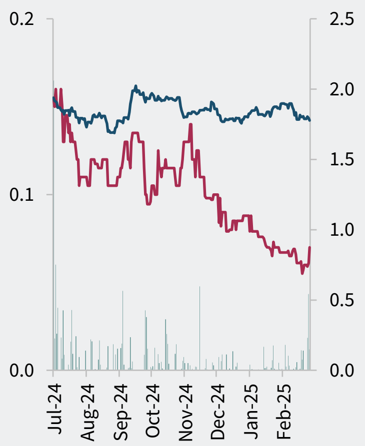
Piche Resources

Initiation – Exploration incubator with high-potential targets in Argentina and Australia

GICS Sector	Materials
Ticker	AU:PR2
Market cap 12-Mar-25 (US$m)	5.5
Share price 12-Mar-25 (A$)	0.07
Target Valuation Jun-25 (A$)	0.85

>10x

Upside to our A$0.85/sh target valuation



Source: S&P Capital IQ

Piche Resources ("Piche") is an explorer with early-stage gold and uranium exploration assets in Argentina and Australia. The Cerro Chacon gold project is in the Chubut province, Argentina, with broad zones of high-grade, vein-hosted mineralisation identified at surface. A maiden drill programme is planned in 2025 on two target zones which we believe could evolve into a multi-million-ounce deposit. The Sierra Cuadrada project, also in Chubut, has returned high-grade, near-surface uranium mineralisation over a broad area with work suggesting extensions over an area of 30km by 40km, in addition to the potential for repetitions at depth, with a drilling programme planned for 2025. Piche's Ashburton project in Western Australia covers 122km^2 of prospective ground with high-grade uranium targets identified, and drilling planned for 2025. We note Piche's market cap sits only marginally above its last reported cash balance; as such, we believe the stock offers very cheap exposure to strategically attractive, high-torque exploration targets with significant scalability upon exploration success. We expect exploration results from across the portfolio to provide positive catalysts in 2025. We initiate coverage with a valuation of A$0.85/sh.

High grade gold at Cerro Chacon

The Cerro Chacon project in Argentina's Chubut province contains high-grade epithermal vein-hosted gold mineralisation, with veins up to 50m wide along a 10km corridor. Any discovery could be analogous with Newmont's 5.8Moz Cerro Negro mine to the south, with many apparent structural similarities to that deposit. Piche is planning to commence a drill programme imminently at the Chacon Grid and La Javiela prospects, building on prior geochemical and geophysical work.

Uranium at surface in Argentina

The Sierra Cuadrada project is also located in Chubut, with uranium mineralisation hosted in extensive areas of flat lying sandstone and conglomeratic horizons which occur within a few metres of surface. Piche plans to carry out drilling this year to test the depth potential of these occurrences and additional near surface work to demonstrate their lateral extent. Sierra Cuadrada should be straightforward to mine and appears to be significantly scalable. Clearly there are at present hurdles related to the permitting process for open-pit projects in Chubut. Should the environment change, which is arguably likely given the pro-business President Milei and a more mining-friendly provincial government, this could have a material and positive impact on the share price, in our view. The company is also actively engaged with the Argentine government to identify other uranium deposits that could be developed.

Pilbara uranium targets to be drilled in 2025

In Western Australia, Piche holds the 122km^2 Ashburton prospect where 14 uranium occurrences have been identified over 65km of strike. These occurrences are similar in style to those of the Athabasca Basin with drilling planned for 2025.

Uranium Renaissance driven by net zero

We expect uranium demand to be driven by the expansion of the global nuclear reactor fleet, from 440 active at present to 500 by 2030 and at least 570 by 2040. Principally propelled by China with 29 reactors in construction, other nations are increasingly turning to nuclear amid the energy transition for stable baseload supply, offsetting the intrinsic variability of renewables. We use a U_3O_8 price of US$90/lb based on long-term marginal costs.

Valuation: A$0.85/share, >10x upside

As Piche is an early-stage explorer we value the company on an assumed in-situ basis using our evaluation of the potential of the company's projects. We assume a value of A$94m for Cerro Chacon, A$32m for Sierra Cuadrada, and A$40m for Ashburton. We use long-term prices for gold of US$2,100/oz and uranium of US$90/lb.

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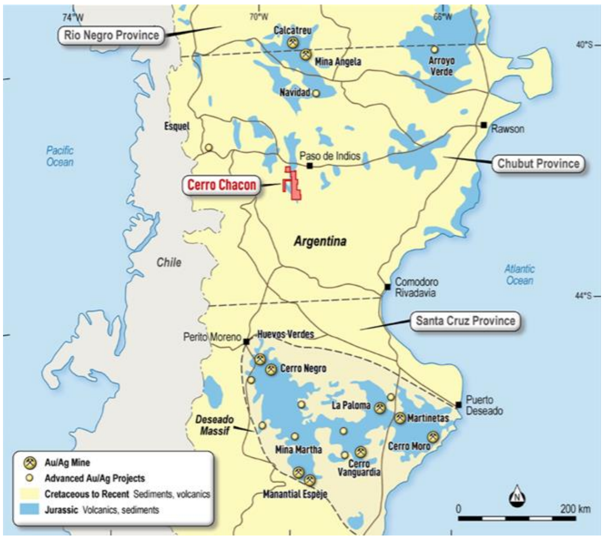
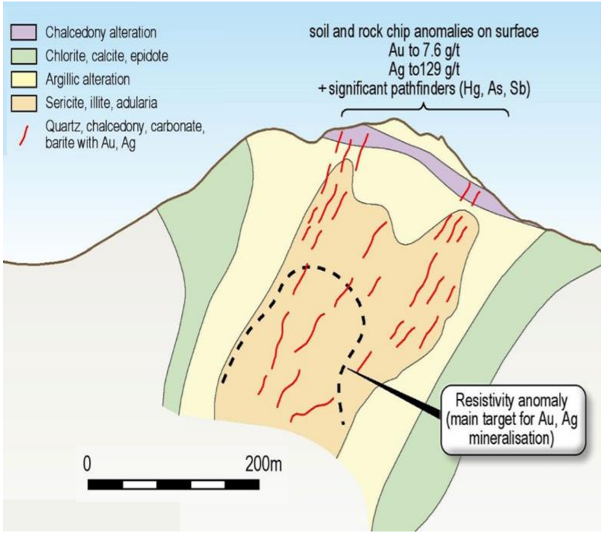
Key Charts

High grade gold in Argentina, near to major existing operations



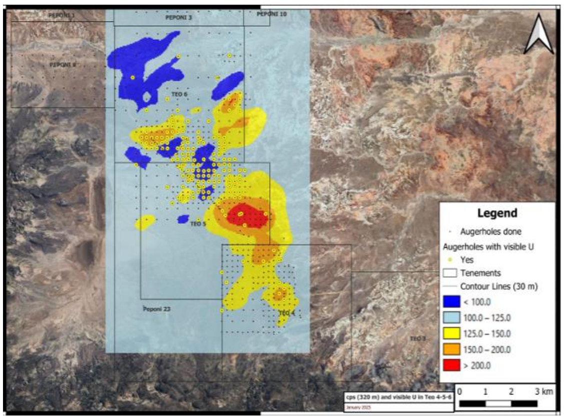
Source: Company reports

Cerro Chacon appears to be an extensive epithermal system



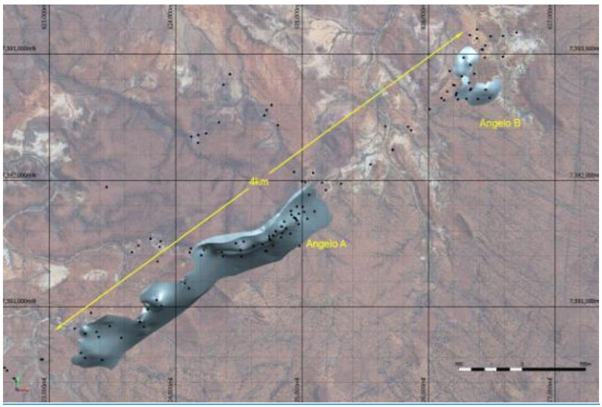
Source: Company reports

Extensive near surface uranium at Sierra Cuadrada in Argentina with drilling planned



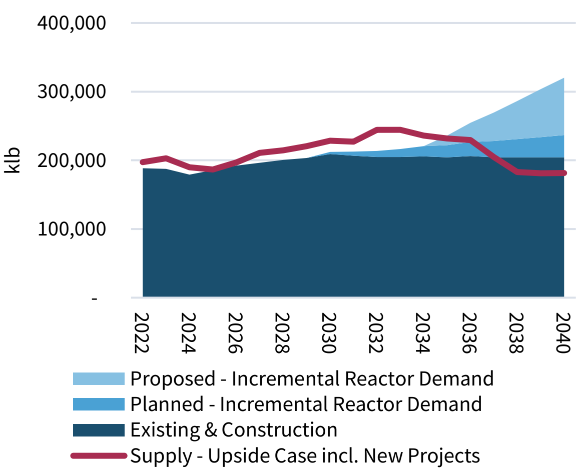
Source: Company reports

Uranium mineralization at Ashburton in Australia associated with talus flow unit with drilling in 2025



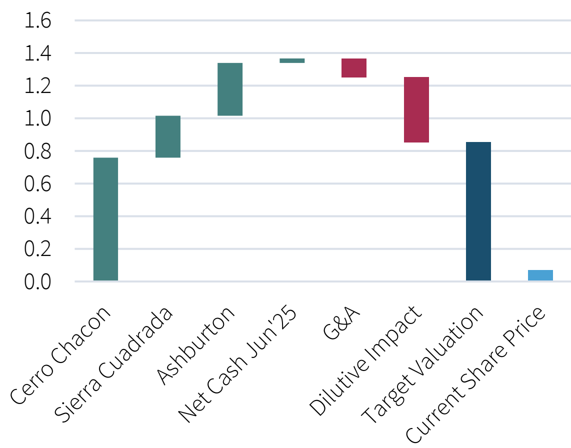
Source: Company reports

Significant uranium supply deficit expected



Source: H&P estimates

SOTP Valuation



Source: H&P estimates

Executive Summary

Piche is an early stage uranium and gold explorer that IPO'd in 2024 and holds a highly prospective portfolio of early stage projects in Argentina and Australia. While there are permitting challenges in both jurisdictions, we see scope for Piche's shares to rerate as it demonstrates the potential of the projects, with exploration programmes planned for 2025:

Potential Cerro Negro lookalike target at Cerro Chacon

The Cerro Chacon project in Argentina covers 414km^2 with evidence of multiple styles of epithermal mineralisation present. Geophysics and mapping have identified a 10km long mineralised system that management believes is analogous to Newmont's Cerro Negro mine, with veins of up to 6km in length and 50m in width. While there is outcrop at surface, mineralisation persists at depth which would enable underground mining, avoiding Chubut province's current open pit mining ban.

