

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”).**

This document comprises a prospectus (the “**Document**” or the “**Prospectus**”) relating to Stranger Holdings plc (the “**Company**”) prepared in accordance with the UK version of the EU Prospectus Regulation (2017/1129) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including, but not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019)) (the “**Prospectus Regulation**”) and the prospectus regulation rules of the Financial Conduct Authority (the “**FCA**”) (the “**Prospectus Regulation Rules**”).

This Document has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, as amended; such approval should not be considered as an endorsement of the Company, or the quality of the securities that are the subject of this Document. Investors should make their own assessment as to the suitability of investing in the securities.

The Acquisition (as defined herein) is classified as a reverse takeover under the Listing Rules and, in accordance with the Listing Rules, the FCA is expected to cancel the Existing Ordinary Shares at 7.30 a.m. on 7 November 2023. Application will be made to the FCA for the Existing Ordinary Shares and New Ordinary Shares (as defined herein and, together with the Existing Ordinary Shares, the “**Enlarged Share Capital**”) to be admitted to the Official List (by way of a standard listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time), and for such Enlarged Share Capital to be admitted to trading, and for dealings to commence, on the London Stock Exchange’s Main Market for listed securities. It is expected that admission of the Enlarged Share Capital will become effective at 8.00 a.m. on 7 November 2023. When admitted to trading the Enlarged Share Capital will have an ISIN of GB00BYWLRL80. The SEDOL number of the Ordinary Shares is BYWLRL8.

**THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED ‘RISK FACTORS’ BEGINNING ON PAGE 13 OF THIS DOCUMENT.**

The Company, Existing Directors and the Proposed Directors, whose names appear on page 40 accept responsibility for the information contained in this Document. To the best of their knowledge the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

---

# **STRANGER HOLDINGS PLC**

*(Incorporated in England and Wales with Registered No. 09837001)*

**Proposed Acquisition of up to a 70% interest in the Henkries Uranium Deposit and Prospecting Right in the Republic of South Africa**

**Issue of 1,070,601,468 Ordinary Shares in connection with a placing and conversion of debt into equity**

**Admission of 1,216,371,468 Ordinary Shares of £0.0001 par each to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market for listed securities**

**Notice of General Meeting including a resolution to change the name of the Company to Neo Energy Metals plc**

---

The New Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank pari passu in all other respects with all Existing Ordinary Shares in issue on Re-Admission.

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, the Republic of South Africa or Japan (or their respective territories). Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, the Republic of South Africa, Japan (or their respective territories) or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the United States Investment Company Act pursuant to the exemption provided by Section 3(c)(7) thereof, and investors will not be entitled to the benefits of that Act.

The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

**Application will be made for the Existing Ordinary Shares to be readmitted and the New Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.**

**It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.**

This Document is dated 29 September 2023.

## NOTICE TO INVESTORS

The distribution of this Document and the Re-Admission may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

**This Document has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended. The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, as amended and such approval should not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the securities.** No arrangement has been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below. This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

### **For the attention of European Economic Area investors**

In relation to each member state of the European Economic Area which has implemented the EU Prospectus Regulation (each, a “**Relevant Member State**”), an offer to the public of the Relevant Member State of the Ordinary Shares may only be made once the prospectus has been approved by the competent authority of that Relevant Member State, or, where appropriate, approved in another EEA member state, all in accordance with the EU Prospectus Regulation, except that an offer to the public in that Relevant Member State of any Ordinary Shares may be made at any time under the following exemptions under the EU Prospectus Regulation, if they have been implemented in that Relevant Member State and, subject to Article 3 of the EU Prospectus Regulation:

- to any legal entity which is a qualified investor, within the meaning of article 2(e) of the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or
- in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

For the purposes of this provision, the expression an ‘offer to the public’ in relation to any offer of Ordinary Shares in any European Economic Area Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and the expression “EU Prospectus Regulation” means Regulation (EU) 2017/1129.

### **For the attention of UK investors**

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

### **For the attention of US investors**

The Ordinary Shares have not been and will not be registered under the Securities Act, as amended, or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States, except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or jurisdiction of the United States.

Accordingly, the Ordinary Shares may only be sold: (i) within the United States or to US Persons as defined in Regulation S of the Securities Act (“**US Persons**”) (wherever located) in transactions exempt from the registration requirements of the Securities Act and only to persons who are both qualified institutional buyers, as defined in Rule 144A of the Securities Act; and (ii) outside the United States to persons who are non-US Persons in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act.

The Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

### **Available information**

The Company is not subject to the reporting requirements of section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”). For so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the US Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. The Company expects to be exempt from reporting pursuant to Rule 12g32(b).

### **Enforcement of judgments**

The Company is incorporated under the laws of England. It may not be possible for investors to effect service of process within the United States upon the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States, or to enforce outside the United States judgments obtained against the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States in US courts, including, without limitation, judgements based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the United States. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of United States court judgments, of civil liabilities predicated solely upon US federal securities laws. In addition, awards for punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom.

# CONTENTS

	Page
Summary	6
Risk Factors	13
Consequences of a Standard Listing	28
Important Information and Forward-Looking Statements	30
Documents Incorporated by Reference	36
Expected Timetable of Principal Events	37
Re-Admission Statistics	38
Dealing Codes	39
Directors, Proposed Directors, Secretary and Advisers	40
Part I Description of the Acquisition	41
Part II Information on the Company, Mayflower, MEML, NURSA and Desert Star	48
Part III Existing Directors, Proposed Directors, Board and Corporate Governance	66
Part IV Operating and Financial Review	69
(A) Operating and Financial Review of Stranger Holdings	69
(B) Operating and Financial Review of Desert Star	71
Part V Financial Information on the Group	78
(A) Historical Financial Information of Stranger Holdings	78
(B) Historical Financial Information of Desert Star	93
(C) Unaudited Pro Forma Financial Information	96
Part VI Taxation	100
Part VII Additional Information	103
Part VIII Takeover Code Disclosures and Rule 9 Waiver	129
Part IX Definitions	138
Part X Notice of General Meeting	144
Appendix I Audited Financial Statements for Desert Star	151
Appendix II Competent Person's Report for Henkries Uranium Deposit	151

## SUMMARY

### Introduction and Warnings

Issuer	Stranger Holdings plc, 27-28 Eastcastle Street London W1W 8DH
Name of Securities	Ordinary Shares of £0.0001 par
ISIN	GB00BYWLRL80
LEI	213800WE14587VRQ5Y10
Identity and contact details for competent authority approving prospectus	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN
Date prospectus approved by competent authority	29 September 2023

*This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor. Investors could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.*

### Key information on the issuer

#### Who is the issuer of the securities?

##### The Issuer

The issuer's legal name is Stranger Holdings plc ("**Stranger**" or the "**Company**"). The Company was incorporated under the laws of England on 22 October 2015 with registered number 09837001 as a private company limited by shares under the Companies Act 2006. The Company re-registered as a public limited company on 14 November 2016. It is domiciled in the United Kingdom. Its LEI is 213800WE14587VRQ5Y10. The Company is currently an investment vehicle. Its business address is 27-28 Eastcastle Street, London W1W 8DH, and its telephone number is 44 (0) 20 7236 1177.

##### Principal Activities

The Company is currently an investment vehicle whose strategy is to acquire a target company or business. Mayflower Energy Metals Limited ("**MEML**") indirectly owns 50.1% of the share capital of Desert Star Trading 130 Proprietary Limited ("**Desert Star**"), a company registered in the Republic of South Africa with Registration Number 200501474307. Desert Star is the legal and beneficial owner of a uranium prospecting right NC30/5/1/1/2/11918 in the Northern Cape of the Republic of South Africa commonly known as the Henkries Uranium Project ("**Henkries**"). Should the acquisition of MEML complete, the Company would therefore become the controlling holding company of a uranium exploration company with operations in South Africa. Henkries is a 742km<sup>2</sup> prospecting right under exploration that uses both the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), and the Canadian Institute of Mining Metallurgy and Petroleum National Instrument 43-101 (43-101). Its assets include, *inter alia*, a uranium deposit originally explored by the Anglo American Corporation (AAC) in 1979, later developed by subsequent right holders, with an estimated mineral resource of 4.7 million pounds of uranium.

##### Major Shareholders

Insofar as it is known to the Company, as at 27 September 2023 (being the latest practicable date prior to the publication of this prospectus, the "Latest Practicable Date"), the shareholders identified below, will on re-admission or immediately thereafter, each be directly or indirectly interested in 3% or more of the Company's issued ordinary share capital:

Name	As at the date of this Document		On Re-Admission	
	Number of Ordinary Shares	% of Existing Ordinary Shares	Number of Ordinary Shares	% of the Enlarged Share Capital
Gathoni Muchai Investments Ltd <sup>(1)</sup>	0	0.00%	189,500,000	15.58%
Brahma Finance (BVI) Ltd <sup>(2)</sup>	0	0.00%	162,132,353	13.33%
O'Sullivan Advisory & Investments Ltd <sup>(3)</sup>	0	0.00%	74,500,000	6.12%
G-Lib Investments Ltd	0	0.00%	66,550,000	5.47%
AUO Commercial Brokerage LLC <sup>(4)</sup>	0	0.00%	60,000,000	4.93%
Hargreaves Lansdown (Nominees) Ltd <sup>(5)</sup>	42,039,991	28.84%	58,907,788	4.84%
Charles Ronald Spencer Tatnall	30,000,000	20.58%	51,522,797	4.24%
2872450 Ontario Inc	0	0.00%	46,550,000	3.83%

Jim Nominees Ltd	45,490,000	31.21%	45,490,000	3.74%
Mayflower Capital Investments Pty Ltd <sup>(6)</sup>	0	0.00%	45,000,000	3.70%
Wavcrest Capital Pty Ltd <sup>(7)</sup>	0	0.00%	43,965,286	3.61%
Peel Hunt	8,789,830	6.03%	8,789,830	0.72%

- (1) Gathoni Muchai Investments Limited is owned and controlled by two proposed directors, namely Jackline Muchai and Jason Brewer.
- (2) Brahma Finance (BVI) Limited is indirectly owned and controlled by Nicholas Eaton Crocker Barham.
- (3) O'Sullivan Advisory & Investments Ltd is owned and controlled by a proposed director, namely Sean Heathcote.
- (4) AUO Commercial Brokerage LLC ("AUO") is owned and controlled by Quinton van der Burgh. AUO has subscribed to increase, over a period of 13 months from the date of this Prospectus, its holdings from 60,000,000 Ordinary Shares on re-admission to 466,666,666 Ordinary Shares. Assuming no shares are issued to any other person or entity during this time, AUO's interest in the Company's Ordinary Shares will increase from 4.93% on re-admission to 28.75% upon the conclusion of 13 months commencing on the date of this Prospectus.
- (5) An existing director, namely James Longley, controls 30,000,000 of the ordinary shares owned by Hargreaves Lansdown (Nominees) Limited.
- (6) Mayflower Capital Investments Pty Limited is owned and controlled by the proposed Chief Financial Officer, namely Stephen Amphlett.
- (7) Wavcrest Capital Pty Ltd is owned and controlled by a proposed director, namely Bongani Raziya.

In addition, the directors and senior managers identified below will, upon re-admission, each be directly or indirectly interested in the Company's issued ordinary share capital:

	<i>Interest at the date of this Document</i>		<i>Interest immediately following Re-Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>% of the Enlarged Share Capital</i>
<i>Directors</i>				
Jason Brewer <sup>(8)</sup>	0	0.00%	105,274,500	8.65%
Sean Heathcote <sup>(9)</sup>	0	0.00%	90,833,000	7.47%
Jackline Muchai <sup>(10)</sup>	0	0.00%	106,891,600	8.79%
Bongani Raziya <sup>(11)</sup>	0	0.00%	43,965,286	3.61%
James Longley	30,000,000	20.58%	46,867,797	3.85%
Charles Tatnall	30,000,000	20.58%	51,522,797	4.24%
<i>Senior Managers</i>				
Stephen Amphlett <sup>(12)</sup>	0	0.00%	45,000,000	3.70%
Peter Hibberd <sup>(13)</sup>	0	0.00%	30,991,923	2.55%

- (8) The shares in this row comprise those owned by Mr Brewer, individually, together with Mr Brewer's 45% beneficial interest in Gathoni Muchai Investments Limited. Mr Brewer is a proposed director of the Company.
- (9) The shares in this row comprise those owned by Mr Heathcote, individually, together with Mr Heathcote's 100% beneficial interest in O'Sullivan Advisory & Investments Ltd. Mr Heathcote is a proposed director of the Company.
- (10) The shares in this row comprise those owned by Ms Muchai, individually, together with Ms Muchai's 55% beneficial interest in Gathoni Muchai Investments Limited. Ms Muchai is a proposed director of the Company.
- (11) The shares in this row comprise those owned by Mr Raziya, individually, together with Mr Raziya 100% beneficial interest in Wavcrest Investments Pty Ltd. Mr Raziya is a proposed director of the Company.
- (12) The shares in this row represent those owned by Mr Amphlett through his 100% beneficial interest in Mayflower Capital Investments Pty Limited. Mr Amphlett is the proposed Chief Financial Officer of the Company.
- (13) The shares in this row represent those owned by Mr Hibberd, individually. Mr Hibberd is Desert Star's Mining and Geological Consultant.

In connection with the contemplated re-admission that is the subject of this prospectus, a resolution has been proposed to sub-divide and re-designate each of the Company's existing ordinary shares of £0.001 par each into 1 ordinary share of £0.0001 par each and 9 deferred shares of £0.0001 each (the "**Deferred Shares**"). The Deferred Shares will not entitle their holders to any notification, voting, attendance, informational, dividend or distribution rights, and shall be redeemable by the Company at any time for one penny for all the Deferred Shares registered in the name of any holder. The Deferred Shares will therefore be of limited value.

Also in connection with the contemplated re-admission, resolutions have been proposed to create a new class of shares, namely performance shares of £0.0001 par each (the "**Performance Shares**"), and to allot such shares to certain of the Company's Directors and Senior Managers. Like the Deferred Shares, the Performance Shares will not entitle their holders to any notification, voting, attendance, informational, dividend or distribution rights. However, unlike the Deferred Shares, the Performance Shares shall automatically convert into ordinary shares, at a ratio of 1 Performance Share for 1 ordinary share, upon the occurrence of certain performance-related events: e.g. (a) 50% shall automatically convert upon Desert Star's receipt of an updated JORC Compliant Resource in excess of 10 million tonnes of Triuranium octoxide (U<sub>3</sub>O<sub>8</sub>) at an average grade of 399 ppm U<sub>3</sub>O<sub>8</sub>, and (b) 50% shall automatically convert upon the grant of a mining right on the Henkries Uranium Project, or (c) 100% of the Performance Shares gets converted in the event of receipt of an offer to purchase the controlling interest in the Company provided that transaction is approved by shareholders and is completed.

