

## Zacks Small-Cap Research

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## GTI Energy Ltd

(OTCQB: GTRIF)

## Zacks SCR Initiates Coverage of GTI Energy Ltd

Based on comparative analysis of junior ISR uranium companies with projects in the U.S., a third quartile price-to-book (P/B) ratio of 2.33 indicates a share price target of US\$0.023 for this exploration-stage ISR uranium company.

Current Price (08/19/22) \$0.013  
Valuation \$0.023

## OUTLOOK

GTI Energy is now **focused on its key U.S. uranium assets**, having divested its Niagara Gold Project to Regener8 in July via a spin-off. Management is keen to advance its **Great Divide Basin** and **Green Mountain Projects** where roll-front uranium deposits are amenable to low-cost **ISR** (In Situ Recovery) mining methods. The imminent 100,000ft drilling program of the Great Divide Basin Project is designed to support a maiden Mineral Resource Estimate, which is expected during 2023.

As a whole, the uranium mining industry should benefit from a continued rise in uranium prices due to anticipated supply/demand imbalances over the next decade. GTI Energy, in particular, should benefit from the U.S. Government's initiatives to secure domestically produced uranium.

## SUMMARY DATA

52-Week High \$0.05  
52-Week Low \$0.01  
One-Year Return (%) N/M  
Beta 3.01  
Average Daily Volume (shrs.) 6,824

Shares Outstanding (million) 1,492.48  
Market Capitalization (\$mil.) \$19.25  
Short Interest Ratio (days) 3.8  
Institutional Ownership (%) 1.3  
Insider Ownership (%) 6.7

Annual Cash Dividend \$0.00  
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates  
Sales (%) N/M  
Earnings Per Share (%) N/M  
Dividend (%) N/M

P/E using TTM EPS N/M  
P/E using 2022 Estimate N/M  
P/E using 2023 Estimate N/M

Risk Level Above Average  
Type of Stock Small-Value  
Industry Mining – Uranium

## ZACKS ESTIMATES

## Revenue

(in \$AUD)

	Q1	H1	Q3	H2	Year
		(June)		(Dec)	(Dec)
2019		10,000 A		47,800 A	57,800 A
2020		29,314 A		34,835 A	64,149 A
2021		3,408 A		4,194 A	7,602 A
2022		1,500 E		1,500 E	3,000 E

## Earnings per Share

(EPS is operating earnings before non-recurring items)

	Q1	H1	Q3	H2	Year
		(Dec)		(Jun)	(Jun)
2019		-\$0.0013 A		-\$0.0010 A	-\$0.0023 A
2020		-\$0.0027 A		-\$0.0005 A	-\$0.0032 A
2021		-\$0.0006 A		-\$0.0013 A	-\$0.0019 A
2022		-\$0.0015 E		-\$0.0022 E	-\$0.0037 E

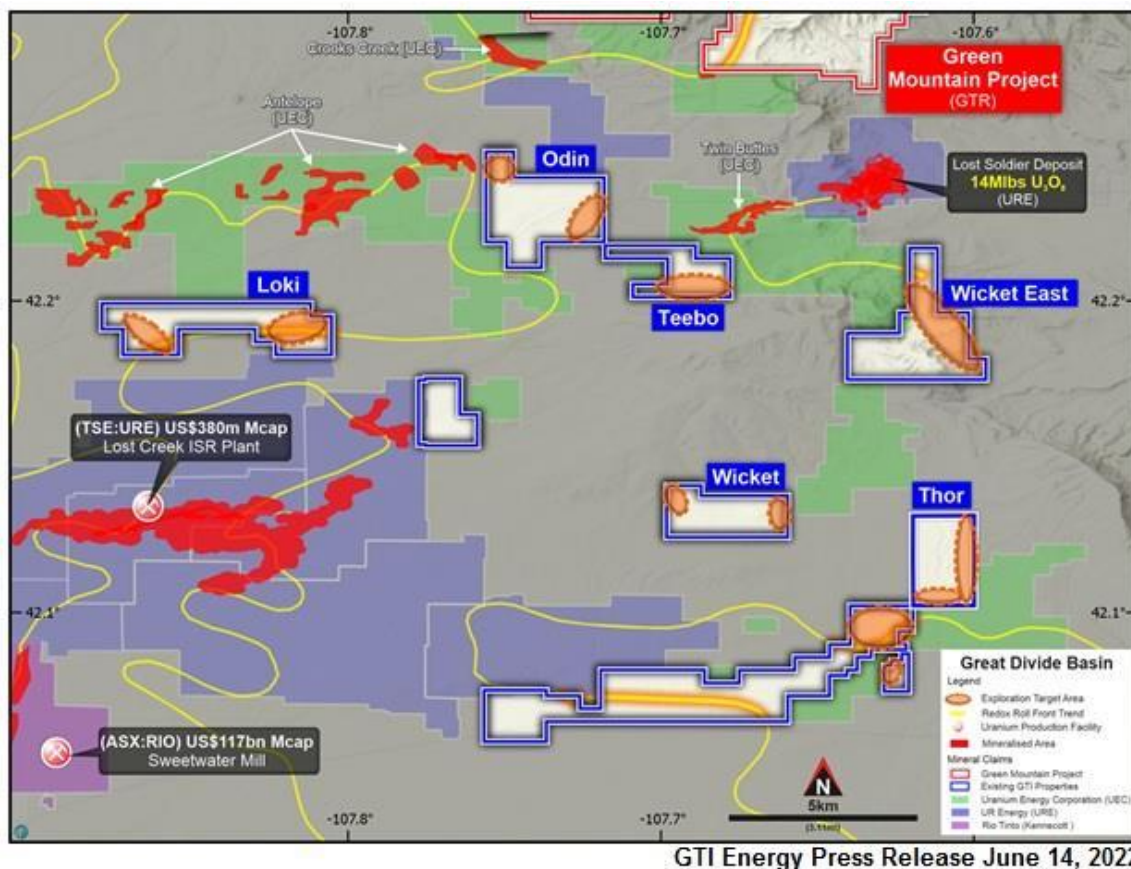
EPS in \$AUD

Quarterly EPS may not equal annual EPS total due to rounding.

## OVERVIEW

Headquartered in Perth Australia (with a field office in Riverton Wyoming), **GTI Energy Ltd** (OTCQB: GTRIF; ASX: GTR & GTRO) is a mineral exploration company now **focused on acquiring and advancing U.S.-based uranium assets**. Not only are uranium prices anticipated to rise due to a projected supply/demand imbalance in the upcoming years, but also there are pressures to develop U.S. uranium mines in order to secure domestic supply for U.S. nuclear reactors, which as a group are the world's largest consumer of uranium fuel.

The company has acquired highly prospective uranium properties in **Wyoming** (Great Divide Basin aka **GDB**) and **Utah** (the part of the Colorado Plateau in southeastern Utah). Both areas have had historical uranium production with extant processing facilities: the Lost Creek ISR facility (UR Energy) and the Sweetwater/Kennecott mill (Rio Tinto) in Wyoming and the White Mesa Mill (Energy Fuels Resources) in southeast Utah.



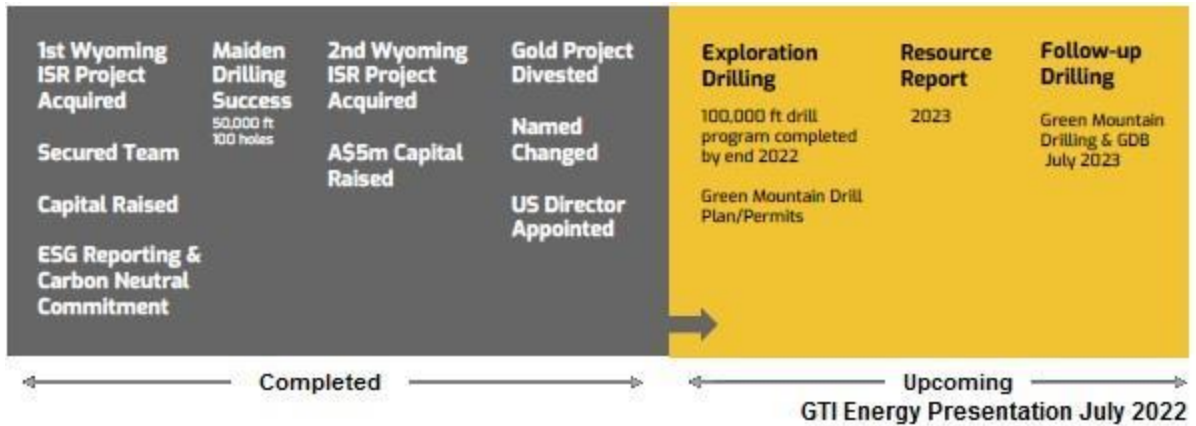
### Wyoming Uranium Properties (Great Divide Basin Project and the Green Mountain Project)

In Wyoming's Great Divide Basin, GTI Energy acquired Branka Minerals Pty Ltd (958 mineral lode claims and two state leases) in November 2021 and Logray Minerals Pty Ltd (672 mineral lode claims) in June 2022. The two acquisitions, which are in close proximity to each other, have been renamed the **Great Divide Basin Project** and the **Green Mountain Project**, respectively. The **redox** (aka **reduction-oxidation**) boundaries formed in the Great Divide Basin are conducive to the formation of **roll-front uranium deposits**, which are usually amenable to **ISR** (In Situ Recovery), the **lowest-cost mining** method for uranium. The redox boundaries of the Great Divide Basin (gold-colored lines in the map below) cross through the company's properties and are highly prospective for front roll uranium deposits.

Proximate deposits with **MREs** (mineral resource estimates) are **Lost Creek** (18.52 Mlbs eU<sub>3</sub>O<sub>8</sub>), **Lost Soldier** (17.25 Mlbs eU<sub>3</sub>O<sub>8</sub>)<sup>i</sup> and **JAB** (4.14 Mlbs eU<sub>3</sub>O<sub>8</sub>)<sup>ii</sup>.

Wyoming Uranium Properties – Planned Exploration

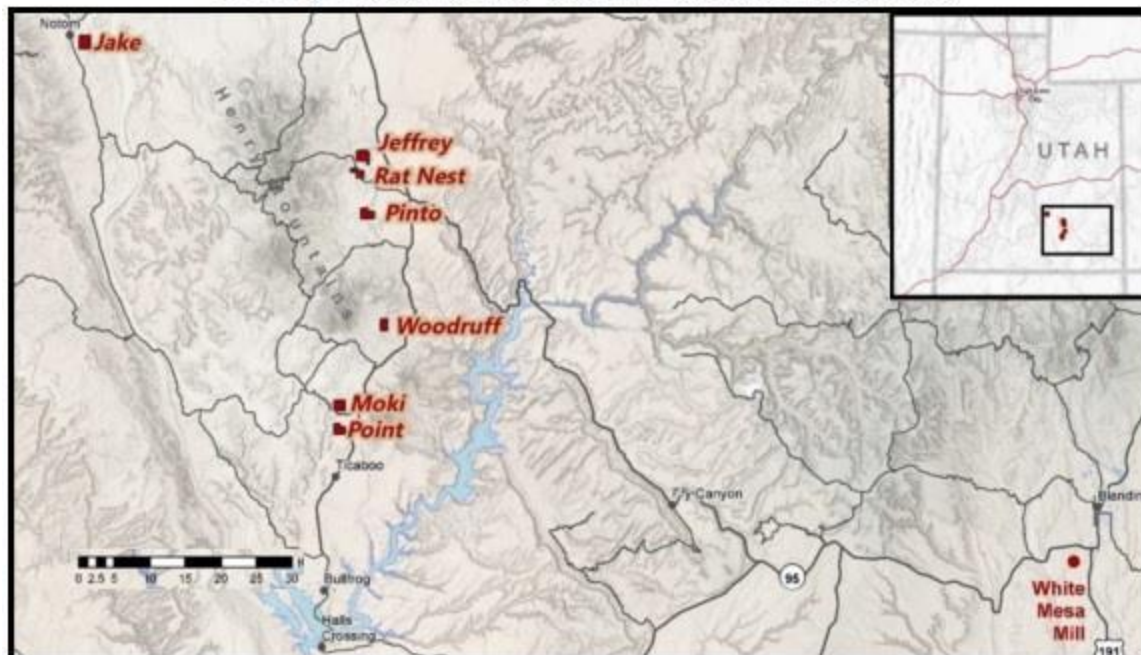
Management is **planning** for a **100,000ft** (30,480m) **drilling program** at the Great Divide Basin projects, including 40,000ft of follow-up drilling at the Thor Project. The company is pursuing the necessary permits and the required bond(s). The drilling program is slated to commence during the second half of 2022 and is expected be completed before Christmas. This drilling is designed to support a maiden Mineral Resource Estimate during 2023.