During 2025, Piche plans to carry out an 8,500m RC drill programme over 10 targets at two prospects: Chacon Grid and La Javiela. Drill target preparation and permitting is ongoing. Should this work validate the presence of a large gold bearing system, we would expect a material rerating of the shares.

Near surface mineralisation over a wide area at Sierra Cuadrada

The Sierra Cuadrada uranium project in Argentina covers 1,013.4km^2 with extensive areas of flat lying uranium mineralisation which is visible at surface, with the potential for a continuous zone of U3O8 mineralisation in paleochannels that is up to 30km wide and over 40km long. A total of 3,759m of wide spaced drilling was completed in 2024, primarily using a tractor-mounted auger, with the aim of identifying higher grade target areas.

Piche is planning an RC drilling programme in 2025 to test the lateral extent of mineralisation, as well as providing initial results from the testing of the lower horizon at 10m-20m of depth. This could represent a repeat of the mineralised upper horizon that we believe could potentially host a uranium resource of at least 25Mlb.

Ashburton reinterpretation refines targets

Piche holds the 122km^2 Ashburton prospect where 14 uranium occurrences have been identified over 65km of strike. Piche completed a 19 hole drill programme in 2024 that targeted the Angelo A and B prospects, with 52 intersections above 500ppm. In February 2025, Piche released a reinterpretation of the previous geological work at Ashburton that identified a talus flow unit at the unconformity which should improve the permeability for uranium minerals, with shale clasts within the unit creating good conditions for uranium deposition. The talus flow unit occurs across the Angelo area of the project and has variable thickness of up to 50m. Drilling to date suggests the grade and thickness of mineralisation increases with the black shale content of the talus. Mineralisation is concentrated in late stage fractures and veins that have been remobilised from down dip along the unconformity.

At Angelo follow up drilling is planned during Q2/Q3 2025 to test the continuity along strike and down dip, as well as to extend high grade mineralisation. Piche is also planning to complete a drill programme at Atlantis in 2025. The discovery of the presence and role of the talus flow unit in hosting mineralisation should allow the company to better focus exploration at the project that has the potential to host a multi-million lb uranium deposit.

Uranium landscape and geopolitical influence – Nuclear Renaissance

Implied future demand for uranium has increased significantly over the last five years, driven by growing power demands across China, India, and other emerging markets, as well as a recognition that for developed economies, nuclear power offers a clean, carbon free, baseload energy source where renewables cannot guarantee consistent power supply without considerable investment in battery storage. While a decade ago a decline in nuclear power across Europe and North America was anticipated as reactors reached the ends of their lives and were not expected to be replaced, we now expect reactor numbers to, at a minimum, remain stable, with new entrants offsetting declines from the closure of capacity in Germany and some other legacy nations.

The development and roll out of Small Modular Reactors ("SMRs") could significantly increase demand beyond the currently planned build out of the global reactor fleet that is expected to increase by 29.5% to 2040, supporting higher uranium demand and prices. We note that 31 countries including Canada, the UK, and the USA endorsed the Declaration to Triple Nuclear Energy by 2050 at COP29, Baku in Nov'24. This excludes China which is expanding its nuclear output capacity at a faster rate than any other nation with 34 reactors in construction, 22 pre-construction, and a further 63 announced.

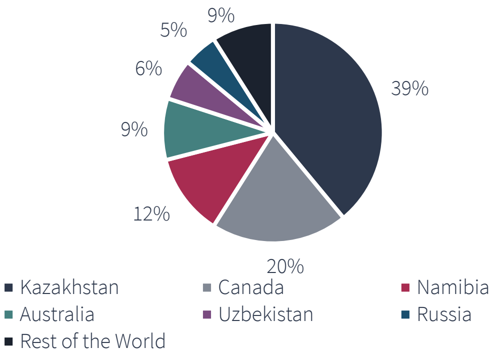
In Argentina the Milei administration set out a nuclear strategy for the country in the "Plan Nuclear Argentino". Argentina is one of only two South American nations to have nuclear power, the other being Brazil, and has three operable reactors with a fourth planned, accounting for 5% of the country's electricity generating capacity. Under the plan the country intends to develop SMR's as well as large scale reactors. The plan also sets out a second phase objective of Argentina developing its own vertically integrated nuclear supply chain. This would include the mining of uranium as well as conversion and enrichment. This should be a positive for Piche, as well as other explorers and developers in country as it would require the government to facilitate permitting.

Ballooning deficit of U_3O_8 as demand outstrips supply over next 15 years

We believe that current uranium mine production and stockpiled supply will not be sufficient to fuel this worldwide "Nuclear Renaissance". U_3O_8 production is relatively focused compared to other commodities, with three countries producing ~71% of annual supply, exacerbated by challenges associated with geopolitical tensions between Russia and the West. We expect production from the largest producer, Kazakhstan, to begin to decline into the 2030s. We dive into the supply outlook on pages 23-25.

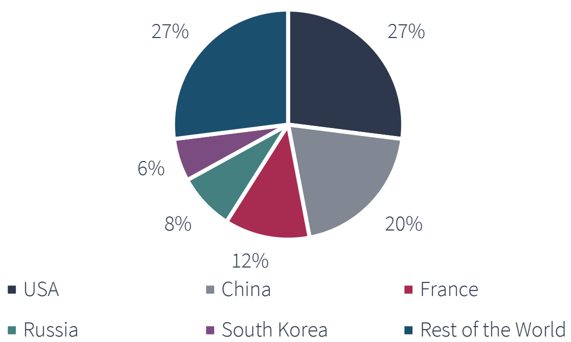
On the demand side, the global reactor fleet currently stands at 440, however based on the existing fleet and those under construction, the reactor fleet should increase to almost 500 by 2030. If all those that are planned are included, the fleet should increase to 527 by 2035 and 570 by 2040, with reactor demand of up to 320Mlb/year of U_3O_8, a 79% increase vs 2024 demand of 179Mlb, and exceeding forecast 2040 supply by 186Mlbs. We expand on this on pages 26-27.

Uranium Production by country (2023)



Source: Yellow Cake Plc

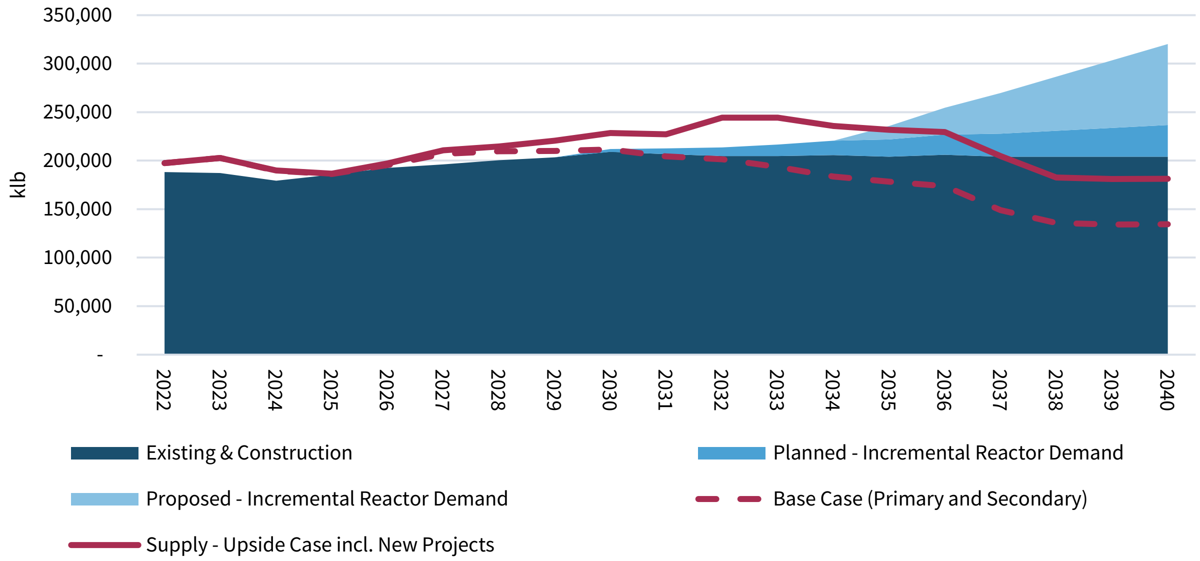
Uranium Demand by country



Source: Yellow Cake Plc, MineSpans

Just based on existing reactors and those in development, an annual deficit of 25Mlb would emerge by 2035, increasing to 70Mlb by 2040. This excludes higher cost operations that could come online in a higher price environment. This would increase to almost 200Mlb if all proposed reactors are developed without significant new supply being developed. This also makes no assumption about the successful development and rollout of SMR's which could further boost demand.

H&Pe Supply and Demand forecast – Reactors existing, planned, and proposed vs. Supply incl. new projects



Source: H&Pe

Russian tensions add risk to Kazakh export routes

Against this backdrop of demand growth, the geopolitical environment adds further weight as the uranium market is at significant risk of bifurcation due to tensions between Russia and other major economies. This began with the Russian invasion of Ukraine in 2022, which was followed by sanctions prohibiting the sale of various commodities by Russia. In August 2024, the US prohibition on the import of Russian Low Enriched Uranium ("LEU") was passed. This does include a potential waiver if no other uranium can be sourced, however this waiver process is set to end in 2028. This law sanctions Russia for its invasion as well as supporting American efforts to reduce its dependence on Russian sourced or processed uranium for civil nuclear power. In response to this sanction, Russia imposed an export ban in Nov'24 on the US and other nations that have sanctioned it, further reducing potential supply from the country. A key question will be how the new Trump administration chooses to interact with Russia and whether sanctions are further tightened.

There are two key impacts of these two-way sanctions, both contributing to the market's potential bifurcation and an associated reduction in supply for western nuclear plants. Firstly, Russia hosts 40% of the enrichment capacity globally, but only mines ~7Mlb of uranium and consumes almost double this internally. Although U_3O_8 can still be shipped through Russia if mined in Kazakhstan, for example, uranium either enriched or mined in Russia cannot be sold to US utilities. Secondly, uranium mined in Kazakhstan has two key routes out of the country – overland to China where it is ultimately consumed and not re-exported, or through Russia using its rail system to St Petersburg for onward shipment to global markets. This second route is not currently under sanction, however it does pose a risk that worsening relations between Russia and the US could lead to this route being closed off. If Russia were to block this, there is an alternative via the Caspian Sea, Azerbaijan, and Georgia with onward shipment via the Southern Black Sea. However, this route is more complicated and could result in delays to shipments and U_3O_8 supply as well as increased costs, if it became the primary route for Kazakh shipments. This route is currently used by Cameco for its production from the Inkai JV and notes that it is a source of delays.

All in, the geopolitical bifurcation of the uranium market could further exacerbate the supply-demand imbalance, necessitating the expansion of output from countries that are allied to the West, including projects such as those owned by Piche in Argentina and Australia.

In terms of enrichment, there are only two ways to produce the same amount of enriched uranium from less capacity: running the facility for a longer period of time, which is not possible if already running at full capacity, or overfeeding the enrichment facility by using up more uranium ore input. This latter route would require the use of more uranium ore. Over the longer-term additional enrichment capacity will be added outside of Russia, which should reduce the potential impact of this.

