

Labrador Uranium Inc. (CSE:LUR)

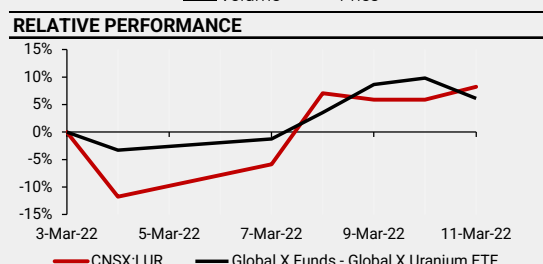
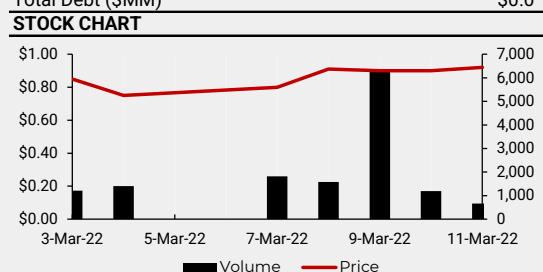
Emerging Uranium Exploration Leader in Labrador

Initiating Coverage

March 14, 2022

(Currency is CAD\$ unless noted otherwise)

Closing Price (\$/sh)	\$0.92
Rating	BUY
Target (\$/sh)	\$1.60
Return to Target	74%
52 Week Low / High	\$0.38 / \$1.00
CAPITALIZATION	Basic Diluted
Shares Outstanding (M)	49.4 49.4
Market Capitalization (\$MM)	\$45.4
Enterprise Value (\$MM)	\$37.4
Cash and Cash Equivalents (\$MM)	\$8.0
Total Debt (\$MM)	\$0.0



MAJOR SHAREHOLDERS

Mega Uranium (4.2%), IsoEnergy (3.0%), Management (5.1%)

NAV Summary	(C\$M)	(C\$/sh)
Project NAV	\$70.5	\$1.43
Working Capital	\$8.0	\$0.16
Corporate NAV	\$78.5	\$1.59
RELATIVE VALUATION	US\$/lb	P/NAV
LUR	\$1.13	0.57x
Global Peers	\$3.54	0.78x
Canadian Peers	\$4.13	0.79x

DISCLOSURE CODE: 3,4

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Labrador Uranium is being built as a unique exploration vehicle that is focused on the consolidation, exploration and development of uranium and vanadium projects in Labrador. The company's project portfolio includes Moran Lake, Central Mineral Belt (CMB), Notakwanon, and Mustang Lake. Labrador Uranium initially started trading as a public company on the Canadian Securities Exchange in March 2022.

We are initiating coverage of Labrador Uranium Inc. (CSE:LUR) with a BUY rating and a C\$1.60/sh target price. Labrador Uranium is a new and unique exploration vehicle focused on the consolidation, exploration and development of uranium and vanadium projects in Newfoundland & Labrador. It was spun-out of Consolidated Uranium (TSXV:CUR, BUY, C\$4.15 target, David A. Talbot). **Labrador Uranium has built a project portfolio that includes Moran Lake, Central Mineral Belt (CMB), Notakwanon, and Mustang Lake. In our view, LUR has a strong management team that is well positioned to advance its projects in a top-tier mining jurisdiction.**

- **Located in a tier-one mining jurisdiction.** Newfoundland and Labrador (NL) is a premier, low-risk jurisdiction that consists of a bona fide uranium camp with multi-commodity (uranium, IOCG, vanadium) exploration potential, particularly in the Central Mineral Belt. Recent mining exploration success in Labrador on behalf of Canadian mining companies has created a window of opportunity for new and existing entrants. In fact, NL was ranked 8th on Fraser Institute's 2020 Global rankings for investment attractiveness.
- **Large project portfolio in a prolific mining camp.** Labrador Uranium has a dominant land position in the Central Mineral Belt, which covers 125,000 ha and contains two of the company's projects – Moran and Mustang Lake. Over 140 targets have been identified at CMB, many are drill-ready and will incur significant exploration in the near-term.
- **Moran Lake resource provides valuation backstop.** The Moran Lake U-V project is a cornerstone asset and hosts 9.6M lb U₃O₈ and 136.4M lb V₂O₅. Further work and an updated resource estimate is anticipated by YE2022. Moran Lake is clustered near several other large deposits including Michelin (92.1M lb), Jacques Lake (22.8M lb) and Kits (1.35M lb).
- **Significant catalysts on the horizon; advancing projects on all fronts.** Management anticipates it will evaluate all existing uranium resources and determine potential for resource expansion. Plans are to permit the exploration field camp, initiate the field programs at CMB and elsewhere, including drilling of its top priority targets.
- **Experienced leadership team – been there, done that.** Labrador's management team and board of directors have a strong track record of creating, financing and advancing uranium companies. The team is led by Stephen Keith (CEO) and Philip Williams (Chairman), both veterans in the space, that have a plethora of mining/capital markets experience.

We are initiating coverage of Labrador Uranium with a BUY rating and C\$1.60/sh target price. Our target is based on a sum-of-parts valuation method, although much value is based on Moran Lake's U-V resource at US\$1.50/lb U₃O₈e. We had valued that project at US\$1/lb when it was considered inventory inside of CUR. That said, we believe the discovery opportunity is why investors should be buying LUR. **Upcoming Catalysts:** 1) Evaluate uranium resources and potential within CMB (H1/22), 2) Permit and build a field camp at CMB (H1/22), 3) Begin field programs (H2/22), 4) Initial drilling of top priority targets, including Notakwanon (H2/22), and 5) Moran Lake resource update (2022). **Mining/exploration is inherently risky,** and LUR is subject to many geopolitical, technical, corporate, and financial risks.

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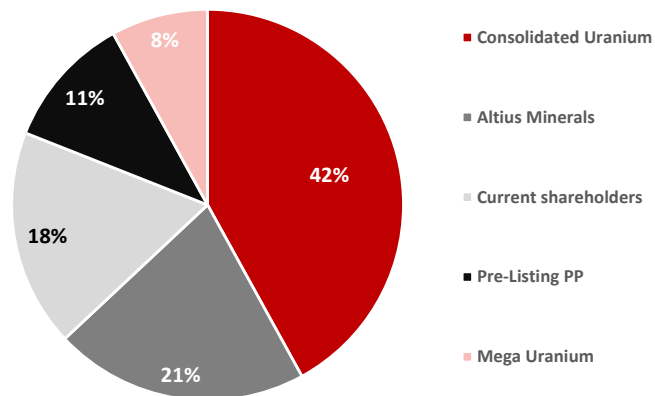
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The decrease in uranium supply over the next decade could grow the market deficit to ~100M lb U3O8

Investment Thesis

Labrador Uranium spun-out with a strong shareholder base. The transaction creates a unique uranium exploration vehicle that is focused on the consolidation, exploration and development of uranium projects in Labrador. LUR will own the Moran Lake project, which is being transferred from CUR, and purchase the Central Mineral Belt U-Cu and Notakwanon projects from Altius Minerals. The company's cornerstone investors include Altius Resources Inc., a wholly-owned subsidiary of Altius Minerals (TSX:ALS, Not Rated), Mega Uranium (TSX:MGA, Not Rated) and Consolidated Uranium Inc. (TSXV:CUR, BUY, C\$4.15 target, David A. Talbot). The pro-forma ownership structure for LUR following its recent pre-listing private placement will likely consist of the following: Consolidated Uranium (42%), Altius Minerals (21%), Mega Uranium (8%), current shareholders (18%), and pre-listing private placement partners (11%) (Figure 1). The Mega Uranium deal remains close.

Figure 1: Breakdown of shareholders



Source: Company Reports, RCS Estimates

Massive uranium deficit emerging. Uranium demand of 177M lb in 2021 (growing at ~2.5-3% CAGR) was not offset by mine production of an estimated ~130M lb in 2021, and 123M lb in 2020. Secondary supplies have been able to fill the gap recently, but we do not believe that to be sustainable. The large supply-demand gap in the uranium sector is primarily being driven by the shut down of mines due to lower uranium prices and increasing production costs. This has resulted in 35% of primary uranium supply coming offline over the past five years, while COVID-19 has resulted in further significant disruptions requiring higher than anticipated inventory drawdowns. However, more mine shutdowns are expected over the next five years including at Canada's last remaining producing uranium mine, Cigar Lake, which accounts for 13% of total supply. Over the next decade, a greater deficit is expected and may grow to ~100M lb U3O8. In addition, inflation has grown at a considerable rate over the past two decades and does not seem to be changing direction anytime soon.