Utah Uranium Properties (Henry Mountains Project)

Situated in the northern portion of the Colorado Plateau (in southeastern Utah), the **Henry Mountains Project** was assembled by GTI Energy in October 2020 through the acquisition of Voyager Energy Pty Ltd (161 mineral lode claims) and also the purchase of two mining leases from Anfield Energy (TSXV: AEC). The area has a plethora of past-producing uranium-vanadium mines (well over 140 mines) and occurrences.

**Henry Mountains Claim Block Locations**



GTI Energy Presentation July 2020

The uranium deposits bodies in the vicinity of the Henry Mountains tend to be **tabular-or lens-shaped** uranium-enriched **ore bodies**, most commonly hosted in sandstone of the lowermost sequence of the Salt Wash Member of the Jurassic Morrison Formation and accompanied by vanadium. Extraction methods and processing of uranium ore from tabular sandstone deposits requires hard rock techniques, namely conventional open-pit/underground mining, crushing, grinding and a leach process.

The Shootaring-Delmonte and Cottonwood Wash-Trachyte mining sub-districts in the South Henry Mountains Mining District historically have produced about 650,000 pounds of  $U_3O_8$  plus an additional 2,480,000 pounds of  $V_2O_5$ .<sup>iii</sup> GTI Energy's exploration programs (mapping, sampling and drill programs) have focused on a 5km mineralized trend extending between the company's Rat Nest and Jeffrey claim groups, along with mapping and X-ray fluorescence spectroscopy of the walls in two underground mines on mineral lease ML 52627.

### **Spin-Off of Niagara Gold Project (near Kookynie, Western Australia)**

GTI Energy recently **divested** its **Niagara Gold Project** in Western Australia through a spin-off to Regener8 (ASX: R8R), which issued 5,000,000 shares of R8R to GTI Energy, along with issuing 1,500,000 performance rights and paying AUD\$150,000 in cash for a total value of AUD\$1,450,000.

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## **GREAT DIVIDE BASIN PROJECT (Sweetwater County, Wyoming)**

### **Property Description**

The **Great Divide Basin (GDB) Project** is GTI's most advanced ISR uranium property. Located in Wyoming's Great Divide Basin, the **21,072-acre** (8,527-hectare) land package consists of **958** underexplored mineral lode **claims and two state leases**, which are situated in **close proximity** (within 10km) to two successful uranium projects: **Ur-Energy's Lost Creek** deposit and **Rio Tinto's Sweetwater** ISR plant (held through its wholly-owned Kennecott subsidiary). The Great Divide Basin's **regional redox boundary passes** through these two proven projects and according to the mapped redox boundary and supported by recent drill results, **through or near the Thor Project's claims and leases**. The **MRE** (mineral resource estimate) for the nearby **Lost Creek** deposit currently is 18.52 Mlbs (million pounds): 6.877 Mlbs in the Measured category (average grade of 0.048% e $U_3O_8$ ); 5.027 Mlbs Indicated (0.046%) and 5.027 Mlbs Inferred (0.044%) based on a grade cutoff of 0.02 % e $U_3O_8$  and a Grade Thickness (GT) cutoff of 0.20.

In addition, there are **potential synergistic operational benefits** in having two uranium recovery licensees in the immediate vicinity of the Thor Project, including access to an employee pool, contract services for dealing with technical and operational issues and increased resources allocated for maintaining remote local roads. Currently, the Thor Project is accessible by maintained county roads.

### **Ownership**

GTI Energy acquired the **21,072-acre** GDB Project's portfolio of properties through a binding agreement entered on August 18, 2021 for the acquisition of 100% of Branka Minerals Pty Ltd. Strategically located along the redox boundary of the Great Divide Basin and underexplored, the tenements held by Branka Minerals (mineral lode claims and state leases) are highly prospective for sandstone-hosted roll-front uranium deposits.



The **purchase price** of the acquisition was **approximately AUD\$3.4 million** (USD\$2.45 million), which is composed of AUD\$600,000 in cash and 157.5 million ordinary shares of GTI Energy. GTI Energy completed the acquisition in November 2021.

### Tenements of Branka Minerals Acquisition

Name	Lode Claims	Acres	State & County	Holder	% Held
THOR	178	3677	Wyoming, Sweetwater	Branka Minerals LLC	100%
LOKI	102	2107	Wyoming, Sweetwater	Branka Minerals LLC	100%
ODIN	102	2107	Wyoming, Sweetwater	Branka Minerals LLC	100%
ODIN II	174	3595	Wyoming, Sweetwater	Branka Minerals LLC	100%
WICKET I	60	1240	Wyoming, Sweetwater	Branka Minerals LLC	100%
LOGRAY I	69	1426	Wyoming, Sweetwater	Branka Minerals LLC	100%
TEEBO	45	930	Wyoming, Sweetwater	Branka Minerals LLC	100%
LOGRAY II	52	1074	Wyoming, Sweetwater	Branka Minerals LLC	100%
WICKET II	103	2128	Wyoming, Sweetwater	Branka Minerals LLC	100%
WICKET III	37	764	Wyoming, Sweetwater	Branka Minerals LLC	100%
THOR II	36	744	Wyoming, Sweetwater	Branka Minerals LLC	100%
Thor- SECTION 20	State Lease	640	Wyoming, Sweetwater	Branka Minerals LLC	100%
Thor - SECTION 29	State Lease	640	Wyoming, Sweetwater	Branka Minerals LLC	100%

Tenements held as at 31 March 2022

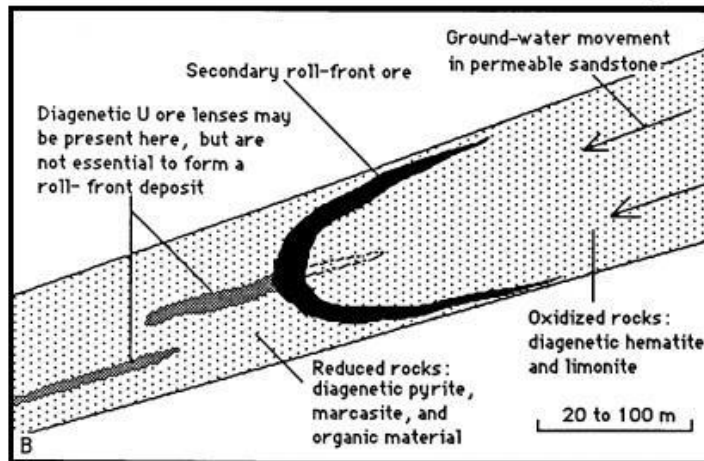
GTI Energy 1Q 2022 Activities Report

The due diligence phase of the Branka acquisition was completed in October 2021, and after shareholder approvals, **the acquisition was completed on November 3, 2021.**

### Wyoming's Great Divide Basin

Wyoming is an important domestic uranium producing state with a history of uranium mining that dates back to the early-1950s. Many basins in Wyoming are amenable to the formation of **roll-front uranium deposits**, particularly the Powder River, **Great Divide**, Wind River and Shirley basins. Roll-front deposits are generally hosted by permeable rocks, usually sandstones, most geologically bound by impermeable strata of mudstones, clays or shale, but some are fault controlled. The formation process is dependent on the **porosity** (ability to hold fluid) and **permeability** (ease of fluid flow) of the host rocks, the presence of **uranium-rich igneous rocks** and a **hydrologic regime** conducive to the deposition of these sandstone-type uranium deposit, namely a reducing pH environment in the groundwater system that precipitates uranium minerals out of the subsurface water at the **redox** (aka **reduction-oxidation**) boundary. Roll-front deposits are usually crescent-shaped or roll-shaped ore bodies. The geological structures that host roll-front uranium deposits are usually amenable to In Situ Recovery (ISR) mining methods.

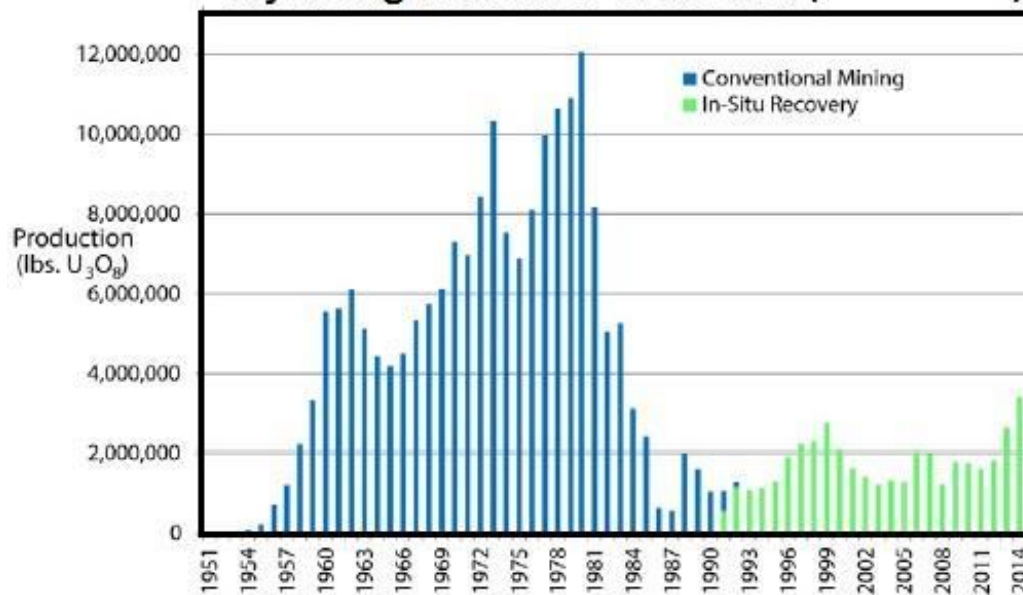
## Roll-front Mineralization in Sandstone Uranium Deposits



U.S. Geological Survey Bulletin 1693 - Mineral Deposit Models (Third Printing 1992)

In Wyoming, conventional (open-pit and underground) uranium mining began in the early-1950s and peaked in 1980. **ISR (In-Situ Recovery) mining methods began to be commercially practiced** in the early-1990s, and became the **sole source** of all of the state's production in 1993. Currently, there are seven (7) ISR uranium processing facilities in Wyoming, according to the U.S. Nuclear Regulatory Commission's website (SE to NW): Lost Creek (Ur-Energy, NYSE: URG), Sweetwater (Rio Tinto plc, NYSE: RIO), Nichols Ranch (Energy Fuels, NYSE: UUUU), Willow Creek (Uranium Energy Corp, NYSE: UEC), Moore Ranch, Reno Creek, Smith Ranch (Cameco, NYSE: CCJ) and Ross (Peninsula Energy Ltd., OTCQP: PENMF).