References in this Summary to “shares”, the “share capital of the Company”, the Company’s “enlarged share capital” and the like shall, unless otherwise indicated, refer to the Company’s ordinary shares, which are the Company’s voting shares. For the avoidance of doubt, the interests of the major shareholders, directors and senior managers in the tables above refer to each individual’s interest in the Company’s ordinary shares, not their respective interests in any Deferred Shares or Performance Shares.

#### Directors

As at the date of this prospectus, the Company’s board of directors comprises the following:

Name	Function
James Timothy Chapman Longley	Executive Director
Charles Ronald Spencer Tatnall	Executive Director

Upon Re-Admission, Mr Tatnall and Mr Longley will remain on the board and four additional individuals will be appointed. Accordingly, the following individuals are proposed to comprise the Company’s board upon Re-Admission:

Name	Function
Jason Paul Brewer	Non-Executive Chairman
Sean Heathcote	Executive Director and CEO
Jackline Muchai	Non-Executive Director
Bongani Raziya	Non-Executive Director
James Timothy Chapman Longley	Non-Executive Director
Charles Ronald Spencer Tatnall	Non-Executive Director

#### Statutory Auditor

The name of the Company’s statutory auditor is PKF Littlejohn LLP, whose address is 15 Westferry Circus, Canary Wharf, London E14 4HD.

#### What is the key financial information regarding the issuer?

Upon re-admission to the Official List, the Company will become the indirect owner of 50.1% of Desert Star’s share capital. The Company will acquire this indirect ownership via the acquisition of two intermediary holding companies, namely Mayflower Energy Metals Limited (“MEML”) and Neo Uranium Africa Proprietary Limited (“NURSA”). MEML owns 100% of the share capital of NURSA, and NURSA owns 50.1% of Desert Star’s share capital. MEML and NURSA are both holding companies with pass-through transactions made to advance the Company’s acquisition of Desert Star. This prospectus therefore contains historical financial information and pro forma financial information for the Company and Desert Star only. For the avoidance of doubt, all of MEML’s and NURSA’s funds were used to pay transaction costs borne by MEML and NURSA on behalf of Stranger and/or Desert Star; these were the only transactions within MEML and NURSA and thus effectively intragroup. There are no other transactions within MEML and NURSA other than those that will be recharged to Stranger.

For the Company, the tables below set out, in summary form (and without any accompanying notes), audited financial information for the years ended 31 March 2020, 2021 and 2022, audited financial information for the 6-month period ended 30 September 2022, and unaudited financial information for the 6-month period ended 30 September 2021. For Desert Star, the tables below set out, in summary form (and without any accompanying notes), audited financial information for the years ended 28 February 2021, 2022 and 2023.

#### Selected Financial Information of the Company

##### Statement of Comprehensive Income

	Year ended			6 months to	
	31-Mar-22	31-Mar-21	31-Mar-20	30-Sept-22	30-Sept-21
	£’000	£’000	£’000	£’000	£’000
	(audited)	(audited)	(audited)	(audited)	(unaudited)
Continuing operations					
Revenues (Gov’t Grant)	-	1	-	-	-
Gross profit	-	1	-	-	-
Listing costs	(1)	(12)	(20)	(198)	(1)
Impairment of financial assets	-	-	-	(411)	-
Administrative expenses	(457)	(344)	(412)	(234)	(142)
Loss before interest charges	(458)	(355)	(432)	(843)	(143)
Finance costs	(157)	(183)	(129)	(21)	(79)
Interest/Investment income	13	106	56	7	-
Loss before taxation	(602)	(432)	(505)	(857)	(222)
Taxation	-	-	-	-	-
Profit/(Loss) for the period	(602)	(432)	(505)	(857)	(222)
Basic and diluted loss per share	(0.41p)	(0.30p)	(0.30p)	(0.59p)	(0.15p)

##### Statement of Financial Position

	As at			As at	
	31-Mar-22	31-Mar-21	31-Mar-20	30-Sept-22	30-Sept-21
	£’000	£’000	£’000	£’000	£’000
	(audited)	(audited)	(audited)	(audited)	(unaudited)



Total Assets	501	883	369	106	530			
Total Equity	(2,536)	(1,934)	(1,502)	(3,393)	(2,156)			
<b>Statement of Cash Flows</b>								
	<b>Year ended</b>			<b>6 months to</b>				
	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>30-Sept-22</b>	<b>30-Sept-21</b>			
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>			
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>	<b>(unaudited)</b>			
Net cash flows from operating activities	175	(927)	(682)	(2)	17			
Net cash flows from investment activities	(192)	88	(108)	4	(36)			
Net cash from/(used in) financing activities	17	779	850	-	19			
<p>During the period covered by the historical key financial information set out above, listing costs and administrative expenses were incurred during the time that the Company pursued its acquisition strategy. Since 30 September 2022 (being the most recent financial information available), there has been no significant change in the financial position or performance of the Company, save that in July 2022, the Company agreed with its lender (namely Dover Harcourt plc) to restructure the Company's secured loan facility, subject to the transaction that is the subject of this prospectus. Should the transaction contemplated by this prospectus proceed, Stranger will, among other things, convert all amounts due to Dover Harcourt plc (which amounts to approximately £2 million) into shares of Stranger and the security agreement to which Stranger is subject shall be released.</p>								
<b>Selected Financial Information of Desert Star</b>								
<b>Statement of Comprehensive Income</b>								
	<b>Year Ended</b>							
	<b>28-Feb-23</b>	<b>28-Feb-22</b>	<b>28-Feb-21</b>					
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>					
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>					
Total revenue	-	-	-					
Operating loss	(3)	(7)	(2)					
Loss after tax	(3)	(6)	(1)					
<b>Statement of Financial Position</b>								
	<b>Year ended</b>							
	<b>28-Feb-23</b>	<b>28-Feb-22</b>	<b>28-Feb-21</b>					
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>					
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>					
Total Assets	1,103	1,036	930					
Total Equity	660	718	695					
<b>Statement of Cash Flows</b>								
	<b>Year Ended</b>							
	<b>28-Feb-23</b>	<b>28-Feb-22</b>	<b>28-Feb-21</b>					
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>					
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>					
Net cash flows used in operating activities	21	(1)	1					
Net cash flows used in investing activities	(88)	(66)	(6)					
Net cash flows from financing activities	67	67	6					
<p>Since 28 February 2023, there have been no significant changes in Desert Star's financial position or performance.</p>								
<b>Pro Forma Financial Information</b>								
<p>Set out below is an unaudited pro forma statement of net assets of the Company, MEML, NURSA and Desert Star (together the "Enlarged Group") as at 30 September 2022 and the unaudited pro forma income statement of the Enlarged Group for the 6-month period ending 30 September 2022 (the "Pro Forma Information"). The Pro Forma Information has been prepared in accordance with the requirements of item Annex 20 of the Prospectus Regulation Rules to illustrate the impact of the placing and proposed acquisition as if it had taken place on 30 September 2022, save that the excerpts below do not contain any accompanying notes. The Pro forma Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results.</p>								
<b>Unaudited pro forma statement of net assets at 30 September 2022</b>								
	<b>Stranger</b>	<b>Desert Star</b>	<b>Issue of</b>	<b>Issue of</b>	<b>Dover</b>	<b>Other debt</b>	<b>Acquisition</b>	<b>Unaudited pro</b>
	<b>audited</b>	<b>Audited</b>	<b>Placing</b>	<b>Convertible</b>	<b>Harcourt</b>	<b>to equity</b>	<b>adjustments</b>	<b>forma</b>
	<b>net</b>	<b>net</b>	<b>Shares</b>	<b>Loan Note</b>	<b>Bonds</b>	<b>conversions</b>		<b>adjusted</b>
	<b>assets as at</b>	<b>assets as at</b>	<b>net of</b>	<b>shares</b>				<b>aggregated net</b>
	<b>30 Sept</b>	<b>28 Feb</b>	<b>costs</b>					<b>assets of the</b>
	<b>2022</b>	<b>2023</b>						<b>Enlarged</b>
								<b>Group on Re-</b>
								<b>Admission</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Assets</b>								
<b>Non-current assets</b>								

Intangible assets	-	1,099	-	-	-	-	1,111	2,210
	-	1,099	-	-	-	-	1,111	2,210
<b>Current assets</b>								
Trade and other receivables	104	-	-	-	(84)	-	-	20
Cash and cash equivalents	2	4	1,339	-	-	-	(850)	495
<b>Current assets</b>	<b>106</b>	<b>4</b>	<b>1,339</b>	<b>-</b>	<b>(84)</b>	<b>-</b>	<b>(850)</b>	<b>515</b>
<b>Total assets</b>	<b>106</b>	<b>1,103</b>	<b>1,339</b>	<b>-</b>	<b>(84)</b>	<b>-</b>	<b>261</b>	<b>2,725</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	(1,380)	(26)	-	-	-	1,039	-	(367)
Loans and borrowings – interest bearing	(2,082)	-	-	229	-	1,853	-	-
<b>Current liabilities</b>	<b>(3,462)</b>	<b>(26)</b>	<b>-</b>	<b>229</b>	<b>-</b>	<b>2,892</b>	<b>-</b>	<b>(367)</b>
<b>Non-current liabilities</b>								
Loan from holding company/shareholders	-	(163)	-	-	-	-	-	(163)
Loans and borrowings - non-interest bearing	-	-	-	-	-	-	-	-
Loans and borrowings - interest bearing	(37)	-	-	-	-	-	-	(37)
Deferred tax	-	(255)	-	-	-	-	-	(255)
<b>Total liabilities</b>	<b>(3,499)</b>	<b>(444)</b>	<b>-</b>	<b>229</b>	<b>-</b>	<b>2,892</b>	<b>-</b>	<b>(822)</b>
<b>Total assets less total liabilities</b>	<b>(3,393)</b>	<b>659</b>	<b>1,339</b>	<b>229</b>	<b>(84)</b>	<b>2,892</b>	<b>261</b>	<b>1,903</b>

Unaudited pro forma income statement for the unaudited period ended 30 September 2022

	<b>Stranger audited income statement as at 30-Sept-22 £'000</b>	<b>Desert Star audited income statement as at 28-Feb-23 £'000</b>	<b>Placing and subscription costs £'000</b>	<b>MEML and NURSA Costs £'000</b>	<b>Unaudited pro forma adjusted aggregated income statement of the Enlarged Group on Re- Admission £'000</b>
Administration expenses	(234)	(3)	(471)	(833)	(1,541)
Impairment	(411)	-	-	-	(411)
Listing costs	(198)	-	-	-	(198)
<b>Operating profit/(loss)</b>	<b>(843)</b>	<b>(3)</b>	<b>(471)</b>	<b>(833)</b>	<b>(2,150)</b>
Investment income	7	-	-	-	7
Finance costs	(6)	-	-	-	(6)
<b>Loss before tax</b>	<b>(842)</b>	<b>(3)</b>	<b>(471)</b>	<b>(833)</b>	<b>(2,149)</b>
Tax (charge)/credit	-	-	-	-	-
<b>Loss from continuing operations</b>	<b>(842)</b>	<b>(3)</b>	<b>(471)</b>	<b>(833)</b>	<b>(2,149)</b>

**What are the key risks that are specific to the issuer?**

The key risks that are specific to the enlarged group, that is, the Company together with MEML, NURSA and Desert Star (which owns the Henkries prospecting right), and the industry in which the group operates are as follows:

- Desert Star's current exploration and/or mining operations are dependent upon the grant, renewal or continuance in force of appropriate surface and/or subsurface use contracts, licenses, permits and regulatory approvals and consents which may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances.
- Changes to the current political and regulatory environment in South Africa or any other markets in which the group operates in the future may adversely affect the group.
- the profitability of Desert Star's operations and the cash flows generated by these operations are significantly affected by changes in the market price for uranium as well as fluctuations in currency exchange rates.
- Desert Star's reported mineral resources and mineral reserves are reported in accordance with the Australasian Joint Ore Reserves Committee Code (JORC) and the Canadian Institute of Mining Metallurgy and Petroleum National Instrument 43-101 (NI43-101) standards. There are numerous uncertainties inherent in the estimation

of mineral resources, including factors beyond the control of the group. The estimation of mineral resources and mineral reserves, including the estimation of uranium in particular, is a statistical process and the accuracy of any such estimation is a function of the quality of available data and of engineering and geological interpretation and judgement.

- Desert Star contracts or leases services and capital equipment from third party providers. Such equipment and services can be scarce and may not be readily available at times and places required.

### Key information on the securities

#### What are the main features of the securities?

Description	The securities being admitted are equity securities, specifically ordinary shares of £0.0001 par each which are registered with ISIN number GB00BYWLRL80.
Currency	The ordinary shares are denominated in UK Pounds Sterling.
Number	On Admission, there will be 1,216,371,468 Ordinary Shares in issue.
Rights	The Ordinary Shares are ordinary shares and represent the sole voting class of the Company's share capital.
Seniority	As the securities being admitted are equity securities, they would rank below the Company's then-existing debts in the event of insolvency.
Transferability	The Company's ordinary shares are freely transferable and there are no restrictions on transfer.
Dividend policy	The director's objective is the achievement of substantial capital growth. In the short term they do not intend to declare a dividend.

#### Where will the securities be traded?

Application will be made for Stranger's enlarged share capital to be readmitted to a Standard Listing on the Official List and to trade on the London Stock Exchange's main market for listed securities. It is expected that re-admission will become effective and that unconditional dealings will commence at 8.00 a.m. on 7 November 2023.

#### What are the key risks that are specific to the securities?

**The proposed Standard Listing of the Ordinary Shares will dilute the interest of the existing shareholders by virtue of the issue of equity-for-debt shares, convertible loan note shares, consideration shares, placing shares, introducer and advisor shares and, potentially, other shares**

As shares are being issued contemporaneously with admission (namely equity-for debt shares, convertible loan note shares, consideration shares, placing shares, and introducer and advisor shares), the interests of the issuer's investors immediately before admission will be diluted. In addition, after admission, newly issued performance shares may, depending on the occurrence of certain performance-related condition, convert into ordinary shares, further diluting the interests of the issuer's investors immediately before admission. Further, shares issued upon the exercise of warrants (namely, warrants issued to the Company's investors and broker) may further dilute the interest of the issuer's investors after admission.

**A Standard Listing affords less regulatory protection than a Premium Listing**

A Standard Listing will afford investors a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules, which may have an adverse effect on the valuation of the Ordinary Shares.

**Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable**

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the issue price.

**There is no intent to declare any dividends in the short term and, in any event, dividend payments on the Ordinary Shares are not guaranteed**

The ability of the Company to pay dividends on the Ordinary Shares is a function of its profitability and the extent to which, as a matter of law, it will have available to it sufficient distributable reserves out of which any proposed dividend may be paid. The Company can give no assurances that it will be able to pay a dividend going forward; on the contrary,

as the objective of the directors is the achievement of substantial capital growth, in the short term they do not intend to declare a dividend.