Uranium fundamentals remain strong. We believe the nuclear industry is in good shape, and we forecast a uranium supply-demand deficit. Uranium demand keeps rising, mine supply keeps falling and there is currently a 50M lb shortfall. Recently, KazAtomProm (LSE:KAP, Not Rated) said it plans to maintain 2023 uranium production at similar levels as 2022. That means 20% or 13M lb lower than expected, representing almost 10% of global

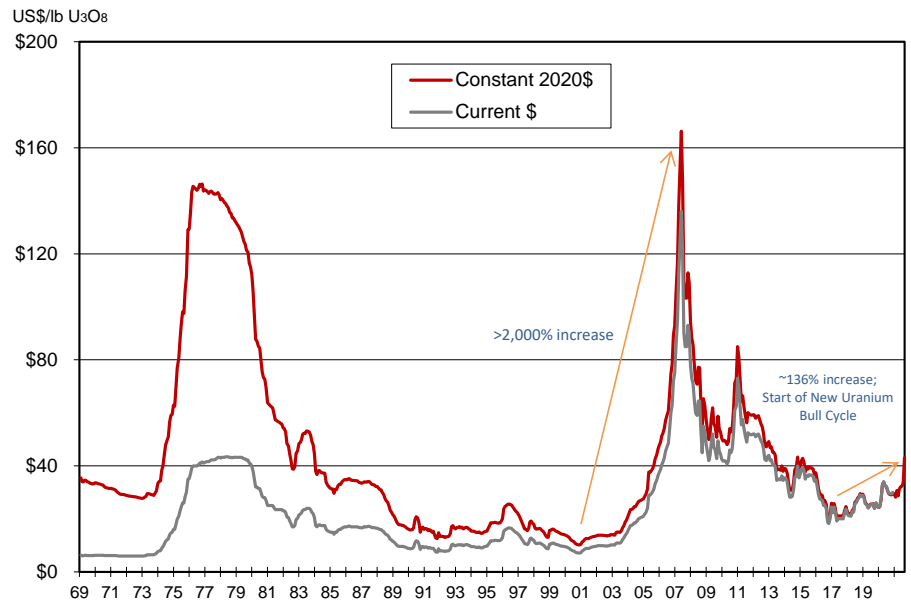
uranium production remaining off-line. This pullback will remain in place until the market shows improvement. We view KazAtomProm's strong supply discipline as very positive if not unexpected.

Spot uranium prices rising as security of supply becoming key concern.

Spot prices have been rising from US\$40/lb to over nearly US\$60/lb in 2022. Uranium prices are recently up sharply on additional Sprott Physical Uranium Trust (SPUT) (TSX:U.UN, Not Rated) (read more [here](#)) buying as security of supply concerns emerge in light of economic sanctions levied against Russia in response to the Ukraine invasion. Funding of additional physical U3O8 purchases by SPUT may help propel prices above US\$50/lb and perhaps close to incentive prices needed by project developers. We anticipate uranium equities to react very positively. Eight percent of USA electricity is generated by Russian, Kazakh and Uzbek-sourced uranium. While the invasion of Ukraine does not necessarily impact the renewed Russian Suspension Agreement that sets limits of uranium deliveries into the USA, there is potential that Russia cuts off deliveries should sanctions become increasingly strict. UxC does not see anything that will stop the US or EU utilities from buying Russian material, as the purchase of uranium was not included in the recent ban on oil and gas purchases. The US Treasury Department has informed US entities purchasing energy products, including uranium, that they can apply for a license to do business with a sanctioned bank. Of course, these questions the real impact of sanctions. US banks may not wish to work with sanctioned banks and that can be an issue. However, payments and deliveries are becoming a huge concern. The problem becomes whether utilities can pay for the uranium, particularly as Russia is removed from SWIFT. TENEX may have difficulty signing new contracts in the West for a long time. We speculate that this could mean additional demand from suppliers such as Cameco (TSX:CCO, Not Rated) and Orano.

We expect another uranium bull market to emerge in the near-term

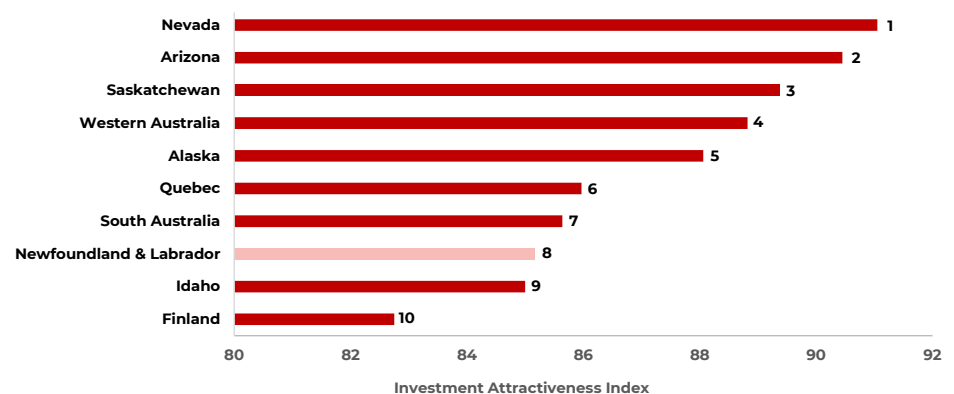
Fundamentals point to a new uranium bull market (Figure 2). Given our supply-demand model and forward production cost curves, we remain confident that a new bull market in uranium is coming. Some of the largest suppliers are buying in the spot market, in addition to the upsizing of the ATM program at Sprott Physical Uranium Trust (SPUT) (TSX:U.U, Not Rated) to US\$3.5B, which should culminate in further buying. This buying, which has recently been accelerated by the Russian attack on Ukraine may compound the impact of COVID-19 related production losses. The only major hurdle in the short-term is secondary supply which covered 55M lb in 2020. Longer term, we believe patience is required, as the key driver of term prices is a return to term contracting by nuclear utilities. Only then might we see seriously higher uranium prices that would incentivise major new exploration and development spending.

Figure 2: Historic uranium prices


Source: UxC, RCS Estimates

NL is a top-tier jurisdiction, ranked 8th for mining investment attractiveness on a global scale

Labrador is a tier one mining jurisdiction. All projects are in Labrador, and that along with Newfoundland, is a tier one mining jurisdiction and ranked 8th according to the Fraser Institute's 2020 Global rankings for mining investment attractiveness (Figure 3). Recent mining exploration success in Labrador on behalf of Canadian mining companies has created a window of opportunity for new and existing entrants. These successes have included various exposures to deposits with historical in-ground resources, as well as multiple potential new discoveries. We note that Newfoundland and Labrador is generally known as a premier, low-risk jurisdiction that consists of a bona fide uranium camp with multi-commodity (uranium, IOCG, vanadium) exploration potential.

Figure 3: Investment Attractiveness Index – top 10 jurisdictions


Source: Fraser Institute (2020), RCS Estimates

The Premier of Labrador is in favour of exploration and development of mining projects, with the goal of building five new mines by 2030

Premier of Labrador envisions a bright future for mining. The province of Newfoundland & Labrador is currently working toward its own strategic initiative, known as 'The Way Forward'. The initiative is expected to help create jobs all throughout the province in collaboration with indigenous governments, groups and community stakeholders. By 2030, the Provincial Government envisions **five new mines**, sustainable direct employment of

Several of LUR's projects are in the Central Mineral Belt (CMB), which covers 125,000 ha

>6,200 people, doubling annual exploration expenditures to \$100M, \$4B in annual mineral shipments and a more diverse workforce with a minimum goal of 30% women (twice the current levels). Furthermore, the province's future economic success depends on its ability to attract and support prospecting, exploration and development of mining projects, as it is generally driven by commodity markets.

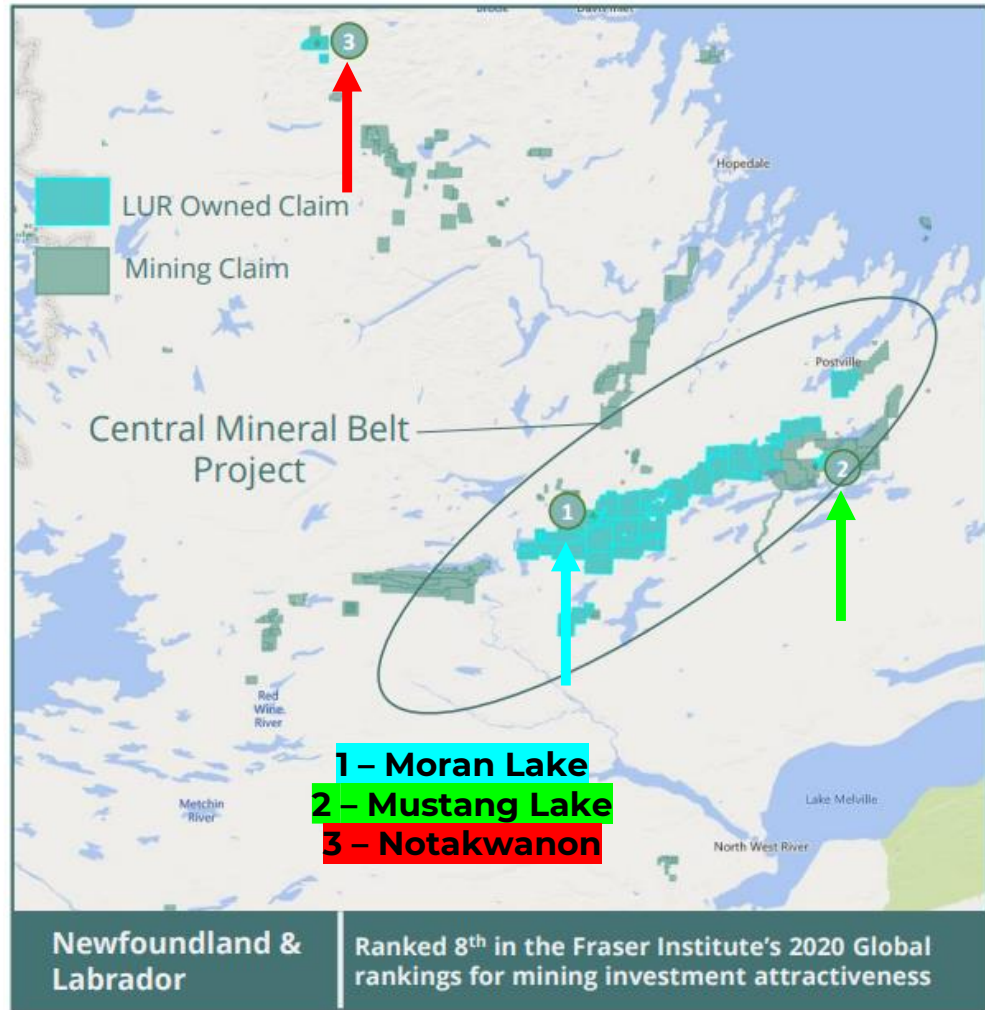
Large project portfolio in a supreme uranium camp. The company has a dominant land position in the Central Mineral Belt, which covers 125,000 ha and contains two of its projects. This includes Moran Lake, its cornerstone project with ~32.4M lb of U3O8 equivalent; and the Notakwanon project, located northwest of both projects and straddling the Churchill and Nain province boundaries, which is host to basement-style uranium targets. We note that Notakwanon is untested, drill-ready, and a multi-target project with many similarities to basement-style uranium deposits. Meanwhile, Mustang Lake is another project located along strike from Paladin Energy's (ASX:PDN, Not Rated) Michelin project.

