



November 12, 2024

**Attention: F3 & F4 Shareholders**

**Re: Tax Implications from the completion of the Plan of Arrangement**

Disclaimer

This summary applies only to investors who are or are deemed to be resident in Canada at all relevant times for the purposes of the *Income Tax Act (Canada)* and of any applicable income tax treaty or convention (each, an "Investor").

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the plan arrangement under the *Canada Business Corporations Act* (the "Arrangement"), effective on August 15, 2024 (the "Effective Date"). This summary is of general nature only and is not and should not be construed as legal or tax advice to any particular person (including an Investor) and no representations concerning the tax consequences to any particular Investor are made. The tax consequences of the Arrangement will vary according to the Investor's particular circumstances. Investors should consult their own income tax advisors with respect to the tax consequences of the Arrangement applicable to them based on their own particular circumstances.

**Summary of relevant Canadian income tax implications to investors**

*Deemed dividend on share exchange*

Pursuant to the Arrangement for the share exchange ("Share Exchange"), Investors of F3 Uranium Corp. ("F3") on the Effective Date exchanged one F3 share for one new F3 share and one-tenth of a share of F4 Uranium Corp. ("F4"). An Investor would be deemed to have received a taxable dividend arising from the Share Exchange to the extent that the fair market value of the F4 shares issued exceeds the paid-up capital ("PUC") – which is defined in the *Income Tax Act (Canada)* – of the Investor's F3 Shares on the Effective Date.



On the Effective Date, the one-tenth of a F4 share received as consideration on the Share Exchange had a fair market value of \$0.01422 (or \$0.1422 per share). Since the PUC of each F3 share that was considered to have been disposed of by Investors arising from the Share Exchange was in excess of the fair market value of the F4 share received, Investors should not be considered to have received a taxable deemed dividend on the Share Exchange.

#### Capital gain on disposition of F3 Shares

As a result of the Share Exchange, an Investor would have realized a capital gain equal to the amount, if any, by which the fair market value of the F4 share received on the Effective Date of the Share Exchange, less the amount of any taxable dividend deemed to have been received by the Investor (as explained above), exceeds the adjusted cost base ("ACB") – which is defined in the *Income Tax Act (Canada)* – of the Investor's F3 share determined immediately before the Share Exchange.

On the Effective Date, the one-tenth of a F4 share received as consideration on the Share Exchange had a fair market value of \$0.01422. As noted above, there should be no taxable dividend deemed to have been received by the Investor arising from the Share Exchange. Since the ACB of an Investor's F3 share is determined based on the Investor's own particular circumstances, F3 cannot provide any guidance in determining whether an Investor would have realized a capital gain, if any, on the Share Exchange. Investors should consult their own income tax advisors.

#### Cost of New F3 shares and F4 shares received


Investors are considered to have received their F4 share at a cost equal to the fair market value of the share on the Effective Date of the Share Exchange. Accordingly, Investors are considered to have acquired the one-tenth of a F4 share at a cost of \$0.01422 as consideration on the Share Exchange.



On the Share Exchange, Investors are also considered to have received their new F3 share at a cost equal to the amount, if any, by which the ACB of the Investor's F3 share immediately before the Share Exchange exceeded the fair market value of the F4 share received. Since the ACB of each Investor's F3 share is determined based on the Investor's own particular circumstances, F3 cannot provide any guidance in determining the ACB of new F3 share that each Investor received on the Share Exchange. Investors should consult their own income tax advisors.

For questions regarding the analysis, shareholders are encouraged to contact F3 Uranium Corp. directly at [ir@f3uranium.com](mailto:ir@f3uranium.com).

Best regards,

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Raymond Ashley, President & COO