## Wyoming Uranium Production (1951-2014)



Uranium in the Wyoming Landscape Conservation Initiative Study Area (USGS Open File Report November 23, 2014)

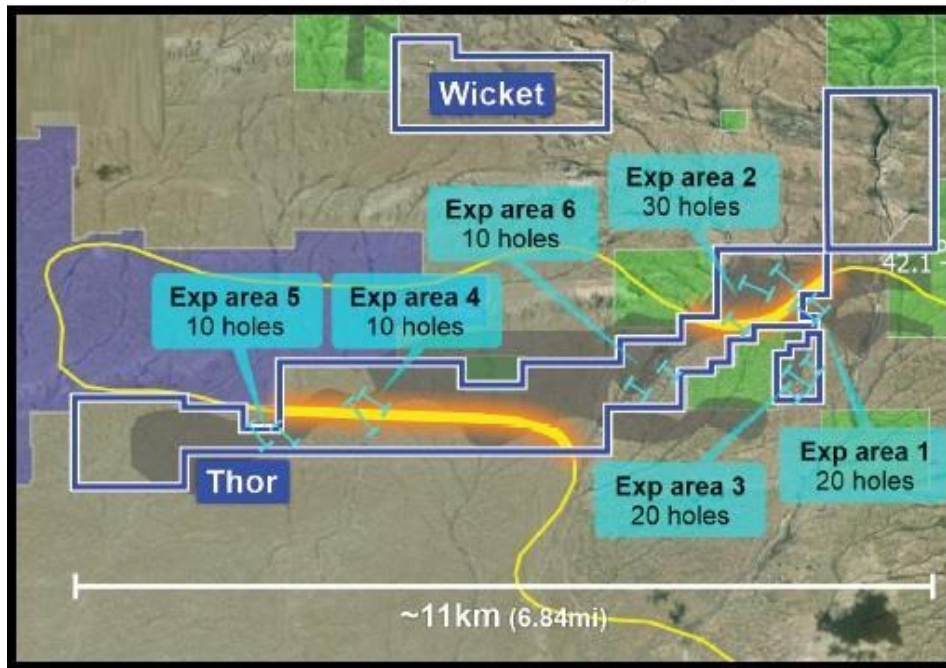
## Exploration

In the 1970s and 1980s, Kerr McGee, a previous owner of the tenements, conducted uranium exploration drilling programs. The historical exploration data also includes the results from 83 drill holes, along with some oil well drill logs. In the historical drill holes, uranium mineralization was encountered roughly 120-to-180m below surface.

Soon after the Branka acquisition closed in late-November 2021, GTI Energy commenced its **maiden drilling program** in order to confirm the grade and tenor of uranium mineralization

previously identified by Kerr McGee. Furthermore, the drill program was designed to better identify the depth, width, thickness and grade of uranium mineralization in order to support an ISR uranium resource estimate utilizing the **GT** (grade times thickness) **contour method**, in which a minimum GT cut-off is used like a grade cut-off in estimates of other minerals. In this drilling program, the GT cutoff for the mineralized intercepts was 0.20, not only because it is the norm, but also especially since management was benchmarking against the nearby Lost Creek deposit.

### Thor Project Drilling Map



GTI Energy Press Release March 29, 2022

Utilizing two mud rotary drill rigs, GTI Energy conducted a **100-hole (14,795m) maiden drilling program** between November 30, 2021 and March 17, 2022 **over the 179 Thor lode claims**. The program consisted of two phases: 39 holes during 2021 and 61 holes in 2022 after a Christmas break. The drill program discovered at least **three (3) roll fronts** in the main host sand unit and intercepted **5,377m of mineralized roll fronts**.

The **main host sand unit** is situated over 30m **below the water table** and appears **continuous** and **well-mineralized** with a **consistent thickness**, all attributes of a sandstone-hosted, roll-front deposit that is conducive for ISR recovery. Of the 100 holes drilled, **23 holes** met or exceeded **both** the 0.02% **grade cutoff** and the **GT cutoff** of 0.20 GT with an average of 0.57 GT.

### Select Thor Drilling Results (2022 drill-holes)

Thor Drilling Project (Great Divide Basin) - Preliminary Results											
(as of 3/28/2022)											
Reported at 0.02 %eU308 Cutoff (200 ppm)											
Hole ID	Date Drilled	Elevation	Total Depth Drilled	Total Depth Logged	From	To	Thickness	Grade %eU <sub>308</sub>	GT	Zone	Total Hole GT
BR-1047	11/02/2022		500	500	132.0	149.5	17.5	0.015	0.26		
BR-1048	11/02/2022		500	500	170.5	180.0	9.5	0.022	0.21		0.43
					182.5	190.5	8.0	0.022	0.18		
BR-1052	11/02/2022		220	220	171.0	186.5	15.5	0.024	0.37		0.37
BR-106C	16/02/2022		500	500	74.5	86.0	11.5	0.040	0.46		0.46

GTI Energy Press Release March 29, 2022



## Select Thor Drilling Results (2021 drill-holes)

Thor Drilling Project (Great Divide Basin) - Preliminary Results											
(as of 3/28/2022)		Reported at 0.02 %eU308 Cutoff (200 ppm)									
Hole ID	Date Drilled	Elevation	Total Depth Drilled	Total Depth Logged	From	To	Thickness	Grade %eU <sub>3</sub> O <sub>8</sub>	GT	Zone	Total Hole GT
BR-1001	30/11/2021	6873.86	503	503	246.5	255.5	9.0	0.033	0.30	Upper	0.55
					276.5	284.0	7.5	0.034	0.26	Middle	
BR-1002	29/11/2021	6888.63	503	503	217.0	240.5	23.5	0.063	1.48	Upper	1.74
					257.5	261.0	3.5	0.074	0.26	Middle	
3R - 1003	30/11/2021	6884.09	503	502	223.0	233.0	10.0	0.037	0.37	Upper	0.37
BR-1005	1/12/2021	6883.69	503	500	210.5	238.0	27.5	0.044	1.21	Upper	1.92
					255.5	269.5	14.0	0.051	0.71	Middle	
BR-1006	2/12/2021	6897.49	503	502	244.0	246.0	2.0	0.031	0.06	Middle	
					258.5	265.0	6.5	0.046	0.30	Middle	
					279.5	294.0	14.5	0.017	0.25	Lower	
BR-1020	7/12/2021				256.5	266.0	9.5	0.039	0.37	middle	0.37
BR-1021	9/12/2021		503	502	139.5	144.0	4.5	0.025	0.11		0.48
					148.5	161.0	12.5	0.029	0.36		
BR-1022	10/12/2021		502	502	133.5	150.0	16.5	0.018	0.30		0.50
					159.0	170.0	11.0	0.018	0.20		
BR-1024	9/12/2021		500	500	353.0	362.0	9.0	0.023	0.21		0.21
BR-1026	14/12/2021		300	300	152.5	176.0	23.5	0.020	0.47		0.47
BR-1027	13/12/2021				166.0	176.0	10.0	0.031	0.31		
BR-1028	13/12/2021				163.5	171.0	7.5	0.040	0.30		
BR-1029	23/12/2021		500	500	138.0	147.5	9.5	0.035	0.33		0.33
BR-1030	14/12/2021				146.5	156.5	10.0	0.082	0.82		
BR-1031	14/12/2021				158.0	170.5	12.5	0.035	0.44		
BR-1032	15/12/2021				150.5	164.5	14.0	0.029	0.41		
BR-1034	16/12/2021		350	350	184.0	196.0	12.0	0.022	0.26		0.53
					204.0	212.5	8.5	0.031	0.26		

GTI Energy Press Release March 29, 2022

The results of the maiden drilling program were **in line with or better than management's expectations** in terms of widths, grades and depth of mineralization, and, therefore are **sufficient to advance the project** with further drilling programs, including the untested claim blocks of the Thor Project.

### **Follow-up Drilling Program Planned for 2H-2022**

Management is **planning** for a 100,000ft (30,480m) **drilling program** at the Great Divide Basin projects, including 40,000ft of follow-up drilling at the Thor Project. The company is pursuing the necessary permits and the required bond(s). The drilling program is slated to commence soon and be completed by the end of 2022.

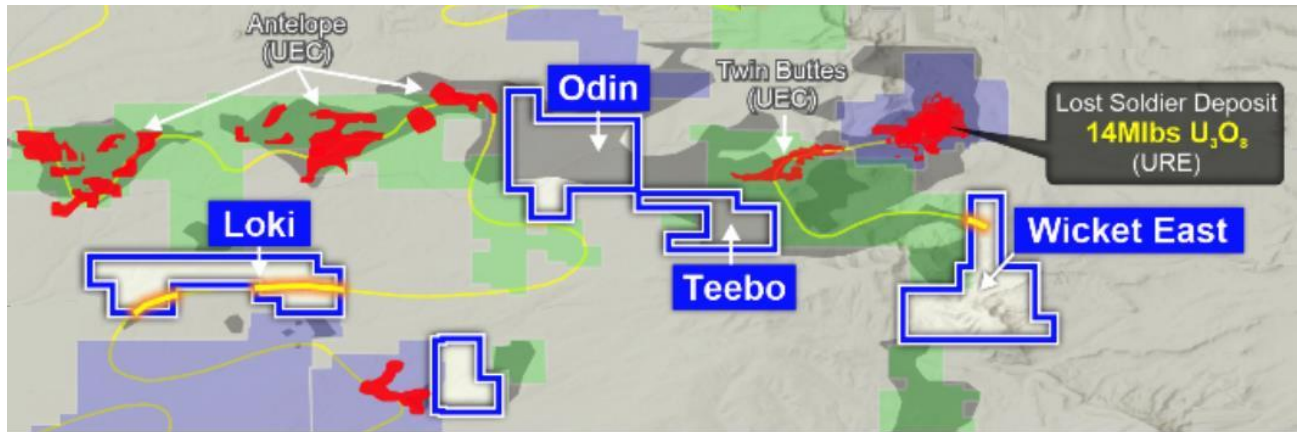
Part of the 2022 drilling program is planned to be **up to 70 holes** (approximately 40,000ft or 12,200m) of **follow-up drilling** focusing on the **northeastern Thor lode claims**, along with the 1,280 acres of **two state leases** situated northeast of the 179 Thor lode claims previously drilled.

The drilling program also will include **exploration drilling** at certain lode claim blocks approximately 10km north of the Thor lode claims (namely Loki, Odin, Teebo and Wicket East). These blocks are in the vicinity of Ur-Energy's Lost Soldier deposit and Uranium Energy's Antelope and Twin Buttes projects with the mapped redux boundary crossing through Loki and Wicket East.

**Up to 20 holes** (circa 20,000ft or 6,100m) of drilling are planned for **Wicket East**, which very near to the southern boundary of Ur-Energy's Lost Soldier deposit. The **program** seeks to explore a



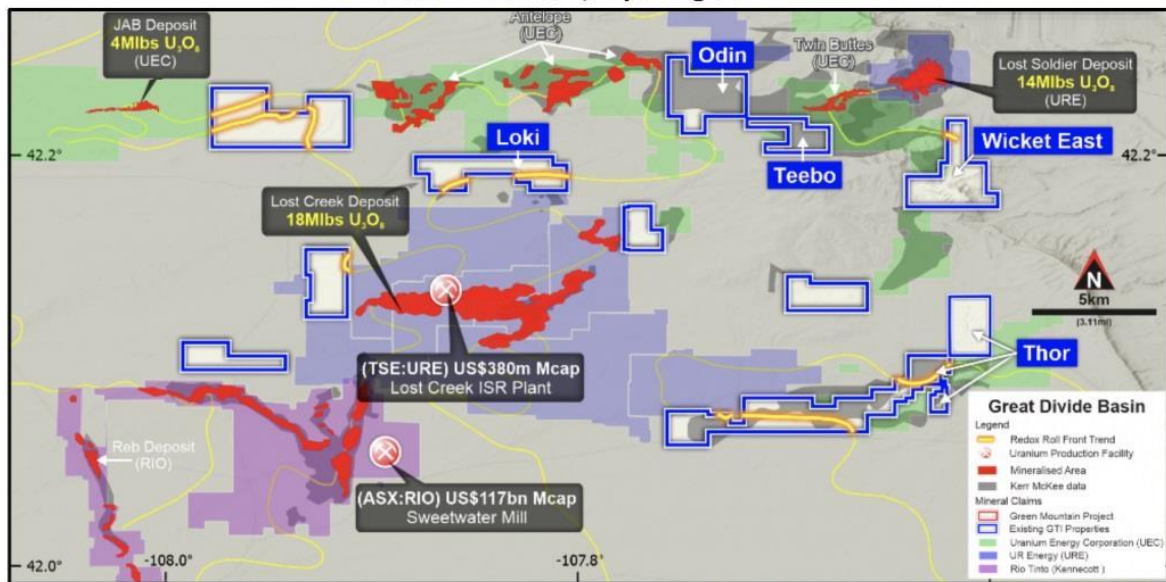
distance of three **miles** for a projected mineralized trend that may extend from the Lost Soldier property.