**Key information on the offer of securities to the public and/or the admission to trading on a regulated market.**

Under which conditions and timetable can I invest in this security?

**General Terms and Conditions**

A subscription and placing will occur in several rounds: at an effective price of 0.2267p per share for the first round of subscriptions, at 0.75p per share for the second round of subscriptions and at 1.25p for the placing. Completion of the placing is conditional only on admission, and irrevocable commitments, conditional upon admission, have been received for an aggregate of approximately £4.9m (gross of expenses), comprising subscription (first round) commitments of £367,500; subscription (second round) commitments of £4,328,625; and placing commitments of £161,500. Of the total net subscription and placing commitments of approximately £4.4m, approximately £1.3m will be allocated to the Company upon re-admission, and the remainder (being approximately £3.1m) shall be paid, and a corresponding amount of shares issued, within 13 months of the date of this Prospectus. For the avoidance of doubt, the acquisition and re-admission contemplated by this Prospectus will not occur in the absence of the placing contemplated by this Prospectus.

If admission does not take place for any reason by 8.00 am. GMT on or prior to 7 November 2023 (or such later date being no later than 21 November 2023 as agreed by the Company's broker, namely First Equity Limited), monies will be returned to Placees without interest.

**Expenses**

Stranger expects that its expenses in connection with admission (including a broker's commission of approximately £90,000) will be approximately £470,000. Stranger intends to pay and/or recoup these expenses from the gross proceeds of the placing.

**Dilution**

The subscriptions, placing, the equity-for-debt conversion, the conversion of the Company's convertible notes, the issue of shares to the Company's broker (namely, First Equity Limited), other introducers and advisors as a fee, and the contemporaneous acquisition in exchange for shares will result in Stranger's existing ordinary shares being diluted so as to constitute approximately 11.98% of the enlarged share capital of Stranger immediately after admission. The Company's share capital will be further enlarged over a period of 13 months from the date of this prospectus by virtue of AUO Commercial Brokerage LLC's subscription for 406,666,666 ordinary shares. In addition, convertible securities, including Performance Shares, together with Deferred Consideration Shares and warrants will be issued in connection with re-admission. The issue of shares to AUO, the conversion of all such convertible securities, the issue of all such Deferred Consideration Shares, and the exercise of all such warrants would result in Stranger's existing ordinary shares being further diluted so as to constitute approximately 6.45% of Stranger's share capital, on a fully diluted basis.

**Why is this prospectus being produced?**

**Reasons for Offer and Net Proceeds**

The offer is being made (a) to consummate Stranger's acquisition of an initial 50.1% indirect interest in Desert Star via the holding companies MEML and NURSA, and (b) by way of a placing, to raise funds for Stranger's ongoing working capital to complete a feasibility study of the Henkries Uranium Project. After the broker's placing commission of approximately £90,000, the payment of the professional fees and costs of admission (which professional fees and costs the directors estimate to be approximately £380,000), Stranger expects to receive net proceeds of approximately £4.4m of which approximately £1.3m will be allocated to Stranger upon re-admission and the remainder (being approximately £3.1m) over a period of 13 months from the date of re-admission. The offer is not being underwritten. Stranger intends to use the net proceeds (a) to satisfy MEML's acquisition-related liabilities (including, the payment of cash consideration of \$1,000,000 (c. £821,000) to DST, together with the balance of MEML's pre-RTO costs of approximately £770,000), (b) to satisfy in full any trade creditors of Stranger (as any other convertible debt and long term debt is covered by Debt to Equity agreements), and (c) for ongoing working capital to advance the Henkries Uranium Project to a production decision.

**Conflicts of Interest**

As at the date of this Document, there are no potential conflicts of interest between any duties to the Enlarged Group of any of the Directors, Proposed Directors or Senior Managers and their private interests and/or other duties save that one of the proposed directors, namely Bongani Raziya, will be a minority (30%) investor in Desert Star. Any material conflict of interest that arises in future will be considered by the non-conflicted directors.

## RISK FACTORS

*Any investment in the Ordinary Shares carries a significant degree of risk, including risks in relation to the Enlarged Group's business strategy, potential conflicts of interest, risks relating to taxation and risks relating to the Ordinary Shares.*

*Prospective investors should note that the risks relating to the Ordinary Shares, the Enlarged Group and the sector in which it operates summarized in the section of this Document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Enlarged Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarized in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.*

*The risks referred to below are those risks the Directors consider to be the material risks at the date of this Document. However, there may be additional risks that the Directors do not currently consider to be material or of which the Directors are not currently aware, that may adversely affect the Enlarged Group's business, financial condition, results of operations or prospects. Investors should review this Document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Furthermore, investors could lose all or part of their investment.*

### RISKS RELATING TO THE GROUP'S BUSINESS

#### *The Group's mining licences and contracts*

The Group's exploration and mining operations will be dependent upon the grant, renewal or continuance in force of appropriate surface and/or subsurface use contracts, licences, permits and regulatory approvals and consents which may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances. There can be no assurance that such surface and/or subsurface use contracts, licences, permits, regulatory approvals or consents would be granted, renewed or continue in force, or, if so, on what terms.

The Group's contemplated surface and/or subsurface use contracts and related working programs contain a range of obligations on Desert Star, and there may be adverse consequences of breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of Desert Star's surface and/or subsurface use licences and/or surface and/or subsurface use contracts.

Withdrawal of licences, termination of surface and/or subsurface use contracts or failure to secure requisite licences or the cession thereof or surface and/or subsurface use contracts in respect of any of the Group's operations may have a material adverse impact on Desert Star and thus the Group's business, operating results and financial condition.

#### *Changes to the current political and regulatory environment in South Africa, or any other markets in which the Group operates in the future, may adversely affect the Group*

The Group's contemplated exploration and development activities are planned to be conducted in South Africa. The political and economic conditions that currently exist in South Africa may change such that the South African government may adopt different policies with respect to foreign development and ownership of natural resources at any time. Any changes in policy may result in changes in laws affecting the ownership of assets, licence tenure, taxation, royalties, exchange rates, environmental protection, labour relations, repatriation of income and return of capital. This may adversely affect the Group's ability to undertake exploration and development activities on future properties as well as its ability to continue to explore and develop those properties for which it has obtained exploration rights to date. Such adverse effects may negatively impact Stranger's results of operations.

Regulatory changes, if any, in extraction or investment policies or shifts in political attitude may adversely affect Desert Star's, and thus the Group's, operations and future profitability. Operations may be affected in varying degrees by government regulations in South Africa with respect to, but not limited to, restrictions on production, price controls, site access, export controls, currency remittance, income and other taxes, foreign investment, maintenance of claims, environmental legislation, water use, employment and contractor selection.

Uranium mining and exploration activities in South Africa are governed by the National Nuclear Regulator (NNR), which operates under the Nuclear Energy Act (Act no 46 of 199) and the National Nuclear Regulator Act (Act No 47 of 1999) with respect to the processing, handling and transport of nuclear materials. The NNR also promulgates operating procedures known as "Regulatory Requirement Documents", with which any company handling qualifying radioactive materials must comply. South Africa is also a member state of the International Atomic Energy Agency (IAEA) and is therefore bound by the associated multilateral agreements that apply to companies operating in the nuclear value chain. Any changes to the above legislation or inadvertent material breach of the prevailing agreements or procedures may result in sanctions, fines or orders to cease operations, which could materially impact on the Group's financial performance and share price.

The Group will commence exploration and development activities at Henkries, using the existing Namakwa Uranium (NU) NNR Certificate of Registration ("COR") license that has been ceded to DST by NU. An application has been submitted to the NNR by DST to secure its own COR, which will be issued contemporaneously with the withdrawal of the NU license, and DST are awaiting the approval of this process from the NNR.

The following comprise the local laws applicable to COVID-19 in South Africa with which Desert Star will be required to comply:

- 1) The Disaster Management Act, 2002 as Amended on 4<sup>th</sup> April 2022 and gazetted in Government Notification No. 46195 comprising the latest revisions around:
  - a. Section 67 – Mandatory protocols when in a public place
  - b. Section 69 – Gatherings
  - c. Section 75 – Partial re-opening of borders
- 2) The National Health Act, 2003 as augmented from time to time.

Any tightening in the above legislation may have an adverse impact on the Group's ability to progress the development of the Henkries deposit in terms of country or site access, access to materials, staff movements, ability to work in teams, and personnel restrictions in public spaces. Such effects may negatively impact Stranger's results of operations.

***The profitability of Desert Star's operations and potential cash flows generated by these operations will be significantly affected by changes in the market price for triuranium octoxide (U<sub>3</sub>O<sub>8</sub>)***

The market price for uranium can fluctuate widely. Uranium, like any traded commodity or commercial resource, is subject to myriad, complex macroeconomic, geopolitical and technological factors, which are levers upon the supply and demand at any one time; these in turn directly affect price. These factors include but are not limited to: global energy prices, prevailing political sentiment, international relations, intra- and super-national regulations and agreements, inflation, consumer demand, government uranium stockpile levels, energy security policies, military and nuclear budgets and spending, technological advances and climate change. A shift in any of these or similar factors could lead to a large movement in uranium prices, materially impacting the Group's profit levels or prospects. This might have a number of adverse effects for investors, including decreases in the Company's share price, challenges securing further funding and a failure to execute growth plans.

Whilst uranium is often subject to sharp, short-term changes, the majority of mined uranium is sold on long-term contracts to power utilities (typically at a 20% or more premium to the prevailing spot price), which leaves only a small percentage of global production subject to price volatility. Furthermore, the considerable time it takes uranium to move through the nuclear fuel processing cycle (approximately 18 months), as well as the minimum stockpile requirements that need to be met between each of the conversion and enrichment processes in order to maintain efficient operations, are both buffers to short-term volatility to miners.

However, if the revenue generated by Desert Star from the sale of uranium at the prices that the Directors anticipate (after taking into account the effects of any hedging or other derivative instruments) falls below the cost of production, the Group will immediately implement cost-savings measures and revisions to its operating and

production plans including amongst other things potential reductions in its mine employees, capital projects and/or operations to ensure ongoing profitability. In addition, the Group would have to assess the economic impact of low uranium prices on its ability to recover any losses it may incur during that period and on its ability to maintain adequate cash and accounting reserves. Such a contingency would have a negative, adverse effect on the Group's results of operations.

### ***Information on Reserves and Resources***

The Group's reported mineral resources and mineral reserves are reported in accordance with the Australian Joint Ore Reserve Committee (JORC) and Canadian CIM 43-101 Instrument Codes. There are numerous uncertainties inherent in estimating mineral resources, including factors beyond the control of the Group. The estimation of mineral resources and mineral reserves is a statistical process and the accuracy of any such estimation is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing, production, evaluation of mine plans and exploration activities subsequent to the date of any estimate may justify revision (up or down) of such estimates. There is no assurance that mineral resources can be economically mined. Mineral resources that have not been converted to mineral reserves do not have demonstrated economic viability. A mineral resource is a statement of *in situ* mineralisation. Mineral reserves are a statement of resources that are considered as commercially mineable according to ruling economic parameters at the time.

Only a certain proportion of estimated mineral resources will be translated into reserves and recovered. There is no guarantee that the sites currently in production or anticipated to be produce in the future will be recovered at the volume, grade and rates estimated. The failure of the Group to achieve its production estimates is likely to have a material and adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. These production estimates are dependent on, among other things, the accuracy of mineral resource and reserve estimates, the accuracy of assumptions regarding mineral grades and recovery rates, ground conditions (including hydrology), physical characteristics of ores, such as hardness, the presence or absence of particular metallurgical characteristics and the accuracy of estimated rates and costs of mining, ore haulage and processing.

Further, the volume and grade of the ore the Group recovers may not conform to current expectations. Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's mineral resources and mineral reserves uneconomic to exploit and may result in revision of its mineral reserve estimates from time to time. Mineral reserve data is not necessarily indicative of future results of operations. If the Group's actual mineral reserves are less than current estimates, the Group's results of operations and financial condition may be materially impaired.

### ***Changes in the Group's capital costs, and operating costs are likely to have a significant impact on its profitability.***

The Group's main production expenses are mainly exploration and development costs, but over time the Group's expenses are anticipated to include mining costs, transport costs, treatment costs and overheads. Changes in costs of the Group's exploration, development, mining and processing operations can occur as a result of unforeseen events and could result in changes in profitability or resource estimates, including rendering certain mineral resources uneconomic to mine. Many of these changes may be beyond the Group's control.

For instance, Desert Star intends to contract or lease services and capital equipment from third-party providers, which contractors and third-party providers can be scarce and not readily available at the time and place required. The unavailability of, or high costs incurred to obtain, such services and equipment could result in a delay or restriction in Desert Star's projects, adversely affect the feasibility and profitability of such projects, and therefore have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Likewise, power stoppages, fluctuations and energy cost increases could adversely affect the Group's results of operations and financial condition. For the initial two years all of the Group's development activities will likely be dependent on electrical power generated by local power companies with the drilling contractors generating power from mobile diesel generators. It is the Directors' intention to investigate during the Definitive Feasibility Study the possibility of sourcing energy requirements for the mine and process plant from alternative and renewable power sources (e.g. biodiesel, solar, wind and hydroelectric power). This may be complemented with a connection to the local grid power of sufficient capacity to supply and fully operate the mine, but the aim is to minimise the use of local grid power. The company will also maintain back-up diesel generators onsite. Despite

the available redundancies, however, any prolonged failures in continual access to power are likely to create operational difficulties and may lead to temporary shutdown.

Similarly, shortages and interruptions in the water supply could have an adverse effect on the Group's business and financial condition. During the exploration phase water demand will be very low, with bowsers being used to supply the drill rigs. However, if and when mining operations start (which the Directors currently estimate will occur in 2025-26), there will be some dewatering required during mining which will provide a modest amount of raw water for dust suppression, together with some borehole water for more remote operations. The bulk of the mine's raw process water will be sourced from the Orange River and purchased from the appropriate municipal division of the Department of Water Affairs for South Africa (DWAf). The Orange River is 2,432 kilometres in length and discharges 11-12 billion cubic meters of water annually into the Atlantic Ocean and has the biggest catchment basin south of the Zambezi in Africa. The water pumps at Henkries are documented as having an abstraction capacity of up to 10,000 cubic meters per day (0.03% of the river's daily flow) and is one of the last users of the water course in its final 350 kilometres before releasing into the Atlantic. Current high-level estimates for water consumption at the initial Henkries mine are in the region 3,000 -4000 cubic meters per day or an extra 0.012% of the Orange River's capacity. Despite the foregoing, if demands on the Orange River water were to significantly increase, the costs of the water increased or if climate change were to impact the water contained in the Orange River catchment, the Group could suffer from a reduction in its operating capacity and become exposed to significantly higher production costs. This, in turn, would negatively affect the Group's profitability and results of operations.