Valuation

We believe that Piche's projects are at too early a stage to calculate a DCF NAV, however, the currently known extent of mineralisation can be used to give an approximation of the potential volumes of material, with exploration to date giving a range for the potential grade of material. We have used this to calculate the early stage in situ scale of the targets. This is clearly early stage and is a very rough approximation of potential resource, rather than a resource that is compliant with one of the mineral classification codes. However, with Piche's market cap of A$8.6m sitting only just above its reported Dec'24 cash balance of A$6.6m, and our forecast Jun'25E balance of A$3.6m, the market is currently pricing in almost zero value for its assets. If exploration results from any one of Piche's three key assets were to suggest the presence of an economically mineable deposit, we see potential for multi-fold increases in market value.

- At Cerro Chacon we assume the deposit, with >50 veins over >100km linear, has the potential to host at least a 3.2Moz gold deposit; assuming 20Mt of ore at 5g/t in an orebody covering an aggregate 4,000mx10mx200m and an average density of 2.5t/m^3. We value the project at US$66m (A$94m) based on 5% of the current average in situ reserve value for miners of US$411/oz. This is a multiple of the company's current market capitalisation and we believe that the shares could materially rerate if there is exploration success from the current phase of exploration.

- The Sierra Cuadrada prospect is also very early stage with what appears to be a laterally extensive, near surface occurrence within a mineralised horizon. If we assume that 15% of 64km^2 area where uranium mineralisation has been identified hosts economic mineralisation then we believe that it could host at least 25Mlb of U3O8 assuming a laterally extensive deposit covering 2750mx2,750mx2m at a grade of 0.03% U3O8. Given the very speculative nature of this estimate we attribute only 1% of the in situ value based on our long term uranium price of US$90/lb. This suggests a near term value of US$22m (A$32m).

- Ashburton has had some limited drilling completed, however, as with the other assets it is early stage. Management believes there are at least 14 occurrences over 65km of strike. Looking at the grade and intercept data that has been generated by previous work suggests the project has the potential to host at least 6Mlb. Given the very speculative nature of this estimate we attribute only 5% of the in situ value based on our long term uranium price of US$90/lb. This suggests a near term value of US$28m (A$40m).

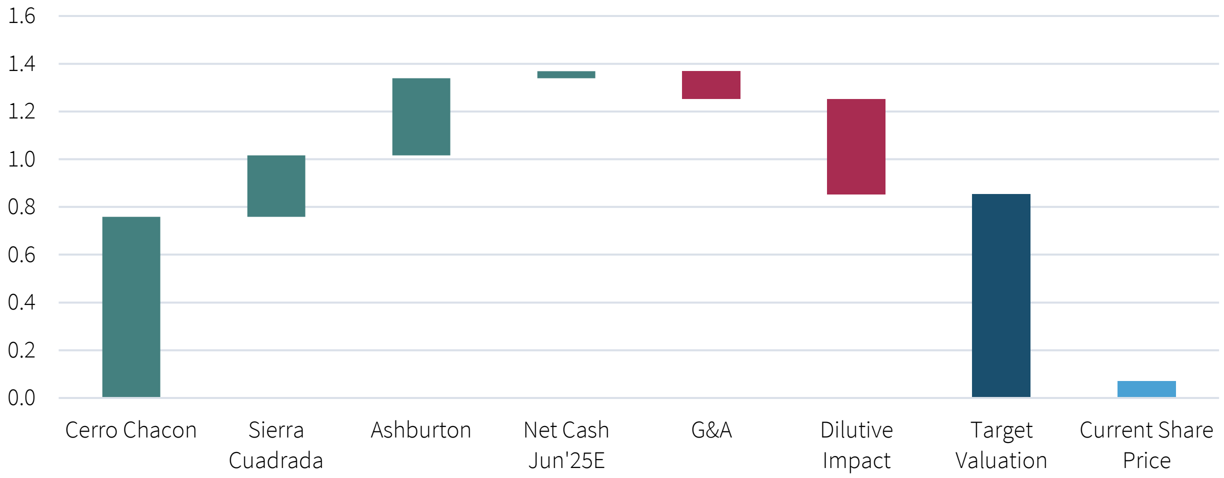
- We assume a negative value of A$14m for the G&A

This generates a valuation of US$109m (A$155m, A$1.25/share) for Piche using the current basic share count. After the dilution from options outstanding, we derive a target valuation of A$0.85/sh, implying 1,119% upside to the current price that should be unlocked through exploration results. The very early stage nature of Piche's assets mean that it is highly speculative and there is the possibility that the company will not identify an economic resource at any of its projects or that it is not able to advance it through the design, permitting and development process.

Sum-of-the-Parts Valuation Jun'25 (A$/sh)	Value (A$m)	Risk Weighting	Risked Value (A$m)	Share Value (A$/sh)
Cerro Chacon	94	1.0x	94	0.76
Sierra Cuadrada	32	1.0x	32	0.26
Ashburton	40	1.0x	40	0.32
Total	**166**	**1.0x**	**166**	**1.34**
Net Cash Jun'25E	3.6			0.03
G&A	-14.4			-0.12
Shares Outstanding (m)	124			
Undiluted Target Valuation				1.25
Dilutive Shares (m)	91			
Dilutive Impact				-0.40
Diluted Valuation				**0.85**
Current Share Price				0.07
Upside to Valuation				**1,119%**

Source: H&Pe

SOTP Valuation



Source: H&Pe

Investment Catalysts

Key catalysts for 2025 and the near term are outlined below.

- **Exploration results from Cerro Chacon:** Drilling should commence at Cerro Chacon over the coming quarter. First assay results could be returned as early as the end of April, with further results being released throughout the year. This should validate the potential presence of large-scale epithermal systems at the project and lay the foundation for further, more detailed work.
- **Exploration results from Sierra Cuadrada:** The results of the 2025 Reverse Circulation drilling programme at the project should provide further validation of the extent of mineralisation within the 64km^2 target area. Furthermore, this will provide initial results from the testing of the lower horizon at 10m-20m of depth that could represent a repeat of the mineralised upper horizon.
- **Exploration results from Ashburton:** Results from the drilling of the Atlantis prospect should be published during 2025, which should build on the positive initial drill programmes at Angelo A and B targets in 2024.
- **Changes to permitting environment:** As noted on page 11, at present there are restrictions on open pit mining and the use of cyanide in Chubut province and a ban of the permitting of new uranium mines in Western Australia. Should either of these permitting regimes change, we would expect a positive movement in the shares.

Investment Risks

We have identified several risks to our valuation and investment thesis:

- **Permitting Risk:** The Chubut Province in Argentina, where the Sierra Cuadrada uranium prospect and Cerro Chacon gold prospect are located, introduced a law in 2003 (Law XVII-Nº 68, which was previously known as Law 5001) introducing a ban on open pit mining and the use of cyanide in mineral processing. Management believes this may not apply to Sierra Cuadrada, which is a very shallow prospect, outcropping at surface. Should this prove not to be the case then the company would face challenges with developing Sierra Cuadrada. Cerro Chacon could be developed, however, it would need to be as an underground operation producing a precious metal concentrate for further treatment elsewhere. Western Australia, where the company's Australian uranium exploration assets are located, also has a ban on permitting new uranium mining projects. While the main opposition (Liberal) party in Australia has suggested that at a federal level it would seek to change this, at a state level the governing Labor Party has indicated the ban will remain in place. Should the ban not be overturned, any deposit discovered by Piche would not be able to be developed.
- **Exploration risks:** Piche's projects are early stage and there are risks associated with the process of exploration that could result in the company not identifying mineral deposits that host economically viable grade or volumes of gold or uranium.
- **Uranium price:** We assume a long term uranium price of US$90/lb, compared to a current spot price of US$64/lb. We expect uranium to be supported by the continued build out of reactors globally, most significantly in China.
- **Gold price:** We assume a long term gold price of US$2,100/oz with the price of the metal supported by investor and central bank buying.
- **Geopolitical risk:** While Australia is a low risk jurisdiction from a security and political perspective there is the potential for issues associated with Aboriginal rights and permitting more broadly. Argentina has low security risks relative to other emerging markets, however, it is prone to significant political fluctuations. While the current administration of President Milei is market friendly and perceived to be more pro-mining, this could change if a new administration were to gain power following the next election scheduled for 2027.
- Unidentifiable risks which even a combination of professional evaluation and management experience may not be able to eliminate, such as natural calamity, civil unrest etc.

Financials

As an explorer, Piche has no revenues and is funded through the issuance of equity, with A$10m raised in connection with the IPO on the ASX in July 2024 at a price of A$0.20/share. We assume the company will have annual G&A of A$3.6m and have assumed that A$1.28m will be spent on exploration over the next 6 months. During the period between the IPO and 31st December, the company spent A$4.68m including A$1.325m of G&A and A$1.0m of costs associated with the offer. During this period the company also spent A$1.5m on Exploration at Ashburton, A$406k at Sierra Cuadrada, and A$348m at Cerro Chacon.

Financial Summary

Statement of Cash Flows		FY25	FY26	FY27
Cash flows from operations				
Exploration and Evalutation	**A$'000**	**-3,642**	**-2,567**	**-**
Ashburton	A$'000	-2,015	-965	
Abydos	A$'000	-50	-40	
Beasley Creek	A$'000	-39	-41	
Gascoyne	A$'000	-36	-34	
Sierra Cuadrada	A$'000	-831	-849	
Cerro Chacon	A$'000	-667	-638	
Barda Colorada	A$'000	-4	-	
Staff Costs	A$'000	-1,557	-2,039	-2,039
Administration and corporate costs	A$'000	-1,566	-1,566	-1,566
Interest received	A$'000	236	-	-
IPO Costs	A$'000	-144	-	-
Net Cash from operations	**A$'000**	**-6,673**	**-6,172**	**-3,605**
Cash flows from investing				
Non-current assets	A$'000	-13	-	-
Net Cash from investing	**A$'000**	**-13**	**-**	**-**
Cash flows from financing				
Proceeds from issuance of equity	A$'000	10,001	-	-
Transaction costs related to share issuance	A$'000	-861	-	-
Net Cash from financing	**A$'000**	**9,140**	**-**	**-**
Cash and cash equivalents at beginning of period		**967**	**3,599**	**-2,573**
Change in cash and cash equivalents	A$'000	2,454	-6,172	-3,605
Effect of movement in exchange rates on cash	A$'000	178	-	-
Cash and cash equivalents at end of period	**A$'000**	**3,599**	**-2,573**	**-6,178**

Source: H&P estimates, Company reports

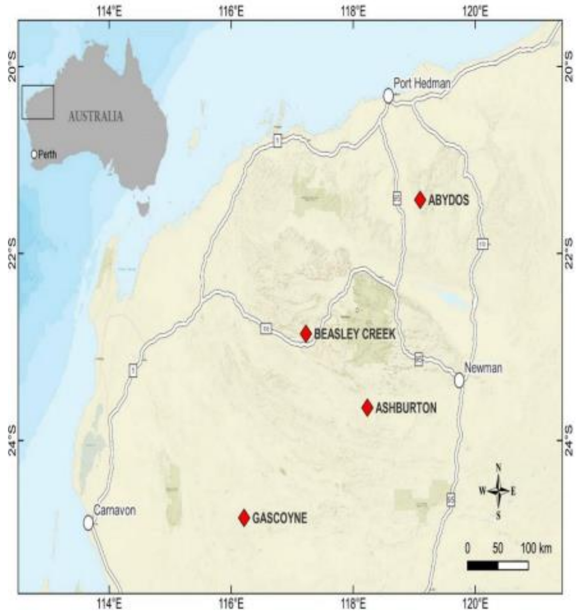
Asset Overview

Piche Resources is an early stage explorer with a portfolio of projects in Argentina and Australia. In our opinion, the asset which is most likely to provide a positive catalyst for the share price in the near term is Cerro Chacon, a gold-silver project in Argentina. In parallel the company is progressing two uranium exploration projects - Sierra Cuadrada in the Chubut Province of southern Argentina and Ashburton in northern Western Australia. The company also has a number of less advanced gold, silver and base metal projects in Argentina and Western Australia.