GTI Energy website (gtienergy.au/projects/great-divide-basin/ (June 1, 2022)

**Up to 40 holes** (about 40,000ft or 12,200m) of drilling is planned for the **Odin, Teebo and Loki** lode claims. The delineation of holes is designed to test a **combined length of five miles** for mineralized trends. **Loki** is situated between (and adjacent) to the Antelope Project (Uranium Energy) and the Lost Creek Project (Ur Energy) while **Odin** is situated between (and adjacent) to Uranium Energy’s two projects (Antelope and Twin Buttes). **Teebo** is contiguous with the southwestern border of the Twin Buttes Project.

**Thor Project Uranium Drilling Location Map  
Great Divide Basin, Wyoming USA**



GTI Energy website: gtienergy.au/projects/wyoming-isr/ (June 1, 2022)

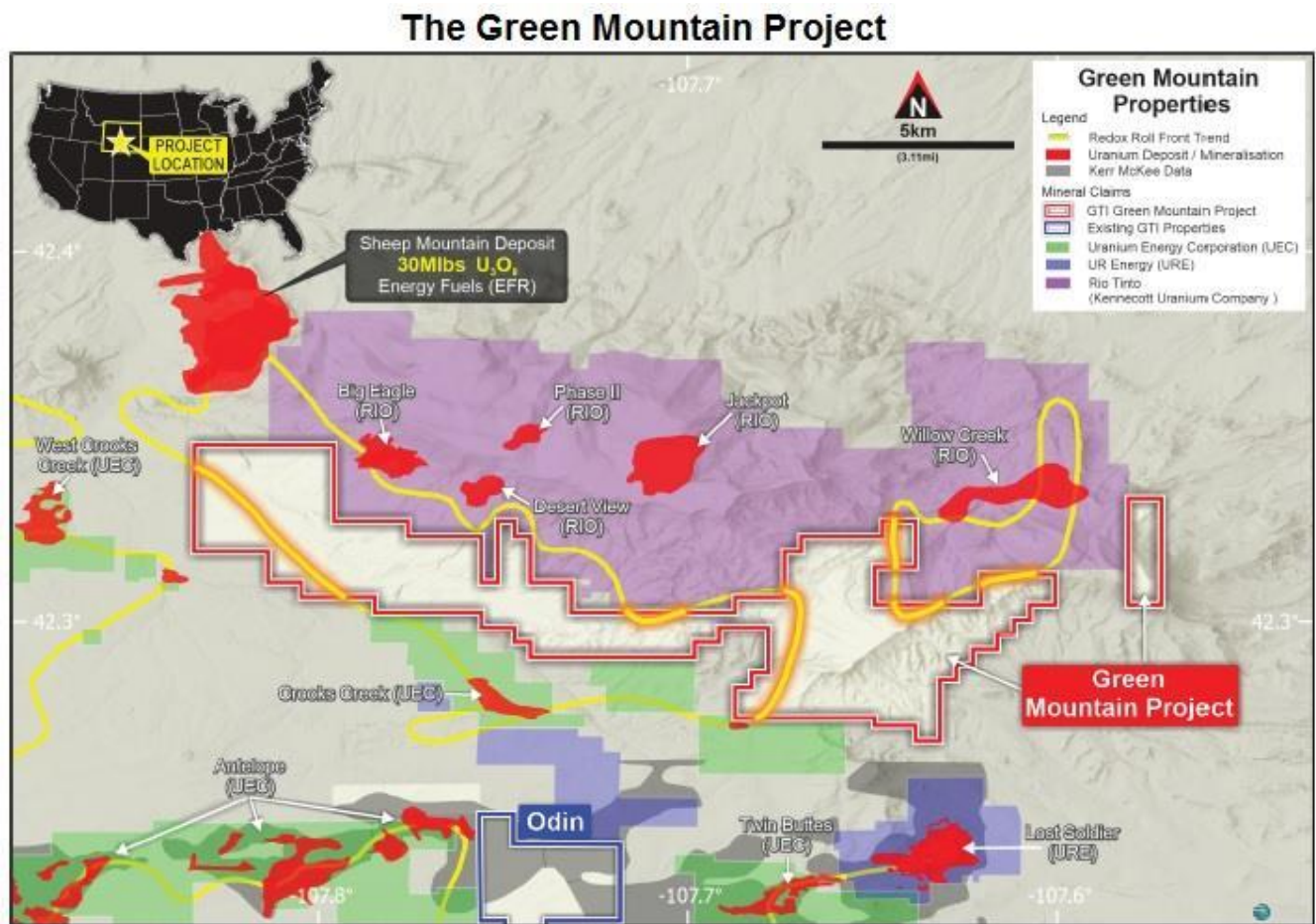
## GREEN MOUNTAIN PROJECT (Great Divide Basin – Wyoming)

### Property Description

Located in Fremont County, Wyoming, the Green Mountain Project consists of **672 mineral lode claims** encompassing **13,883.52 acres** (5,618.47 hectares) situated in the **Crooks Gap-Green Mountain Uranium Mining District**. The claims, the vast majority being contiguous, are situated immediately south of **Rio Tinto’s claims** at Green Mountain (via wholly-owned Kennecott Uranium Company and fka Green Mountain Mining Venture aka **GMMV**), which includes the past-producing

(conventional open-pit) Big Eagle deposit, along with deposits with historic resource estimates that pre-date Canada's adoption of NI-43-101 Standards of Disclosure for Mineral Projects (namely, Jackpot and Big Eagle Phase II). The northwest corner of the Green Mountain Project is **within 5km of Energy Fuel's Sheep Mountain Project** with a conventional mining Indicated Resource of 30.285 Mlbs U<sub>3</sub>O<sub>8</sub>). Furthermore, **Uranium Energy's Crooks Creek and Twin Buttes Projects** (both developmental projects with historical resources) are situated immediately south of (and **contiguous to**) the central part of GTI's Green Mountain Project. Ur-Energy's Lost Soldier ISR deposit is less than 3km from the Green Mountain Project's southeast border.

The Great Divide Basin's **regional mapped redox boundary passes** through the Green Mountain Project several times (at least six) times, sharing the same redox boundaries with all the contiguous properties mentioned in the paragraph above. Being thus **strategically located** along the redox boundary of the Great Divide Basin and adjacent to other prospective and/or proven uranium projects, the 672 lode claims are highly prospective for sandstone-hosted roll-front uranium deposits.



GTI Energy Press Release April 6, 2022

## Ownership

On April 6, 2022, GTI Energy announced that it had entered into a binding term sheet agreement for the acquisition of 100% of **Logray Minerals Pty Ltd**, holder of 672 (almost-all) contiguous mineral lode claims encompassing approximately 13,883 acres (5,618 hectares). At the time of the announcement, the **purchase price** of the acquisition was **approximately AUD\$3.4 million** (USD\$2.45 million), which is composed of AUD\$750,000 cash and 105 million ordinary shares of GTI Energy. GTI Energy completed its due diligence on May 24<sup>th</sup>, and the **acquisition closed on June 14, 2022**.

Project Name	Lode Claims (20.66 acres)	Expiry Date	Tenement Type	Size Acres	State	County	Holder
Green Mountain East (GME)	526	31-Aug-22	Lode Claims	10,867	Wyoming	Fremont	Logray Minerals LLC
Green Mountain East (GME)	146	31-Aug-22	Lode Claims	3,016	Wyoming	Fremont	Logray Minerals LLC
	672			13,884			

GTI Energy Press Release April 6, 2022

## Exploration

In the 1970s and 1980s, Kerr McGee also conducted oil exploration drilling programs in the vicinity of the Green Mountain Project. The uranium drill maps and oil well logs confirmed the presence of sandstone-type roll fronts in the prospective Battle Springs formation, which hosts the uranium deposits in the nearby uranium properties.

Management plans to initiate a drill program after establishing drill targets by further evaluating the Kerr McGee drill data/logs, conducting additional field reconnaissance and after acquiring the required permits.

## **HENRY MOUNTAINS PROJECT (Henry Mountains Basin – Utah)**

### Property Description

Located in Utah's Henry Mountains Basin, GTI's **Henry Mountains Project** consists of **161 mineral lode claims** and **two state leases**, which are situated in the South Henry Mountains Mining District. The lode claims are grouped into **seven projects** (north to-south): Jake, Jeffrey, Rat Nest, Pinto, Woodruff, Moki and Point. **Management is currently focused on a 5km mineralized trend extending between Jeffrey and Rat Nest.** The area has an abundance of historic uranium-vanadium mines and occurrences. Jeffrey and Rat Nest are within 2km of the Butler Wash uranium-vanadium mine and the Daisy June uranium occurrence. Pinto is within 1km of the Hope uranium-vanadium mine while Moki and Point claim groups are within 2km of the Lucky Strike South uranium-vanadium mine and the Shooting uranium mine. The mines have either tabular-shaped or lens ore bodies and are small-to-medium in size.

Importantly, the **Moki group of claims** are in **very close proximity** (within one mile) to the **Tony M Mine**, which was acquired by Consolidated Uranium (OTCQB: CURUF) from Energy Fuels (NYSE: UUUU) in October 2021. This past-producing underground uranium mine is a large-scale, fully-developed and permitted mine with 18 miles of main haulage ways and crosscuts. The historical **MRE** (mineral resource estimate) is **10.88 Mlbs (million pounds)**: 8.13 Mlbs in the Indicated category (average grade of 0.24% U<sub>3</sub>O<sub>8</sub>) and 2.75 Mlbs Inferred (0.16%) based on a grade cutoff of 0.10 % eU<sub>3</sub>O<sub>8</sub> and a Grade Thickness (GT) cutoff of 0.20.

**Historic production** of the **Tony M Mine** totals **0.991 Mlbs U<sub>3</sub>O<sub>8</sub>** consisting of 0.569 Mlbs U<sub>3</sub>O<sub>8</sub> between 2007 and 2008 by Plateau Resources Ltd. (average grade of 0.121% U<sub>3</sub>O<sub>8</sub>) and 0.422 Mlbs U<sub>3</sub>O<sub>8</sub> between September 2007 and November 2008 (average grade of 0.131%). The ore was trucked 127 miles to the White Mesa Mill for processing.

The **Woodruff group of claims** is the site of a past producing uranium-vanadium mine with ore hosted in the Salt Wash Member of the Morrison Formation. The typical morphology of ore bodies at Woodruff are either rolls or pods generally 2-to-4 feet thick situated approximately 60 meters below



surface. The mine's underground workings consisted of a single shaft with short adits. Subsurface workings total less than 125m. Past production was 175 tons averaging 0.20% U<sub>3</sub>O<sub>8</sub>.