Updated Moran Lake resource estimate should increase confidence. Current historical resources include 14.7Mt at 340 ppm and 1519 ppm V2O5 for 5.2M lb U3O8 and 42.8M lb V2O5, indicated; and 28.3Mt at 334 ppm U3O8 and 1596 ppm V2O5 for 4.4M lb U3O8 and 93.6M lb V2O5, inferred. Management plans to update the resource estimate for Moran Lake, replacing its March 2011 estimate. Importantly, the report is expected to outline at least 146 drill-ready targets that are evident on the CMB property. Given the plethora of exploration opportunity available, we believe a significant amount of news flow from these corresponding drill results should be a major driving force behind the stock. Notably, 70% of these targets are moderate-to-high priority – all which should contain IOCG, uranium and vanadium. The variation in potential elements here suggests the company has several ways to build value for shareholders.

Figure 4: Historical resources (2011) reported at the Moran Lake project

Resource Category	Description	Tonnage (Mt)	U3O8 Grade (ppm)	V2O5 Grade (ppm)	Contained (M lb U3O8)	Contained (M lb V2O5)	Contained (M lb U3O8e)
Indicated	Within Uranium Resource	6.9	340	780	5	11.9	7.2
	Outside Uranium Resource	7.8	N/A	1,800	N/A	30.9	N/A
Inferred	Lower C Zone	1.5	500	580	1.6	1.9	1.9
	Within Uranium Resource	5.3	240	890	2.8	10.4	4.5
	Outside Uranium Resource	21.6	N/A	1,710	N/A	81.3	N/A
Total Indicated + Inferred	Indicated Resources	14.7	340	1,517	5.2	42.8	12.3
	Inferred Resources	28.4	334	1,596	4.4	93.6	20.0
	Total Indicated + Inferred Resources	43.1	336	1,569	9.6	136.4	32.3

Source: Company Reports, RCS Estimates

Figure 5: Locational map of the Central Mineral Belt project


Source: Company Reports, RCS Estimates

Significant resource base with strong discovery potential and nearby existing uranium mines. The Moran Lake U-V project has a historic NI 43-101 resource containing ~32.4M lb of U₃O₈ equivalent and an updated technical report underway. Moran Lake is also within range of several other large uranium projects including Michelin (92.1M lb), Jacques Lake (22.8M lb) and the Kits deposit (1.35M lb). As previously mentioned, the CMB property itself already has over 140 targets that have been identified and are drill ready. An aggressive 2022 exploration program is being prepared and that may ultimately help identify multiple deposits of various commodities including U, V, high-grade Cu, Au, REE, and IOCG. The various regional targeting techniques to be used at CMB are shown in Figure 6.

With >140 drill targets identified at CMB, an aggressive 2022 drilling program is planned for further delineation

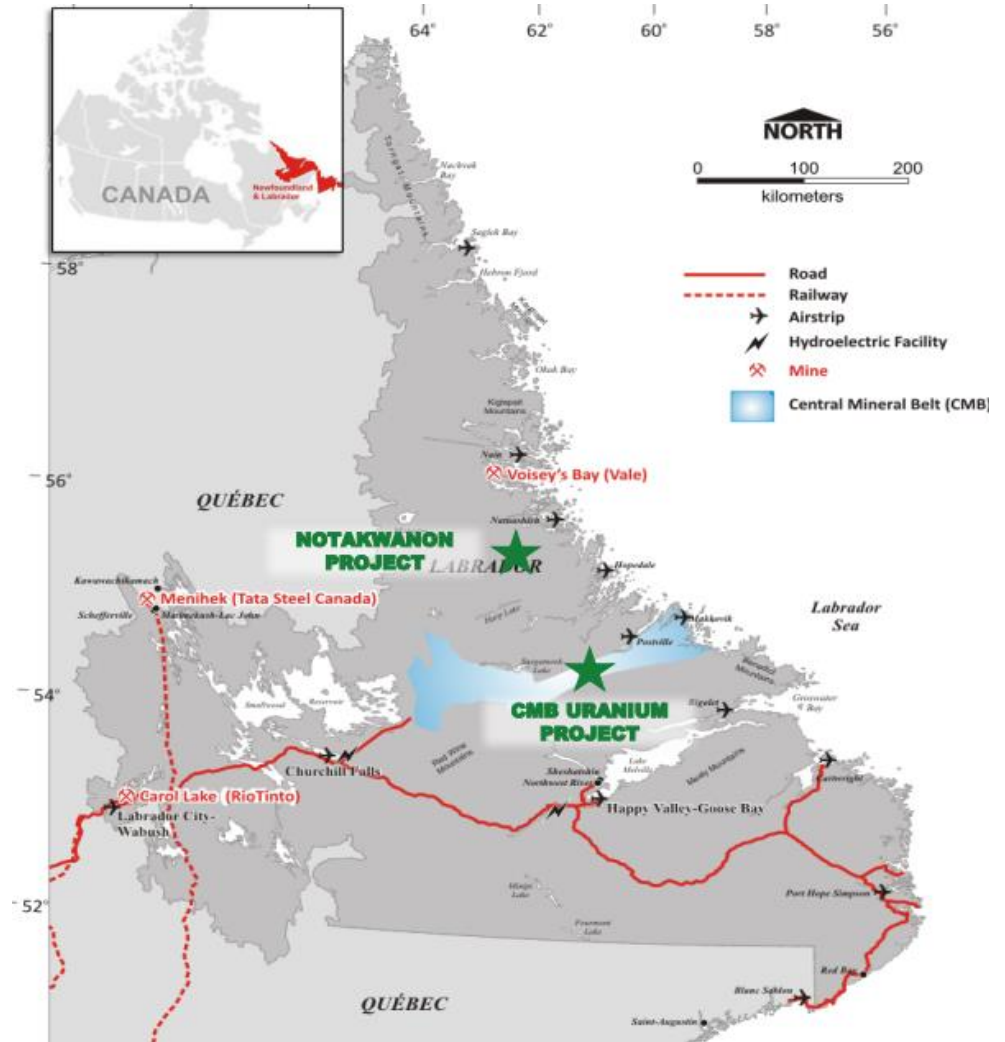
Figure 6: Labrador Uranium's multi-discipline approach to exploration.



Source: Company Reports

Work ahead to focus on grassroots discoveries, Moran Lake. Labrador Uranium is planning to carry out initial exploration along the entire trend of the Central Mineral Belt, helping to prioritize the various targets for follow up. In addition, plans are to upgrade resources at Moran Lake which we expect to be largely a re-statement of historical estimates. By the end of H1/22, management anticipates that it will be able to evaluate existing uranium resources, the potential for expansion and prioritization of targets. Permitting of a field camp is underway with plans to build it in early H2/22, before beginning field programs and reconnaissance drilling.

Notakwanon is high-grade and drill ready. Plans to continue exploration on the Notakwanon project are in the works. Management has previously mentioned that the process for receiving drill permits at the project may take some time. However, once it has received these permits, the start of a new drilling program at the project is very likely. We note management has mentioned that the local and indigenous communities are in favour of work being conducted in these areas, and are supported by the strong relationships that Altius Minerals has already cultivated.

Figure 7: Locational map of the Notakwanon project


Source: Company Reports

LUR's management team and board of directors has a track record of advancing uranium projects across Canada

Experienced management team – been there, done that. Labrador's management team and board of directors have a strong track record of creating, financing and advancing established uranium companies. Management is led by Stephen Keith (CEO), a veteran in the natural resources industry with previous experience as an engineer, investment banker and company executive with >20 years' experience in natural resources. He is currently the lead Director and Chair of the Audit Committee for Aura Minerals (TSX:ORA, BUY, C\$22.00 target, Taylor Combaluzier), and on the Board of Directors at Sterling Metals (TSXV:SAG, BUY (S), Taylor Combaluzier). Moreover, the company's Board of Directors is led by Philip Williams (Chairman), also a mining veteran with a plethora of mining and capital markets experience. He is currently the President, CEO & Chairman of Consolidated Uranium. More importantly, all members of the LUR team have experience in advancing several uranium projects across Canada. Collectively, they have served companies such as NexGen Energy (TSX:NXE, Not Rated, David A. Talbot), ISO Energy (TSXV:ISO, Not Rated), and Paladin Energy (ASX:PDN, Not Rated), among others.