Uranium and precious metal assets in Argentina

Source: Company Reports

Uranium projects in northern Western Australia



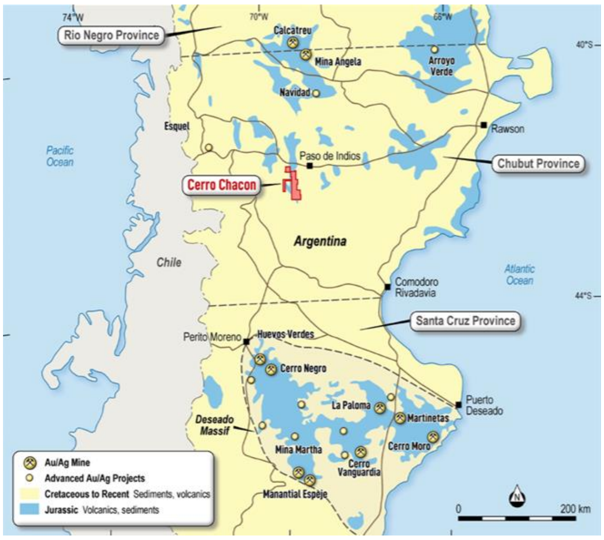
Source: Company Reports

Cerro Chacon, Argentina, Gold-Silver

The Cerro Chacon project is located in Chubut province, Argentina, covering 414km^2, encompassing a number of epithermal systems with multiple occurrences of gold and silver observed. Previous work including Induced Polarisation ("IP"), geochemistry, and structural mapping has identified a 14km long mineralised system that remains open to the north and south based on 1,313 samples. This has a similar surface signature to that of Newmont's Cerro Negro underground mine that produces 334koz/year. Argentina is a significant gold miner producing 40t in 2024. However, this is well below the 70t produced in 2010 due the evolution of the permitting and fiscal environment. We expect this to change due to the more business-friendly administration of President Milei.

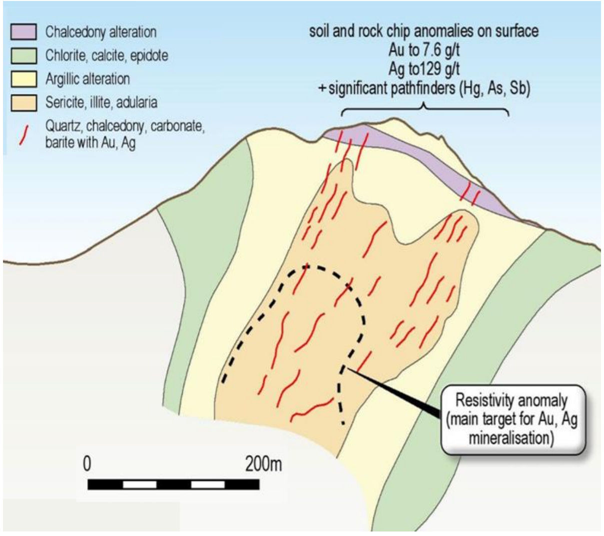
Management believes that the mineralisation style is a large low sulphidation epithermal system with several targets to follow up. Mapping has identified highly silicified quartz and chalcedony veins. The structural complexity, a feature of other analogous mineralised systems in southern Argentina, is also present. In some areas, such as La Javiela, mineralisation appears to be associated with structurally controlled magnetic lows where magnetite depletion has occurred when mineralised hydrothermal fluids move through the system. In other areas, such as Chacon Grid, the movement of mineralised fluids are deposited in structures adjacent to circular magnetic highs. Mineralisation is associated with breccias and veining, and has halos of zoned pathfinder elements. The main pathfinders are mercury, arsenic, antimony, barium, and base metals.

Cerro Chacon similar to Cerro Negro



Source: Company Reports

Cerro Chacon cross section



Source: Company Reports

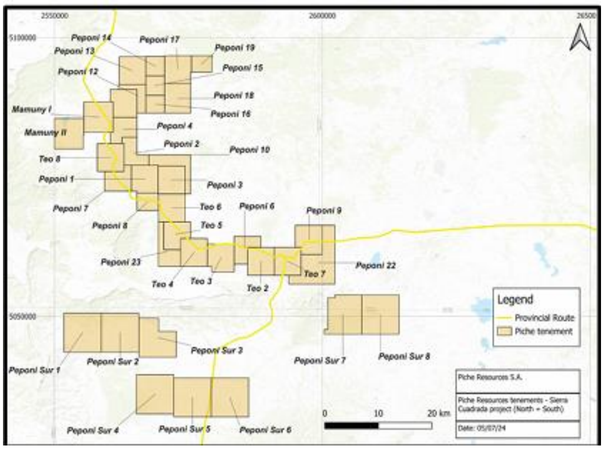
During 2025, Piche is planning to complete an 8,600m RC drill programme targeting six anomalies across two prospects: Chacon Grid and La Javiela. Mapping has also suggested there is a third extensively veined prospect, Don Abel, that could link these two prospects, and Toro Hosco located further to the south. This round of drilling will target mineralisation at between 140m and 290m associated with epithermal breccias and veins. At Chacon grid, mineralisation is associated with magnetic anomalies related to volcanic bodies and domes, and the 2025 programme will include 27 reverse circulation holes targeting mineralisation at depths between 50m and 200m across a northwest structure with cross-cutting extensional veins. At Javiela, to the southwest of Chacon Grid, mineralised structures are associated with structurally controlled magnetic lows with a series of mineralised lows extending over 1km in length and 2m-50m wide. Piche is planning a 16 hole reverse circulation drill programme targeting mineralisation at depths between 50m and 200m.

To date across Cerro Chacon, mineralisation has been identified in low sulphidation epithermal systems in veins of 2km-6km in length and typically 3m-8m wide, but up to 50m in places. Piche has mobilised a team to site to complete gridding, drill-pad preparation, and access arrangements. Piche has also applied for an additional tenement, the Asuncion project, covering 49.26km^2 that hosts wide epithermal veining.

Sierra Cuadrada, Argentina, Uranium

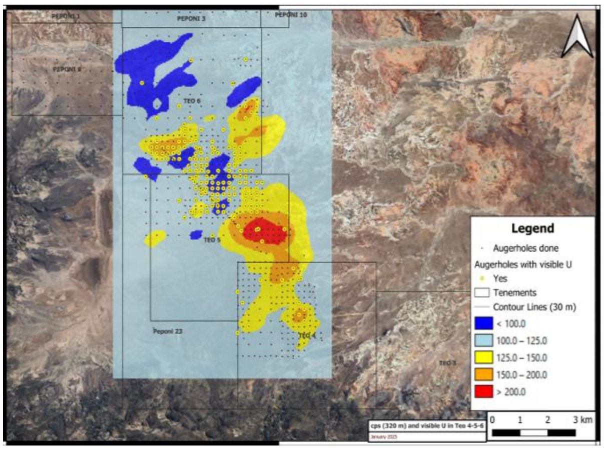
The Sierra Cuadrada uranium project is also in Argentina's Chubut province and covers 1,013.4km^2 of the San Jorge Basin Cretaceous palaeochannel system. The area is characterised by extensive zones of uranium mineralisation in flat lying sandstone, with conglomeratic horizons that sit within a few metres of surface. There is the potential for repetitions at depth, with an Upper Horizon at 0.5m-4.5m of depth and a Lower Horizon at 10m-20m depth.

Licences covering 1,013km² of the San Jorge basin



Source: Company Reports

High uranium grades identified by auger drilling



Source: Company Reports

Work to date suggests a continuous zone of U_3O_8 mineralisation within a conglomeratic sandstone unit that is up to 30km wide and 40km long, with mineralisation open along strike to the northeast and southeast. Piche has focused on drilling out the top 6m, using a low cost tractor mounted auger drill to target near surface mineralisation. During 2024, 3,759m of drilling was completed over 979 holes and a number of zones of higher grade zones of U3O8 were identified. Across the eight areas targeted, 19.3% of the holes completed contained visible uranium. The 2025 RC drilling programme will target deeper horizons.

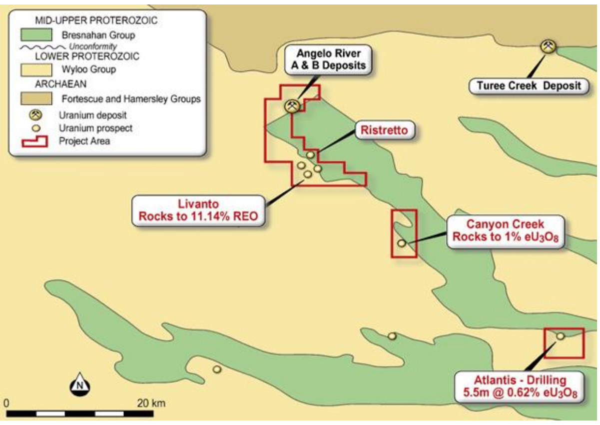
Piche's Auger drilling at Sierra Cuadrada

Source: Company Reports

Ashburton, Australia, Uranium

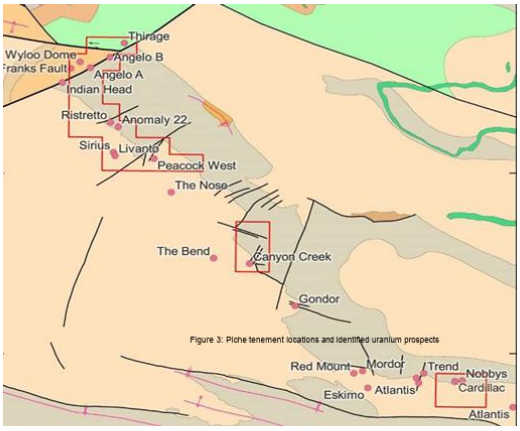
The Ashburton project is located in the Pilbara region of Western Australia, 1,150km to the north of Perth. Three exploration licences cover 122km^2 and have the potential to host higher grade uranium associated with an unconformity. The unconformity has been verified by limited drill hole and rock chip sampling, with a number of geochemical and geophysical anomalies that could host Athabasca style mineralisation, with the principal uranium minerals being uraninite, gummite, and pitchblende. Mineralisation is associated with both the unconformity itself at the contact between the Lower Proterozoic Wyloo group and the Mid Proterozoic Bresnahan group, and in the units immediately above and below it.