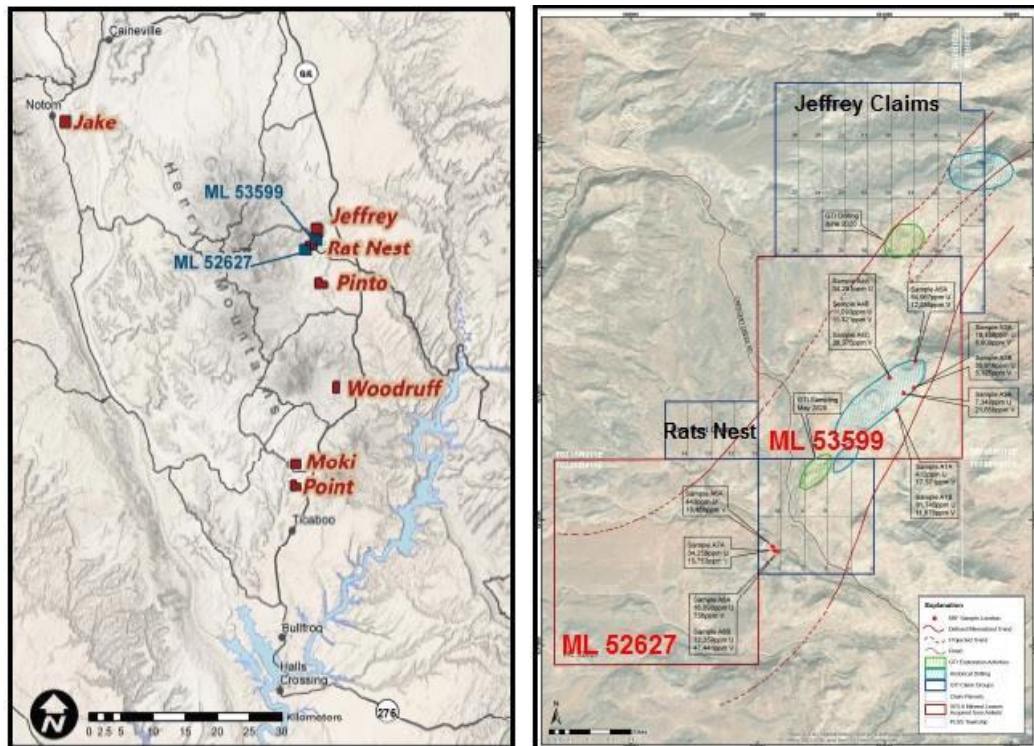
### **Morphology - South Henry Mountains Mining District**

A variety of sub-types have been defined for sandstone-related uranium deposits in terms of morphology, sedimentological setting, tectonic/lithologic controls and a variety of other characteristics. Delving into the **morphology** (the structure and geometry) of the uranium ore bodies in the vicinity of the Henry Mountains, the genesis of the uranium mineralization through a succession of concentration steps was conducive to the deposition of **tabular-or lens-shaped uranium-enriched ore bodies**, mainly due to the mechanisms related to the higher temperature of mineralizing fluids and the influence of organic material in the redox process.

As to the **location** of the deposits, it appears that the most common sandstone-hosted ore-grade uranium mineralization occurs in the **lowermost sequence of the Salt Wash Member** of the Jurassic Morrison Formation. Generally, the Salt Wash Member in the area of Henry Mountains is approximately 500 ft. thick with uranium mineralization being hosted in sandstones of the stratigraphic zone roughly 35-to-62 feet from the bottom of the Member. Also, deeper Jurassic Entrada Sandstone and Triassic Shinarump Conglomerate Formations are prospective for uranium-vanadium deposits.

### **Ownership**

GTI Energy acquired the **Henry Mountains Project** through a binding agreement entered on July 1, 2019 for the **acquisition of 100% of Voyager Energy Pty Ltd**, which was consummated in October 2020. Also in October 2020, GTI Energy acquired two mining licenses from Anfield Energy Inc. (OTCQB: ANDLF): **ML 52627** (T31S, R11E, Section 36) and **ML 53599** (T32S, R11E, Section 2). The leases are immediately adjacent to both the Jeffrey and Rat Nest claim blocks creating a larger contiguous project tract. **ML 53599** contains **two historical mines** (East Mine and West Mine), which operated into the late 1970s with **over 1,300m of underground development**. The **Henry Mountains Project** consists of **161 lode claims** encompassing **4,606 acres**.



GTI Energy Press Release July 22, 2020

GTI Energy Limited							
Henry Mountains Projects	State	County	Date of Acquisition	Size (hectares)	Size (acres)	No. of Claims	No. of Leases
Jake	Utah	Wayne	9/3/2019	267	661	32	-
Jeffrey	Utah	Garfield	9/3/2019	234	578	28	-
Moki	Utah	Garfield	9/3/2019	201	496	24	-
Point	Utah	Garfield	9/3/2019	167	413	20	-
Woodruff	Utah	Garfield	9/3/2019	151	372	18	-
Pinto	Utah	Garfield	9/3/2019	209	517	25	-
Rat Nest	Utah	Garfield	9/3/2019	117	289	14	-
ML 52627	Utah	Garfield	10/28/2020	259	640	-	1
ML 53599	Utah	Garfield	10/28/2020	259	640	-	1
<b>TOTAL</b>				<b>1,864</b>	<b>4,606</b>	<b>161</b>	<b>2</b>

### Henry Mountains Properties Timeline

- November 2018 **XRF sampling** at the underground workings at the **Jeffrey claims**
- First half 2019 **Rock sampling** at outcrops & mines at **Point, Rat Nest** and **Woodruff**
- July 1, 2019 Entered binding agreement to acquire **Voyager Energy Pty Ltd**
- First half 2020 Collected samples at the **Rat Nest** claim group
- First half 2020 **Down-hole geophysical surveys** of historical drill holes at Jeffrey claims
- June 2020 **12-hole maiden drill program** at the **Jeffrey claim group**
- July 2020 Acquired **data package** on Jeffrey, Rat Nest and Moki claim groups
- August 2020 Completed review of **historical data package**
- October 2020 Acquired **Voyager Energy Pty Ltd**
- October 2020 Acquired **two mining licenses (ML 53599 and ML 52627)**
- December 2020 Completed mapping over 1,300m of East Mine & West Mine (Section 36)
- Mid-2021 Completed **88-hole downhole logging program** at Section 36
- Mid-June 2021 Completed **40-hole (920m) drilling program** at Section 36
- November 2021 Completed **field reconnaissance exploration program** at Section 2

### Exploration

GTI's initial focus was on the Jeffrey Project, which then broadened to the **5km mineralized trend extending between Jeffrey and Rat Nest.**

In November 2018, prior to entering the binding agreement to acquire Voyager, GTI's due diligence included **XRF sampling** at the underground workings at the **Jeffrey claims**. A total of **seven samples** ranged from 4,399-to-81,558 ppm U<sub>3</sub>O<sub>8</sub> and 2.48%-to-9.39% V<sub>2</sub>O<sub>5</sub>. Thereafter, in the first half of 2019 **geological field work** was completed, including outcrop mapping and grab sampling (at outcrops & mine workings) as well as a review of historical drill holes. The sampling effort consisted of a total of **10 samples** collected at the **Point, Rat Nest and Woodruff** claim groups. The best assays from each claim group were 3.24% U<sub>3</sub>O<sub>8</sub> & 7.64% V<sub>2</sub>O<sub>5</sub> (Point), 1.26% U<sub>3</sub>O<sub>8</sub> & 0.89% V<sub>2</sub>O<sub>5</sub> (Rat Nest) and 0.37% U<sub>3</sub>O<sub>8</sub> & 3.52% V<sub>2</sub>O<sub>5</sub> (Woodruff).

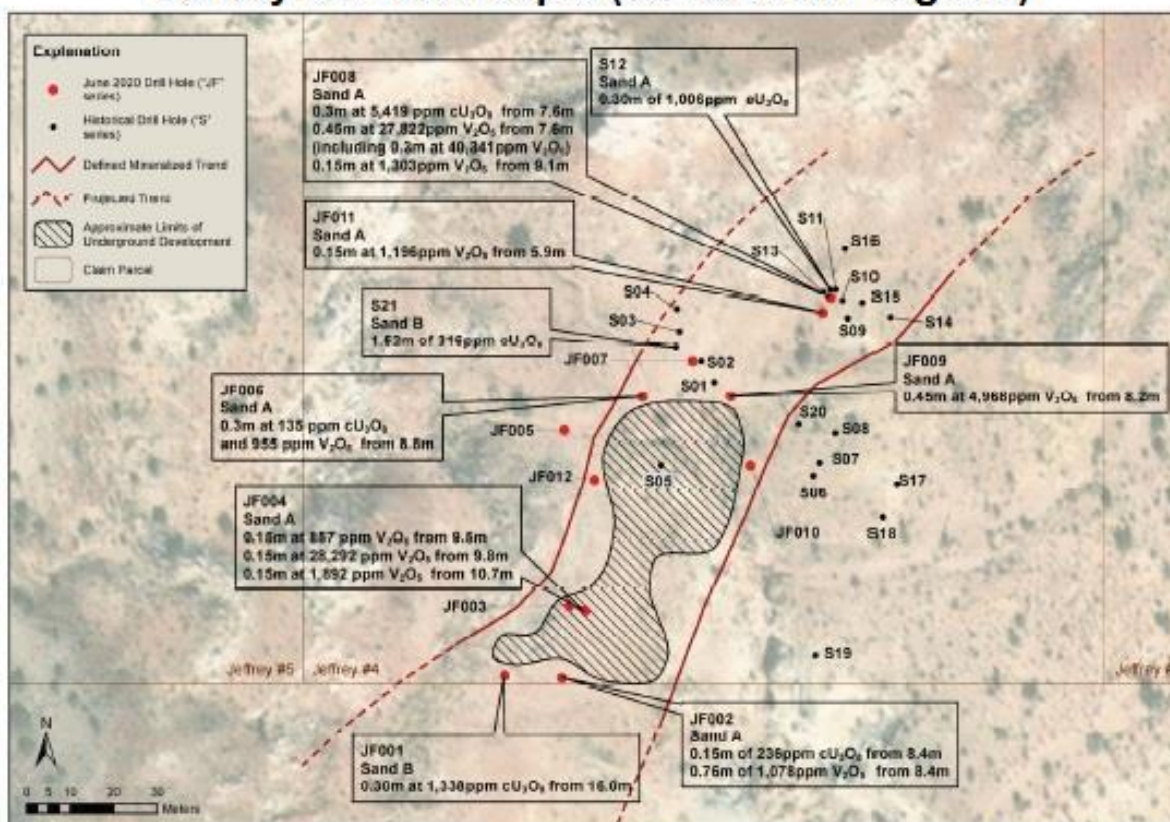
In the first half of 2020, 31 samples were collected at the **Rat Nest** claim group (25 vertical channel samples from work faces as well as six grab samples). The highest assay grab samples delivered grades of 0.864% U<sub>3</sub>O<sub>8</sub> and 1.066 V<sub>2</sub>O<sub>5</sub>. Also, **down-hole geophysical surveys** of 26 open historical drill holes at two locations at the Jeffrey claims were conducted. The surveys were hampered by at least seven holes being too shallow (less than 7m) to reach any mineralization; nevertheless, nine of the 26 holes returned gamma signatures consistent with mineralization, including a high intercept of 0.234% eU<sub>3</sub>O<sub>8</sub> over a 0.3m intercept. The results of these exploratory programs demonstrated the continuation of uranium mineralization and were consistent with management's expectations.



On July 22, 2020, GTI Energy acquired a **data package** with detailed information on the Jeffrey, Rat Nest and Moki claim groups. The Jeffrey-Rat Nest data includes 362 drill hole logs (135 of which intersected uranium mineralization), downhole gamma logging tables, resource maps, along with project level exploration and evaluation reports. The Moki-related data includes drill intercept maps for 107 holes and an evaluation report.

In June 2020, GTI commenced and completed a small-scale **maiden drill program** at the **Jeffrey claim group**. A total of **12 shallow holes** (182m) were completed; in addition, six historical drill holes were gamma logged. Assay results exceeded management's expectations with **confirmation of near-surface mineralization** within the Salt Wash Member at an average depth of 8 meters. Furthermore, four gamma showings indicate a second shallow mineralized sand horizon at a depth of 12-to-15 meters. The company's first-pass exploratory drilling program **induced management to acquire two mineral leases (ML 52627 and ML 53599)** in the area from Anfield, enlarging the company's land position in Utah and amassing a continuous area across a prospective mineralized trend between Jeffrey and Rat Nest. Seven holes encountered significant intercepts (i.e. greater than 50ppm  $U_3O_8$  and/or 750ppm  $V_2O_5$ ), of which the top three ranged between 0.23%-to-0.76%  $U_3O_8$  and 2.83%-to-4.11%  $V_2O_5$ .

