

Aurora Enters Option for Sale of Aurora Uranium Project

Transaction with US based Eagle Energy Metals to provide Aurora with total share consideration of up to US\$26m and option payments of up to US\$1m.

- Option Agreement executed with US company Eagle Energy Metals for strategic sale of the Aurora Uranium Project.
- Aurora to receive initial share consideration of US\$16m (A\$24.7m) in Eagle Energy Metals upon completing its proposed listing on a US Stock Exchange.
- Further milestone payments of up to US\$10m (A\$15.4m) in share consideration:
 - US\$5m (A\$7.7m) on conversion of existing resources to SK1300 Measured & Indicated Resource.
 - Up to US\$5m (A\$7.7m) on completion of a positive Pre-Feasibility Study.
- Initial US\$300k (A\$460k) Option Fee for a six-month period, extendable up to 18 months for aggregate consideration of US\$1m (A\$1.5m).
- Commitment of US\$500k (A\$770k) by Eagle Energy Metals across the option period for funding ongoing project activities.
- A successful listing by Eagle Energy Metals will see Aurora holding a ~40% equity¹ interest in a US-listed company as owner of the Aurora Uranium Project, having raised a minimum of US\$6.8m (A\$10.5m) in conjunction with the listing.
- Aurora shareholders will maintain exposure to the Project's development and production upside through the shareholding in Eagle Energy Metals and a 1% project NSR.
- US-based management team with significant experience in public markets to oversee the Project, bringing local expertise required for project development, permitting and access to US domestic energy supply incentives.

Aurora Energy Metals Limited (**Aurora** or the **Company**) (ASX:1AE) has entered into an Option Agreement (**Agreement**) with Eagle Energy Metals Corp. (**Eagle**), a US-based company focused on domestic energy project development, to pursue the listing of the Aurora Uranium Project (**AUP** or the **Project**) on a stock exchange in the United States (**US Stock Exchange**²).

The Agreement is conditional on Eagle successfully listing on a US Stock Exchange and completing an associated capital raising of at least US\$6.8 million (**US Listing**). If exercised, the Option will allow the

¹ Approximate interest at IPO based off initial share consideration, prior to conversion of any milestone payments or uranium spot price adjustment. Assumes a US\$6.8m IPO raising.

² A relevant US Stock Exchange for these purposes is the New York Stock Exchange, NYSE American, Nasdaq, including the Nasdaq Capital Market or other national securities exchange in the United States registered with the Securities Exchange Commission under Section 6 of the Securities Exchange Act 1934.

Note: Exchange rate conversions based off 1 AUD = 0.647 USD

Project to gain exposure to US capital markets and potentially attract a higher market valuation, as well as various financial incentives for its development. Aurora will maintain a substantial shareholding in the US entity, providing an opportunity for material value uplift for the AUP, in a market expected to place a premium on domestic uranium assets.

Selling the Project to a US-domiciled company ensures its development will be led by a local team with strong knowledge of the regulatory environment, permitting process and local funding channels. Establishing US-based leadership is important for advancing the Project's next stages of permitting and feasibility studies, as well as ensuring compliance with US-specific regulatory requirements. The Project will also be better placed within a US entity to attract investment incentives available to domestic critical minerals and energy projects.

The Project's significance as the largest undeveloped measured and indicated mineable uranium resource in the US makes it highly attractive to domestic investors, who are expected to place a higher valuation on the Project compared to its current Australian listed structure. Aurora's shareholders will benefit from this potential value increase through their indirect interest in the newly listed entity.

Key Terms of the Transaction

Eagle has been granted an option to acquire a 100% interest in the Aurora Uranium Project, currently held by Aurora through its wholly owned subsidiary, Oregon Energy LLC.