Diversifying exploration to enhance shareholder value. Exploring for uranium is in Labrador's DNA and it will be the primary focus. Moran Lake is the only (historical) resource estimate within the company and it drives

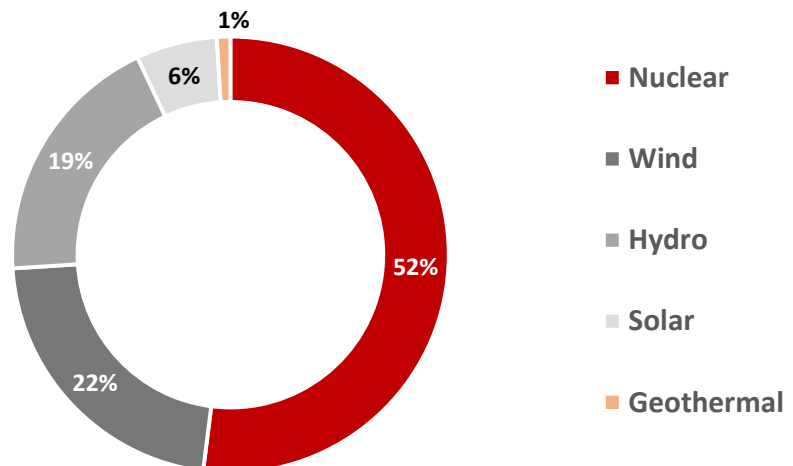
Various commodities including IOCG, uranium, and vanadium are all available for extraction within corresponding target areas

the bulk of our valuation. While we valued the project at US\$1/lb U3O8Eq inside our Consolidated Uranium corporate valuation when the project was considered mere pounds-in-the-ground inventory, we provide for US\$1.50/lb value within Labrador Uranium. Here, it becomes more of a priority, will be the focus of a resource update (more of a historical restarting to make the resources compliant in the near term), and then should see exploration as LUR tries to expand the deposit along trend. However, management seems willing to allocate exploration dollars to focus on drilling other high-priority IOCG or vanadium targets within the Central Mineral Belt, especially where the potential for new discoveries is deemed as high.

The right team with the right assets at the right time. We believe that the spin-out comes at a pivotal time where the uranium market is at an inflection point, as spot prices were seen to increase up to ~US\$60/lb ([read more](#)). In our view, a bull market could be on the horizon as supply and demand for the commodity begins to heat up. Additionally, the world is shifting to a greener economy, and nuclear energy is being brought back into a critical role as an important source of power supply that the world is increasingly reliant on (Figure 8). We believe that LUR also has the right assets, as its project portfolio comprises of several early-to-advanced stage uranium exploration projects within the Central Mineral Belt, which have exposure to historical in-ground resources and multiple potential discoveries, all located within a renowned and low-risk mining jurisdiction. We are convinced that the right people are in place to make a significant new discovery, and ultimately advance the projects to a potential construction and production decision.

Figure 8: Different sources of clean energy in the United States

Nuclear power is the largest source of clean energy in the United States!



Nuclear power comprises 52% of total clean energy in the US

Source: RCS Estimates, Company Reports

Recent Milestones

LUR has already achieved several significant milestones, including:

- 1) Listed and began trading on the CSE on 3-Mar-22;
- 2) Completed spin-out from Consolidated Uranium on 22-Feb-22;
- 3) Acquired Moran Lake U-V project from Consolidated uranium;
- 4) Raised \$8M in equity for working capital and exploration;
- 5) Built out experienced technical and management team;
- 6) Acquired Notakwanon & CMB projects from Altius Minerals;
- 7) And pending acquisition of Mustang Lake project from Mega Uranium.

Catalysts

We believe the upcoming months should be pivotal. Preliminary data compilation and target prioritization has been ongoing in preparation for several work programs scheduled for 2022. These are to include focused studies, detailed exploration, and target drilling. Notably, the CMB project has over 140 targets worthy of investigation. Furthermore, an updated NI 43-101 technical report will be filed for Moran Lake to bring those resources back to compliance as they are currently considered historical. Notakwanon is also anticipated to see exploration work as it is drill ready.

- 1) Evaluate CMB targets, potential for Moran Lake resource expansion(H1/22)
- 2) Permit exploration field camp at CMB (H1/22)
- 3) Construct field camp (H1/22)
- 4) Implementation of recommended field programs (H2/22)
- 5) Initial testing of top priority targets, including Notakwanon (H2/22)
- 6) NI 43-101 Technical Report for Moran Lake (2022)

For more information relating to each of the company's project acquisitions, please refer to Figure 9.

Figure 9: Transaction details between major stakeholders to the deal



TSX:ALS ~C\$1B MC	TSXV:CUR ~C\$200M MC	TSX:MGA ~C\$133M MC
Vending		
Notakwanon & CMB projects	Moran Lake Project	Mustang Lake Project
Consideration from LUR		
8M LUR shares and GOR Royalty	16M LUR shares	3M LUR shares

Source: Company Reports

2022 is catalyst-rich, and we believe the stock could spike once results from these work programs are released

Deal terms for each project per the agreement between Consolidated Uranium, Altius Minerals, and Mega Uranium

Our sum-of-parts valuation determines that Labrador Uranium is undervalued

Valuation and Analysis

We are initiating coverage on Labrador Uranium Inc. (CSE:LUR) with a BUY rating and target price of C\$1.60/sh. Our target is derived using a sum-of-parts analysis for the company's assets. More specifically, an in-situ valuation was completed for Moran Lake U-V project, while book or acquisition value estimates were used for each of CMB, Notakwanon and Mustang Lake. We assume the Mustang Lake project acquisition will be completed and shares issued to Mega Uranium.

Moran Lake dominates our valuation simply due to the significant size of its uranium and vanadium resources. We use US\$1.50/lb to value the historical resources, up from US\$1/lb when the project was inside Consolidated Uranium where the project was simply part of its inventory. Labrador Uranium plans to advance Moran Lake, updating a near-term resource to compliant. This, along with plans to seek resource expansion, potential expansion work, has led us to bring our valuation in line with what we use for uranium exploration projects in other companies. That said, we believe that investors should be buying Labrador Uranium. Our US\$1.50/lb valuation is a discount to current EV/lb trading metrics of US\$4.13/lb for Canadian projects, and US\$3.54 for Global projects. See Figure 10 for more on our valuation of Labrador Uranium.

Figure 10: Sum-of-parts valuation

Asset	Status	Resource / Coverage area	Valuation Method	Fair Value Estimate		%
				C\$M	C\$/sh	
Moran Lake	Exploration	32.37M lb U3O8e	In-situ - US\$1.5/lb	\$62.84	\$1.27	80%
Central Mineral Belt (CMB)	Exploration	125000 ha (CMB) + more (Notakwanon)	Acquisition Value	\$5.60	\$0.11	7%
Notakwanon	Exploration					
Mustang Lake	Exploration	N/A	Acquisition Value	\$2.10	\$0.04	3%
Project NAV				\$70.54	\$1.43	90%
<u>Corporate adjustments:</u>						
Cash				\$8.00	\$0.16	10%
Total Corporate Adjustments				\$8.00	\$0.16	10%
Corporate NAV				78.54	\$1.59	100%
Multiple					1.00x	
Target					\$1.59	

Source: RCS Estimates

Labrador Uranium trades a discount to its peer group on an EV/lb basis

Relative Valuation

We believe LUR is undervalued. We do not believe that its current share price reflects the ~32.4M lb U3O8e (historical) resource at Moran Lake or the base value of its other projects, let alone considering any exploration opportunities or upside. While it does trade at a significant discount on an EV/lb U3O8 basis to its exploration stage peers, at US\$1.13/lb vs. its peer group at US\$3.54, we believe that forthcoming drilling programs should provide opportunity for new discoveries and ultimately help move its stock higher, closing its valuation gap with its peers.

Figure 11: Comparable companies' analysis

Company	Ticker	Location	Price (C\$/sh)	Performance YTD Δ	Market Cap (C\$M)	Cash (C\$M)	Debt (C\$M)	Enterprise Value (C\$M)	Resource (U3O8) (Mlb)	EV/lb U3O8 (US\$/lb)	P/NAV
Labrador Uranium Inc.*	CNSX:LUR	Canada	\$0.90	NA	\$44.46	\$8.00	\$0.0	\$36.5	32.4	\$1.13	0.57x
Fission Uranium Corp.	TSX:FCU	Canada	\$0.99	26.9%	\$668.88	\$49.81	\$7.6	\$626.7	135.2	\$3.39	0.64x
NexGen Energy Ltd.	TSX:NXE	Canada	\$7.32	32.1%	\$3,508.65	\$211.12	\$75.2	\$3,372.7	348.8	\$7.02	0.88x
Denison Mines Corp.	TSX:DML	Canada	\$2.23	28.2%	\$1,816.87	\$78.44	\$0.5	\$1,738.9	228.1	\$5.38	0.85x
Applia Rare Earths & Uranium Corp.	CNSX:API	Canada	\$0.64	10.3%	\$76.69	\$12.51	\$0.0	\$64.2	55.8	\$0.74	NA
Anfield Energy Inc.	TSXV:AEC	USA	\$0.14	42.1%	\$53.88	\$5.44	\$0.0	\$48.4	37.1	\$0.97	NA
Laramide Resources Ltd.	TSX:LAM	USA	\$0.88	23.9%	\$177.85	\$5.53	\$7.7	\$180.0	122.7	\$1.00	NA
enCore Energy Corp.	TSXV:EU	USA	\$1.73	8.1%	\$514.90	\$11.59	\$0.3	\$503.6	56.4	\$6.30	0.76x
Global Peers Average										\$3.54	0.78x
Canadian Peers Average										\$4.13	0.79x

Source: S&P Capital IQ, RCS Estimates

Moran Lake is LUR's cornerstone project, and hosts an existing Indicated and Inferred resource

First exploration on the Moran Lake project began in the 1950's

Assets

Moran Lake Project

The Moran Lake project is located ~140km SW of the town of Makkovik and 135km NW of Happy-Valley Goose Bay (HVGB), in Labrador. The property covers an area of ~1,877 ha and is defined by 75 staked claims, situated within the east-west trending Central Mineral Belt (CMB). The project is host to the C-Zone deposit, and subject to significant exploration activity between 2006 – 2013. A previous operator (Crosshair Exploration and Mining Corp.) released an NI 43-101 compliant U-V resource in March 2011.