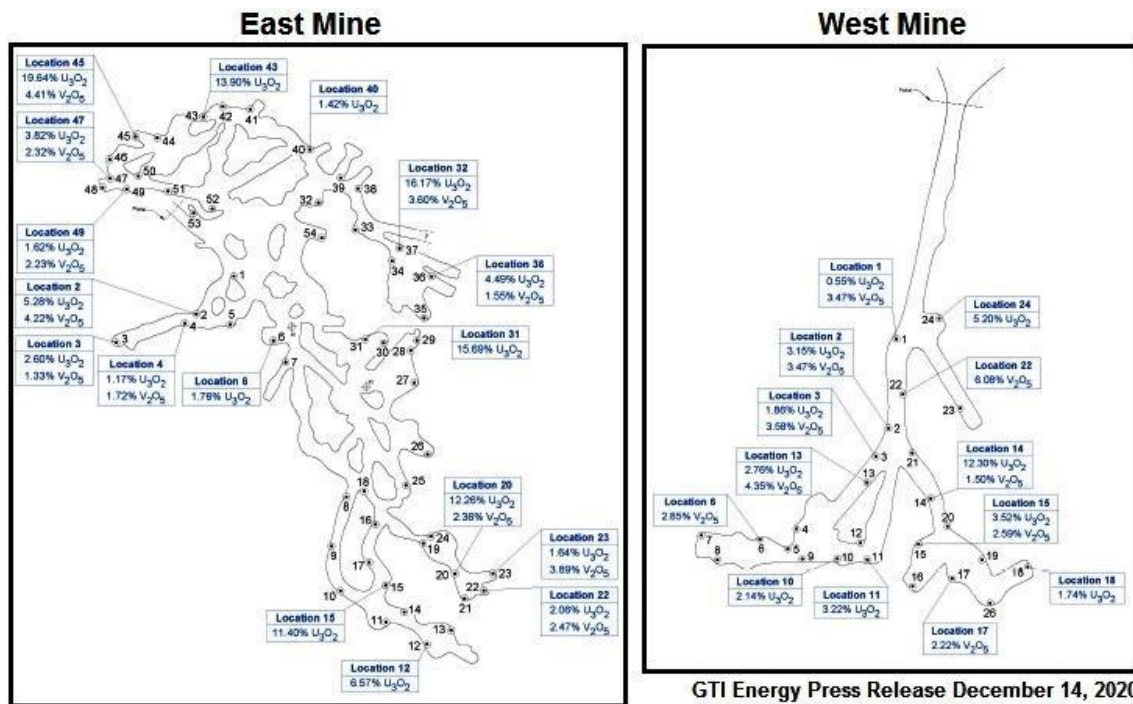
### Jeffrey Drill Intercepts (June 2020 Program)



GTI Energy Press Release August 31, 2020

During the fourth quarter of 2020, GTI initiated exploration of the newly acquired **ML 52627** (aka Section 36) by **mapping more than 1,300m of historical underground workings** at the East mine and the West mine. In addition, the walls of both underground mines were analyzed with **X-ray fluorescence spectroscopy** (via a handheld Bruker S1 Titan pXRF analyzer). 54 samples were collected from the East Mine and 26 samples from the West Mine. **Over 30% of the site samples at the East Mine** (high of 19.64%  $U_3O_8$ ) and in the West Mine (high of 16.17%  $U_3O_8$ ) **yielded values above 1.00%  $U_3O_8$** . The results indicate that ore-grade uranium mineralization is prevalent throughout both mines, demonstrating the prospectivity of these two historic mines.





After **preparatory fieldwork** in the spring of 2021, the maiden field exploration program at Section 36 was conducted in two stages. The **geophysical downhole logging program** examined 88 existing historical drill holes (56 in April and 32 in June). The holes were logged with gamma ray sonde up to depths of 20m (61 feet) on half-foot intervals. The gamma-ray logs were used to calculate e U<sub>3</sub>O<sub>8</sub> grades by converting counts per second into an interpretation of eU<sub>3</sub>O<sub>8</sub> grade. Of the 88 existing drill holes geophysical logged, 39 (44%) were mineralized with the best hole intercepting 4.5 feet grading 0.143% eU<sub>3</sub>O<sub>8</sub> and a **GT of 0.64** from 39 to 43.5 feet below surface.

During mid-June 2021, a **40-hole (920m) drilling program** at Section 36 was completed. 23 of the 40 holes (57.5%) were mineralized with **four holes exhibiting a GT greater than 0.20**. The best hole intercepted 5 feet of mineralization with an average grade of 0.179% eU<sub>3</sub>O<sub>8</sub> and GT of 0.90 from 24.5 to 29.5 feet below surface.

In early November 2021, GTI completed a **field reconnaissance exploration program**, which focused on **Rat Nest and Section 2**. The mapping effort **located 3,700 ft. of mineralized contact**, which were discerned via outcrop and confirmed by scintillometer readings. In the quest to **locate historical drill holes** for downhole geophysical logging, the reconnaissance program discovered 308 backfill-abandoned drill holes and four open (loggable) drill holes. In addition, **34 former underground mines were located**, four of which exhibited horizontal workings over 100 feet in length.

## NIAGARA GOLD PROJECT (Central Goldfields Region – Western Australia)

With GTI Energy now focused on acquiring and developing U.S. uranium assets, the company has **divested the Niagara Gold Project** via a **spin-off to Regener8 Resources NL** (ASX: R8R). The completed terms of the Tenement Sale & Purchase Agreement are as follows:

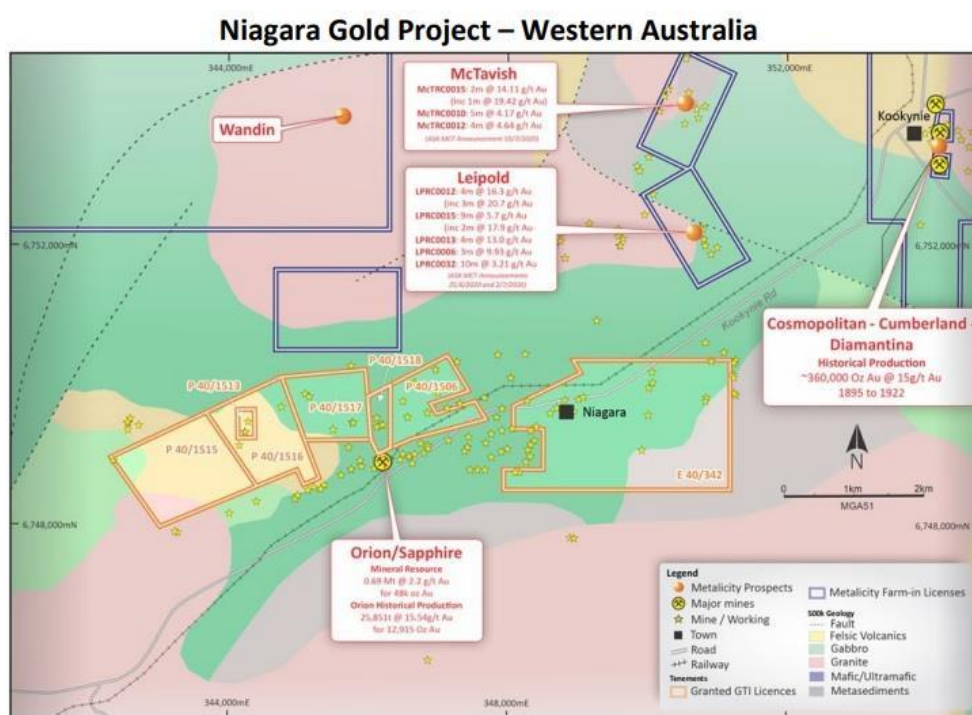
- Regener8 completed an IPO of 22,500,000 shares issued at AUD\$0.20 per share,
- Regener8's stock was listed for trading on the ASX on July 8, 2022 and
- GTI Energy was paid **5,000,000 shares** of Regener8 (priced at AUD\$0.20 per share), **1,500,000 performance rights** and **AUD\$150,000 in cash** (total value of AUD\$1,450,000).

By divesting the Niagara Gold Project to Regener8 (ASX: R8R), GTI's management can fully focus on the development of the company's U.S. uranium properties while maintaining some ownership in the Western Australian Niagara Gold Project through the ownership of

## Property Description

Located in Western Australia, the **Niagara Gold Project** is situated 6 km southwest of Kookynie. The Project is comprised of one (1) granted **exploration license** (E40/342) and **eight contiguous prospecting licenses** (P40/1515, P40/1516, P40/1513, P40/1517, P40/1518, P40/1506, P40/1536 and P40/1492).

Within the P40/1506 prospecting license, there are a number of historical shafts and shallow workings (pits) which were mined during the early 1900's and 1930's. Also, during the late 1980's and 1990's, P40/1506 was explored by trenching, sampling and first-pass drilling. Furthermore, a number of small-scale workings and historical shafts exist within E40/342.



GTI Energy 2021 Annual Report

In the vicinity of the Niagara Gold Project are:

- the Orion/Sapphire Gold Mine (historical production - 12,352 ozt Au)
- the Gladstone Gold Mine (historical production - 5,257 ozt Au)
- the Cosmopolitan Gold Mine (historical production - 360,000 ozt Au)

## Ownership

**GTI Energy assembled the Niagara Gold Project**, initially acquiring a granted exploration license (E40/342) in 2018. In 2019, the company staked (pegged) four additional prospecting license applications (P40/1506, P40/1515, P40/1516 and P40/1517), which covered 5.11 km<sup>2</sup> and in due course were granted in late 2020. Subsequently, in December 2020, GTI acquired two prospecting license applications (P40/1513 and P40/1518) from Leon Gianni for 2,500,000 GTI shares (valued at AUD\$77,500). Furthermore, the P40/1492 prospecting license was granted in September 2020 while P40/1536 was granted during the fourth quarter of 2021. The assembled land package encompasses a roughly 5km mineralized trend with many historic mine workings.

## Historical Production

According to historical mine records, between 1898 and 1914, **the Niagara land package produced 5,100 ozt Au** (6,800 tons at 25.8 g/t), primarily from high-grade quartz veins.

### Niagara Gold Project - Recorded Historical Gold Production

Name/Area	Tons Ore Treated*	Oz Gold Produced*	Grade Au g/t*	Years
Christmas	167.5	86.78	17.8	1903-04
Eureka	571	515.13	30.9	1898-01
Good Friday	158	90.57	19.7	1899
York	459.5	284.21	21.2	1901-05
Coronation	15	12.57	28.7	1902
Iolanthe	25	13.86	19.0	1904
<b>Christmas/Good Friday</b>	<b>1,396</b>	<b>1,003.12</b>	<b>24.6</b>	
Kathleen	813	720.96	30.4	1902-06
White Cross	876.5	499.18	19.5	1903-09
May	2,837.25	2,337.15	28.2	1903-14
May	280	63.84	7.8	1940-41
Bonnie Scotland	20	9.43	16.2	1902
Jarrahdale	59	39.88	23.2	1903-04
<b>White Cross</b>	<b>4,885.75</b>	<b>3,670.44</b>	<b>25.8</b>	
Brooklet	79	95.76	41.6	1902-04
Great Toutini	18	7.88	15.0	1902
Lucky Hit	154.5	91.01	20.2	1903-05
White Cliffs	47.25	33.39	24.2	1898-1901
<b>White Cliffs</b>	<b>298.75</b>	<b>228.04</b>	<b>26.2</b>	
Two K's	107	126.42	40.5	1899-1902
Perseverance	93	74.11	27.3	1908-09
<b>Perseverance</b>	<b>200</b>	<b>200.53</b>	<b>34.4</b>	
<b>Total Project Area</b>	<b>6,780.5</b>	<b>5,102.13</b>	<b>25.8</b>	

GTI Energy Press Release February 3, 2022

## Exploration

GTI Energy advanced the Niagara Gold Project through a series of exploration effort on E40/342, including:

- an auger soil sampling program (197 samples on 100m x 100m spacing) in March 2020,
- a 2,200 line-km airborne magnetic survey in July 2020,
- a second auger soil sampling program in the third quarter of 2020
- drilling 52 shallow Aircore holes (2,321m - average depth 45m) in September 2020,
- 16 hole (2,376m) RC drilling program in the fourth quarter of 2020.

## OVERVIEW OF URANIUM INDUSTRY

The uranium industry is setting up for an anticipated rise in uranium prices.

- **Supply/demand imbalances** in the past have created three distinct commodity cycles in the uranium industry. Each cycle has begun with an increase in the price(s) of uranium and of uranium equities (both major established producers and junior mining companies), which has **culminated in a rapid, exponential 1-2 year rally** in uranium stocks.
- Over the last five years (2015-2019), **demand has been growing steadily**. Over the next five years, **global nuclear reactor uranium requirements are expected to grow in the 0.5%-to-2.5% range**.
- The majority of uranium is supplied to nuclear power plants through **long-term contracts** which are priced at a premium to spot market. Though currently these long-term contracts



allow certain uranium producers to continue selling some of their uranium production profitably, about half of the uranium producers have operating costs that are above the current spot price.