Three licences covering 122km^2



Source: Company Reports

Hosting multiple targets with drilling planned in 2025



Source: Company Reports

The Angelo River target was drilled between 1978-1982 with 62 holes completed, returning 71 intersections above 500ppm. Piche followed up with a 19 hole RC and DDH drill programme in 2024 that targeted the Angelo A and B prospects. 52 intersections above 500ppm were hit, suggesting mineralisation extends down dip. Piche released drilling geochemical results from the Angelo A drill programme in February 2025 with a number of high grade intersections, including 8m at 2,734ppm U3O8 from 102m (ARC001), 5m at 2,056ppm U3O8 from 111m (ARC002), and 7m at 8,733ppm U3O8 from 138m. Higher grade assays were consistently significantly above the intersections identified using a downhole gamma probe. Follow up drilling is planned during Q2/Q3 2025 to test the continuity along strike and down dip, as well as extend high grade mineralisation in both the Angelo A and B areas.

Previous drilling at the Atlantis target intersected 5.5m at 6,200ppm U3O8 with higher grade rock chip samples. Piche is planning to complete a drill programme at Atlantis in 2025. Rock chip sampling at the NOG target has returned up to 30,300 ppm (3.03%) U3O8 with associated radiometric anomalies at surface and 10,000ppm (1%) returned from the Canyon Creek target. A number of other targets have been identified with geophysics including Peacock, Peacock West, Ristretto, and Anomaly 22.

In February 2025, Piche released a reinterpretation of the previous geological work that had been carried out at Ashburton by a Perth based consultant. This work identified a talus flow unit at the Lower/Mid Proterozoic unconformity that should improve the permeability for uranium minerals, with shale clasts within the unit creating good conditions for uranium deposition. A talus flow unit is formed through gravity driven processes such as rock falls, debris flows, or avalanches, with fragmented material moving down a slope and deposited at its base. The talus flow unit occurs across the Angelo area of the project and has variable thickness of up to 50m. Drilling to date suggests the grade and thickness of mineralisation increases with the black shale content of the talus. Mineralisation is concentrated in late-stage fractures and veins that have been remobilised from down dip along the unconformity.

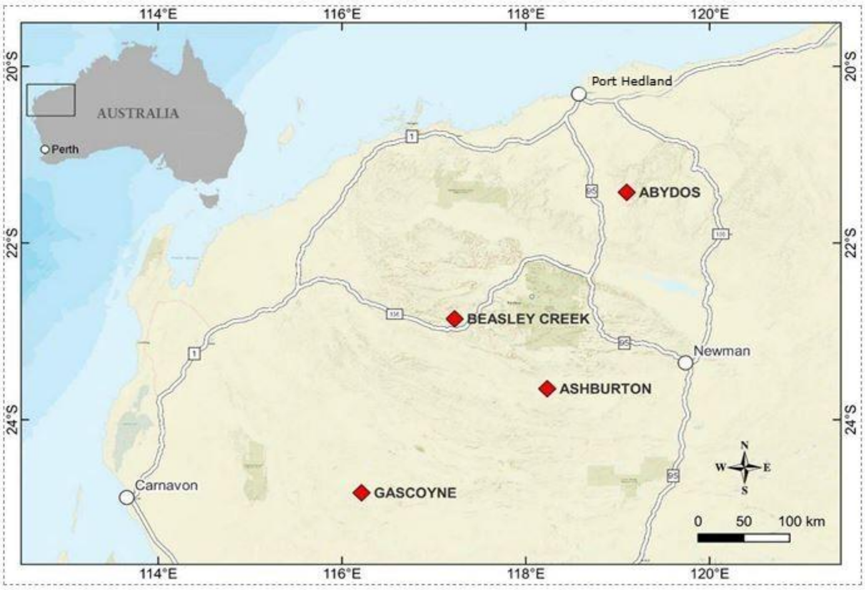
The identification of the role of talus flow units and their role in hosting mineralisation combined with the recognition that mineralisation is controlled by north-northwest striking basement structures intersecting with the flow unit should improve the targeting of future exploration programmes at the project, as should the identification of the lead, antimony, and arsenic as pathfinder elements.

Other Projects

In addition to Ashburton, Piche has a further three projects in Western Australia: Gascoyne, Abydos, and Beasley Creek.

- Gascoyne uranium exploration project covers 35km^2 and is 100% owned by Piche.
- The 100% owned Abydos gold and base metal exploration project covers 19km^2.
- Th 100% owned Beasley Creek project hosts gold and base metal targets and covers 22km^2.

Other early stage assets across Western Australia



Source: Company

The Uranium Market

Uranium's rise and fall through the decades

Uranium was discovered in 1789 and its radioactive properties were revealed after 77 years in 1866. However, the realisation of the potential energy release from a fission chain reaction came much later. Specifically, it was the nuclear race to build the first atomic bomb which considerably advanced the world's understanding, later contributing to the scientific breakthrough of clean power generation. Post WW2, weapons development continued on both sides, further driving the supply of high-grade uranium around the globe. At this point the controlled energy release from compact, long-lasting power sources was realised with various applications, including nuclear submarines.

The first generation of nuclear electricity was from a small Experimental Breeder Reactor (EBR-1) in Idaho, USA, which started in 1951. Initially powering four 200-watt lightbulbs, the reactor eventually ran the whole facility and was the beginning of the nuclear energy boom which led to nuclear adoption across the globe.

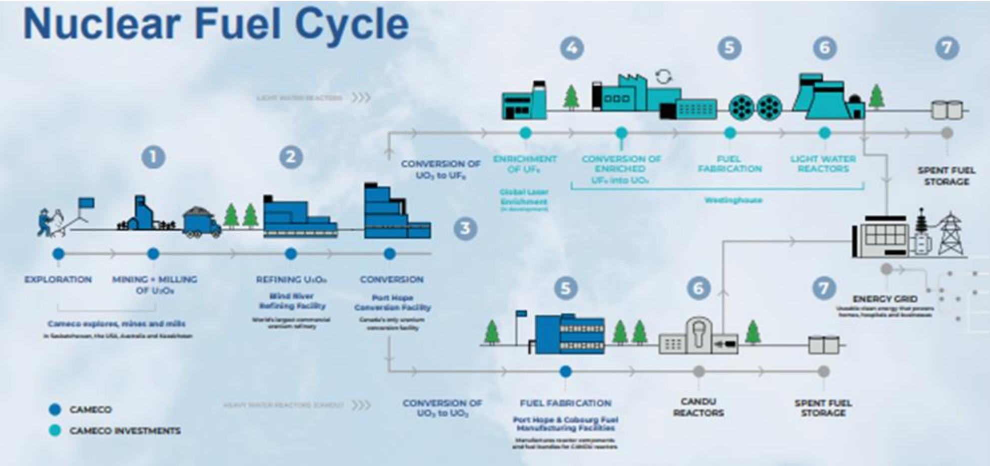
Nuclear enjoyed further adoption over the following years. However, three key incidents that occurred between 1979 and 2011 eroded public confidence due to safety concerns. In 1979, the Three Mile Island facility in Pennsylvania, USA, experienced a partial meltdown resulting in radioactive gases and radioactive iodine being released into the environment. No deaths were associated with this incident. In 1986, reactor 4 of the Chernobyl facility in Ukraine underwent a planned shutdown. However, due to instability of the core at the time, damage to several fuel rods resulted in a steam explosion caused by high temperatures and damage to the emergency cooling circuit. The result was fission products released into the air leading to widespread radiation contamination. A second explosion was also observed. Two plant workers were killed on the night of the incident, and a further 28 died in the following weeks from acute radiation syndrome, including firefighters trying to reduce the radioactive impact. The wider impacts are uncertain, however there were ~5,000 thyroid cancers linked which resulted in 15 fatalities. 350,000 people were evacuated following the incident.

The third incident was in 2011 when a 9.0 magnitude earthquake sent a tsunami towards the coast of Japan, with a 13-14m wave hitting the Fukushima plant and knocking out the seawater pumps used for cooling. The waves also flooded the turbine and reactor buildings, damaging the emergency diesel generators. Two operators were killed by the impact of the tsunami, but no deaths were linked to the radiation. Following this Japan shuttered its nuclear reactors which coincided with other countries, notably Germany deciding to cease using nuclear power. During the 2010s uranium prices saw a steady decline due to decreased demand and oversupply that was exacerbated by inventory sell down with the price reaching an unsustainable cyclical low end of 2016.

Despite these incidents nuclear power remains low risk with improved reactor designs reducing this further. As such, we expect public sentiment to continue to improve, including in Japan where the government is seeking a 20% increase in nuclear energy usage by 2040, from 8.5% currently. Japan's power demand is expected to rise by 20% over the same period. Nearby in South Korea, there are also two new plants under construction.

Uranium: Mine to Nuclear Power

Cameco graphic on nuclear fuel cycle



1. Mining & Milling
2. Refining
3. Conversion
4. Enrichment
5. Fuel Manufacturing
6. Generation
7. Spent Fuel Management

Source: Cameco, H&P

Exploration

Historically, Geiger Counters and Scintillometers were used for surveying to identify areas with increased radioactivity, which implied higher grades of uranium. Now, modern day exploration is similar to exploration for other deposits, including Airborne Geophysics, high-resolution magnetic and electromagnetic surveys, geochemical sampling, geochemical sampling, and, in the later stages, drilling and assaying.

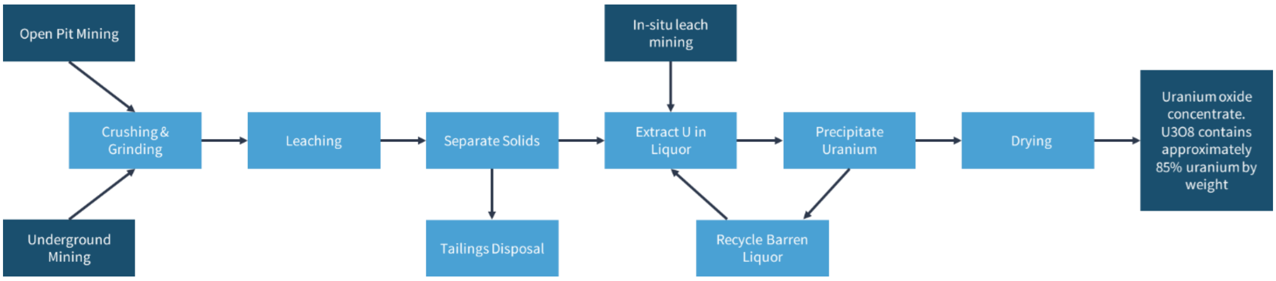
Mining

There are three mining processes which are utilised in the mining of uranium, depending on the depth, orientation, mineralisation, and grade of the ore body. The two more classic operations are open pit and underground operations. Then for orebodies that lie in porous unconsolidated material like gravel or sand, the uranium can be dissolved out of the host rock and then collected. This is known as in situ leach ("ISL") mining, or in situ recovery ("ISR). However, the hydrogeological conditions must be aligned so the aquifer is confined vertically, and ideally also horizontally, with no potable water collected from the surrounding area. Weakly acidic or alkaline solutions are pumped through the aquifer and leach towards the extraction wells at the bottom of the orebody before being pumped up for processing.