- **Option Payment:** Eagle will make an initial payment to Aurora of US\$300,000 for an initial six-month option.
- **Conditions Precedent:** The ability for Eagle to exercise the Option is conditional on the satisfaction of certain conditions precedent, including Eagle successfully listing on a US Stock Exchange.
- **Consideration Shares:** Upon completing a US Listing, Aurora will receive shares in Eagle to the value of US\$16 million. If the uranium spot price rises between the date of the Agreement and the date of the US Listing (based on the 30 day trailing average of the uranium spot price) (**Spot Price Increase**), the value of the Consideration Shares will increase by a percentage equal to half of the percentage of the Spot Price Increase.
- **Resource Upside:** if, in connection with its US Listing, Eagle reports a measured and/or indicated SK1300 mineral resource for the AUP of at least 40 million pounds of uranium, Aurora is entitled to additional share consideration to the value of US\$4,000,000, plus US\$200,000 for every 1 million pounds in excess of 40 million pounds, up to an additional US\$1,000,000.
- **Pre-Feasibility Bonus:** Eagle will issue Aurora US\$5,000,000 in shares upon announcing a positive pre-feasibility study (PFS), with such number of Shares to be calculated based on the 30 day volume weighted average price of Eagle shares at the time of announcing the PFS.
- **NSR Royalty:** Aurora will retain a 1% net smelter royalty, with the right for Eagle to buy back one-half of the royalty for \$1,000,000, or the entire royalty for \$2,000,000.
- **Extension:** Eagle may elect to extend the Option for an additional six-month period by making a cash payment of US\$300,000 to Aurora and contributing US\$250,000 to project activities.
- **Final Extension:** Eagle may elect to extend the option for a final six-month period (extending the Option to a total of 18 months) by making a further cash payment of US\$400,000 to Aurora and contributing a further \$250,000 to project activities.

- **Operations:** During the Option period, Eagle and Aurora will each nominate a representative to a joint committee that will be responsible for the conduct of all exploration and development work on the AUP during the period.

Refer to the Annexure for further details of the terms and conditions of the Agreement.

Eagle Energy Metals is led by Mark Mukhija, a business executive with substantial experience in the mining, energy, and technology sectors. He also serves on the board of Tactical Resources Corp., a rare earth element exploration company that seeks to capitalise on the increasing demand for critical minerals in North America.

Eagle Energy Metals is supported by a strategic venture capital and advisory firm known for its investments in critical resources. A resource and energy focused investment bank based in New York will be serving as financial advisor to Eagle Energy Metals' potential US Listing.

The Company intends to use the funds received from the Option Payment to complete the latest metallurgical testwork aimed at increasing recovery for the AUP and to advance its strategy to broaden its exposure to uranium assets, including under the option entered into for WA Exploration Projects (refer ASX announcement: *"Aurora Secures Option Over WA Uranium Exploration Projects"*).

The Agreement is subject to Aurora's shareholders approving the sale of the AUP under Listing Rules 11.2 and 11.4.1 at a forthcoming General Meeting of the Company expected to be held in December.

Shareholders are cautioned that there is no guarantee that Eagle Energy Metals will successfully complete the US Listing, in which case the Option cannot be exercised and the sale would not proceed.

Strategic Benefits and Focus for Aurora

- **US-Based Leadership for Aurora Uranium Project:** One of Aurora's core strategic goals has been to find a capable and experienced US team to lead the Project. Through this agreement with Eagle, this objective will be fulfilled (subject to Eagle exercising the Option). A US-based leadership team will ensure more efficient project development through local expertise, access to government incentives, and strong relationships within the US energy and mineral sectors. This is especially important as the Project moves into critical stages like permitting and feasibility studies, which require close and timely collaboration with US regulatory authorities.
- **Maximising Value through US Capital Markets:** The US Listing will provide greater access to capital from US investors who are keenly interested in securing domestic energy sources, including uranium. Aurora believes that US investors are likely to place a significantly higher value on the Project, given its strategic importance in the context of US energy security and the global uranium market. Aurora shareholders stand to benefit from this valuation uplift while retaining exposure to future project developments.
- **Retained Exposure and Financial Upside for Shareholders:** Aurora shareholders will continue to benefit from the upside in the Project through Aurora's shareholding in Eagle Energy Metals. This structure ensures that Aurora remains invested in the future success of the AUP, with opportunities for significant returns as the Project advances toward development.

- **Potential for Securing US Government Incentives:** By transferring ownership of the Project to a US entity, the Project is more likely to benefit from US government incentives aimed at fostering domestic production of strategic minerals like uranium.

Aurora Chairman, Peter Lester, said: “The Company has been seeking to transition the management of the Aurora Uranium Project to a US based team with strong mining and uranium experience. We believe this will progress development more effectively and maximise value, not the least of which will be through maintaining upside exposure to the AUP for our shareholders through a significant interest in the US listed entity.

“Eagle Energy Metals’ interest in the Project brings that domestic experience and capacity to advance the Project and further derisk its future development. It follows that quality uranium projects in the US will invariably attract a higher valuation if being developed locally and with the support of domestic investors through a US listing.