#### ***The Group's financial statements include estimates***

Preparation of consolidated financial statements requires the Group to use estimates and assumptions. Accounting for estimates requires the Group to use its judgment to determine the amount to be recorded in its financial statements in connection with these estimates. The Group's accounting policies regarding exploration and evaluation require management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of Ore Reserves or Mineral Resources have been found. In addition, the carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. If the estimates and assumptions are inaccurate, the Group could be required to write down the value of certain assets, which depending on the size of the write-down, could have a materially adverse effect on the Group's financial condition. On an ongoing basis, the Group re-evaluates its estimates and assumptions. However, the actual amounts could differ from those used in the initial estimates and assumptions.

#### ***Risks relating to the dividends and the Group's corporate structure***

The Group's operating results and its financial condition will be dependent on the trading performance of Desert Star. Accordingly, the Groups' ability to pay dividends will depend on the level of distributions, if any, received indirectly from Desert Star. Desert Star may, from time to time, be subject to restrictions on its ability to make distributions to the Group, as a result of factors such as restrictive covenants contained within loan agreements, foreign exchange limitations and regulatory or fiscal restrictions. Such restrictions could have a material adverse effect on the Group's business, operating results and financial condition.

Stranger has not, since the date of its incorporation, declared or paid any dividends on its Ordinary Shares, and does not plan to pay cash dividends on its Ordinary Shares for the foreseeable future although this will be reviewed periodically by the Board.

#### ***Risks related to insurance***

The Group's involvement in the exploration for and production of uranium development may result in the Group becoming subject to liability for pollution, leaks, property damage, personal injury or other hazards. Whilst the Group expects to maintain property and casualty insurance on certain assets, not all risks are covered by insurance and there is no assurance that insurance will be consistently available on an economically feasible basis or at all. The Group has elected not to insure against certain liabilities due to high premium costs or for other reasons. Although the Group expects to maintain insurance against such claims and in such amounts it considers adequate, there is no assurance that such insurance policies will be sufficient to cover each and every claim or loss involving the Group. If the Group were to suffer an uninsured loss, its business, financial condition, and results of operations could incur significant adverse effects, which could cause a decline in the value of the Ordinary Shares.



### ***Risks related to working capital***

The Company may need to raise additional funds in the future in order to develop further exploration and development programs. Whether as a result of fluctuating market conditions, lack of market interest in the Company's industry sector or otherwise, this additional financing may not be available to the Company on acceptable terms. Additional equity financing may be dilutive to Shareholders and could contain rights and preferences superior to those of the then-existing ordinary shares, while debt financing may involve restrictions on the Company's financing and operating activities or may not be available at reasonable cost. If the Company is unable to raise additional funds as needed, the scope of its operations may be reduced and or its interest in concessions may be diluted or may expire and, as a result, the Company may be unable to fulfil its medium to long-term exploration and development program. For the avoidance of doubt, the Directors do not believe there is any requirement over the next 12 months to raise any further external finance for the Group in order to meet the objectives and strategy set out in this Document.

### ***Risks related to currency***

The Group does not currently use commodity or derivative instruments to protect against a fall in uranium prices, any falling prices or currency fluctuations may accordingly affect the Group's revenue from its future operations. The Group's future revenues from uranium sales, will be received in US Dollars, while a portion of its operating expenses will be incurred in the countries in which it operates, namely South Africa and the United Kingdom. Accordingly, foreign currency fluctuations may adversely affect the Group's financial position and operation results.

Although the Group may seek to manage its foreign currency exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Group wishes to use them or that they will be sufficient to cover the risk.

### ***Labour unions and disputes***

As at the date of this document, no member of the Group is a party to any collective bargaining agreements or labour disputes. It is expected that in the future, the employees engaged in the mining operations may be members of one or more labour unions and accordingly, members of the Group may ultimately be subjected to collective agreements with such labour unions, which could negatively affect the Group's profitability.

### ***Risks relating to key personnel***

The Group's success depends in large measure on its key personnel, namely Sean Heathcote, Jason Brewer, Jerry Cloete and Peter Hibberd. The loss of the services of such key personnel may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group does not have any key person insurance in effect. The contributions of the existing management team to the immediate and near-term operations of the Group are likely to be of central importance. In addition, the competition for qualified personnel in the uranium and exploration sectors is intense and there can be no assurance that the Group will be able to continue to attract and retain all personnel necessary for the development and operation of its business. The sudden loss of any of the Group's key personnel would likely impair temporarily the Group's business, prospects and results of operations.

The Company will continue to evaluate its key personnel of the acquired business and may determine that it requires increased support to operate and manage Desert Star in accordance with Stranger's overall business strategy. The failure to hire additional qualified and experienced personnel to satisfy any strategic needs associated with expansion could retard the Group's growth and have a negative effect on the Group's near-term business and results of operations.

### ***Environmental risks***

Mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. Environmental laws and regulations are continually changing and are generally becoming more restrictive. If environmental compliance obligations alter as a result of changes in laws and regulations, or in certain assumptions on the basis of which the Group estimates liabilities, or if unanticipated conditions arise at the Group's operations, expenses and provisions would increase. If material, these expenses and provisions could adversely affect the Group's results and financial condition.

There may also be unforeseen environmental liabilities resulting from exploration and or mining activities, which may be costly to remedy. The Group's internal risk analysis does not view available environmental risk insurance products (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) as priced commensurately to the risks and has elected not to purchase such insurance. If such an environmental problem materialises that the Group is unable to fully remedy, the Group may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Group.

The Group plans to build a mine at Henkries and the Directors currently estimate that the mine will become operational in 2025-26. In order to operate it, Desert Star will need to obtain a Water Use License from the Department of Water Affairs. The Group may apply for a licence at the appropriate time, but there can be no guarantee that the licence will be granted. Operating without a required Water Use Licence is a criminal offence, and may result in a fine of between R120,000 and R600,000 and/or a period of imprisonment being imposed by a criminal court and may result in a directive ordering the cessation of mining activities.

Under South African law, there is a requirement to provide for the restoration of a mine area once mining operations cease to a condition specified in the environment plan document approved by the South African government. If and when Henkries enters production, this provision must be supported, in part, by cash deposits. The liability is assessed annually by a professional independent consultant and discounted by the Directors to its present value. It has been experienced by other mining companies that the condition to which the mine must be restored in the environment plan document may be open to interpretation by government and therefore the actual cash requirement in respect of the environmental rehabilitation provision may therefore be materially different from the Directors' estimate. This difference may impact the Group's operations such that expenses and provisions would increase. If material, these expenses and provisions could adversely affect the Group's results and financial condition.

### ***Competition***

As uranium is a worldwide commodity, the Group may encounter competition in identifying and acquiring exploration and development rights for attractive uranium properties, should it elect to expand its operations beyond Henkries.

If and when the Group expands its operations, it is likely to face competition from both domestic uranium mining companies in such countries and any international uranium mining companies which already have significant operations in these countries, together with potential new entrants into such markets, any of which might have greater financial, technological and other resources than the Group.

There is a high degree of competition for the discovery and acquisition of properties considered to have a commercial potential. If the Group were to expand its operations beyond Henkries, the Group would compete with other mining companies for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. The advantages that other companies might have in such a case—greater financial, technology and other resources, for instance—could have an adverse effect on the Company's business, prospects, results of operations and financial condition.

### ***Uncertainty and cost of mineral exploration***

The Henkries Uranium Project, whose resources have been reported in accordance with the both the Australian Joint Ore Reserves Committee (JORC) code and the Canadian Institute of Mining Metallurgy and Petroleum National Instrument 43-101 standards, is the only site owned by Desert Star. As part of its mine development commitments to earn-in up to 70% of the shareholding of Henkries, Desert Star must undertake exploration activities on this site in order to fully understand the geology of its mining and prospecting rights and successfully develop the mining operations to fully exploit its resources. Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to establish uranium resources or reserves through drilling and metallurgical and radioactivity testing techniques, determine appropriate recovery processes to extract uranium from the ore and construct, renovate or expand mining and processing facilities. Such expenses can serve as a drag on short-term profitability.

Once uranium mineralisation is discovered it can take several years to determine whether uranium resources exist. During this time production may become less economically viable, which could have an adverse effect on the Group's business, profitability and prospects.

Though the Group plans to focus on the sites close to Henkries, the Group may, in the future, consider from time to time the acquisition of uranium resources, development properties and operating mines in other jurisdictions, either as stand-alone assets or as assets to be integrated into existing Group companies or operations. Any decision to acquire these other properties will be based on a variety of factors including historical operating results, estimates of and assumptions about future reserves, cash and operating costs, the uranium price and projected economic returns and evaluations of existing or potential liabilities associated with each property and its operations. Other than historical operating results, all of these parameters may differ significantly from the Group's estimates and assumptions.

#### ***Mining companies are subject to extensive health and safety laws and regulations***

Uranium mining operations are subject to a variety of industry-specific health and safety laws and regulations depending upon the jurisdiction in which they are located. These laws and regulations are formulated to improve and to protect the safety and health of employees, and to establish limits and conditions on companies' ability to conduct their operations. Should compliance with any new standards require a material increase in expenditure or material interruptions to production, the Group's results in respect of operations and financial condition may be adversely affected.

#### ***Security risks and loss control issues***

Whilst Desert Star will implement site and mine security and loss control procedures, the risk remains of theft, threats to mine workers' lives and safety as well as industrial espionage, information loss and the loss of the operational efficiency of the mine, any of which could have a material, adverse effect on Stranger's financial condition.

### **RISKS RELATING TO THE URANIUM MARKET AND ENERGY SECTOR**

#### ***Secondary sources of uranium may flood the market and create downward pressure on uranium spot prices***

In addition to directly mining ore and producing U<sub>3</sub>O<sub>8</sub>, fissile (reaction-grade) Uranium can be produced via several other methods and sources. If any of these alternatives became cheap and plentiful enough to supply the market in large enough proportions, direct mining may struggle to compete on price. These include: extant civil stockpiles held by utilities and governments, nuclear fuel recovered from decommissioned military warheads, recycled uranium and re-enrichment of depleted uranium (which may be recovered from enrichment tails and mixed with recycled plutonium). Secondary sources are less damaging to the environment than primary mining activities and can be much less costly to produce if a viable and abundant enough source is found. The public also might perceive secondary sources as more sustainable, which means the Group might suffer from adverse publicity if secondary sources became viable enough to compete. Buyers may also, as part of environmental, social and governance (ESG) initiatives, attempt to fulfil their requirements through them. Secondary sources are also likely to be more favourably regulated if environmental concerns come to the fore. In summary, an increasing shift to secondary sources might affect the Group's prospects in a number of ways, which might, in combination, become materially adverse. This might develop into an unfavourable trading environment for the Company, affecting its profitably and future prospects.

#### ***Mined uranium cannot be traded publicly and opportunities to secure buyers might be limited***

Desert Star's success is dependent upon the sourcing of reliable buyers for its product, which it will have expended considerable resources to extract. The Directors note that there is a limited spot market through which to sell uranium, meaning that contracts must be negotiated privately and on a case-by-case basis, either through brokers, exchange-traded funds such as the Sprott Physical Uranium Trust (NYSE: SUI), Yellow Cake plc (AIM: YCA) or directly with the end clients (e.g., large nuclear power utilities). This illiquidity means that Desert Star may, at times, find that it cannot sell its product as fast as it would like, at the required price, and may therefore lose out on a market opportunity. In this case there would be no increases in storage transport costs as the product can only be shipped to three locations in the West for storage (plus four other locations in Russia and another four in China). Additionally, Ore containing any significantly enriched uranium is a Class 7 (Radioactive Material) product, which means it is among the most highly controlled substance in the world in terms of the timing and duration of

transport. The Company could become exposed to counterparty risk should its buyer default or become insolvent and unable to complete a sale, but this would only apply to product sold on the spot market, since product sold under long-term contracts has very strict payment terms upon receipt at one of the four global storage facilities. Once the yellowcake has been tested and quality checked for impurity levels, it forms part of the regional stockpile (within the converter location) and transfers can be made as book transactions to any converter, on behalf of a final power utility. The lack of a liquid, public market as a fallback option for shifting “uncontracted spot stock” even at a reduced rate, creates some risk. An inability to sell this stock may have a materially adverse effect on Desert Star’s cash flow, which may create liquidity problems for Desert Star, stymying expansion plans, forcing it to delay payments with suppliers, which might cause it to be seen as an unreliable customer. Such a contingency might lead to a decision by Stranger to delay or downgrade profitability levels, affecting investor and market confidence and potentially throttling its share price.

***The Russian invasion of Ukraine and subsequent sanctions may lead to severe disruptions in the uranium fuel supply chain***

As the large-scale economic effects of the Russian invasion continue to reverberate around the world, global energy security concerns have become paramount due to the fact that Russia is a major exporter of oil and natural gas. Despite the large investments many countries have made into the renewables sector, these are being shown to not have capacity to close the gap, and therefore policy makers are looking increasingly again at nuclear power as a substantial and necessary component of the energy provision mix. Whilst this is a positive development for miners of  $U_3O_8$  as it will likely help bolster prices, it creates a present risk to the global uranium fuel supply chain that is material. Although Russian-mined contributions to the world uranium supply are negligible (around 6%) through its state-owned nuclear company, Rosatom, Russia dominates the nuclear fuel production supply chain, controlling 40% of uranium conversion capacity, necessary for turning  $U_3O_8$  to gaseous uranium hexafluoride, and 46% of capacity for the enrichment process which follows. As discussed above, 4 of the 11 worldwide conversion facilities are in Russia. As of March 2022, the Biden administration were said to be weighing the potential impacts of sanctions against Rosatom. In addition to this, there are a number of countries with Russian-built reactors under construction, including Finland, the Czech Republic, Turkey and Ukraine (although some of these are successfully switching to the US-based Westinghouse). Therefore, even in an environment of heightened demand, Desert Star may lose contracts if its buyers are dependent on Russian uranium processing. The Company would then suffer loss while it attempted to obtain new contracts, especially if its business were found to be concentrated amongst such customers.

***Other sources of nuclear fuel exist and may become more economically viable due to technological advances***

Although Uranium is the only fuel used in nuclear reactors, other alternatives exist that, whilst currently utilisable, are not commercially viable. Thorium atoms, for example, may be changed to fissile  $U_{233}$  through neutron capture, which may then continue in nuclear burning exothermically (meaning an overall energy release). There is a possibility that reactors with advanced designs may be constructed that can perform this reaction on a large scale. Thorium is particularly attractive as fuel as it is estimated to be approximately three times as abundant as uranium. If, in the mid- to long-term, Thorium (or another fuel) became commonly used in reactors, the average spot price of uranium may fall into irrecoverable decline. This could severely impair Desert Star’s ability to extract its resource economically and engender a fall in Stranger Holding’s share price and chances of ongoing profitability.