Milling & Refining

For the processing of uranium ore, low grade material mined from open pit or underground operations can be heap leached. This works in a similar way to the in situ leach, with alkaline or acidic solution depending on the mineralisation. This is typically a cheaper processing method per tonne of ore. For higher grade material, material is crushed and ground in a mill to liberate the uranium. The ore is then passed into leach tanks where the uranium oxide passes into solution. The uranium oxide is then extracted using ion exchange ("IX") or a solvent extraction ("SX") system.

Mill Chemistry



Source: World Nuclear Association

Uranium ore holds very little radioactivity, as well as the processed material, typically uranium oxide concentrate shipped to refineries in 200l barrels. Much of the toxicity does remain in the tailings which are therefore stored in secure, lined tailings storage facilities. Ore is typically shipped as uranium oxide concentrate (U_3O_8).

Conversion

In the conversion phase, the U_3O_8 undergoes either a "dry" or "wet" process to become Uranium Hexafluoride (UF_6). The Uranium Hexafluoride will then feed into the enrichment phase.

Enrichment

There are three naturally occurring isotopes of uranium (U-234, U-235, and U-238), and from ore through conversion, the relative ratios of the three will remain constant. Of the three, the U-235 isotope is required in nuclear fission where the collision of one high energy neutron sets off a chain reaction, splitting the atom in two and releasing a large amount of energy. U-235 can also undergo spontaneous fission, without the addition of energy, releasing an alpha particle. Because of the potential energy, reactors require a concentrate of 3.5%-5% U-235; higher than the average ore grades of ~0.7% found in natural uranium. Enrichment facilitates this by increasing the U-235 isotope proportion relative to U-238.

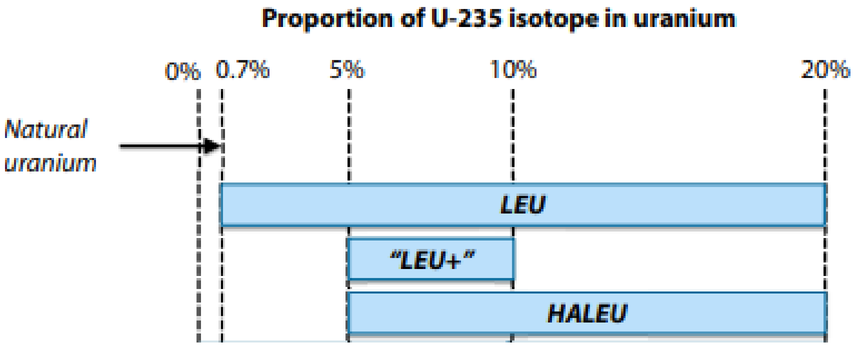
The level of enrichment depends on the fuel required for the specific reactor design. The enrichment occurs through isotope separation that increases the levels of U-235 relative to U-238. The most common method is gas centrifuge which has been used in Europe for ~40 years, with more modern techniques such as Laser Excitation technology and Quantum Enrichment being developed. Previously, gaseous diffusion was used, however this was both energy-intensive and costly. All principles of enrichment utilise the 1.27% difference in mass between U-235 and U-238.

Two definitions seen in the enrichment phase are Underfeeding and Overfeeding. These relate to the amount of uranium going into the enrichment process and are a barometer of U_3O_8 prices, energy prices, and nuclear fuel prices. Underfeeding is when an operator reduces the volume of natural UF6 input for a given unit of enriched uranium, which results in more Separative Work Units ("SWUs") being used and less U-235 in the tails of the enrichment process. Overfeeding is inputting more natural UF6, reducing the number of SWUs but increasing the level of U-235 in the tails.

With the advancement of technology in recent years, one key advancement has been the Small Modular Reactor ("SMR") which we cover on pages 28-29. Although not yet commercial, 50%-75% of the designs for these reactors will require a different type of nuclear fuel called High-assay low-enriched Uranium ("HALEU").

This is uranium with a proportion of U-235 above current commercial fuel levels of ~5%, but below 20%. HALEU is not yet at commercial scale and currently only Russia and China have the infrastructure to produce HALEU at scale. With the additional enrichment required, HALEU will require considerable investment into the supply chain, particularly if the bifurcation of the uranium market continues. We also note regulatory frameworks may need to be modified for a greater level of enrichment being traded globally.

Nuclear Fuel types - Levels of enrichment



Source: Nuclear Energy Agency

Deconversion & Fuel Manufacturing

Following the formation of enriched uranium hexafluoride, the uranium has to be reconverted back to enriched uranium oxide. In this process, the UF6 is vaporised with steam and hydrogen in a high temperature kiln. The solid UO2 is a ceramic powder which is then ground, fed into dies, compressed, and heated to produce solid ceramic fuel pellets.

Power Generation

The fuel is placed in a reactor core where the U-235 isotope undergoes fission and it is this splitting of atoms that produces a large amount of heat energy as part of a chain reaction. U-238 in the fuel can produce U-239 which itself can fission to produce more energy. This can produce up to a third of the energy output from the reactor. U-238 splits to form Plutonium which itself can undergo fission in a similar way to U-235, creating the additional energy. This heat energy is then used to produce steam, which in turn drives a turbine to produce electricity.

Recycling

Used nuclear fuel often contains material which remains fertile and can be converted to fissile products, for example U-238 to fissile plutonium. This reprocessing can increase the energy from the original mining by 25%-30%, as well as reducing the radioactivity of the waste products.

Reactor Types

There are two main types of commercial scale reactors globally, Light Water and Heavy Water, with a third type gaining traction, albeit not commercially yet, called the Small Modular Reactor ("SMR"). As of March 2024, LWRs made up 85% of reactors in operation globally.

Light Water Reactors are named after the water medium which supports the energy conversion. Light Water is the common form of water (H_2O), compared to Heavy Water which has a form of hydrogen called deuterium which has an extra neutron, making the atom heavier, instead of two normal hydrogen atoms. There are two functions of the water within the reactor; 1) to capture the heat energy released which then powers the turbine by pressure or steam power, and 2) to moderate the speed of the neutrons. This slowing of the neutrons actually increases the likelihood of a successful collision to continue the chain reaction. Within the Light Water Reactor category there are Pressurised Water Reactors ("PWRs") which are the most common globally at ~2/3 of installed capacity, and Boiling Water Reactors ("BWRs") which are ~25% globally installed capacity. LWRs use low-enriched uranium ("LEU") as their fuel source.

Heavy Water Reactors, in particular pressurised heavy water reactors ("PHWRs") are the third most common nuclear reactor type, accounting for ~6% of global installed capacity. Due to the atomic structure of heavy water, the molecules do not absorb an additional neutron when a collision occurs and as such the neutrons released are more likely to continue a chain reaction. Because of this, the proportion of U-235 is far below the requirement for LWRs and natural uranium (0.7% U-235) can be used, removing the requirement for enrichment. Due to their initial use being principally in Canada, they are also known as CANDU reactors (Canada Deuterium Uranium), but are also in use in Argentina, China, India, Pakistan, and Romania.

Another type of reactor, which is only used in the UK, is the Advanced gas cooled reactor ("AGR") which accounts for ~3% of global installed capacity. The AGR uses graphite as the neutron moderator (slowing of the neutrons) and carbon dioxide as the coolant. Across these reactor types, there is a wide variety of costs, both upfront capital and operational. However, we note that the operations are not very sensitive to the price of U_3O_8 as a raw input, with it only contributing ~10% to the cost of nuclear power. Therefore, increased prices at the beginning of the uranium supply chain do not considerably impact the electricity price at the other end.

Recent technological developments - SMRs

The most significant advancement in the nuclear field in recent years is in the steps towards commercialisation of the Small Modular Reactor ("SMR"). This is a broad range of reactors encompassing ~68 different designs currently, with electrical outputs of 5MW to 300MW per module, far below typical reactors producing over 1GW. The main cost saving with SMR's should be improvements to the manufacturing process with modularised common components being manufactured offsite at a factory rather than being manufactured onsite with each reactor being essentially bespoke.

The development of SMR's considerably expands the use cases of nuclear reactors, increasing the demand in the near term. In the IAEA high case scenario, nuclear capacity increases 2.5x by 2050, with a quarter of that driven by SMRs.

The addition of SMRs to the mix brings in new users by offering both countries and corporations flexible power generation on economic terms, without requiring economies of scale around a centralised power generation hub. At the country level, this could allow developing countries with smaller grids and power hungry data centres. At the corporation level, 2024 saw a significant advancement in AI and the need for data centres, significantly increasing the energy requirements for major tech companies such as Microsoft, Google, and Amazon. Microsoft has also committed to funding $1.6bn to bring the Three Mile Island reactor back online in Pennsylvania. Google plans to fund up to seven SMRs, with the first planned for 2030, although given permitting timelines this would appear to be optimistic. Amazon is looking to build a SMR in Virginia in partnership with Dominion Energy and an additional partnership with Energy Northwest for SMRs in Washington.

This interest is to have a secure supply and energy price certainty for the high base load power needs of data centres.

Although the economic competitiveness has yet to be proven, we believe these companies are interested due to the reliable supply and lack of price fluctuation when compared to renewables. We note in 2022, data centres, AI, and cryptocurrencies accounted for 2% of global electricity consumption (IEA), and we expect this to continue to increase in the years to come. Lastly, as with traditional nuclear reactors, SMRs offer the potential for cogeneration (heat and electricity), which could further the possible applications. Below, we look at some examples of SMR designs currently in development.

Family of SMR Technologies

Name	Number of Active Designs	Refuelling Cycle	Notes
Land-based, water-cooled	14	18-24 months	Utilising both light water and heavy water, designs include integral pressurised water reactors ("PWRs"), compact PWRs, loop-type PWRs, and boiling water reactors ("BWRs").
Marine-based, water-cooled	6	Up to 120 months	These are barge-mounted floating power units with flexible deployment, with several in commercial operation since 2020.
Gas cooled	14	25-60 months	Provide high-temperature heat (>750˚C) for efficient electricity generation, industrial applications, and cogeneration. One in Japan and one in China have been operational for >20 years.
Liquid metal-cooled, fast-neutron	10	Up to 30 years	Liquid metal coolants include sodium, pure lead, and lead-bismuth eutectic.
Molten salt	11	Up to 150 months	These reactors typically have improved safety, efficiency, and flexible fuel cycles. One design recently begun construction in the USA.
Microreactors	13	Varied	Smaller SMRs, typically up to 30MW with various technologies within the above. Target more specific need cases, such as micro-grids, remote areas, and disaster recovery.