- Prior to the pandemic-related shut downs, **over 53 million lbs. U<sub>3</sub>O<sub>8</sub> of capacity have been mothballed since 2013** through the shutdowns of unprofitable mines or by the intentional capacity rationalization by major producers (Kazatomprom and Cameco).

The uranium industry is composed of many companies, from major established producers to more speculative junior exploration companies. Though larger producers tend to have greater resources to navigate periods of depressed market conditions, junior companies provide greater leverage to the rise in uranium prices.

Almost all uranium stocks should benefit from the anticipated growth of much needed primary supply driven by the expected upcoming fundamental supply deficit; however, certain groups of uranium stocks benefit differently from each stage of the up-cycle. Historically (observing the 2001-2007 up-cycle), current producers reacted well to the **initial rise in prices** (since their current production could immediately benefit from the increase in the price of uranium), and they significantly outperformed the price of the commodity, itself. However, extreme out-sized returns were enjoyed by junior mining companies that traded below \$0.25 per share at the bottom.

Then, there was a **mid-phase** when the rate of increase of the spot price of uranium moderated to a single-digit rate. In this period, junior mining companies corrected about 50%, while producers corrected about half that amount (around 25%). During the **latter phase**, when the uranium spot price surged irrationally, junior mining companies that have become producers (and the commodity) exhibited solid triple-digit returns from the consolidation low that had occurred in the mid-phase. Surprisingly, in this late phase, out-sized returns were achieved by junior mining companies which announced, at that instant, they were entering the uranium space; on the other hand, these same junior companies later experienced greater than 95% declines as the cycle eventually unwound.

### **Prospects for Uranium Market Remain Very Positive**

**Recent developments in the uranium industry** have accelerated the pace toward the impending supply-demand imbalance expected to occur in the 2023-2025 timeframe with the deficit projected to expand after 2030. Several catalysts stimulated **four major increases** in the price of uranium in the spot market: the **first** from \$18 per pound to the mid-\$20 range, the **second** from \$22 to the \$28-\$34 range, a **third** leg up to \$45-\$50 range and a **fourth** driving the price to the \$60 range. These catalysts have increased the visibility of the structural supply deficit to both utilities and investors, highlighting the transparency of the true incentive price needed to economically bring sufficient capacity on-line.

The **catalysts** include:

**Production Rationalization** by the major producers of uranium (Kazatomprom and Cameco)

- Starting in 2016 and continuing today, the rationally planned curtailments of production by the two major producers of uranium (Kazatomprom and Cameco) has resulted in a shrinkage of secondary supplies, which stabilized and initially reset the price of U<sub>3</sub>O<sub>8</sub> in the transaction market.
  - Between 2017 and 2020, **Kazatomprom** reduced uranium production from 26,600 t U<sub>3</sub>O<sub>8</sub> in 2016 to 19,477 t U<sub>3</sub>O<sub>8</sub>, which includes approximately 3,300 t U<sub>3</sub>O<sub>8</sub> due to the impact of the COVID-19 pandemic.
  - **Cameco** halted production at Rabbit Lake in 2016 and at McArthur River in 2018. Subsequently, Cameco had to purchase material in the spot market in order to meet the company's delivery commitments. Currently, McArthur River is scheduled to reopen in 2022 after being dormant for over three years.

**COVID-19** prompted the shutdown of several uranium mines in Canada, Australia and Africa, which accelerated the inventory drawdown of secondary supplies.

The launch of the **Sprott Physical Uranium Trust** significantly impacted the availability of secondary supply and also brought greater transparency to the sequestering process.

- Sprott created the Sprott Physical Uranium Trust (SPUT) through the acquisition of Uranium Participation Corporation (UPC) in April 2021 and its subsequent restructuring into a **purchaser and stockpiler of U<sub>3</sub>O<sub>8</sub>**. SPUT was formally launched on August 17, 2021 and it immediately commenced to purchase uranium purchase in a program funded by an initial \$300 million at-the-market (ATM) financing. Through subsequent ATM financings, SPUT now hold **56.9 million pounds of U<sub>3</sub>O<sub>8</sub>**. Though other entities have sequestered uranium (e.g. Yellowcake plc, Energy Fuels and Uranium Energy), the Sprott Physical Uranium Trust has added significant scale to the sequestering market mechanism and accelerated the rundown of secondary supply.

On February 24, 2022, **Russia invaded the Ukraine**. The ensuing **disruptions** in the energy space (particularly pertaining to the **supply of oil, gas and uranium**) have sparked rallies in the energy fuel complex. Furthermore, energy policy decision-makers have become more concerned over energy security.



Some nuclear capacity that was slated to be shut down now may remain in operation. For example, in **Belgium**, two nuclear reactors (Doel 4 and Tihange 3) were scheduled to be phased out by 2025; in March 2022, it was announced that the lives of these two reactors will be extended until 2035. **South Korea's** President Yoon Suk-yeo has publically supported resurrecting that nation's nuclear energy program. And in **Japan**, ten pressurized water nuclear reactors have received approvals to restart.

In addition, Western-markets are attempting to reduce their reliance on Russian uranium. The US Department of Energy is seeking to purchase domestically produced uranium. And the US National Nuclear Security Administration (NNSA) began the process to initiate a strategic uranium reserve of 1,000,000 pounds of domestically-produced U<sub>3</sub>O<sub>8</sub>. The Biden Administration supports a \$4.3 billion plan to purchase enriched uranium from domestic producers. Going forward, the **security of supply** has become a more important factor.

In the **United States**, there are **93 licensed nuclear power plants** that generate approximately 20% of the nation's electricity.<sup>iv</sup> Most of the uranium required by U.S. nuclear reactors is imported. In 2021, the country's nuclear reactors purchased approximately 46.7 million pounds, of which **44.3 million pounds was purchased from foreign suppliers**.<sup>v</sup> U.S. nuclear reactors consumed (fuel assemblies loaded) 44.4 million pounds of U<sub>3</sub>O<sub>8</sub> equivalent.<sup>vi</sup>

**Policy commitments by major countries** are attempting to **reduce carbon emissions** in an effort to thwart global warming. Governments and individuals are coming to realize that nuclear power can provide green electrical energy with an extremely low carbon footprint

- **China** is planning for nuclear energy to provide 70GW by 2025 under its 14th 5-year plan, up from 51GW currently. Furthermore, China is planning to build 150 new nuclear reactors over the next 15 years. As of the end of 2021, China had 53 nuclear power plants with total generating capacity of 55 gigawatts.
- In the **United States**, the enacted Infrastructure Bill allocates \$6 billion to prevent premature retirement of existing reactors and \$2.5 billion to develop advanced reactors.
- In **France**, President Emmanuel Macron announced on November 9, 2021 that France will pursue the construction of new nuclear reactors in order to reduce carbon emissions.
- **Japan** is planning for nuclear power to provide 20%-22% of the country's energy by 2023.
- In July 2022, the **European Parliament** supported a European Union to **classify nuclear power as "green."**

**These catalysts are rebalancing the uranium market**, positioning it to achieve the incentive price required to economically develop and bring online sufficient new uranium mine production capacity in order to satisfy the structural supply deficit in the out-years.

With growing long-term demand for uranium fuel, the gap between future demand and supply is widening. Higher uranium prices are necessary for existing mines to return to production and for new mines to be developed.

**Traditionally, nuclear electric utilities have tended to negotiate and enter into uranium term supply contracts in the fall**, after the World Nuclear Association conference in early September. At the conference, all the major industry players meet and share information in order to gauge the current status on the nuclear energy industry. Equipped with this knowledge, representatives of nuclear electric are better prepared to make more informed decisions concerning the procurement of nuclear fuel.

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## FINANCINGS

Management has funded the company's initiatives through the issuance of equity. Since the end of 2018 through the end of 2021, the number of fully paid ordinary shares outstanding increased from 162,818,139 to 1,128,781,228 shares. Of the 965,963,089 shares issued, **approximately 46% primarily funded corporate and exploration expenses**, along with cash costs associated with the acquisition of uranium mineral assets.

Two major equity funding campaigns occurred contemporaneous with the completion of putting together the **Henry Mountains uranium properties** in late 2020 and the acquisition of Branka Minerals Limited (the **Great Divide Basin Project**) in late-2021. **In mid-2020, GTI issued 92,976,300 shares** in private placement providing gross proceeds of AUD\$2,789,289. During the **second half of 2021, GTI issued 278,253,470 shares** in private placement providing gross proceeds of AUD\$4,173,802, which helped fund the acquisition and accelerate the implementation of management's uranium ISR strategy.



Roughly **36% of the shares issued** between 2019 and 2021 were directly **in conjunction with the acquisition of mineral assets** as detailed below.

<b>GTI Energy Limited</b>						
<b>Project</b>	<b>Acquiree/Seller</b>	<b>Month of Acquisition</b>	<b>Primary Mineral</b>	<b>Location</b>	<b>Cash Paid</b>	<b>Shares Issued</b>
Henry Mountains	Voyager Energy	September-19	Uranium	Utah	-	79,189,944
Henry Mountains	Anfield Energy	October-20	Uranium	Utah	USD 200,000	4,000,000
Niagara	Carmichael Prospecting	September-20	Gold	Australia	-	1,666,667
Niagara	Leon Gianni	December-20	Gold	Australia	-	2,500,000
Great Divide Basin	Branka Minerals Limited	November-21	Uranium	Wyoming	AUD 600,000	157,500,000
Green Mountain	Logray Minerals Pty Ltd	June-22	Uranium	Wyoming	AUD 750,000	105,000,000
<b>TOTAL</b>						<b>349,856,611</b>

On September 3, 2019, in conjunction with the acquisition of **Voyager Energy Pty Ltd** (holder of the Jake, Jeffrey, Moki, Point, Pinto, Woodruff and Rat Nest **claims in Utah**), GTI issued **79,189,944 shares** at a deemed issue price of \$0.012 per share (a deemed value of AUD\$950,279).

On October 27, 2020, in conjunction with the acquisition of **two mineral leases** (ML53599 & ML52627) in the **Henry Mountains** area of Utah, GTI issued **2,000,000 shares** (deemed value of AUD\$40,000) and paid US\$100,000 cash to **Anfield Energy**. In addition, soon after the first anniversary of acquisition (on November 3, 2021), GTI issued **a further 2,000,000 shares** and another US\$100,000 was paid to Anfield.

On November 3, 2021, in conjunction with the acquisition of **Branka Minerals Limited**, GTI issued **157,500,000 shares** at a fair value of AUD\$0.03 per share (AUD\$4,725,000). In addition, GTI paid AUD\$1,000,000 in cash and issued 37,500,000 Performance Rights (subject to achievement of certain milestones (fair value AUD\$1,125,000)). Total consideration for the acquisition of Branka Minerals was AUD\$6,850,000.

Lastly, about 5% of the shares (issued between 2019 and 2021) paid for various services (in lieu of cash), specifically for marketing services, assistance with capital raisings and the performance of geological services.

## VALUATION

As a junior uranium company, GTI Energy cannot be valued on a revenue, earnings or cash flow basis. The goal of management's **uranium strategy** is to increase shareholders' value through **focusing on** the acquisition and development of economic **ISR uranium resources located in the U.S.**

More sophisticated methodologies based on market capitalization-to-reserves, average value per tonne, per-pound costs or cash profit margins per pound produced also are not germane. However, once the Pre-Feasibility Study on one of the company's projects is completed, we will be able to utilize a resource valuation methodology where we can calculate a per share value of attributable resources. In the meantime, an alternative valuation technique based on book value is an appropriate alternative, especially in comparison to junior uranium companies that share similar attributes to GTI Energy's.