***Sources of unconventional resources for uranium exist and could in the future be mined in greater quantities than presently recoverable deposits***

In recent years, new extraction techniques and technology have substantially enlarged the scope of recoverable resource in the world. For the fossil fuels industry this has been a boon as shale oil and gas, as well as deep sea and unconventional drilling, have opened up vast and previously unreachable wells and mines. The same is true in uranium mining. The main analogue is the production of uranium as a by-product from rock phosphate (phosphorite), which is mined as phosphate ore from rocks, and mostly used as fertilizer. As rock phosphate mining becomes more economically viable, the levels of uranium produced via this method will continue to grow. Another unconventional source is rare earth element (REE) deposits, which also can produce uranium as a by-product. REE’s have broad and vital applications in a range of modern technologies, for instance in electric car batteries, and as these expand so will REE extraction and associated uranium production. Uranium is also beginning to be extracted from alum shale in Scandinavia. These novel methods could present a threat to conventional uranium mines if they continue to grow in size and lower in cost. The long-term effect of this would be to likely lower the average spot price, if demand does not concurrently rise, potentially having a materially adverse effect on the Company’s profitability, share price and future prospects.

### ***The public may increasingly reject nuclear power and uranium exploitation***

As fossil fuels are increasingly perceived as an untenable long-term energy solution by the public, the discussion of alternatives continues to dominate the media and general discourse. Renewable energy sources such as wind and solar power are generally accepted as clean and viable alternatives, and have gained widespread public support, as well as the support of environmentalists, governments and many climate change experts. Nuclear power, however, despite having been in existence for some time, generally receives less positive press coverage and government subsidies in infrastructure spending. This is, in part, due to a history of well-publicised nuclear incidents at locations such as Chernobyl and Fukushima, which despite their localised effect on the environment and surrounding populations (compared to the long-term and broad-reaching effects of exposure to fossil fuel emissions) came with a “nuclear” stigma. Over time, much of the public has no doubt gained an impression that nuclear power is dangerous and difficult to control, on top of its already existing association with nuclear waste and weapons of mass destruction. Increasingly, however, due to the cost of renewables and more recently energy sanctions against Russia, authorities have increased their backing, especially for smaller, modular power plants. The UK government, for example, has committed £210m to match private investment into the sector. Despite this, there may still be a risk that the face of the public will remain set against the prospect of increased nuclear power provision. If this is the case, the Directors may find themselves in a more unfavourable trading environment than they had expected; a number of challenges may arise including a shrinking market for uranium, a lack of local and global government support, and a difficulty in raising further finance. In such a case, the Company would need to review and downwardly revise growth plans, affecting stock price and its overall prospects.

### ***Nuclear power providers may struggle to finance new power plants***

Apart from a general historic reluctance over nuclear power, there are also financial reasons why power providers have been more likely to rely on fossil fuels. The technical demands of establishing and maintaining a nuclear power plant are complex and expensive, and the resulting lifecycle of the plant means that it can take much longer for financiers to receive a return on their investment. Once plants are established, however, it is quite possible that they are able to provide power safely for longer than comparable fossil fuel facilities, with the newer generation of reactors designed with a 60-year operating life. Despite the obvious benefits of long-life operations, these projects may not be attractive to investors or lenders, who may be simply seeking a smaller return within a faster timeframe. This effectively closes the door to some potential sources of finance and may continue to dampen growth in the sector. The development of smaller, modular designs has the ability to mitigate this and make investment more appealing. However, if nuclear power plant financing proves challenging, the Directors may find that general demand for their product remains flat or slowly declines, leading to diminishing revenue and profits for the Desert Star.

### ***Nuclear power is in competition with other energy sources***

The world has fast-increasing power needs as the population grows, urbanisation increases and developing countries industrialise. It is accepted that a wide range of solutions are required to cater to these, which include oil, natural gas, coal, hydroelectricity, wind and solar. Nuclear power is in competition with all of these, some of which receive large subsidies at this time, for investment and research into lowering cost and increasing efficiency. Technical improvements, economic factors and the cost of production could shift in favour of any of these sources, making competing with them more difficult. If this happened, the Directors may find the competitive landscape to be more aggressive than they had anticipated, meaning that there could be reduced demand for Desert Star’s U<sub>3</sub>O<sub>8</sub>. This could lead to a fall in profits and share price and difficulties raising further funding.

### ***A nuclear incident anywhere in the world could create adverse publicity***

There have been a very small number of well-publicised incidents at nuclear power facilities around the world since the advent of the technology. Despite the advances made in nuclear technology and the safety regimes surrounding the latest reactor designs, there is no doubt that a failure to safely contain a nuclear incident can be a disastrous event. The prime example of this risk is Fukushima, the failure of which was caused by an act of nature and resulted in no loss of life due to nuclear contamination (as the core integrity was maintained). Nevertheless, the negative public sentiment shut down all of Japan’s reactors for several years. The risk is that any event, anywhere in the world could potentially materially dampen the prospects for U<sub>3</sub>O<sub>8</sub>. This might be a response from commercial operators, but governments could also come under heavy pressure to make a response in kind, either by increasing regulation or shutting plants completely. Such a contingency might seriously impact the near- to mid-term financial prospects of Desert Star and thus the Group as a whole.

### ***Holders of latent reserves of U<sub>3</sub>O<sub>8</sub> may increase production levels***

Certain countries have large U<sub>3</sub>O<sub>8</sub> resources that are currently underexploited. One such country is Australia, which has the largest estimated uranium reserves in the world (around 30% of the global resource) but is only the third-highest producer. If U<sub>3</sub>O<sub>8</sub> demand substantially grows there is a risk that Australian (or other) mining concessions might increase. The *likelihood* of such an occurrence is believed to be low, on the back of the historical long-term depressed price following the last uranium bull market. Nevertheless, if opportunistic behaviour were to prevail, Desert Star may struggle to compete on an all-in sustaining cost (AISC) basis. This might cause Desert Star to lose its customer base and denude revenue and profits.

### ***Substantial research is being conducted into new energy sources***

Apart from efficiency improvements to existing energy sources, funding is also being poured into new technology that may become commercially viable sources of energy in the coming years. These include solar wind, biomass and others—but the most promising and advanced in development of these is nuclear fusion. Fusion aims to fuse smaller atoms like heavy hydrogen into larger ones, making it the reverse process of fission (which seeks to split large, unstable elements like U<sub>235</sub>). Fusion processes are believed to be cleaner, more efficient and even safer, so there is a threat that advances in fusion technology could lead to widespread use of other fuels for nuclear energy, like deuterium and tritium. If this were to happen the market for U<sub>3</sub>O<sub>8</sub> would likely contract as the only remaining application of uranium would be other commercial industrial usages, including medicine and food processing. These are not insubstantial, but the loss of major customers would be materially adverse to the Group's future prospects.

### ***The electricity market is being actively deregulated by governments around the world***

The deregulation of the electricity market began in the UK in the 1980s but has continued as the UK government have sought to increase competition amongst suppliers. This has had a number of effects, but recently some suppliers have gone out of business due to increased fuel prices, creating difficulties for consumers. Deregulation extends, in some cases, to other parts of the vertical, including the grid providers and power producers/plant operators. The continued effect on the market for U<sub>3</sub>O<sub>8</sub> of this is unknown, but it may materially impact the Desert Star's ability to continue its business successfully on behalf of shareholders.

## **RISKS RELATING TO OPERATING IN SOUTH AFRICA**

### ***The South African government can invoke its sovereignty against the Company's interests***

The Directors' view is that South Africa is a favourable and politically stable jurisdiction to carry out natural resource extraction operations. However, these operations are subject to local regulations and as a result are open to broad risks emanating from a change in government intentions and other future uncertainties that are social, economic, regulatory and political. Desert Star may find its activities severely restricted as a result of government action or its mining licences revoked and concession rights expropriated if the government deems this appropriate from the standpoint of the national interest. Such an event would materially impair Desert Star's ability to continue to conduct its operations and be several damaging to business of the Group.

***Desert Star is subject to the corporate law of the Republic of South Africa, including South Africa's broad-based black economic empowerment (B-BBEE) requirements and, more broadly, laws that protect the rights of minority investors.***

To operate in South Africa the Company must adhere to Broad-based Black Economic Empowerment (B-BBEE) requirements. This is a framework introduced by the South African government in 2003 and implemented in 2004 along with the Codes of Good Practice on B-BBEE which eventually came into force in 2015. The aim of this legislation is to redress inequalities stemming from the period when Apartheid was in force. The system encourages businesses to employ and up-skill black people in the workplace and to actively support black-owned businesses. Companies are graded against the B-BBEE Code, which comprises 5 elements:

- Ownership
- Management control
- Skills development,
- Enterprise and supplier development (including preferential procurement) and
- Socio-economic development

Based on this scorecard a B-BBEE score is calculated to determine a company's B-BBEE Level from 1 to 8, with 1 being the highest level. If the Company fails to recognise the relevant requirements that apply according to the size of the business, it could have its mining rights withdrawn.

In terms of the Reviewed B-BBEE Charter for the South African Mining and Minerals Industry which came into force in 2019 (currently under judicial review), an entity must have 26% black ownership in order to be issued with or maintain a mining right. In the case of Stranger Holdings and the heads of agreement in place between the shareholders of Desert Star, black ownership will not fall below 26% with the existing Empowerment Partner.

Despite the above, further changes to the South African Legislation in terms of B-BBEE requirements could impact on the Group's ability to maintain or secure new prospecting or mining rights in the region, which in turn could have a material effect on Stranger Holding's profitability and business.

South African corporate law protects B-BBEE interests in other ways, as well. Under South African law, control of a private but incorporated business is normally given to the shareholders representing more than 50% of the shareholders. Desert Star adheres to this principle and Desert Star's Ordinary Resolutions therefore need to be approved by the majority of its shareholders. Under South African law, Ordinary Resolutions comprise anything other than the following which are deemed Special Resolutions:

- (a) certain amendments to the company's Memorandum of Incorporation;
- (b) approval of the voluntary winding-up of the company; or
- (c) approval of any proposed fundamental transaction, such as a sale of all or a greater part of a company's assets, a merger or a scheme of arrangement.

Desert Star has also adopted South Africa's legislative suggestion that a 75% majority is required for Special Resolutions. These percentages can be moved up or down by agreement under a special resolution within Desert Star, but the gap in voting commitment must always be 10% between an Ordinary and a Special Resolution. Accordingly, if a 50.1% majority is required for Ordinary Resolutions, the threshold for a Special Resolution cannot be set below 60.1%.

However, to protect B-BBEE stakeholders, even if the 75% vote required to undertake a fundamental transaction is secured, South African law imposes another hurdle of compliance: if 15% of the shareholders are against a Special Resolution for a proposed fundamental transaction, court intervention becomes necessary to achieve a resolution. Thus, a company such as Desert Star cannot implement the sale of all or a greater part of its assets, a merger or a scheme of arrangement (i.e., a fundamental transaction) without the approval of a court, if the special resolution adopting the fundamental transaction is opposed by those holding at least 15% of Desert Star's voting rights.

In cases where more than 85% approval cannot be achieved for a fundamental transaction, South African law gives a related appraisal right to dissenting shareholders to require the company to pay such dissenters the fair value of their shares. The appraisal right is triggered when a company undertakes a fundamental transaction proposed by a company, or where the company amends its Memorandum of Incorporation by altering the rights of shareholders in a materially adverse manner without their agreement.

Thus, in the event that Stranger proposes a fundamental transaction for Desert Star, for instance a sale of Desert Star's assets, Stranger would need to procure the consent of more than 85% of Desert Star's shareholders to do so, absent which a court order would become necessary to approve the transaction. If a court determined that the proposed sale was below the fair price, then the appraisal rule would apply and the dissenting shareholders would receive more than their pro rata portion of the sale proceeds to ensure that they receive a fair price for their shares. Compliance with corporate rules such as these could increase transaction fees for any potential sale of Desert Star and discourage sales or mergers that holders of Stranger's Ordinary Share might consider favourable.

***Unexpected catastrophic events, including acts of vandalism and terrorism, may adversely impact the Group's operations.***

The Group performs its activities in locations within South Africa that have harsh climates, exporting all of its products. The Group's operations, processes and procedures are subject to risks such as port and shipping incidents, fire and explosion, loss of power supply, railroad incidents and mechanical failures. In addition, the Group's facilities may be the target of acts of vandalism and terrorism directed at the nuclear power industry, which may be more specifically targeted than other industries. The impact of these events could lead to disruptions

in production and loss of facilities and may have a material adverse effect on the Group's business, prospects, financial condition, cash flows, and results of operations.

***Acts of God, contagious diseases and COVID-19 variants***

Acts of God such as seismic activity, flooding, inclement weather and natural disasters more generally, together with outbreaks of highly contagious diseases, are beyond the control of the Group and may adversely affect the economy, infrastructure and livelihood of people in the countries in which the Group is operating or proposing to operate. The Group's business and profitability may be adversely affected should such acts of God and/or outbreaks occur and/or continue.

With respect to the coronavirus pandemic in particular, despite efforts by governments, business and consumers worldwide to continue with normal life as much as possible, government lock downs, travel restrictions and other general obstacles caused by the pandemic have had substantial and far-reaching effects on economic activity. New variants, for example, the Omicron variant discovered first in South Africa has the potential to substantially continue the disruption. The UK government for example, responded immediately by restricting travel to South Africa at the time the variant was discovered. Notwithstanding the Directors' efforts to mitigate the public health risks associated with COVID-19 to its business and employees, including through self-isolation of employees where possible in line with the recommendations of relevant health authorities any lockdowns or similar restrictions could have a general dampening effect on the Group's business and may adversely affect Desert Star's near- and mid-term operations. If this were to occur, the Group would suffer loss due to aborted plans, creating extra costs and lowering margins. This might delay profits and cause share prices to fall, damaging general investor confidence in the Group's prospects as well as its ability to raise funds in the future.

***Emerging markets, such as South Africa, are generally subject to greater risks than more developed markets, and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in South Africa.***

Emerging markets, such as South Africa, are generally subject to greater risks, including legal, regulatory, economic and political risks, than more developed markets. For example, the continued instability and unrest in the KwaZulu Natal and related events have had and may continue to have an adverse effect on the economy, as well as on companies active in the country, including the Group.

In addition, emerging economies are generally subject to rapid change and the information set out in this Prospectus may become outdated relatively quickly. Accordingly, investors should exercise particular care in evaluating the risks involved and should consider whether, in light of these risks, investing in the Company is appropriate given that its principal assets and operations are located in an emerging market. Generally, such investment is suitable only for sophisticated investors who fully appreciate the significance of the risks involved. Investors are urged to consult with their own legal and financial advisors before making an investment in the Securities.

