

F3 Uranium Corp. Shareholder Summary of U.S. Tax Consequences of F4 Distribution

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code").¹ The discussion herein includes a general summary regarding the application of certain U.S. federal income tax laws and regulations to the transactions described below and the potential effects on a holder's tax basis resulting from such transactions for U.S. federal income tax purposes.

This information does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties under the Code. This form provides a description of common tax consequences but does not purport to describe all tax consequences that may apply to all types of holders. Holders should consult their own tax advisors regarding the particular tax consequences of the transaction to them, including the applicability and effect of all U.S. federal, state, and local as well as non-U.S. tax laws.

Overview

This shareholder summary summarizes the U.S. federal income tax consequences of the recent reorganization of F3 Uranium Corp. ("F3") into two separate entities: F3 and F4 Uranium Corp. ("F4").

Organizational Action

On August 15, 2024, F3 undertook a reorganization to split into two companies:

1. **F3:** A publicly-traded uranium exploration company.
2. **F4:** A private uranium exploration company.

Steps Involved

- Distribution of F4 Shares: Shareholders received one-tenth of an F4 Share for each F3 share held.
- Redesignation of F3 Shares: Existing F3 shares were converted into F3 Class A Shares, which were then exchanged for New F3 Shares and F4 Shares.
- Adjustment of Options, RSUs, and Warrants: Existing options, RSUs, and warrants were adjusted to reflect the distribution of F4 Shares.

U.S. Tax Consequence Overview

New F3 Shares:

- The exchange of Class A F3 Shares for New F3 Shares is expected to be non-taxable.
- The tax basis in New F3 Shares will be the same as the basis in the original Class A F3 Shares.
- The holding period of the original Class A F3 Shares will continue for the New F3 Shares.

F4 Shares:

- The distribution of F4 Shares is expected to be treated as a taxable dividend to the extent of F3's current and accumulated earnings and profits.
- Any excess distribution over earnings and profits will reduce the basis in New F3 Shares and may result in capital gain if the basis is fully reduced.
- The tax basis in F4 Shares will be their fair market value on August 15, 2024.
- The holding period for F4 Shares begins on August 15, 2024.

Options, RSUs, and Warrants:

- Adjustments to options, RSUs, and warrants are not expected to affect the basis of these securities.

¹ Unless otherwise specified herein, all references to "Section" mean section of the Code or Treasury Regulations promulgated thereunder, each in effect as of the date hereof.

U.S. Tax Consequence of Distribution of F4 Shares

- The distribution of F4 Shares valued at \$0.01422 per one-tenth share resulted in no taxable dividend due to F3's deficit in earnings and profits.
- The remaining value will reduce the basis in New F3 Shares and may result in capital gain if the basis is fully reduced.
- No loss is expected to be recognized from this transaction.

U.S. Reporting and Tax Year

- Adjustments to basis should be reported in the tax year the distribution was received (2024 for calendar year taxpayers).
- Dividend and non-dividend distributions to the shareholders are expected to be issued on Form 1099-DIV (Dividends and Distributions).