Book value of a **junior uranium development company** represents the equity capital that has been raised to acquire the minerals rights on properties and to conduct exploration and development programs. An amalgamation of this information is encapsulated within the raised capital total, including the quality of the properties (both in terms of mineral potential and political stability), exploration results from drilling programs and the steps of development process that management has initiated / completed (Scoping Study, Pre-Feasibility Study, Metallurgical Test Work, Environmental Impact Statement, Baseline Studies and Definitive Feasibility Study). Therefore, book value captures the complex valuation of the company's base uranium resource value by relatively sophisticated investors, many with expert knowledge of junior uranium companies in the development phase. Hence, we find the use of book value is a valid and appropriate metric by which to determine a junior uranium company's valuation.

<i>Industry Comparables</i>	% Chg YTD	Ticker	Exch.	U.S. Ticker	Uranium Project Country	Principal Uranium Project	Mkt Cap Local Curr. (\$ mil.)	Price/ Book
GTI Energy Ltd	N/A	GTRIF	OTCQX	GTRIF	USA	GDB	19.3	1.28
GTI Energy Ltd	-33.3%	GTR	ASX	GTRIF	USA	GDB	23.9	1.28
<b>U S PROJECT (ISR) URANIUM COMPANIES</b>								
enCore Energy Corp.	-26.3%	EU	TSXV	ENCUF	USA (TX)	Rosita	379.3	1.79
Energy Fuels Inc.	-20.6%	EFR	TSX	UUUU	USA (WY)	Alta Mesa	1,198.7	3.50
Peninsula Energy Ltd	-20.0%	PEN	ASX	FENMF	USA (WY)	Lance	45.8	2.19
Uranium Energy Corp.	5.4%	UEC	USA	UEC	USA (WY)	Reno Creek	1,010.6	3.41
Ur-Energy Inc.	-11.0%	URE	TSX	URG	USA (WY)	Lost Creek	300.4	3.51
Industry Mean	-14.5%						586.95	2.88
S&P 500 Index	-11.3%	^SPX:US	NYSE		N/A	N/A	N/M	4.51

Currently, the P/B valuation range of **ISR companies with U.S. uranium projects** is between 1.8 and 3.5. With the expectation that GTI Energy's stock (OTCQB: GTRIF) will attain a third quartile P/B ratio of 2.33, our **comparable analysis valuation price target is US\$0.023**.

Broadly speaking, the public uranium companies can be grouped into three categories: **producers**, development companies and exploration companies. Producers are actively mining and generating revenues. **Exploration companies** are prospecting and/or drilling to establish mineral resources. In between these two categories are the **development companies** that already have established resources and are advancing through the process to bring a mine in operation, generally from the point of initiating a Pre-Feasibility Study to the actual construction of a mine. At this time, the comparable companies to GTI Energy fall into exploration category, which tend to trade in the third and fourth valuation quartiles.

## RISKS

- As with almost all junior resource exploration companies, currently GTI Energy does not generate sufficient cash flow to adequately fund its developmental and exploration activities and is in need of additional capital to continue pursuing management's strategy. Nevertheless, the company has effectively funded its operations and initiatives to date.
- Consistent with management's need to fund the company's exploration and developmental activities, along with general corporate expenses, acquisitions and private placements have caused the number of shares outstanding to increase significantly. Shares outstanding increased 74.8% in 2018, 185% in 2019, 38.7% in 2020 and 75.1% in 2021. Thus far in 2022, shares outstanding have increased 32.2%.

- As with any metals company, the price of the targeted mineral is beyond management's control, in the case of GTI Energy, primarily the price of uranium going forward. Consequently, any significant movements in the price of uranium would materially affect the outlook of the company.

## BALANCE SHEETS

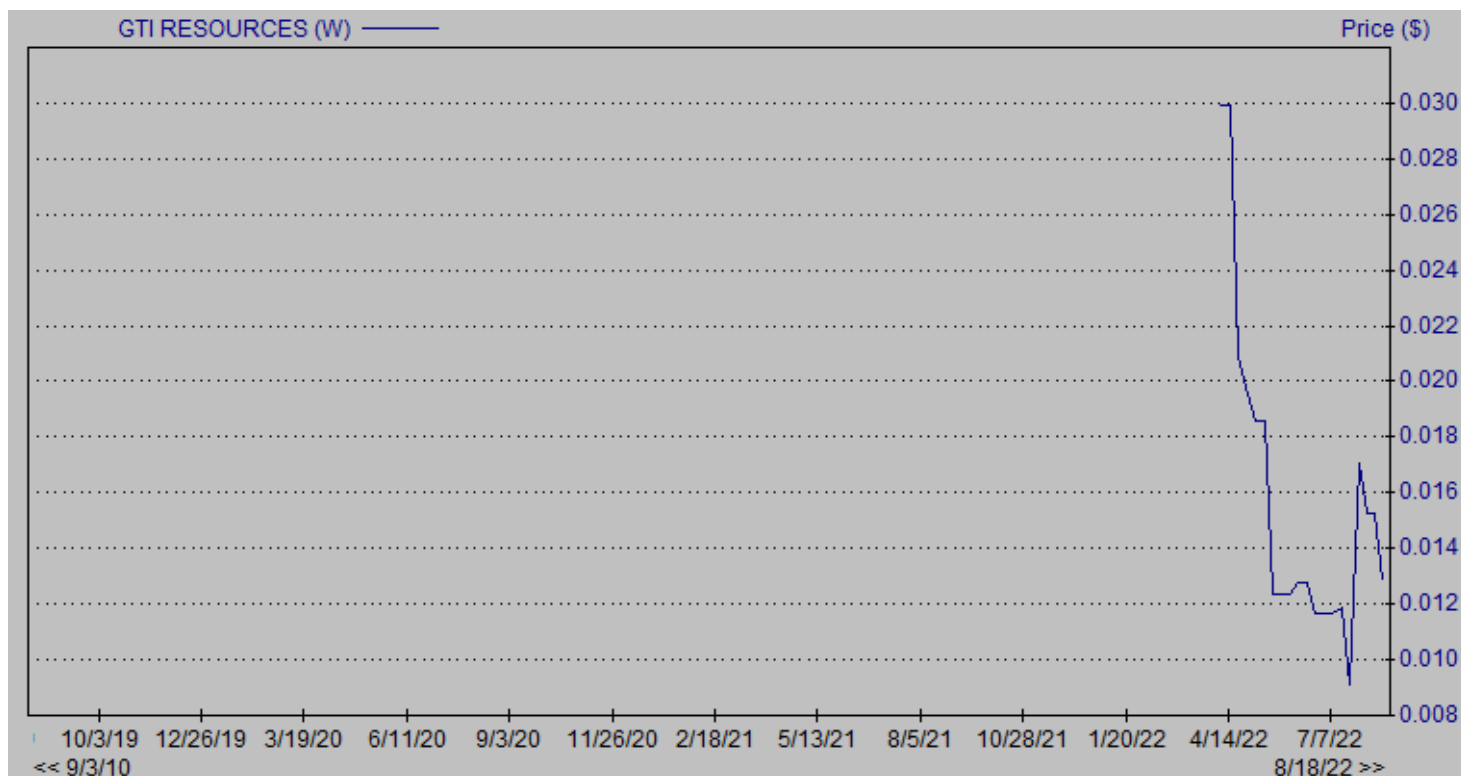
<b>GTI Energy Ltd</b>				
(in \$AUD except ordinary share data)	2018	2019	2020	2021
Period ending	12/31/2018	12/31/2019	12/31/2020	12/31/2021
<b>ASSETS</b>				
Cash and cash equivalents	440,930	1,340,140	3,155,811	4,754,013
Other receivables and prepayments	6,588	24,097	227,141	325,441
<b>Total Current Assets</b>	<b>447,518</b>	<b>1,364,237</b>	<b>3,382,952</b>	<b>5,079,454</b>
Exploration and evaluation	0	1,509,147	3,143,921	11,445,400
Property, plant and equipment	996	1,206	773	2,397
Fin. assets at FV through profit or loss	280	300	330	1,500
Other receivables	-	-	-	19,913
<b>TOTAL ASSETS</b>	<b>448,794</b>	<b>2,874,890</b>	<b>6,527,976</b>	<b>16,548,664</b>
Trade and other payables	28,717	72,200	478,178	377,659
Deferred consideration	64,205	129,721	0	0
Provisions	51,542	6,105	20,050	49,371
Director's unsecured loan	3,638	0	0	0
<b>Total Current Liabilities</b>	<b>148,102</b>	<b>208,026</b>	<b>498,228</b>	<b>427,030</b>
<b>Non-Current Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>148,102</b>	<b>208,026</b>	<b>498,228</b>	<b>427,030</b>
<b>SHAREHOLDERS' EQUITY</b>				
Issued equity	7,367,871	10,190,370	14,005,275	23,349,925
Share based payment reserve	763,196	908,882	2,298,829	4,382,280
Foreign exchange reserve	-	(5,953)	(110,973)	(20,725)
Accumulated losses	(7,830,375)	(8,426,435)	(10,163,383)	(11,589,846)
<b>Total Stockholders' Equity</b>	<b>300,692</b>	<b>2,666,864</b>	<b>6,029,748</b>	<b>16,121,634</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQ.</b>	<b>448,794</b>	<b>2,874,890</b>	<b>6,527,976</b>	<b>16,548,664</b>
Ordinary shares outstanding	162,818,139	464,851,697	644,517,998	1,128,781,228



## PROJECTED ANNUAL INCOME STATEMENTS

<b>GTI Energy Ltd</b>					
Income Statement	2018	2019	2020	2021	2022 E
(in \$AUD, except share out. data)	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Other income	686,648	57,780	64,119	6,432	3,000
Gain on investment	-	20	30	1,170	0
<b>Total Revenues</b>	<b>686,648</b>	<b>57,800</b>	<b>64,149</b>	<b>7,602</b>	<b>3,000</b>
Other expenses	(398,959)	(435,121)	(750,664)	(1,120,771)	(1,278,000)
Share-based payments	-	-	(1,050,000)	(272,364)	(250,000)
Depreciation & amortisation expenses	(310)	(1,089)	(433)	(930)	(1,000)
Exploration and evaluation written off	(129,098)	(217,650)	0	0	0
Loss on investment	(170)	0	0	0	(2,609,231)
<b>Expenses</b>	<b>(528,537)</b>	<b>(653,860)</b>	<b>(1,801,097)</b>	<b>(1,394,065)</b>	<b>(4,138,231)</b>
<b>Loss Before Other Income</b>	<b>158,111</b>	<b>(596,060)</b>	<b>(1,736,948)</b>	<b>(1,386,463)</b>	<b>(4,135,231)</b>
Interest (expense)	-	-	-	(40,000)	4,000
Income tax (expense)	-	-	-	-	-
<b>Total Other Income (Expenses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(40,000)</b>	<b>4,000</b>
<b>Net Loss</b>	<b>158,111</b>	<b>(596,060)</b>	<b>(1,736,948)</b>	<b>(1,426,463)</b>	<b>(4,131,231)</b>
<b>Other comprehensive income</b>					
Fgn. curr. translation gain (loss)	0	(5,953)	(105,020)	90,248	0
<b>Total comp. gain (loss), net of tax</b>	<b>158,111</b>	<b>(602,013)</b>	<b>(1,841,968)</b>	<b>(1,336,215)</b>	<b>(4,131,231)</b>
Diluted gain (loss) per ordinary share	<b>0.0012</b>	<b>(0.0023)</b>	<b>(0.0032)</b>	<b>(0.0019)</b>	<b>(0.0037)</b>
Wgtd. Avg. Ord. Shares Out. - diluted	135,463,252	256,461,556	549,565,991	757,196,131	1,124,839,855

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<sup>i</sup> NI-43-101 Lost Creek ISR Uranium Property, December 31, 2021

<sup>ii</sup> NI-43-101 JAB ISR Uranium Property, March 14, 2008

<sup>iii</sup> Gloyd, Robert & Krahulec, Ken, Uranium Potential in Utah, Utah Geological Survey, pages 18 & 30.

<sup>iv</sup> U.S. Nuclear Regulatory Agency; <https://www.nrc.gov/reactors/power.html>

<sup>v</sup> U.S. Energy Information Administration (eia), 2021 Uranium Marketing Annual Report, May 2022, page 4

<sup>vi</sup> Ibid page 8