Financial problems or an increase in the perceived risks associated with investing in emerging economies could reduce foreign investment in South Africa and adversely affect South Africa's economy. At such times, emerging markets may face severe liquidity constraints because foreign funding resources are withdrawn. Additionally, the South African economy is affected by developments in other emerging market economies. Even if the South African economy remains relatively stable, financial turmoil in any emerging market country, especially countries in the Southern African region, which have in the past experienced significant political instability, including terrorism and internal conflicts, could negatively affect the South African economy. Recently, however, South Africa's economy, and particularly its government, has encountered a period of instability. Inflation has increased beyond expectations and the credit rating of the country has been downgraded. More generally, no assurance can be given that the situation in the South African economy will not continue or worsen, or that inflation will not continue to rise. A decline in the South African economy could have a material adverse effect on the Group's business, prospects, financial condition, cash flows, results of operations and or the price of the Securities.

Disruptions resulting from the impact of the global financial and economic crisis in the international and domestic capital markets may lead to reduced liquidity and increased credit risk premiums for certain market participants and may result in a reduction of available financing. Companies located in emerging markets such as South Africa are particularly susceptible to such disruptions, reductions in the availability of credit and increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by the level of investor confidence in such



markets as a whole and any factors that affect investor confidence (for example, a decrease in credit ratings or state or central bank, such as the SARB, intervention) could affect the price or availability of funding for entities within any of these markets.

### ***Bribery and corruption***

The Group conducts business in South Africa, which has experienced high levels of business corruption and other criminal activity. Notwithstanding the requirement that the Group and its personnel are required to comply with applicable anti-bribery laws, including the United Kingdom's Bribery Act, these laws may not effectively prevent money laundering and corruption on the part of the Group's counterparties and/or the Group's own personnel. Findings against the Group, or its directors, officers or employees, or their intentional or unintentional involvement in corruption or other illegal activity could result in criminal or civil penalties, including substantial monetary fines against the Group, the directors, the officers or the employees of the Group. Any government investigations or other allegations against the Group, the directors, the officers or the employees of the Group, or finding of involvement in corruption or other illegal activity by such persons, would likely damage significantly the Group's reputation and its ability to do business.

***The President of South Africa, Cyril Ramaphosa, has been in office since February 2018 and should he leave office without a smooth transfer to his successor, the political and macroeconomic situation in South Africa could become unstable***

The President of South Africa, Cyril Ramaphosa, has been in office since February 2018, and if he fails to win a second term in 2024, without a clear successor, political instability might result. Under President Ramaphosa's leadership, the foundations of a market economy have taken hold, including the drive to root out state capture and corruption, some privatisation of state assets, liberalisation of capital controls and tax reforms. Should a new President of South Africa succeed him without a clear mandate, South Africa's political situation and economy could become unstable and the investment climate in South Africa could deteriorate, which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows, results of operations and the price of the Securities.

## **RISKS RELATED TO THE OFFER**

### ***Funding and use of proceeds of the Placing***

Taking into account the Working Capital Net Proceeds, the Group has sufficient working capital for the next 12 months. However, there is a risk that the Group may need to raise funding in the future for a number of reasons, including working capital, to fund development costs or acquisition, general corporate purposes or to restructure its balance sheet. At present, and taking into account the Working Capital Net Proceeds, the Directors do not believe there is any requirement over the next 12 months to raise any further external finance for the Group in order to meet the objectives and strategy set out in this Document.

### ***Determination of Placing Price***

Placees will commit to subscribe for the Placing Shares at the Placing Price, which is a fixed price, prior to satisfaction of all conditions for the Placing Shares to be issued. The Placing Price may not accurately reflect the trading value of the Placing Shares when issued, or the Company's potential earnings or any other recognised criteria of value.

### ***Phased Receipt of Proceeds from AUO Subscription***

Of the total subscription and placing commitments of approximately £4.9 million (gross), £3.50 million shall be paid, and a corresponding amount of shares issued, within 13 months of the date of this Prospectus. Such funds will be paid by AUO Commercial Brokerage LLC ("AUO") in instalments over this time period in respect of the 406,666,666 Ordinary Shares for which AUO subscribed (the "AUO Subscription Shares"). AUO has given irrevocable undertakings in relation to the AUO Subscription Shares (including, for the avoidance of doubt, the proceeds it will provide during the 12-month working capital period). The phased receipt of such subscription proceeds could result in the deferral of expenditures that would otherwise be made more quickly if the entirety of such proceeds were received in a lump sum upon Admission.

For the avoidance of doubt, the receipt of proceeds over a period of 13 months from the date of this Prospectus, rather than at Admission, is not intended to, and shall not, qualify the working capital statement contained in paragraph 6 of Part VII of this Document (page 118). Taking into account the Working Capital Net Proceeds, the working capital available to the Group from Admission is sufficient for its present requirements, that is, for at least the next 12 months from the date of this Document.

## **RISKS RELATED TO THE NATURE OF THE SECURITIES**

*Investors may not be able to realise returns on their investment in the Company's ordinary shares within a period they would consider to be reasonable.*

Upon Admission, the Directors expect that approximately 32.29% of Stranger's ordinary shares will be in public hands. Investments in the ordinary shares of Stranger (to be renamed NEO Energy Metals) may accordingly be relatively illiquid, compared to other companies whose "free float" percentage is greater than Stranger's. This means that trading in Stranger's shares may be infrequent and Stranger's shares may be subject to volatile share price movements. Investors should not expect that they will necessarily be able to realise their investment in Stranger's ordinary shares within a period that they would regard as reasonable. Accordingly, Stranger's ordinary shares may not be suitable for short-term investment. Further, even if an active trading market develops, the market price for the ordinary shares may fall below the Placing Price.

*Dilution could impair the value of Stranger's ordinary share capital.*

If Stranger were to offer equity securities for sale in the future, shareholders not participating in such future equity offerings may become diluted and pre-emptive rights may not be available to certain shareholders. Stranger may also in the future issue shares, warrants and/or options to subscribe for new ordinary shares, including (without limitation) to certain advisers, employees, directors, senior management and consultants. For instance, the automatic conversion of the Performance Shares will dilute the interests of holders of Stranger's ordinary shares. The exercise of warrants and/or options (if granted) may also result in dilution of the shareholdings of ordinary shareholders.

## **RISKS RELATED TO THE ADMISSION OF THE SECURITIES TO TRADING ON A REGULATED MARKET**

*A Standard Listing affords less regulatory protection than a Premium Listing.*

A Standard Listing will afford investors a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules, which may have an adverse effect on the valuation of the ordinary shares.

While Stranger has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide Stranger in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. Stranger has not and does not intend to appoint such a sponsor on Admission;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, Stranger will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by Stranger of its ordinary shares. In particular, Stranger has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

## **SPECIFIC ADDITIONAL RISKS RELATING TO TAXATION**

*There can be no assurance that Stranger will be able to make returns to shareholders in a tax-efficient manner.*

The Company will act as the holding company of a trading group, including any company, business or assets acquired in any further acquisition, and intends to maximise returns for Shareholders in as much of a fiscally efficient manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

***Changes in tax law may reduce any net returns for Stranger's shareholders.***

The tax treatment of Shareholders of ordinary shares issued by Stranger are subject to changes in tax laws or practices in South Africa and the United Kingdom. Any change in such tax laws may reduce any net return derived by Stranger's shareholders from an investment in Stranger.

## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the New Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing affords investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapter 2 of the Listing Rules, which specifies the requirements for listing for all securities, and there are a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company.

These include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the national storage mechanism, and related notification to an RIS;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules, articles 17, 18 and 19 of UK MAR and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- RIS notification obligations in relation to a range of debt and equity capital issues; and
- at least 10% of the Ordinary Shares being held in public hands at all times (noting that as a matter of course a modification will not be granted by the FCA to accept a lower percentage).

The Company will also be required to comply with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules as required by the FCA on an ongoing basis, which will require the Company to:

- take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations; and
- deal with the FCA in an open and co-operative manner.

In addition, as a company whose securities are admitted to trading on a regulated market, the Company will be required to comply with the Disclosure Requirements and the Transparency Rules. In particular, the Company will be required to comply with Chapters 4,5,6 and 7 of the Transparency Rules which are set out in the FCA's Disclosure Guidance and Transparency Rules sourcebook.

Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1AR of the Listing Rules do not apply to the Company.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 7 of the Listing Rules, to the extent that the provisions therein refer to the Premium Listing Principles;
- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Admission;

- Chapter 9 of the Listing Rules containing provisions relating to transactions, including *inter alia*, requirements relating to future issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information that are not applicable to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions;
- Chapter 11 of the Listing Rules regarding related party transactions. However, pursuant to LR 14.3.25R the Company is obliged to comply with DTR 7.3 (related party transactions) which requires the Company to establish procedures to establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a related party is in the ordinary course of business and has been concluded on normal market terms. There is also an announcement obligation for related party transactions of a material size, as more fully described in LR 14.3.25. Additionally, the Company will not enter into any transaction which would constitute a ‘related party transaction’ as defined in Chapter 11 of the Listing Rules without the specific prior approval of the non-conflicted Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would be able to fulfil the relevant eligibility criteria.

**It should be noted that the FCA will not have the authority to (and will not) monitor the Company’s compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.**

## **IMPORTANT INFORMATION AND FORWARD-LOOKING STATEMENTS**

### **General**

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Ordinary Shares, or possession or distribution of this Prospectus or any other offering or publicity materials in any country or jurisdiction where action for that purpose is required. Accordingly, the New Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the New Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such country or jurisdiction.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions in relation to the New Ordinary Shares and this Prospectus. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such country or jurisdiction.

This Prospectus has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the UK Prospectus Regulation. No arrangement has however been made with the competent authority in any member states of the European Economic Area (“EEA”) (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

### **For the attention of all investors**

In deciding whether or not to invest in the New Ordinary Shares, prospective investors should rely only on the information contained in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, First Equity Limited or any of their respective representatives that any recipient of this Prospectus should subscribe for any New Ordinary Shares.

Without prejudice to the Company’s obligations under FSMA, the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery of this Prospectus, nor any placing made under this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information in this Prospectus is correct as at any time after its date.

In making an investment decision, prospective investors must rely on their own examination of the Company, this Prospectus and the terms of the Placing, including the merits and risks involved. The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter. Prospective investors must rely on their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, investment or any other related matters concerning the Company and an investment therein.

None of the Company, the Directors, First Equity Limited or any of their respective representatives is making any representation to any prospective investor in the New Ordinary Shares regarding the legality of an investment in the New Ordinary Shares by such prospective investor under the laws applicable to such prospective investor.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company’s objective and acquisition, financing and business strategies will be achieved. It should be remembered that the price of the New Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

Prior to making any decision as to whether to invest in the New Ordinary Shares, prospective investors should read this Prospectus in its entirety and, in particular, Risk Factors set out on page 13 of this Prospectus when considering an investment in the Company.

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company's articles of association (the "**Articles**"), which prospective investors should review. A summary of the Articles is set out in paragraph 5 of Part VII (Additional Information) of this Prospectus and a copy of the Articles is available for inspection at the Company's registered office.

Recipients of this Prospectus may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the New Ordinary Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

First Equity Limited and any affiliate thereof acting as an investor for its or their own account(s) may subscribe for, retain, purchase or sell Ordinary Shares for its or their own account(s) and may offer or sell such securities otherwise than in connection with the Placing. First Equity Limited does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

Recipients of this Prospectus may not reproduce or distribute this Prospectus, in whole or in part, and may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than considering an investment in the Ordinary Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.

### **Selling restrictions**

This Prospectus may not be used for, or in connection with, and does not constitute an offer to sell or issue, or the solicitation of an offer to buy, subscribe or otherwise acquire, New Ordinary Shares in any jurisdiction where it would be unlawful, and in particular, subject to certain limited exceptions is not for release, publication or distribution in whole or in part, directly or indirectly, to U.S. persons (as such term is defined in Regulation S of the Securities Act) or into the United States, any of its territories or possessions, any member state of the EEA (each, a "**Relevant State**") (other than any Relevant State where the New Ordinary Shares are lawfully marketed), or any other Restricted Jurisdiction. Issue or circulation of this Prospectus may be prohibited in Restricted Jurisdictions and in countries other than those in relation to which notices are given below.

### **United States**

The New Ordinary Shares have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the New Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States.

The New Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States.

The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended pursuant to the exemption provided by section(c)(7) thereof, and investors will not be entitled to the benefits thereof.

The New Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment on the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

### **European Economic Area**

In relation to each Relevant State, no New Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant State prior to the publication of a prospectus in relation to the New Ordinary Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the EU Prospectus Regulation, except that the New Ordinary Shares may be offered to the public in that Relevant State at any time:

- (a) to any legal entity which is a “**qualified investor**”, as defined under Article 2c of the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors, as defined under Article 2c of the EU Prospectus Regulation), subject to obtaining the prior consent of the Company or First Equity Limited for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of the New Ordinary Shares shall require the Company or First Equity Limited to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

Each person in a Relevant State who acquires any New Ordinary Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors and First Equity Limited that it is a qualified investor within the meaning of the EU Prospectus Regulation.

In the case of any New Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors and First Equity Limited that the New Ordinary Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors (as defined under Article 2 of the EU Prospectus Regulation), in circumstances in which the prior consent of First Equity Limited has been obtained to each such proposed offer or resale.

The Company will rely on the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to the New Ordinary Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any New Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any New Ordinary Shares.

### **United Kingdom**

In relation to the UK, no New Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in the UK prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the FCA, except that the New Ordinary Shares may be offered to the public in the UK at any time:

- (a) to any legal entity which is a “qualified investor” as defined under Article 2c of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2(c) of the UK Prospectus Regulation), subject to obtaining the prior consent of the Company or First Equity Limited for any such offer; or
- (c) in any other circumstances falling within section 86 of FSMA.

Provided that no such offer of the Ordinary Shares shall require the Company or First Equity Limited to publish a prospectus pursuant to section 85 of FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the UK who acquires any New Ordinary Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Directors, and First Equity Limited that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any New Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed to and with the Company and the Directors that the New Ordinary Shares acquired by



it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the UK to qualified investors, in circumstances in which the prior consent of First Equity Limited has been obtained to each such proposed offer or resale.

The Company, the Directors and First Equity Limited and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to the New Ordinary Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any New Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any New Ordinary Shares.

### **Republic of South Africa**

This Prospectus will not be registered as a prospectus in terms of the Companies Act 1973 in the Republic of South Africa and as such, any offer of New Ordinary Shares in the Republic of South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by section 144 of such Act. Furthermore, any offer or sale of the New Ordinary Shares shall be subject to compliance with South African exchange control regulations.

### **Data protection**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data, it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

## **Investment considerations**

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Admission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the New Ordinary Shares;
- (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the New Ordinary Shares which they might encounter; and
- (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the New Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Any investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective or objectives will be achieved.