Ownership

Consolidated Uranium had an option to acquire a 100%, undivided interest in Moran Lake in December 2020. In October 2021, CUR announced that it would be purchased by Labrador Uranium as part of the spin-out, in exchange for 16M shares of LUR which would then be delivered directly to CUR shareholders of record. The transfer from CUR to LUR occurred on 22-Feb-22.

Terms of the original CUR agreement included 1) the issuance of 150k CUR shares and a cash payment of \$150k upfront, 2) \$1M in cash or CUR shares to acquire a 100% interest in the property (36 months to exercise), 3) \$200k in cash and CUR shares on the 12-and-24 month anniversaries, and 4) contingent payments (cash or CUR shares) of \$250k if the uranium spot price reaches US\$50/lb, and \$375k if the uranium spot prices reaches US\$75/lb. Furthermore, the Moran Lake project is subject to a 1.5% NSR pursuant to the royalty agreement between CUR and the Vendor, with CUR having the option to repurchase 0.5% for \$500,000.

Exploration History

Initial work at Moran Lake began in the 1950's by several explorers. The Moran Lake C-Zone and Lake 202 mineral occurrence were discovered by prospectors that were working for British Newfoundland Exploration (Brinex) in 1957. From 1957 to 1982, exploration was conducted by different groups, where early work included various campaigns of geological mapping, trenching, geochemical sampling, and geophysical surveys. The property was later staked by Mr. L. Murphy and Mr. N. Murphy in 2002, where they completed airborne gravity and magnetic surveys. This was followed up by reviewing and resampling historical drill core.

After two more years of work, in 2004, Crosshair Exploration optioned the property from the Murphy's and published an NI 43-101 compliant resources

Local infrastructure and access consist of commercial airline and ferry services

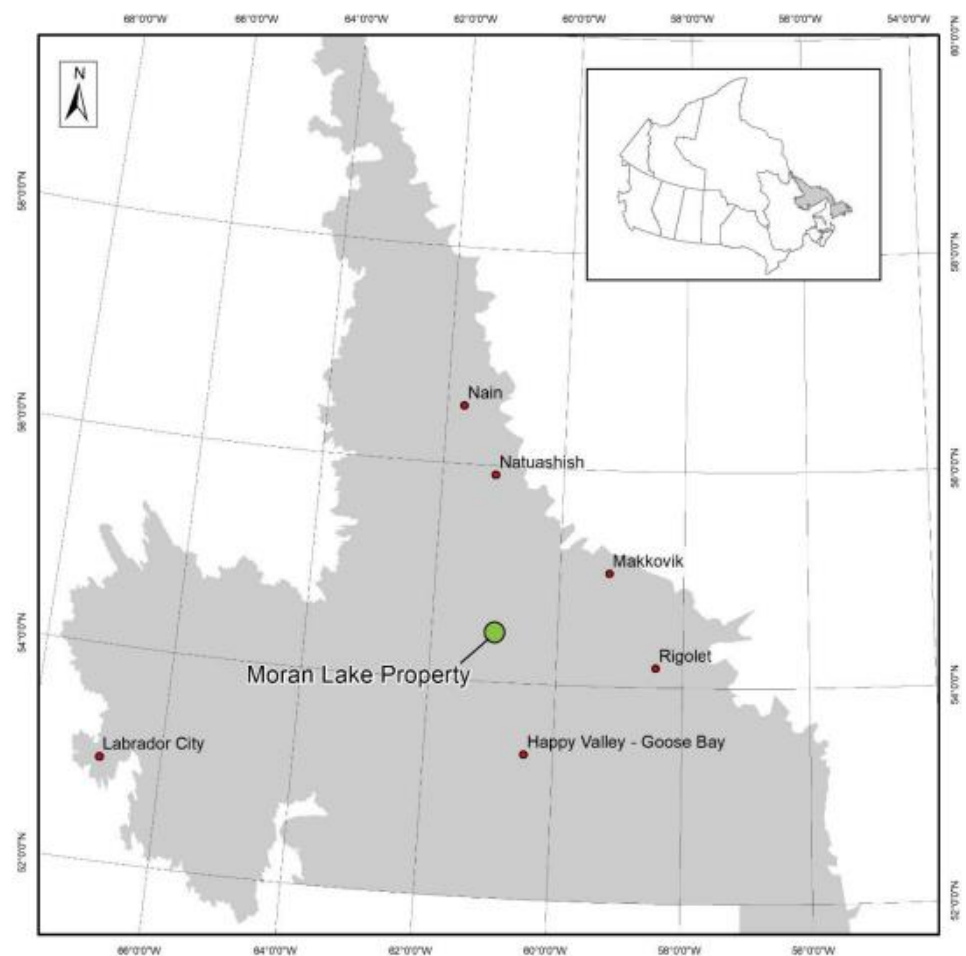
estimate for the C-Zone. From 2006 to 2009, Crosshair continued to conduct various exploration on the property and conducted two more resource estimates on the property in 2007 and 2008. Later in 2010, a vanadium resource estimate was calculated based on additional drilling and the resampling of core. Finally, CUR optioned off the Moran Lake property from the Vendor and exercised the option to acquire the project in 2020.

Infrastructure and Access

Local infrastructure is limited to the coastal communities of Postville and Makkovik. There are commercial airline services from HVGB and ferry services from Lewisporte, Newfoundland and HVGB. The closest passenger airport to Moran Lake is in HVGB. Float plane and helicopter support are available from the Otter Creek float plane in HVGB, whereby the float plane is the primary means of supply and fuel positioning for exploration activities in the CMB. No road access is available to Moran Lake.

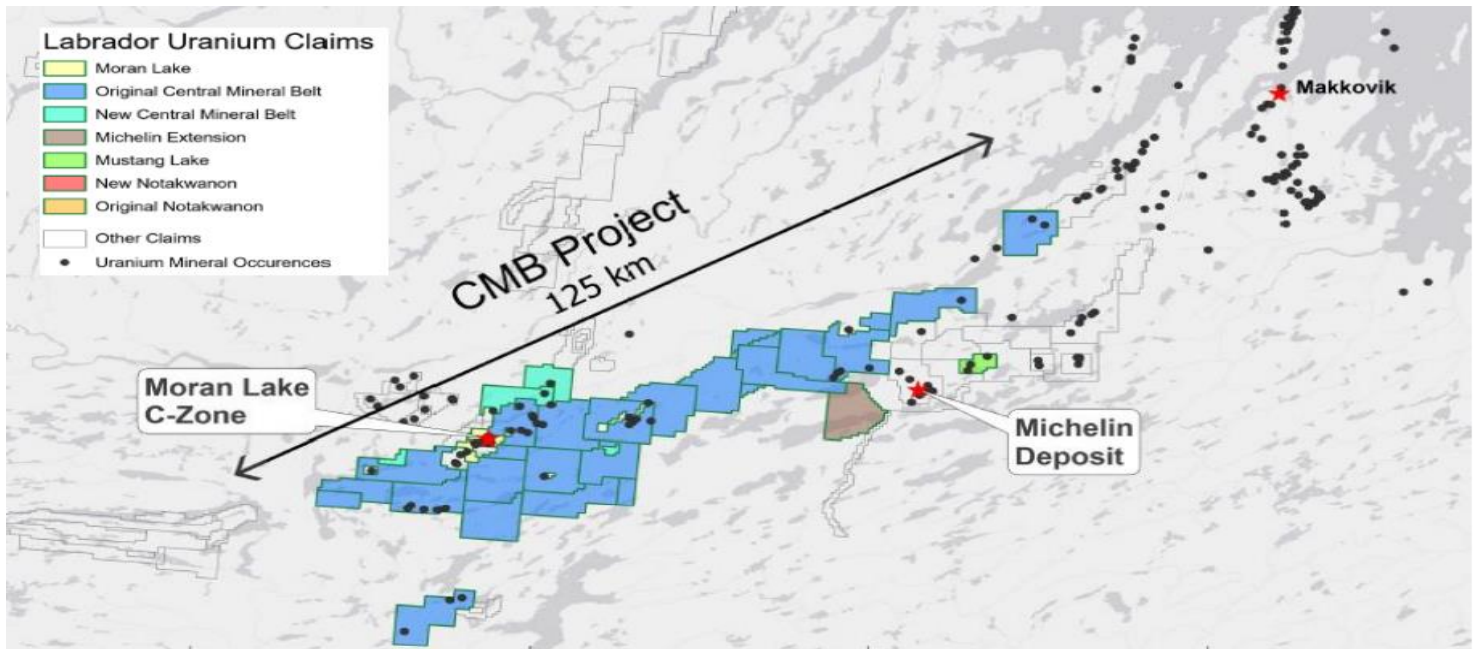
Water is abundant and readily accessible due to the climate and a substantial network of lakes and watercourses. Although there is no electrical supply at Moran Lake, the hydroelectric facility at Muskrat Falls is located ~140km SSW of the project area.

