bulgaria	GMB	Gambia	MMR	Myanmar	SVN	Slovenia
BHR	Bahrain	GNB	Guinea-Bissau	MNE	Montenegro	SWE	Sweden
BHS	Bahamas	GNQ	Equatorial Guinea	MNG	Mongolia	SWZ	Swaziland
BIH	Bosnia & Herzegovina	GRC	Greece	MNP	Northern Mariana Islands	SYC	Seychelles
BLM	St Barthelemy	GRD	Grenada	MOZ	Mozambique	SYR	Syrian Arab Republic
BLR	Belarus	GRL	Greenland	MRT	Mauritania	TCA	Turks & Caicos
BLZ	Belize	GTM	Guatemala	MSR	Montserrat	TCO	Chad
BMU	Bermuda	GUF	French Guiana	MTQ	Martinique	TGO	Congo
BOL	Bolivia	GUM	Guam	MUS	Mauritius	THA	Thailand
BRA	Brazil	GUY	Guyana	MWI	Malawi	TJK	Tajikistan
BRB	Barbados	HKG	Hong Kong	MYS	Malaysia	TKL	Tokelau
BRN	Brunei Darussalam	HMD	Heard & McDonald Islands	MYT	Mayotte	TKM	Turkmenistan
BTN	Bhutan	HND	Honduras	NAM	Namibia	TLS	East Timor Republic
BUR	Burma	HRV	Croatia	NCL	New Caledonia	TMP	East Timor
BVT	Bouvet Island	HTI	Haiti	NER	Niger	TON	Tonga
BWA	Botswana	HUN	Hungary	NFK	Norfolk Island	TTO	Trinidad & Tobago
CAF	Central African Republic	IDN	Indonesia	NGA	Nigeri	TUN	Tunisia
CAN	Canada	IMN	Isle Of Man	NIC	Nicaragua	TUR	Turkey
CCK	Cocos (Keeling) Islands	IND	India	NIU	Niue	TUV	Tuvalu
CHE	Switzerland	IOT	British Indian Ocean Territory	NLD	Netherlands	TWN	Taiwan
CHL	Chile	IRL	Ireland	NOR	Norway	TZA	Tanzania
CHN	China	IRN	Iran Islamic Republic of	NPL	Nepal	UGA	Uganda
CIV	Cote D'ivoire	IRQ	Iraq	NRU	Nauru	UKR	Ukraine
CMR	Cameroon	ISL	Iceland	NZL	New Zealand	UMI	United States Minor Outlying
COD	Democratic Republic of Congo	ISM	British Isles	OMN	Oman	URY	Uruguay
COK	Cook Islands	ISR	Israel	PAK	Pakistan	USA	United States of America
COL	Colombia	ITA	Italy	PAN	Panama	UZB	Uzbekistan
COM	Comoros	JAM	Jamaica	PCN	Pitcairn Islands	VNM	Vietnam
CPV	Cape Verde	JEY	Jersey	PER	Peru	VUT	Vanuatu
CRI	Costa Rica	JOR	Jordan	PHL	Philippines	WLF	Wallis & Fortuna
CUB	Cuba	JPN	Japan	PLW	Palau	WSM	Samoa
CYM	Cayman Islands	KAZ	Kazakhstan	PNG	Papua New Guinea	YEM	Yemen
CYP	Cyprus	KEN	Kenya	POL	Poland	YMD	Yemen Democratic
CXR	Christmas Island	KGZ	Kyrgyzstan	PRI	Puerto Rico	YUG	Yugoslavia Socialist Fed Rep
CZE	Czech Republic	KHM	Cambodia	PRK	North Korea	ZAF	South Africa
DEU	Germany	KIR	Kiribati	PRT	Portugal	ZAR	Zaire
DJI	Djibouti	KNA	St Kitts And Nevis	PRY	Paraguay	ZMB	Zambia
DMA	Dominica	KOR	South Korea	PSE	Palestinian Territory	ZIM	Zimbabwe
DNK	Denmark	KWT	Kuwait	PYF	French Polynesia		

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Corporate directory

Base Resources Limited

Level 3, 46 Colin Street
West Perth WA 6005

Financial adviser

Azure Capital Pty Ltd
Level 46, 108 St Georges Terrace
Perth WA 6000

Legal adviser

Herbert Smith Freehills
Level 11, 1 The Esplanade
Perth WA 6000

Independent Expert

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617)
Level 15, 125 St Georges Terrace
Perth WA 6000

Independent Technical Specialist

AMC Consultants Pty Ltd (ABN 58 008 129 164)
Level 1, 1100 Hay Street
West Perth WA 6005

Base Resources Share Registry

ASX

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000

AIM

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

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BASE RESOURCES

Base Resources Limited
ABN 88 125 546 910

Need assistance?



Phone:

1300 271 804 (within Australia)
+61 3 9938 4380 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (Perth time) on Tuesday, 3 September 2024.**

Proxy Form

Capitalised terms used but not defined in this Proxy Form have the same meaning as given to them in Base Resources Limited's Scheme Booklet which can be accessed on Base Resources Limited's announcement platform at www.asx.com.au (unless the context requires otherwise).

How to Vote on the Item of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid on the item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide a signed appointment of corporate representative form complying with section 250D of the Corporations Act. A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your proxy online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 183901

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 1282
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Base Resources Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Scheme Meeting of Base Resources Limited to be held at the Gallery Suite, InterContinental Perth City Centre, Level 1, 815 Hay Street, Perth, WA 6000 and virtually via the Lumi platform using the URL: <https://web.lumiconnect.com/388093896> on Thursday, 5 September 2024 at 11:00am (Perth time) and at any adjournment or postponement of that meeting.

Step 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Base Resources Limited and the holders of its ordinary shares, as contained in and more particularly described in the scheme booklet of which the notice convening this meeting forms part, is agreed to (with or without alterations or conditions as approved by the Federal Court of Australia to which Base Resources Limited and Energy Fuels Inc. agree).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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The Chair of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on the Item, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Individual or Securityholder 1	Securityholder 2	Securityholder 3	Date
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	

Update your communication details (Optional)

Mobile Number Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