It should be remembered that the price of the New Ordinary Shares and any income from such New Ordinary Shares can go down as well as up.

This Document should be read in its entirety before making any investment in the New Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which investors should review.

## **Forward-looking statements**

This Document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things, the Company's objectives, results of operations, financial condition, capital resources, prospects, capital appreciation of the New Ordinary Shares and dividends. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the "Risk Factors" section of this Document for a discussion of risk factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 6 of Part VII of this Document (Additional Information) on page 117.

Forward-looking statements contained in this Document apply only as at the date of this Document. Subject to any updating obligations required under Listing Rules, the Disclosure and Transparency Rules and the Prospectus Regulation Rules and the Market Abuse Regulation the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

**Third party data**

Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

**Currency presentation**

Unless otherwise indicated, all references in this Document to “UK Sterling”, “British pound sterling”, “sterling”, “£”, or “pounds” are to the lawful currency of the UK. Similarly any reference to “USD”, “US\$, “\$” or “Dollar(s)” are to the lawful currency of the United States of America.

**No incorporation of website**

The contents of the Company’s website, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Prospectus, and prospective investors should not rely on them.

**Definitions**

A list of defined terms used in this Document is set out in “Definitions” beginning at page 138.

## DOCUMENTS INCORPORATED BY REFERENCE

The Company's annual report and audited financial statements for the years ended 31 March 2020, 2021 and 2022, together with its unaudited interim financial statements for the 6-month period ended 30 September 2021, all prepared in accordance with IFRS, contain information which is relevant to Re-Admission. These documents are available on the Company's website at <http://www.strangerholdingsplc.co.uk>.

The table below sets out the various sections of the documents which are incorporated by reference into this Document so as to provide the information required under the Prospectus Regulation Rules and to ensure that Shareholders and others are aware of all information which is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company.

Any non-incorporated parts of the documents are either not relevant for an investor (pursuant to Article 19.1 of the Prospectus Regulation Rules) or the relevant information is included elsewhere in this Document. Any documents themselves incorporated by reference or referred or cross-referred to in the documents referred to below shall not form part of this Document.

<u>Document</u>	<u>Section</u>	<u>Page numbers</u>	<u>Section in this Document</u>
Annual report and audited financial statements for the year ended 31 March 2020 <sup>(1)</sup>	Report of the Independent Auditor	16	Part V(A)
	Statement of Comprehensive Income	21	
	Statement of Financial Position	22	
	Statement of Cash Flows	23	
	Statement of Changes in Equity	24	
	Notes to the Financial Statements	25	
Annual report and audited financial statements for the year ended 31 March 2021 <sup>(2)</sup>	Report of the Independent Auditor	16	Part V(A)
	Statement of Comprehensive Income	22	
	Statement of Financial Position	23	
	Statement of Cash Flows	24	
	Statement of Changes in Equity	25	
	Notes to the Financial Statements	26	
Annual report and audited financial statements for the year ended 31 March 2022 <sup>(3)</sup>	Report of the Independent Auditor	19	Part V(A)
	Statement of Comprehensive Income	25	
	Statement of Financial Position	26	
	Statement of Cash Flows	27	
	Statement of Changes in Equity	28	
	Notes to the Financial Statements	29	
Half-year report and unaudited financial statements for the 6-month period ended 30 September 2021 <sup>(4)</sup>	Chairman's Report	N/A	Part V(A)
	Interim Condensed Statement of Comprehensive Income		
	Interim Condensed Statement of Financial Position		
	Interim Condensed Statement of Changes in Equity		
	Interim Condensed Cash Flow Statement		
	Notes to the Unaudited Interim Condensed Report		

<sup>(1)</sup> Hyperlink to document incorporated by reference available [here](#)

<sup>(2)</sup> Hyperlink to document incorporated by reference available [here](#)

<sup>(3)</sup> Hyperlink to document incorporated by reference available [here](#)

<sup>(4)</sup> <https://data.fca.org.uk/artefacts/NSM/RNS/4254261.html>

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	29 September 2023
General Meeting	1.00 p.m. on 1 November 2023
Completion of Acquisition	7 November 2023
Issue of Consideration Shares, Equity-for-Debt Shares, Placing Shares, Introducer and Advisor Shares and Performance Shares	7 November 2023
Cancellation of trading of Existing Ordinary Shares	7.30 a.m. on 7 November 2023
Admission of the Enlarged Share Capital effective / commencement of dealings in Ordinary Shares	8.00 a.m. on 7 November 2023
Dispatch of definitive share certificates for Consideration Shares, Equity-for-Debt Shares, Convertible Loan Note Shares, Placing Shares, Introducer and Advisor Shares Performance Shares and Deferred Shares	week commencing 13 November 2023

*All times shown in this Document are London GMT times unless otherwise stated. The dates and times given are indicative only and are based on the Company's current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be notified to Shareholders by announcement through the Regulatory News Service of the London Stock Exchange.*

## READMISSION STATISTICS

<b>Total number of Existing Ordinary Shares as at the date of this Document</b>	<b>145,770,000</b>
Number of Equity-for-Debt Shares to be issued on Admission	181,668,267
Number of Convertible Loan Note Shares to be on Admission	30,494,850
Number of Consideration Shares to be issued on Admission	304,802,666
Number of Subscription (First) Shares to be issued on Admission	162,132,353
Number of Subscription (Second) Shares to be issued on Admission	170,483,332
Number of Placing Shares to be issued on Admission	12,920,000
Number of Introducer and Advisor Shares to be issued on Admission	208,100,000
<b>Enlarged Share Capital following Admission</b>	<b>1,216,371,468</b>
Remainder of Subscription (Second) Shares to be issued post-Admission to AUO	406,666,666
<b>Enlarged Share Capital following Admission of Remaining AUO Subscription Shares</b>	<b>1,623,038,134</b>
Number of Warrants to be issued on Admission	275,350,455
Number of Performance Shares to be issued on Admission (*)	260,000,000
Number of Deferred Consideration Shares	100,000,000
<b>Diluted Enlarged Share Capital</b>	<b>2,258,388,589</b>
Equity-for-Debt Shares and Convertible Debt Shares as % of Enlarged Share Capital (as Supplemented by Issue of Remaining AUO Subscription Shares)	13.071%
Consideration Shares as % of Enlarged Share Capital (as Supplemented by Issue of Remaining AUO Subscription Shares)	18.78%
Subscription and Placing Shares as % of Enlarged Share Capital (as Supplemented by Issue of Remaining AUO Subscription Shares)	28.41%
Introducer and Advisor Shares as a percentage of the Enlarged Share Capital (as Supplemented by Issue of Remaining AUO Subscription Shares)	12.82%
Subscription (First) Price	0.2267p
Subscription (Second) Price	0.7500p
Placing Price	1.2500p
<b>Gross Proceeds of Subscriptions and Placing</b>	<b>£4,857,625</b>
Broker commissions payable in cash	£87,330
Estimated costs and professional fees in relation to Admission	£384,625
<b>Estimated Net Proceeds receivable by the Company **</b>	<b>4,385,670</b>
Desert Star transaction costs (payable by Stranger)	£821,000
MEML transaction costs (payable by Stranger)	£768,014
Estimated Net Proceeds receivable by the Company after payment of Desert Star and MEML transaction costs **	£2,796,656
<b>Market capitalisation of the Company at Placing Price</b>	<b>£15,204,643</b>
Imputed market capitalisation of the Company at Placing Price, following Issue of Remaining AUO Subscription Shares (Placing Price × Enlarged Share Capital as Supplemented by Admission of Remaining AUO Subscription Shares)	£20,287,977

\* Performance Shares shall convert automatically into Ordinary Shares, at a ratio of 1 Performance Share for 1 Ordinary Share, upon the occurrence of certain performance-related events, as detailed in section 2.11 of Part VII (Additional Information) of this Prospectus.

\*\* Total net proceeds are receivable by the Company over a period of 13 months beginning on the date of this Prospectus, as detailed in section 2.9 of Part VII (Additional Information) of this Prospectus.

## DEALING CODES

ISIN	GB00BYWLRL80
SEDOL	BYWLRL8
EPIC/TIDM	STHP

## DIRECTORS AND ADVISERS

### Existing Directors

James Timothy Chapman Longley *Director*  
Charles Ronald Spencer Tatnall *Director*

*whose business address and registered office address is at:*  
27-28 Eastcastle Street  
London W1W 8DH  
Tel: +44 (0) 20 8798 3930  
website: [www.strangerholdingsplc.co.uk](http://www.strangerholdingsplc.co.uk)

### Directors on Admission

Jason Paul Brewer *Non-Executive Chairman*  
Sean Heathcote *Executive Director*  
Jackline Gathoni Muchai *Non-Executive Director*  
Bongani Raziya *Non-Executive Director*  
James Timothy Chapman Longley *Non-Executive Director*  
Charles Ronald Spencer Tatnall *Non-Executive Director*

### Registered Office and Principal Place of Business from Admission

48 Warwick Street  
London W1B 5AW  
Tel: +44 20 8078 0955  
website: [www.neoenergymetals.com](http://www.neoenergymetals.com)

### Secretary on Admission

Cargil Management Services Limited  
27/28 Eastcastle St  
London W1W 8DH

### Reporting Accountants

PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London E14 4HD

### Auditors

PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London E14 4HD

### Solicitors

DMH Stallard LLP  
6 New Street Square  
London EC4A 3BF

### Registrars

Share Registrars Limited  
27/28 Eastcastle St  
London W1W 8DH

### Broker

First Equity Limited  
Salisbury House, London Wall  
London EC2M 5QQ



# PART I

## DESCRIPTION OF THE ACQUISITION

### 1. Background and History

The Company was incorporated on 22 October 2015 in England, formed for the purpose of acquiring a company, business, project or assets in order to potentially generate significant shareholder returns. From 2015 to the present, the Company has operated in conformity with its constitutional documents.

The Board has been responsible for the Company's objectives and business strategy and its overall supervision, including the identification and evaluation of acquisition opportunities, and the determination and execution of the Company's strategy. The Board has been responsible for the structuring and execution of the proposed acquisition of an interest in Desert Star Trading 130 Proprietary Limited ("**Desert Star**"). Desert Star is the owner of a uranium prospecting right in the Northern Cape of the Republic of South Africa commonly known as the Henkries Uranium Project.

The Board has considerable experience in identifying and assessing acquisition targets and in executing such transactions. The Company's acquisition of an interest in the Henkries Uranium Project via the intermediate holding companies Mayflower Energy Metals Limited ("**MEML**") and Neo Uranium Africa Proprietary Limited ("**NURSA**") is required to establish the Company's presence in the natural resources sector and will form the basis of the Company's growth in the sector.

The Company has never traded and, save as set out in this Document, in particular a loan facility entered into by the Company with an outstanding balance of approximately £2,000,000, the Company has not entered into any significant transactions or financial commitments.

The Company's assets currently comprise cash on bank deposit representing sums subscribed by Shareholders for Ordinary Shares in the Company together with proceeds of a loan facility. The Company is also the owner of claims that arose in connection with two aborted reverse takeovers.

The principal legislation under which the Company operates is the Act and the regulations made thereunder. The Ordinary Shares are duly authorised according to the requirements of the Act.

### 2. Overview and Reasons for the Acquisition

On 26 September 2021, the Company entered into a Memorandum of Understanding (the "**Memorandum of Understanding**") with Mayflower Capital Investments Pty Limited ("**Mayflower**") for the acquisition of certain mineral rights in Africa, to include commodities such as uranium, lead, zinc and tin.

On 22 October 2021, Mayflower's affiliate (namely Mayflower Strategic Minerals Limited) and the shareholders of Desert Star, entered into a Binding Term Sheet ("**Binding Term Sheet**"), pursuant to which Mayflower Strategic Minerals Limited secured the rights to acquire 50.1% of Desert Star's share capital. Desert Star is the legal and beneficial owner of a uranium prospecting right NC30/5/1/1/2/11918 in the Northern Cape of the Republic of South Africa commonly known as the Henkries Uranium Project ("**Henkries**"). Pursuant to the Binding Term Sheet, Mayflower Strategic Minerals Limited could, if certain performance-related milestones were met, increase its ownership in Desert Star to 70%.

On 25 October 2021, the Company, Mayflower and Mayflower Strategic Minerals Limited entered into a Heads of Agreement (the "**Heads of Agreement**") pursuant to which the Company agreed, subject to various conditions including the completion of due diligence, to assume Mayflower Strategic Minerals Limited's interests in Desert Star (the "**Acquisition**")

To facilitate the Acquisition, two special purpose vehicles were incorporated into which Mayflower Strategic Minerals Limited's interests in Desert Star were transferred: Mayflower Energy Metals Limited ("**MEML**") and MEML's wholly-owned subsidiary, Neo Uranium Resources South Africa Proprietary Limited ("**NURSA**"). MEML's sole asset is NURSA's share capital and NURSA's sole asset is the right to acquire up to 70% of the share capital of Desert Star.

On 11 April 2022, NURSA and Desert Star's shareholders, together with Desert Star, signed a Share Sale and Subscription Agreement (the "**Sale Agreement**") pursuant to which NURSA memorialized its purchase of 50.1% of Desert Star's share capital in several tranches.

The consideration for Stranger's acquisition of MEML and with it, an indirect interest in Desert Star and the Henkries Uranium Project, includes cash and share components and several funding obligations, all of which are described directly below under the heading "Details of the Acquisition" (page 42).

The Company's Acquisition of MEML is subject, inter alia, to the completion of due diligence, documentation, and compliance with all regulatory requirements, including the Listing Rules and the Prospectus Regulation Rules and as required, the Takeover Code. The Acquisition, if it proceeds, will constitute a Reverse Takeover or "RTO" under the Listing Rules since, inter alia, in substance it will result in a fundamental change in the Company's business.

Immediately after Re-Admission, the Company will become the majority owner of Desert Star (via MEML and NURSA) and intends to devote substantially all of its resources to the exploration and development of uranium resources at Henkries. According to the most up-to-date figures, under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), and the Canadian Institute of Mining Metallurgy and Petroleum Code 43-101 National Instrument, Henkries now has a JORC/43-101 Resource of 4.7 million pounds weight ("mlb") of U<sub>3</sub>O<sub>8</sub> contained in the 'Henkries Central' deposit, an Exploration Target of 1.1-2 mlb of U<sub>3</sub>O<sub>8</sub> in the 'Henkries North' deposit, and further high-grade uranium exploration targets identified in the 'Henkries South' and 'Kabib' areas of its prospecting right. The mineral resource estimation for the 'Henkries Central' deposit is an upper limit and reflects the total extent of mineral concentration only. It should be noted that a mineral reserve estimate, which determines the extractable and economically viable portion of the resource, is yet to be prepared for the site.