Figure 12: Map of the Moran Lake project (per the 2011 NI 43-101)



Source: Company Reports

Figure 13: Location map of Moran Lake in relation to the CMB project and other U deposits in the belt



Source: Company Reports

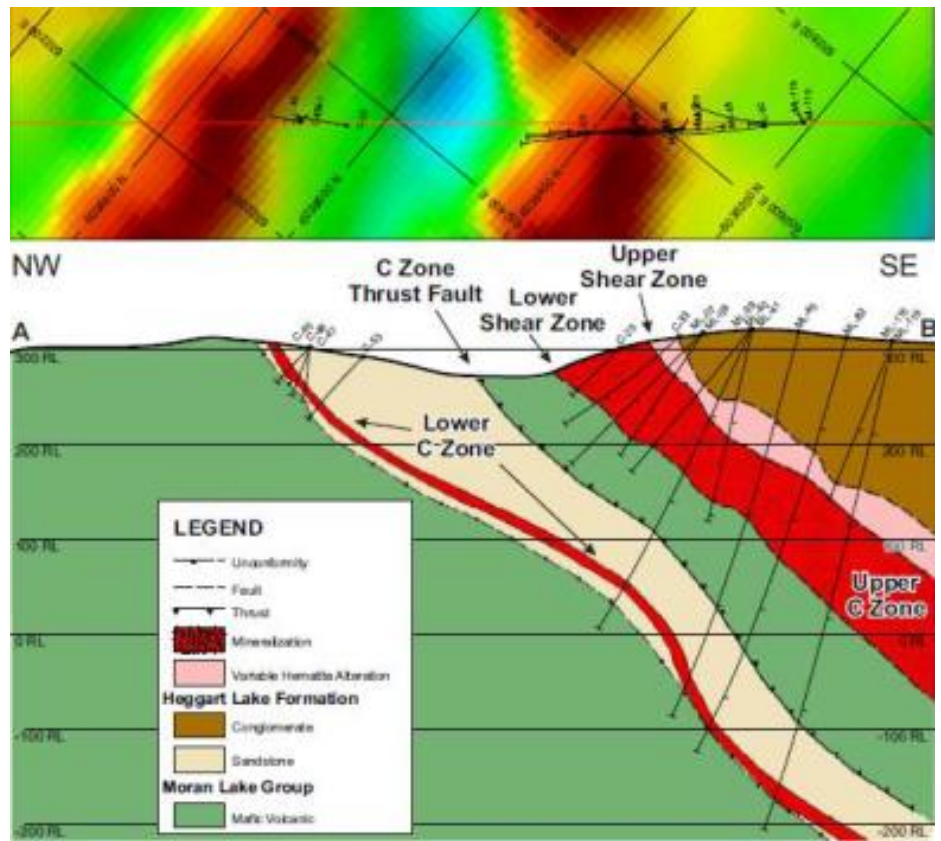
Moran Lake is located on the western end of the Central Mineral Belt

Geology and mineralization

The Moran Lake project and the C-Zone deposit are located at the western end of the CMB, a NE trending, 250km long by 75km wide belt of Proterozoic volcanic and sedimentary rocks with associated granites. It is developed on an Archean craton consisting of gneisses and granitoid intrusions, mafic or felsic metavolcanics and minor mafic to ultramafic intrusions.

The C-Zone deposit is structurally controlled within fracture systems and shear zones. The 'upper C-Zone' of the deposit consists of uranium mineralization with strongly brecciated and altered mafic volcanic rocks and lesser Fe-carbonate-altered shear zones. Mineralization within the lower C-Zone deposit is separate from that developed within the overlying C-Zone, by the C-Zone thrust fault, and represents a different style of uranium mineralization. Within this physical mineralized zone, uranium is hosted within chloritic, fine-to-medium grained pale-green sandstones.

Figure 14: Geological cross section and geophysics showing the location of the Upper and Lower C-Zones at Moran Lake.



Source: Company Reports

Resources

The most recent NI 43-101 compliant mineral resource estimate for the project was released in March 2011. This resource estimate for Moran Lake comprises of the following: 1) Indicated resources – 5.2M lb U3O8 at 340 ppm and 42.8M lb V2O5 at 1,517 ppm, and 2) Inferred resources – 4.4M lb U3O8 at 334 ppm and 93.6M lb V2O5 at 1,596 ppm (Figure 15).

Figure 15: NI 43-101 compliant mineral resource estimate

Indicated Vanadium Resource within Uranium Resource						Total U3O8e
U3O8 Cutoff (%)	Tonnes > Cutoff (tonnes)	Grade > Cutoff		Contained Million		
		U3O8 (%)	V2O5 (%)	Pounds (U3O8)	Pounds (V2O5)	
0.015	6,920,000	0.034	0.078	5.19	11.9	7.17
Inferred Vanadium Resources within Uranium Resource - Upper C Zone						Total U3O8e
U3O8 Cutoff (%)	Tonnes > Cutoff (tonnes)	Grade > Cutoff		Contained Million		
		U3O8 (%)	V2O5 (%)	Pounds (U3O8)	Pounds (V2O5)	
0.015	5,320,000	0.024	0.089	2.84	10.44	4.58
Indicated Vanadium Resources within Uranium Resources - Lower Z Zone						Total U3O8e
U3O8 Cutoff (%)	Tonnes > Cutoff (tonnes)	Grade > Cutoff		Contained Million		
		U3O8 (%)	V2O5 (%)	Pounds (U3O8)	Pounds (V2O5)	
0.035	1,450,000	0.05	0.058	1.6	1.85	1.91
Indicated Vanadium Resources Outside of Uranium Resource						Total U3O8e
V2O5 Cutoff (%)	Tonnes > Cutoff (tonnes)	V2O5 (%)	Million Pounds (V2O5)			
0.15	7,790,000	0.18	30.92		5.15	
Inferred Vanadium Resources Outside of Uranium Resource						Total U3O8e
V2O5 Cutoff (%)	Tonnes > Cutoff (tonnes)	V2O5 (%)	Million Pounds (V2O5)			
0.15	21,570,000	0.171	81.33		13.56	
Grand Total U3O8e						
						32.37

Source: RCS Estimates, Company Reports

Labrador Uranium recently acquired a 100%-interest in the Central Mineral Belt project

CMB is located ~140km north of Happy Valley-Goose Bay

A resource update is scheduled for later in 2022. We anticipate that this update will largely be a restatement of the previous currently historical estimate. Future exploration work could include:

- Twinning of selected existing holes for purposes of verifying historical drill results and due diligence
- In-fill and expansion drilling on the main C-Zone deposit area in order to expand and update the historical resource estimate
- Exploration drilling on other target areas

Central Mineral Belt (CMB) Project

Ownership

Labrador Uranium recently agreed to a deal on the Central Mineral Belt U-Cu project, whereby it would acquire a 100%-interest. According to the terms of the agreement, Altius would receive 8,000,000 LUR shares (for both the CMB and Notakwanon projects) and a 2% gross overriding royalty.

Exploration History

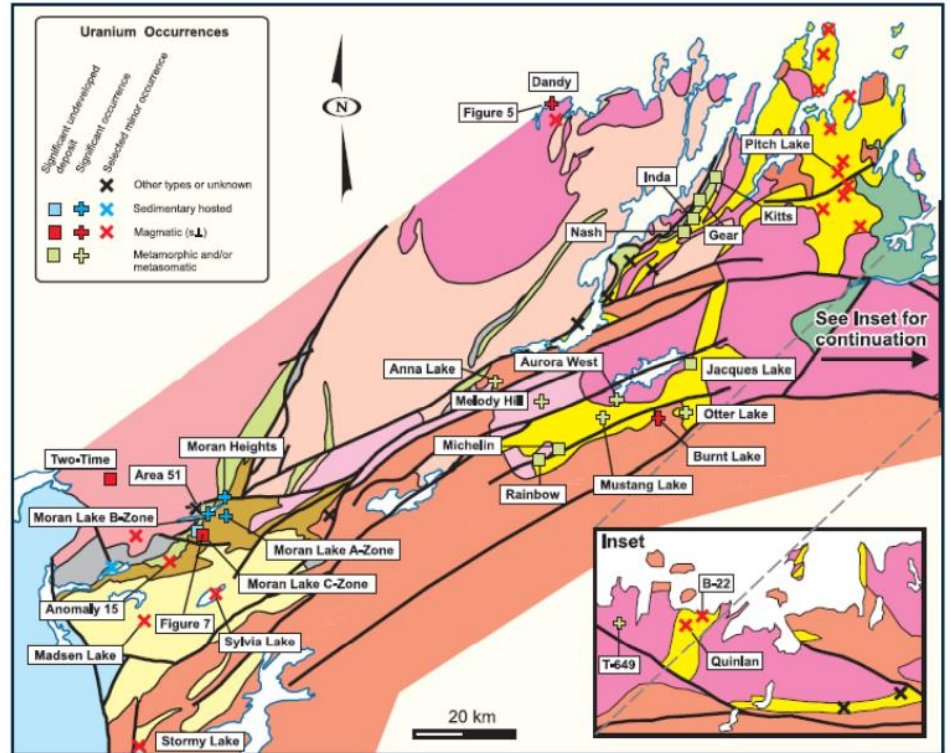
From 1951 to 1978, exploration in the belt resulted in the discovery of many significant uranium deposits including Kitts and Michelin, in addition to many others. Several notable uranium concentrations have been recognized in the eastern part of the belt, where uranium occurs as a pitchblende and uraninite, and in a wide variety of other deposits, as granites and pegmatites. We note that uranium mineralization was first discovered in Labrador's CMB in 1954, south of Makkovik at the Pitch Lake showing. Moreover, in 1974, mining in the Labrador portion of the belt produced 50% of Canadian iron ore production, in addition to uranium, molybdenum, copper, and beryllium.

Between 1980 and 2005, little exploration was conducted due to the decline in uranium prices. However, with the substantial increase in uranium prices in 2005 and thereafter, the area became one of the most renowned exploration sites in Canada, second to the Athabasca Basin.

Despite the significant amount of exploration activity conducted from 2005 onward, efforts came to a halt when a three-year moratorium on uranium mining was imposed in 2008 by the aboriginal body, the Nunatsiavut government. However, in March 2012 the moratorium was lifted, allowing companies to continue on with their mining operations. We note that several of these uranium sites seemed to be hosted by volcanic and/or intrusive rocks.