“We have worked closely with the team at Eagle Energy Metals to negotiate and agree an Option Agreement that incentivises them to maximise the value and future success of the Aurora Uranium Project in alignment with the interests of our shareholders.”

Eagle Energy Metals CEO, Mark Mukhija, said: “Our option to acquire the Aurora Uranium Project represents a pivotal step in advancing America’s growing demand for clean, reliable energy.

“This agreement strengthens our position in the US market and aligns with our commitment to secure strategic domestic energy assets. With plans to list on a senior US exchange, we are excited to bring local expertise and dedicated focus to this project, which we believe will unlock significant value for both Eagle and Aurora shareholders as we move toward a clean energy future.”

THIS ANNOUNCEMENT HAS BEEN AUTHORISED FOR RELEASE ON THE ASX BY THE COMPANY’S BOARD OF DIRECTORS.

ABOUT AURORA ENERGY METALS

Aurora Energy Metals is an ASX-listed company focused on the exploration and development of critical mineral assets. Aurora has interests in uranium-focused assets in Australia and the USA, including the Aurora Uranium Project (AUP) in southeast Oregon—the USA’s largest mineable, measured and indicated uranium deposit (MRE: 107.3Mt @ 214ppm U₃O₈ for 50.6 Mlbs U₃O₈). Aurora maintains a strong interest in the AUP and significant exposure to its future upside, via an option agreement that, if exercised, will result in a substantial interest in a US-based entity with incentives to advance AUP, intending to list in the near future. Additionally, Aurora is actively exploring highly prospective assets in Western Australia, which feature elevated uranium anomalies, as part of its commitment to supplying minerals essential to global energy needs.

The Mineral Resource for the AUP was first reported by Aurora in its announcement titled ‘Uranium Resource Up 34% to 50.6Mlb, Maiden Measured Resource’ on 23 November 2022. Aurora Energy Metals Limited confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed.



ABOUT EAGLE ENERGY METALS CORP

Eagle Energy Metals is a growth-focused, private exploration and development company dedicated to securing America's clean energy future. Due to rising energy demands, we are advancing the next generation of domestic assets as a key component of the carbon-free energy mix.

FOLLOW US ON TWITTER:

www.twitter.com/Aurora_1AE

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www.linkedin.com/company/aurora-energy-metals/

CAPITAL STRUCTURE:

Share Price (18/11/24): \$0.043
Market Cap: \$7.7 million
Shares on Issue: 179 million

COMPANY SECRETARY:

Steven Jackson

SHAREHOLDER CONTACT:

Steven Jackson
Email: info@auroraenergymetals.com
Tel: +61 8 6465 5500

BOARD OF DIRECTORS:

Peter Lester: Non-Executive Chairman
Alasdair Cooke: Non-Executive Director
John Gardner: Non-Executive Director

SHAREHOLDERS:

Directors: 15%
Management: 13%
Institutional shareholders: 10%
Balance of Top 20: 14%
Balance of Register: 48%

INVESTOR & MEDIA CONTACT:

Sam Macpherson
VECTOR Advisors
Tel: +61 401 392 925

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Annexure – Key Terms of the Transaction:

The key terms of the Agreement are summarised below:

- (a) **(Conditions precedent):** Exercise of the Option is subject to the satisfaction of the following conditions precedent:
- (i) **(Shareholder & ASX Approvals):** obtaining any shareholder and regulatory approvals required under the Listing Rules, including but not limited to Listing Rules 11.2 and 11.4.1 **(Approvals Condition)**. Either party may terminate the Agreement if the Approvals Condition is not satisfied within 75 days after the date of the Agreement.
 - (ii) **(Minimum Subscription):** Eagle raising a minimum of US\$6,800,000 under the capital raising to be undertaken in connection with the US Listing.
 - (iii) **(US Listing & Mineral Resource):** Eagle listing on a US Stock Exchange and, in connection with its US Listing, reporting a measured and/or indicated SK1300 mineral resource on the AUP in accordance with SK1300 and the rules and regulations of the relevant US Stock Exchange and securities commission **(Mineral Resource)**.
- (b) **(Consideration):**
- (i) **(Option Payment):** Eagle must pay US\$300,000 to the Company within 30 days after the date of the Agreement **(Option Payment)**.
 - (ii) **(Consideration Shares):** on completing the US Listing, Eagle must issue US\$16,000,000 in common shares to Aurora **(Consideration Shares)** (subject to adjustment under paragraph (iii) below) at a deemed issue price equal to:
 - (A) the price of Eagle shares offered under its initial public offering (in the event the US Listing is completed by way of an initial public offering);
 - (B) the deemed transaction price per share of Eagle's common shares at listing (in the event the US Listing is completed by way of a reverse takeover or merger); or
 - (C) the reference price of shares of Eagle's common shares at listing calculated in accordance with the relevant stock exchange policies (in the event the US Listing is completed by way of a direct listing – ie. there is no associated initial public offering).
 - (iii) **(Adjustment of Consideration Shares):**
 - (A) **(Mineral Resource):** if a Mineral Resource of not less than 40 million pounds of uranium is reported in Eagle's registration statement filed in connection with the US Listing:
 - (1) the value of the Consideration Shares will be increased by US\$4,000,000; and
 - (2) for every additional 1 million pounds of Mineral Resource, the value of the Consideration Shares will be increased by an additional US\$200,000 (pro-rated for amounts less than 1 million pounds), up to a maximum of US\$1,000,000 in additional Consideration Shares.
 - (B) **(Uranium spot price):** If the uranium spot price rises between the date of the Agreement and the date of the US Listing (based on the 30 day trailing average of the uranium spot price) **(Spot Price Increase)**, the value of the Consideration Shares shall be increased by a percentage equal to half of the percentage of the Spot Price Increase (ie. if the Spot Price

Increase is 60%, the value of the Consideration Shares will be increased by 30% to US\$20,800,000). No adjustment to the Consideration Shares shall be made if there is a decrease to the uranium spot price.

(c) (**Option Exercise**): Eagle will be deemed to have exercised the Option upon completing payment of the Option Payment and the issuance of Consideration Shares (**Option Exercise**).

(d) (**Listing Deadline**): in the event the US Listing is not completed on or before the date that is 6 months from the date of the Agreement (**First Listing Deadline**), the Agreement will terminate unless Eagle elects to extend the First Listing Deadline for 6 months (12 months after the date of the Option Agreement) (**Extended Listing Deadline**) by:

- (i) making a cash payment of US\$300,000 to Aurora; and
- (ii) paying an additional US\$250,000 into an escrow account with such funds to cover expenditures toward project activities over the following 6 months.

In the event the US Listing is not completed on or before the Extended Listing Deadline (if applicable), the Agreement will terminate unless Eagle elects to extend the Extended Listing Deadline for a further 6 months (18 months after the date of the Agreement) (**Final Listing Deadline**) by:

- (iii) making a cash payment of US\$400,000 to Aurora; and
- (iv) paying an additional US\$250,000 into an escrow account with such funds to cover expenditures towards project activities over the following 6 months.

In the event the US Listing is not complete on or before the Final Listing Deadline (if applicable), the Option will automatically terminate.

(e) (**Pre-feasibility Bonus**): Eagle will issue Aurora US\$5,000,000 in shares upon announcing a positive pre-feasibility study (**PFS**), with such number of Shares to be calculated based on the 30 day volume weighted average price of Eagle shares at the time of announcing the PFS.

(f) (**Royalty**): Aurora will retain a 1% net smelter royalty, with the right for Eagle to buy back one-half of the royalty for US\$1,000,000, or the entire royalty for US\$2,000,000.

(g) (**Operator**): Eagle and Aurora will each nominate a representative to a joint committee that will be responsible for the conduct of all exploration and development work on the AUP during the period of the Option (**Operations Committee**). The Operations Committee shall decide all matters unanimously and Eagle must conduct all business and operations pursuant to the agreed budget, except as allowed by the Operations Committee.

(h) (**Default and Termination**):

- (i) Eagle may terminate the Option at any time prior to the Option Exercise by giving at least thirty (30) days' written notice.
- (ii) In the event of default, the non-defaulting party may terminate the Option by giving at least thirty (30) days' written notice if the defaulting party fails to rectify the default within 30 days of being notified of such default.

(i) (**Director Appointment**): so long as the Consideration Shares held by Aurora constitutes at least 10% of the issued capital of Eagle, the Company shall have the right to appoint one director to the board of Eagle.

It is expected that the Consideration Shares will be subject to a period of escrow after the US Listing, of 180 days.