Source: IAEA

One key difference with most of the SMR technology designs is the need for HALEU, a fuel type with a higher proportion of U-235. This will require new enrichment facilities and conversion facilities, as well as more advanced infrastructure and transportation solutions. Furthermore, nuclear fuel has undergone decades of regulatory and safety advancements around a lower level of enriched uranium. As such, now increasing this level could add complexities both for transport and international trading. Therefore, to incentivise investments into these supply chain upgrades, a long term commitment for reactors to use HALEU is required. This could be facilitated by single operators extending further up/down the supply chain.

The Enrichment supply chain – Where is it?

Since the invasion of Ukraine by Russia began in 2022, the geopolitical sensitivity of the uranium market has been clear. One area of focus is the enrichment process, due to its geographical centralisation in Russia with 40% of global uranium enrichment capacity being located in the country. A key point to understanding this issue is in how the enrichment process works and the limitations on expanding production with current capacity. This is because more energy inputs does not translate to a faster conversion. In fact, the only route to faster conversion is overfeeding the enrichment facility by using up more uranium ore. In simple terms, moving half of the U-235 from the ore into the “enriched material” requires much less energy than moving the “second half”. Therefore, once a set amount of U-235 is moved, new ore can be put into the enrichment plant to speed up the process. Because of this, less enrichment capacity means more ore is required to produce the same volume of enriched uranium over the same time period. The measure of overfeeding levels is the amount of U-235 remaining in the tails of the enrichment process, called the “tails assay”.

With the other enrichment capacity is spread out with ~17% China, 12% France, 11% USA, 8% Netherlands, 7% UK, 6% Germany, sanctions or trade reductions from Russia could result in a shortage of enrichment capacity. In the short term, this will require more ore to maintain the supply of enriched uranium. In the medium to long term, additional enrichment capacity may need to be developed to add security of supply and reduce the demand for uranium ore. We note that the potential build out of SMRs could further necessitate this enrichment expansion as the higher level of enrichment will require longer processes for enrichment, effectively reducing the amount of enriched uranium that can be produced whilst maintaining a high level of demand for uranium ore. Commercial scale HALEU production is currently restricted to Russia. And according to the IAEA, it would take 5 years for European companies to start producing HALEU.

Supply

Kazakhstan is currently the world’s largest producer of uranium, accounting for 38% of mine supply. Kazatomprom is the main miner in the country, producing material on both a wholly owned basis and through a series of joint ventures with international partners including Orano (international consortium), Cameco (Canada), Uranium One (which is a subsidiary of Rosatom, Russia), and Chinese partners. Material is sold into Russia, transported through Russia for onward shipment and also transported to China.

Kazakhstan and Canada are the largest producers of U3O8

Supply MLb UsO8	2022	2023	2024	2025	2026	2027	2028	2029	2030
Africa	20,219	21,622	20,080	23,750	28,296	33,802	35,078	35,994	37,264
Australia	11,843	12,151	12,330	13,960	14,560	14,870	14,820	14,800	14,840
Canada	19,160	28,600	37,000	37,725	37,540	37,540	37,540	37,540	37,540
Kazakhstan	55,193	54,417	56,846	61,978	69,110	73,411	73,471	72,870	72,870
USA	194	50	910	3,500	4,170	4,610	4,680	4,200	4,000
Uzbekistan	9,259	10,530	10,400	10,400	10,400	10,400	10,400	10,400	10,400
Russia	6,521	7,046	6,760	6,760	7,160	7,760	8,360	8,960	9,360
Ukraine	125	884	750	750	1,000	1,500	2,000	2,000	2,000
Other	6,318	6,594	6,578	7,380	8,240	8,240	8,240	8,240	8,240
Mine Supply	128,832	141,894	151,654	166,203	180,476	192,133	194,589	195,004	196,514
Secondary	68,682	60,978	38,000	20,000	15,000	15,000	15,000	15,000	15,000
Total	197,514	202,872	189,654	186,203	195,476	207,133	209,589	210,004	211,514

Source: H&Pe UxC

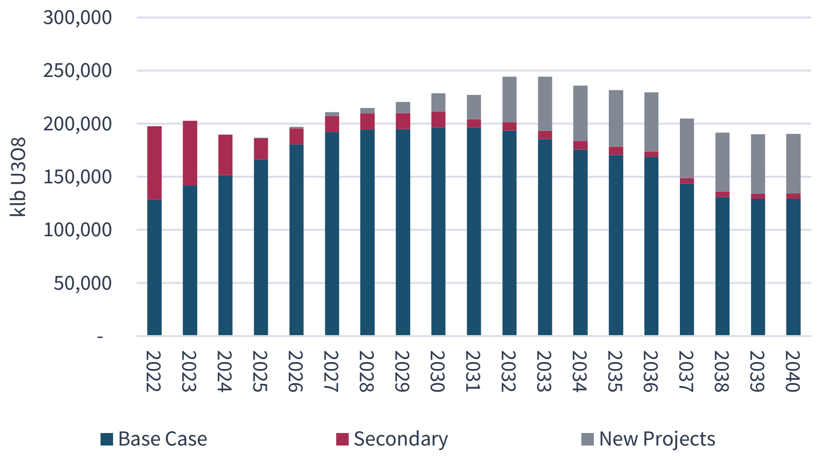
Canada is the second largest miner of U_3O_8 with current production dominated by Cameco's Cigar Lake and McArthur River mines. Other major producers include Australia, Namibia, Uzbekistan, Niger, and Russia, with a number of smaller producers. China produces some U_3O_8 but this is all consumed internally. The US should produce 3.5Mlb in 2025 with a number of smaller scale ISL operations, however this is dwarfed by its annual consumption of ~49Mlb.

We currently expect global mine production to be 166Mlb of U_3O_8 in 2025, which should increase to 195Mlb by 2030, with the largest drivers being the expansion of Budenovskoye in Kazakhstan, restart of operations at Langer Heinrich in Namibia, and the expansion of Arlit in Niger, as well as the ramp up of a number of smaller operations in response to the rise in prices since they hit a cyclical low in 2017.

Our current base case assumption is for production to decline to 130Mlb by 2040 as current operations are depleted, however this could be offset by additional restarts and new developments, especially if prices remain at current levels. There are several large projects in Canada that could enter operation during this period assuming permitting and funding is secured, such as ATHA's Angilak project, NexGen's Arrow project, Denison's Wheeler River project, and Paladin's Triple R project. Of these, Arrow is the most significant with potentially 30Mlb/year of production, we currently model development of this by 2032 with a five year development period commencing in 2027.

In addition, some of the higher cost ISL projects in the US would also be brought back into operation as well as projects in Australia, Namibia, Brazil, and Sweden. If all of these are brought into operation then they could add 55Mlb to the base case level of production by 2035 with a marginal cost of production of US$80/lb. We note that this however assumes that all of these projects are permitted, funded, and developed, and that they then perform in line with their design expectations. In addition, even if all of these projects are developed, a significant deficit will still emerge in the 2030s.

Up to 55Mlb of new capacity based on current advanced projects

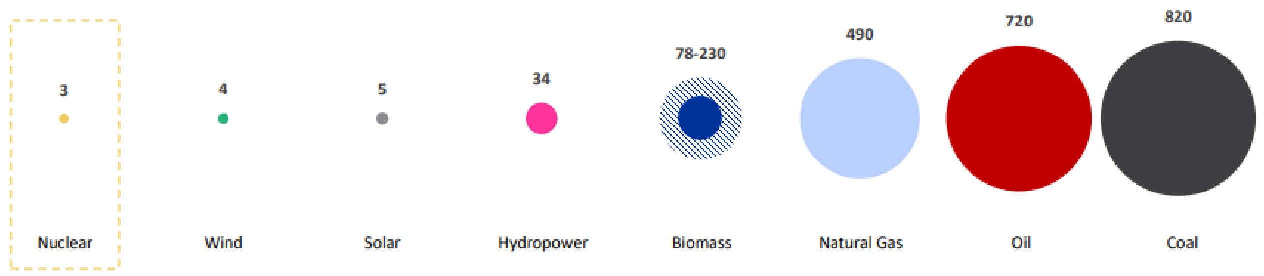


Source: H&Pe, UxC

In addition to mine supply, secondary supplies also play a significant although diminishing role in the uranium market accounting for 38Mlb in 2024, which should steadily decline to ~10Mlb as government and commercial inventories decline, and sales from enrichers from underfeeding and tails enrichment. Supplies of reprocessed uranium and MOX Fuel should also decline.

Demand

CO2 equivalent emissions per GWh over lifecycle of power plant



Source: Yellow Cake, *Range of emissions from biomass depends on energy source

Nuclear power has the lowest CO2 equivalent emissions of any of the major types of electricity generation and, unlike renewables, provides consistent baseload electricity that is not reliant on either the wind blowing or the sun shining. For this reason, renewables have made a less significant contribution to the energy transition, particularly in those harder to abate industries needing consistent supply. As the world transitions away from fossil fuels, nuclear should therefore play a significant role in electricity generation. We note that at the COP28 event, the 2023 United Nations Climate Change Conference, nuclear energy was recognised alongside other low-emissions technologies. We also note the energy density of nuclear (~20,000 more energy dense than coal) means it can support the energy demand of rapidly developing countries without the need for multiple new energy projects. For example, one 1750MW Nuclear Plant is equivalent to ~200 310m high wind turbines.

During the 2010's, the future of nuclear seemed less clear, especially in Japan and Europe. Germany, which had 36 reactors, has now closed all of its nuclear capacity. Japan, by contrast, which shuttered all of its nuclear plants following the Fukushima earthquake and tsunami in 2011, is in the process of restarting its fleet with 12 of the 33 operable reactors currently generating electricity and an active process ongoing to restart others, with the objective of achieving 20%-22% of its power from nuclear by 2030 (6% 2023).