Location, Access, and Local Infrastructure

The Central Mineral Belt project is located within the Central Mineral Belt of Labrador, ~140km north of the town of Happy Valley-Goose Bay. The Central Mineral Belt is a geographically defined area of Labrador in northeastern Canada. It extends from Michikamau Lake eastward to near Makkovik. Access to the property is available through a helicopter and float plane out of Goose Bay. Moreover, we note that Postville is the closest deep-water port to the property. The community of Postville is a clean and progressive village with rental space suitable for establishing an exploration base. Diesel generators are also the main sources of power to the camp, with the closest power grids located on the Northwest River, 100km south of the property.

Figure 16: Map of uranium occurrences within the Central Mineral Belt


Source: Company Reports

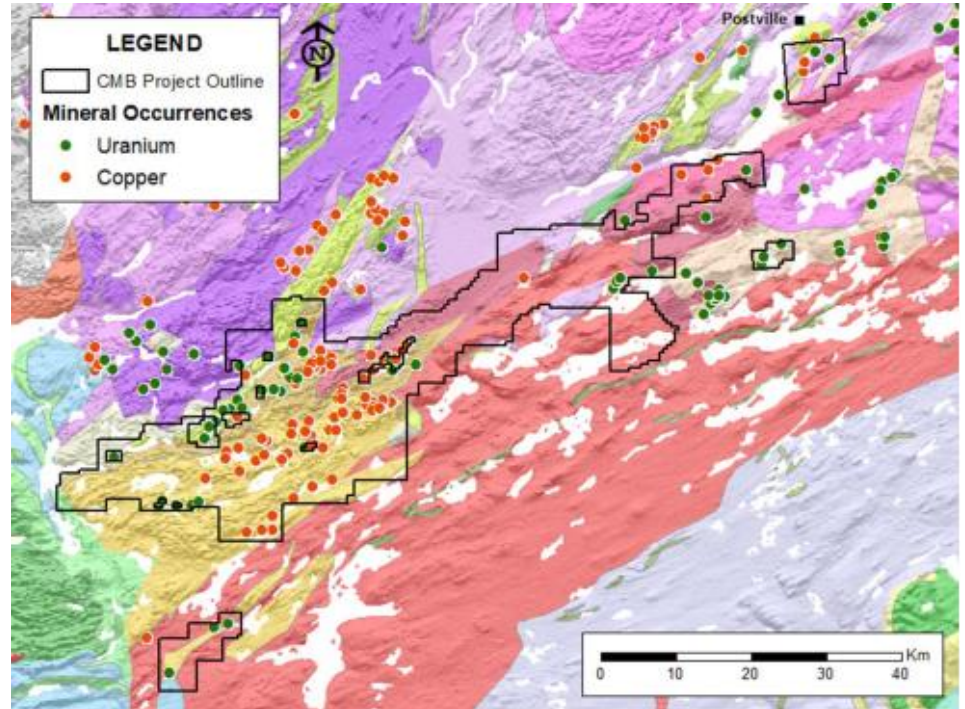
Brief Geology and Mineralization

Uranium mineralization is present here with hematite and/or albite dominant alteration. It is also structurally controlled, and typically hosted within fracture systems and to a lesser extent within shear zones. The geology at the project consists of Archean granitoid rocks that are unconformably overlain by early paleo-proterozoic submarine sedimentary and volcanic rocks. We note that LUR is generally underlain by Precambrian rocks and forms the eastern limit of the exposed Canadian Shield.

Current Plans

Labrador Uranium is compiling the significant historical exploration data that has been gathered by both public and private groups. A large database has been obtained, and management plans to use best available technology to help define potential targets. Over 140 targets have already been identified for such commodities as uranium, vanadium, IOCG and copper.

Figure 17: Geological plan map showing the clusters of over 140 uranium (green) and copper (red) targets within the Central Mineral Belt.



Source: Company Reports

Three main zones of high-grade mineralization were identified at Notakwanon – Rumble, Old School, and Notak-1

Notakwanon Project

The Notakwanon project is in northern Labrador, ~60km west of the Labrador coast. The project is accessible by float plane or helicopter from Hopedale, Nain or Happy Valley-Goose Bay. The property straddles the Churchill and Nain province boundary.

Previous exploration recognized a cluster of uranium prospects (>20 occurrences). Furthermore, three main zones with high-grade uranium mineralization have been identified. Historical results include: 1) **Rumble**: grab samples that have returned values of up to 3.49% U₃O₈ and channel samples have yielded up to 0.48% U₃O₈ over 2.5m, 2) **Old School**: grab samples have returned up to 2.08% U₃O₈, and 3) **Notak-1**: grab samples have yielded up to 1.81% U₃O₈. Furthermore, management believes that plenty of exploration upside still exists at the project. It is untested, drill-ready, has many targets in place, and hosts similarities to basement-style uranium deposits. Please see Figure 18 for an illustration of where these uranium prospects are situated within Notakwanon.

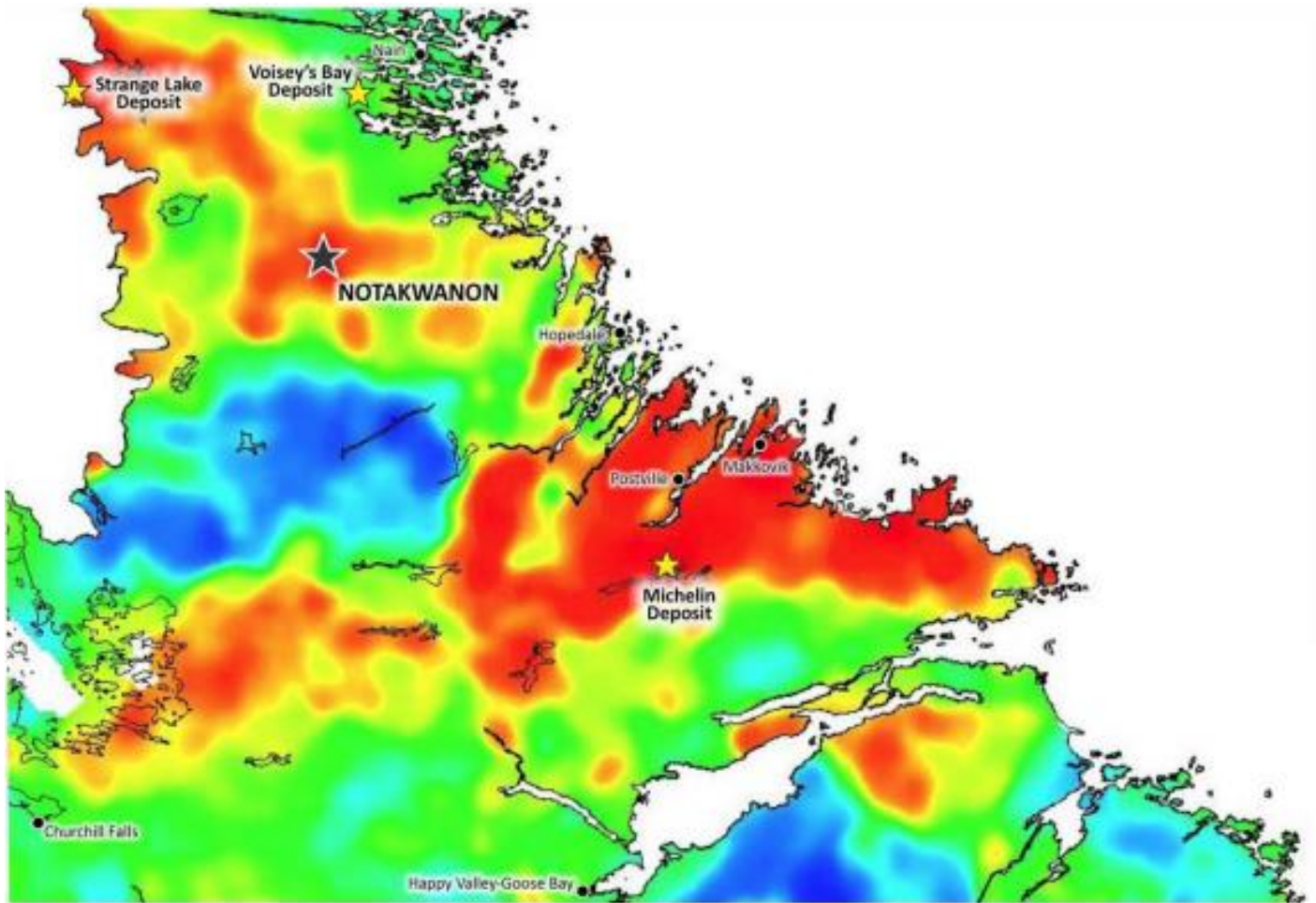
Figure 18: Main zones of traces with high-grade U at Notakwanon



Source: Company Reports

We note that Notakwanon was acquired by LUR in the latter part of 2021. In return for the project, Altius received 8M LUR shares for both Notakwanon and CMB projects. Altius remains a loyal shareholder and is able to lend its technical expertise and social license in the region.