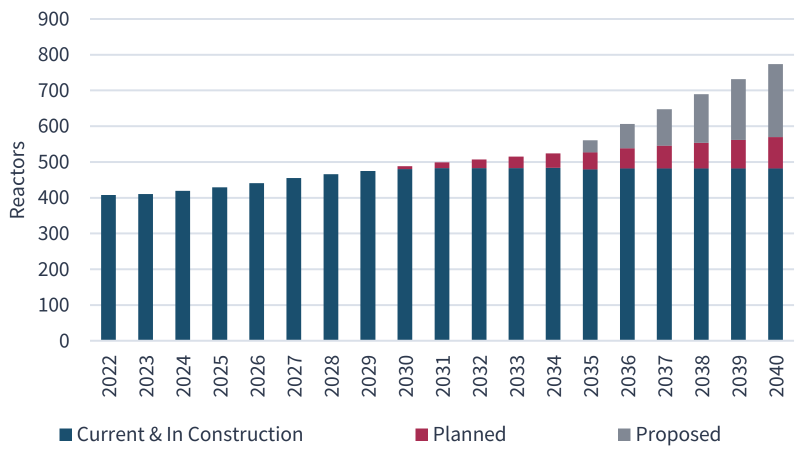
China dominates reactor buildout with 65 under construction

Source: NexGen

The global active reactor fleet currently stands at 440, with the US having the largest number of existing plants at 94, followed by China (58) and France (57), with nuclear power accounting for two thirds of France's electricity generation capacity. Both France and the US have brought new reactors online over the past year, however the principal driver of growth is China, with three reactors commissioned in 2024 and a further 29 under construction that should enter operation before the end of the decade. A further 36 are planned and 159 proposed. India is also building out its nuclear capacity with 23 operable reactors and seven currently in production, and Russia has a fleet of 36 reactors with six currently in construction. A number of countries are developing new nuclear capacity, including Bangladesh and Egypt. Just based on the existing fleet and those under construction, the reactor fleet should increase to almost 500 by 2030. If those that are planned are included, then the fleet should increase in size to 527 by 2035 and 570 by 2040 with reactor demand of 320Mlb/year of U_3O_8.

Aside from demand from nuclear reactors, financial buyers have become an increasingly significant element of the market, with the more notable buyers being the Sprott Physical Uranium Trust (66.2Mlb), Yellow Cake PLC (21.6Mlb), URC (2.7Mlb), and the Kazakh ANU Energy (~2Mlb), which hold an aggregate of ~92.5Mlb. It appears likely that Kazakh ANU Energy is being wound up and that the material held will be absorbed back into Kazatomprom.

Potentially up to 774 reactors by 2040



Source: H&Pe, WNA

Supply demand balance

At a headline level the uranium market is relatively well supplied over the short and medium term, however, significant deficits are likely to occur towards the end of the decade that are projected to widen into the 2030s, with mine supply contracting or lagging demand as the reactor build out continues. Furthermore, we make no assumptions about investor purchases moving forward, which could push the market into deficit. In addition there is the potential for the market to bifurcate with buyers preferring secure supply.

We have looked at three scenarios for reactor buildout; a base-case that includes the existing fleet and those reactors that are currently in development, a mid-case that also includes those that are in the planning process with development from 2030, and an upper-case, that also includes those that are currently proposed from 2035.

Just based on existing reactors and those in development, an annual deficit of 25Mlb should emerge by 2035 that should increase to 70Mlb by 2040. This would increase to almost 200Mlb if proposed reactors are developed without significant new supply being developed. This also makes no assumption about the successful development and rollout of SMR's which could further boost demand.

Geopolitical Considerations

A limitation to the high level supply and demand model is that it fails to take account of policy/unrest related supply chain disruptions. Of these, the two most notable are i) issues associated with the Ukraine-Russia conflict and ii) potential disruptions to supply from Niger, which has been subject to political unrest. Niger principally supplies uranium to France and other European nations.

The Russia Ukraine conflict poses the most significant challenge to the global uranium supply chain. Russia only mines ~7Mlb of uranium and consumes almost double this amount for its own domestic fuel needs. It is however significant as it hosts 28% of global conversion capacity and 40% of global enrichment capacity. Furthermore, Russia designs and manufactures components and fuel rods for the VVER reactor that is common globally. Russia is also a significant transhipment route for Kazakh uranium that is transported on the Russian rail system to St Petersburg for onward shipment to global markets. If Russia were to block this route, there is an alternative via the Caspian Sea, Azerbaijan, and Georgia with onward shipment via the Southern Black Sea. However, this route is more complicated and could results in delays to shipments and U_3O_8 supply, if it became the primary route for Kazakh shipments, with Cameco, which is using this route, noting delays to deliveries.

In May 2024, the US introduced the Prohibiting Russian Uranium Imports Act, banning the import of Low Enriched Uranium (“LEU”) from Russia or Russian entities by 2028, with a corresponding act from the Russian State Duma in October that prohibits the export of LEU to countries that have sanctioned Russia.

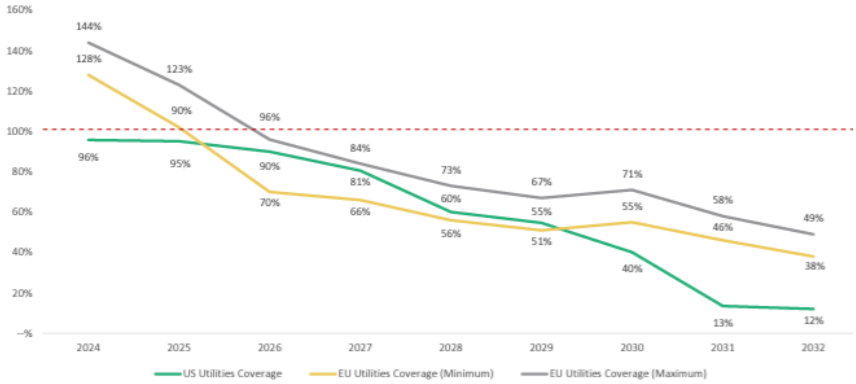
Ultimately Russia’s centrality to the conversion and enrichment of uranium will diminish as the US and other countries restart and increase capacity. This will, however, take time with the potential for bottlenecks to emerge in the interim period. We believe a rational response to the sanctions and counter sanctions that have been announced would be for utilities to prioritise security of supply and to favour long term contracts with suppliers not involved in the Former Soviet Union and to use any period of price weakness to enter the market and add to inventories.

Term contracting is ultimately the key for pricing

The majority of uranium is supplied under long term contracts with utilities, with between 24 to 36 months between the mining of material and conversion, enrichment and fabrication into fuel rods for use in reactors. It is notable that while uranium is the fuel for nuclear reactors, it only accounts for a small percentage of the overall cost of generating electricity, with fuel accounting for 15%-20% of the overall total and U_3O_8 only being a fraction of that. In the US, total generating costs are estimated by the Nuclear Energy Institute to be ~US$31/MWh, with fuel accounting for US$5.37/MWh, capital US$6.88/MWh, and operating costs US$18.68/MWh.

One of the main drivers of price in recent years has been the roll-off of historic contracts with European and North American utilities. These contracts were typically signed in the last decade and were at prices significantly above spot, which supported the industry during the downturn in spot prices. During 2024 approximately 100Mlb of material was committed to contracts, compared to 125Mlb in 2023 and 150Mlb in 2022. At the end of 2024 the three year forward price for U_3O_8 stood at US$90/lb with a five year price of US$100/lb.

Coverage rates significantly decline, which should prompt utilities to enter the market

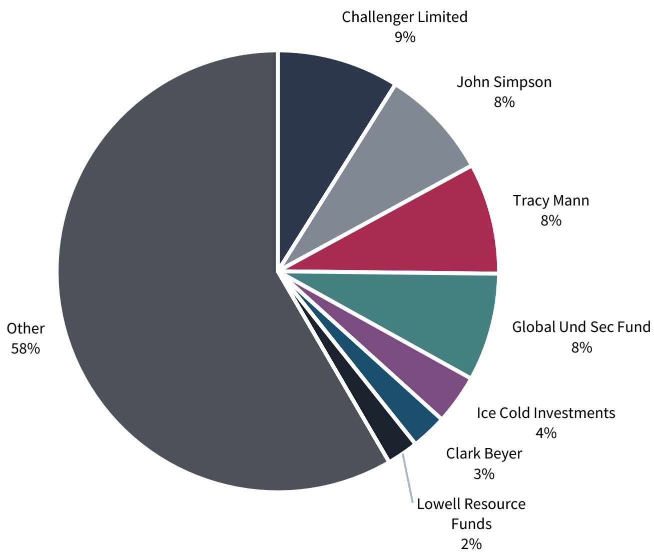


Source: YCA

The spot market, which is currently trading at US$74/lb having peaked at US$106/lb at the beginning of 2024, has been less significant historically, although volumes have increased in recent years with approximately 42Mlb traded in 2024. This activity came despite the relatively high coverage rates in Europe and the US.

Appendices

Shareholder Structure



Source: Bloomberg

Senior Management

Name	Title	Tenure	Profile
John (Gus) Simpson	Executive Chair	2 years, 9 months	▪ John has over 37 years of experience in mineral exploration, development and mining. He has extensive experience across equity capital markets and corporate governance, and was previously Executive Chairman/Founder at Peninsula Energy Limited (ASX:PEN), a USA uranium producer.
Stephen Mann	Managing Director	3 years, 3 months	▪ Stephen is a geologist with over 40 years of experience in the exploration, discovery and development of mining projects, including 20 years in the uranium sector. He was previously the Australian Managing Director of Orano, the world's third largest uranium producer.
Pablo Marcet	Executive Director	1 year, 1 month	▪ Pablo is a senior geoscientist with 38 years of experience in the exploration, discovery and development of mineral deposits. He is currently an independent Director of lithium producer, Arcadium Lithium (NYSE:ALTM) and was previously a director of Barrick Gold (NYSE:GOLD) and U3O8 (TSX:U3O8).
Clark Beyer	Non-Executive Director	2 years, 7 months	▪ Clark is an internationally recognised nuclear industry executive with over 35 years of experience. He was previously Managing Director of Rio Tinto Uranium Limited and is currently principal of Global Fuel Solutions LLC, which provides strategic consulting to the international uranium and nuclear fuels market.
Stanley Macdonald	Non-Executive Director	2 years, 2 months	▪ Stanley is a nationally recognised mining entrepreneur who has been a founding director and instrumental in the success of numerous ASX listed companies, such as Giralia Resources, Northern Star and Redhill Iron. He is currently a Director of Zenith Minerals.

Source: Company website & LinkedIn

Company History

- **15 July 2024:** Piche Resources Limited shares commence trading on the ASX following the IPO that raised $10m at A$0.20/sh
- **16 September 2024:** Reverse Circulation drill rig was mobilised at the Angelo prospect within the Ashburton project
- **10 October 2024:** Geophysical data and field reconnaissance enhance exploration understanding at Cerro Chacon with five high priority drill targets identified
- **30 October 2024:** Ashburton mineralisation expands with wide and high-grade uranium intersections above the Proterozoic unconformity
- **31 October 2024:** Auger drilling at Sierra Cuadrada highlights extensive areas of near surface uranium mineralisation with six samples >1,000ppm U3O8 and 30% of reconnaissance hole assays returning anomalous uranium mineralisation
- **31 December 2024:** 10km of mineralisation confirmed at Cerro Chacon by extensive geophysics and geochemical sampling programmes. Six specific targets at La Javiela and Chacon Grid prospects are now drill ready
- **6 February 2025:** Ashburton project chemical assays confirm high-grade results from the reverse circulation drill programme with plans to follow up in Q2/Q3 2025

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