Figure 19: Heat map of the Notakwanon uranium project



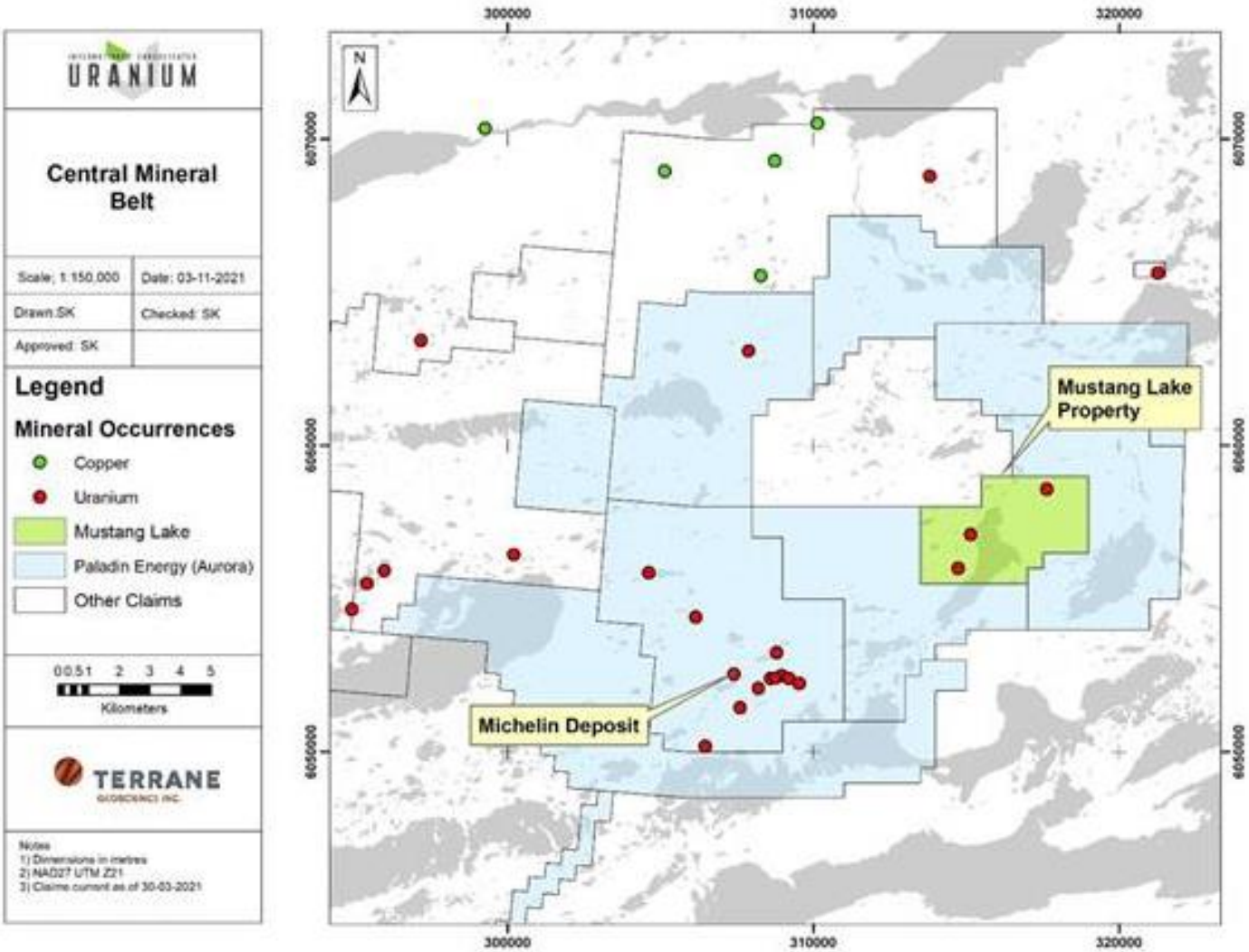
Source: Company Reports

Labrador Uranium to own a 66%-interest in the Mustang Lake project

Mustang Lake Project

Labrador Uranium should soon own a 66%-interest in the Mustang Lake project after this acquisition closes with Mega Uranium. The project is located ~9.5km from and along strike of Paladin Energy's (ASX:PDN, Not Rated) 127.8M lb Michelin deposit. Mustang Lake is host to the highest known uranium lake-sediment anomalies within the entire Michelin-Jacque Lake region. Historical exploration work identified occurrences of uranium, and hosts potential for IOCG-style mineralization. Mineralization at the project is hosted within felsic to intermediate volcanic rocks and lesser foliated mafic dykes that cross-cut the succession. We note that there are three main prospects that occur within the area: Mustang Lake, Irving Zone and Mustang Lake North. Furthermore, past diamond drilling on the project intersected uranium values of 0.12% U₃O₈ over 9.11m.

Figure 20: Claim map of the Mustang Lake project



Source: Company Reports

Risks

Exploration, development, and mining projects are inherently risky investments given the large initial expenses that are required in advance of any potential revenue. Our view is based on publicly available information but note that our estimates and views are not without political, technical, geologic or financing risk typical for junior exploration companies. For Labrador Uranium, these risks may include:

- **Geopolitical/jurisdictional risks** – Some of these risks may be out of the control of the company, including royalty and taxation levels, land agreement liabilities, regulatory, environmental and permit requirements and timing, global trade wars and political instability.
- **Technical risks** – This covers a wide variety of issues that we see associated with the deposit including exploration, development and exploitation strategies and methods. It would cover such issues as accuracy of geological interpretation, resource/reserve estimates and economic studies and inputs such as commodity prices, cost and grade fluctuations, assay reconciliation, metallurgical issues and exploration success. Our positive view relies on using existing technical data, recent exploration results and to a limited extent, expected positive results from future drilling. Future results may differ and negatively impact our assumptions.
- **Corporate risks** – These may include project execution by management, investor relations effectiveness, or market sentiment. Management pedigree and performance are paramount. Market sentiment is also an issue. Uranium is a particularly risky commodity given both the strong support and disdain for the commodity and nuclear power as an answer to greenhouse gas emissions.
- **Financial risks** – These may occur at the project or corporate level, including variation in valuation parameters/metrics, commodity price or foreign exchange fluctuations, access to credit including debt, equity financing or potential for shareholder dilution.

As new information becomes available, we plan to refine our estimates and forecasts.

Appendix: Management & Directors

Stephen Keith (P.Eng) – Chief Executive Officer

Mr. Keith has over 20 years' experience as an engineer, investment banker and executive within the natural resources' industry. He has worked on various projects, financing and M&A transactions in over 20 countries totaling >\$2 billion. He previously founded Rio Verde Minerals which was sold in to one of Brazil's largest private equity firms in 2013. Furthermore, Mr. Keith is currently the Lead Director and Chair of the Audit Committee for Aura Minerals, and on the Board of Directors for Sterling Metals.

Greg Duras – Chief Financial Officer

Mr. Duras has over 23 years' experience as a senior executive, working in the resource sector in corporate development, financial management and cost control positions. Previously, he served as the Chief Financial Officer (CFO) of several publicly traded companies, including Savary Gold Corp., Nordic Gold Corp. and Avion Gold Corp. Mr. Duras is currently the CFO of Emerita Resources Ltd. and Consolidated Uranium Inc.

Philip Williams – Chairman

Mr. Williams has over 20 years of mining and finance industry experience. More specifically, he has extensive experience in corporate development, as a sell-side research analyst, in fund management and most recently as managing director of investment banking focused on the metals and mining sector.

Richard Patricio – Strategic Advisor

Mr. Patricio is a veteran in the mining industry and has previously served several mining companies in an executive capacity. He is currently President and CEO of Mega Uranium and sits on the board of several uranium companies including NexGen Energy, Toro Energy, and ISO Energy. Previously, Mr. Patricio served as the CEO of Pinetree Capital Ltd., a TSX-listed investment company specializing in early-stage resource investments.

Justin Reid – Strategic Advisor

Mr. Reid has over 20 years' experience in the mineral resource space as a geologist and capital markets executive. He is also currently the CEO of Troilus Gold Corp. Previously, Mr. Reid was a Senior Mining Analyst at Sprott/Cormark in Toronto. Prior to that, he was the Managing Director of Global Mining Sales at National Bank Financial.

Technical Advisors & Consultants

Paul Pearson, Ph.D

Mr. Pearson has 35 years' exploration experience as a specialist structural and economic geologist. His past work includes extensive exploration for Iron Oxide Copper Gold (IOCG) deposits. From 1995 to 2003, Paul worked in senior project generation and management roles for several major groups, including Mount Isa Mines, North Limited and Teck Cominco. Moreover, Mr. Pearson gained his Ph.D in Structural Geology from the University of Queensland, Australia in 1989.

Matt Melnyk, M.Sc.

Mr. Melnyk has over 20 years' experience throughout the Americas, Australia and Africa and is an accomplished Professional Geologist (CPG). Currently, he is also the Director of Operations for Xali Gold Corp. From 2019 to 2021, he served as VP Exploration for Silver Bull Resources, and from 2015-2018 as Manager of Project Evaluations for Agnico Eagle's Southern Business Unit with a focus on identifying district scale opportunities in Latin America. Mr. Melnyk also holds a M.Sc in Geology from the University of Southern Mississippi and a B.A. in Geology from SUNY Buffalo.

Mike McNeill, B.Sc

Mr. McNeill has over a decade of experience planning and managing large-scale exploration programs and teams. He is also responsible for the discovery of several new uranium occurrences in the Central Mineral Belt. Mr. McNeill has been involved in uranium exploration in the Central Mineral Belt of Labrador, the Athabasca Basin and Thelon Basin since 2008.

David A. Talbot | MD, Mining Analyst
Alina Islam | Senior Research Associate
Daniel Kozelewicz | Research Associate
Shikhar Sarpal | Research Associate

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Disclosure Statement
 Updated March 11, 2022

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Date	Rating	Target	Status	%
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			HOLD	0%
			SELL / Tender	0%
			NA	3%
			Under Review	1%

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Company Name	Ticker Symbol	Disclosures
Labrador Uranium Inc.	CSE:LUR	3,4

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