The Acquisition, which remains conditional on the Placing, was approved by Stranger's Board on or around 25 October 2021. Subject to all other conditions having been satisfied or waived as appropriate, the Acquisition is expected to complete on 7 November 2023, being the anticipated date of Re-Admission.

### 3. Acquisition Structure

On Re-Admission, the Company's existing shareholders will no longer control the Company. Instead, the Concert Party will control the Company. See Part VIII for further information on the Concert Party and the Takeover Code provisions and requirement for the Waiver Resolution.

The largest single shareholder immediately after Re-Admission is expected to be Gathoni Muchai Investments Limited ("**Gathoni**"), who will own and control approximately 15.58% of the Company's Enlarged Share Capital immediately after Re-Admission. Gathoni is owned and controlled by two proposed directors, namely Jason Brewer and Jackline Muchai.

The Company and the Panel have agreed that a number of shareholders are acting in concert and therefore form a Concert Party. The Concert Party includes Gathoni (which is owned and controlled by Mr Brewer and Ms Muchai), Wavecrest Capital Pty Ltd (which is owned and controlled by Bongani Raziya, a proposed director), O'Sullivan Advisory & Investments Ltd (which is owned and controlled by Sean Heathcote, a proposed director), Mayflower (which is owned and controlled by Stephen Derek Amphlett, Stranger's proposed Chief Financial Officer), Peter Dennis Hibberd (who is Desert Star's mining and geological consultant), CIH Mining Investments (Pty) Ltd, together with the Company's incoming directors, individually (namely Jason Brewer, Sean Heathcote, Jackline Muchai and Bongani Razi). Full details of the Concert Party and the relationships between such shareholders are set out in Part VIII. The Concert Party will, in the aggregate, own or control approximately 35.66% of the Company's Enlarged Share Capital immediately post-Admission.

### 4. Details of the Acquisition

Mayflower's affiliate, Mayflower Strategic Minerals Limited, is party to a binding term sheet (the "**Binding Term Sheet**") with Desert Star and the Desert Star shareholders dated 22 October 2021 to acquire a controlling, majority interest in Desert Star and, with it, an interest in the Henkries Uranium Project. The Binding Term Sheet is structured such that Mayflower Strategic Minerals Limited would initially acquire 50.1% of Desert Star's share capital. If certain agreed-upon milestones are achieved, then Mayflower Strategic Minerals Limited is entitled to increase its total ownership of Desert Star to 63.64%. After all agreed-upon milestones are achieved, Mayflower

Strategic Mineral Limited will become entitled, for a period of 1 month, to increase its interest in Desert Star's share capital to 70%.

On 25 October 2021, Stranger and Mayflower Strategic Minerals Limited entered into a heads of agreement (the "**Heads of Agreement**") pursuant to which Stranger agreed to buy, subject to several conditions, Mayflower Strategic Minerals Limited's rights under the Binding Term Sheet.

To facilitate Stranger's purchase of Mayflower Strategic Minerals Limited's interest in the Henkries Project, Mayflower incorporated two special purpose vehicles: the first, MEML, was incorporated in England and Wales on 7 January 2022; the second, NURSA, was incorporated in South Africa on 30 March 2022. MEML's sole asset is NURSA's share capital. NURSA's sole asset is its rights vis-à-vis Desert Star and the Henkries Project, which rights were formally held by Mayflower Strategic Minerals Limited. Neither MEML nor NURSA have any liabilities as of the date of this Prospectus; they were incorporated solely for the purpose of facilitating Stranger's proposed acquisition of Desert Star. MEML is owned by Mayflower (45%), Gathoni Muchai Investments Limited (50%) and Orana Corporate LLP (5%).

In light of Mayflower Strategic Mineral Limited's transfer of its interest in Desert Star to MEML (via NURSA), the Heads of Agreement between the Company and Mayflower Strategic Minerals Limited was duly amended to, amongst other things, agree that Stranger would acquire 100% of the share capital of MEML. Stranger's proposed acquisition of MEML, if consummated, will give Stranger a 100% indirect interest in NURSA and, with it, the indirect ownership of 50.1% of Desert Star's share capital and rights to increase that ownership percentage up to 70%.

NURSA's acquisition of 50.1% of Desert Star's share capital gives rise to the following obligations to Desert Star's selling shareholders (namely Wavecrest Capital Pty Ltd, CIH Mining Investments (Pty) Ltd and Peter Dennis Hibberd):

- (i) paying the shareholders of Desert Star an exclusivity fee in cash of US\$40,000 for 60 days exclusivity to complete legal, financial and technical due diligence. This fee was paid on 27 October 2021;
- (ii) paying the shareholders of Desert Star US\$400,000 (less the \$40,000 exclusivity fee) after definitive acquisition and shareholder agreements have been signed by all relevant parties. This fee was paid into escrow on 10 August 2022;
- (iii) paying the shareholders of Desert Star US\$600,000 at the completion of the RTO. This fee will be paid from the proceeds of the RTO raising;
- (iv) paying the shareholders of Desert Star US\$1,000,000, using the exchange US\$1 = £0.8044 (as defined by the close of business rate published by Bloomberg on 21 April 2023), multiplied by each shareholder's percentage shareholding in Desert Star, which will be satisfied by the issue of Ordinary Shares at a price equal to a 25% discount to the Placing Price. Such shares shall be allotted and issued in four equal tranches on four separate dates (each a "**Listco Subscription Date**"), subject in each case to certain conditions being met (as set out in the Amendment Agreement dated 29 March 2023).

NURSA's interest in Desert Star will increase automatically to 63.64% with the expenditure of USD 1.5 million on exploration at Henkries in the first 12 months. If and when NURSA increases its interest to 63.64%, NURSA will become entitled, for a limited time, to increase further its interest in Desert Star to 70% in exchange for a further US\$797,600 being invested in the development of the Henkries Project.

Upon Re-Admission, which is expected to occur on 31 October 2023, Stranger will complete the acquisition of MEML and assume all of NURSA's obligations vis-a-vis Desert Star and the Henkries Project, including item numbered (iii), above.

## 5. Consideration

In exchange for its acquisition of 100% of MEML's share capital, and with it MEML's 50.1% controlling interest in Desert Star (with an option to increase such interest to 70%), Stranger has agreed to issue ordinary shares in Stranger (designated as consideration shares or deferred consideration shares, as the case may be), as follows:

- (i) Stranger will satisfy NURSA's then-remaining obligations to Desert Star with cash or the issue of consideration shares in Stranger;
- (ii) Stranger will pay £1,750,000 to be satisfied by the issue of up to 170,333,333 Consideration Shares at a value of 1.03p pence per share to MEML and/or MEML's designees on completion of the Acquisition;
- (iii) upon completion of an updated JORC Compliant Resource in excess of 4.5 million tonnes of U<sub>3</sub>O<sub>8</sub> at an average grade of 400 ppm U<sub>3</sub>O<sub>8</sub> (which as of the date of this Prospectus has been achieved by the completion of the CPR), Stranger will issue £500,000 to be satisfied by the issue of 48,666,667 Consideration Shares at a value of 1.03p pence per share in Stranger to MEML and/or its designees;
- (iv) upon completion of an updated JORC Compliant Resource in excess of 10 million tonnes of U<sub>3</sub>O<sub>8</sub> at an average grade of 400 ppm U<sub>3</sub>O<sub>8</sub>, Stranger will issue a further £500,000 in value in Deferred Consideration shares in the Company to MEML and/or its designees;

Stranger proposes to issue 304,802,667 Ordinary Shares, in the aggregate, to shareholders of Desert Star and MEML or its designees contemporaneously upon Admission (the "**Consideration Shares**") and up to £500,000 in aggregate to MEML or its designees in such proportion of ordinary shares and cash as applicable in accordance with the parameters set out at points in (iv) of paragraph 5 above (the "**Deferred Consideration Shares**").

The agreed upon value of each Consideration Share and each Deferred Consideration Share, as set forth above, is 1.03p per share. Consideration Shares will be issued contemporaneously with completion of the Placing immediately prior to Re-Admission, and the Deferred Consideration Shares will be issued if and when required.

## 6. The Subscriptions and Placing

The Company has raised gross proceeds of approximately £4.9 million gross of fees and costs through the issue of Subscription Shares and Placing Shares, subject to satisfaction of the conditions as set out in the relevant subscription letter or placing letters, as the case may be. The placing price will be completed in several rounds: at an effective price of 0.2267p per share for the first round of subscriptions, at 0.75p per share for the second round of subscriptions and at 1.25p for the Placing. Completion of the Subscriptions and Placing is conditional on satisfaction of all conditions set out in the Subscription Letters and Placing Letters (as the case may be), and otherwise provides for irrevocable commitments. Subscription and placing letters have been received for an aggregate of £4,857,625 (gross of expenses), comprising subscription (first round) commitments of £367,500; subscription (second round) commitments of £4,328,625; and Placing commitments of £161,500.

Of the total subscription and placing commitments of approximately £4.9 million (gross), £3.50 million shall be paid, and a corresponding amount of shares issued, within 13 months of the date of this Prospectus. Further details of the Subscription and Placing, including the triggers for the payment of the Subscription (Second) Shares, are set out in section 3.8 of Part VII of the Document under the heading "Share Capital" (page 104) and further details regarding the anticipated use of the proceeds are set out in section 9 of Part VII of this Document under the heading "Reasons for the Offer and Use of Proceeds" (page 119). If the Subscriptions and Placing, and therefore the Acquisition, does not complete, the suspension on the Existing Ordinary Shares is expected to be lifted and trading in the Existing Ordinary Shares is expected to recommence.

## 7. Share capital reorganisation

Upon Admission, the Company will incentivise its directors and/or management with redeemable performance shares which will convert into up to 260,000,000 Ordinary Shares in the Company provided certain performance-related conditions are met (the "**Performance Shares**"). The Performance Shares shall have a nominal value of £0.0001 each. In connection the creation of the Performance Shares and the re-organisation of the Company's share capital, Resolutions have been proposed to create the Performance Shares and to subdivide and re-designate each of the Company's existing ordinary shares of £0.001 par each into 1 ordinary share of £0.0001 par each and 9 deferred shares of £0.0001 each (the "**Deferred Shares**"). The Performance Shares and the Deferred Shares (which each have the rights set out in the Articles to be amended pursuant to the Resolutions) will not entitle their holders to any notification, voting, attendance, informational, dividend or distribution rights, and the Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders. No certificates will be issued for the Deferred Shares. The Deferred Shares will therefore be of limited value and admission to the Official List is not being sought for the Deferred Shares. The Deferred Shares have been created solely for the

purpose of enabling the Company to allot Performance Shares, which are summarised in section 2.11 of Part VII of this Prospectus. References in this Prospectus to “shares”, the “share capital of the Company”, the Company’s “Enlarged Share Capital” and the like shall therefore, unless otherwise indicated, refer to the Company’s ordinary shares, which are the Company’s voting shares and those proposed to be admitted to the Official List.

Following the sub-division and re-designation, existing ordinary share certificates will remain valid.

## **8. Admission and Dealings**

As the Acquisition constitutes a Reverse Takeover under the Listing Rules, the London Stock Exchange will cancel trading in the Existing Ordinary Shares on the Main Market for listed securities, and the UKLA will cancel the listing of the Existing Ordinary Shares on the standard listing segment of the Official List by 7.30 a.m. on 7 November 2023.

An application will be made to the FCA and to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on the Main Market for listed securities and to listing on the standard listing segment of the Official List. It is expected that Re-Admission will become effective and that dealings in the Ordinary Shares will commence on the London Stock Exchange at 8.00 a.m. on 7 November 2023.

Where applicable, definitive share certificates in respect of the Subscription and Placing Shares, Equity-for-Debt Shares, Convertible Loan Note Shares, Consideration Shares, Introducer and Advisor Shares, Performance Shares and Deferred Shares to be issued in connection with the Acquisition are expected to be dispatched, by post, at the risk of the respective recipients, not later than the week commencing 13 November 2023. Such shares are in registered form and can also be held in uncertificated form. Prior to the dispatch of definitive share certificates in respect of any such shares which are held in certificated form, transfers of any such shares will be certified against the register of members of the Company. No temporary documents of title will be issued. The rights attaching to the Placing Shares, Equity-for-Debt Shares, Convertible Loan Note Shares, Consideration Shares and Introducer and Advisor Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. For the avoidance of doubt, the rights attaching to the Performance Shares and Deferred Shares are separate and distinct from those rights attaching to the Placing Shares, Equity-for-Debt Shares, Convertible Loan Note Shares, Consideration Shares and Introducer and Advisor Shares. Admission is not being sought for the Performance Shares or Deferred Shares.

All Subscription and Placing Shares will be issued pursuant to the relevant subscription and placing letter at the applicable Subscription Price or Placing Price, as the case may be. The Subscription and Placing Shares will be issued in exchange for cash consideration. The Equity-for-Debt Shares will be issued in exchange discharge-of-indebtedness consideration, and the Introducer and Advisor Shares will be issued in satisfaction of the Broker’s and other introducers’ brokerage and introduction fees, each at a price of £0.0125 per Ordinary Share. The issue of the Subscription and Placing Shares, Equity-for-Debt Shares and Introducer and Advisor Shares is conditional only on the Existing Shareholders’ approval of the Acquisition at the General Meeting and on Re-Admission. The Consideration Shares will be issued as consideration for the Acquisition.

In accordance with Listing Rule 14.3, the Company and the Directors have ensured that on Re-Admission the Company shall have sufficient shares in public hands (10 per cent.) as defined in the Listing Rules.

Conditional upon Re-Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 7 November 2023 (or such later date as the Company may agree (not being later than 21 November 2023)) each Placee agrees to become a member of the Company and agrees to subscribe for those Subscription and Placing Shares set out in the application Subscription Letter or Placing Letter, as the case may be. To the fullest extent permitted by law, the Subscribers and Placees will not be entitled to rescind their Subscription or Placing Letters at any time.

Similarly, conditional upon Re-Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 7 November 2023 (or such later date as the Company may agree (not being later than 21 November 2023)) each creditor of the Company who agrees to convert the Company’s debt to such creditor into Ordinary Shares agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares set out in the Equity-for-Debt Subscription Letters. To the fullest extent permitted by law, creditors who enter into Equity-for-Debt Subscription Letters will not be entitled to rescind the Equity-for-Debt Subscription Letters at any time.

## 9. Further Information

Shareholders should read the whole of this Document, which provides additional information on the Company and the Acquisition and should not rely on summaries of, or individual parts only of, this Document.

## 10. General Meeting and Action to be Taken

You will find at the end of this Document the Notice of General Meeting. The General Meeting is to be held at the offices of MSP Secretaries Limited, Eastcastle House, 27/28 Eastcastle Street, London W1W 8DH on 1 November 2023 at 1.00 p.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, passing the Resolutions contained therein, including the Waiver Resolution.

A Form of Proxy is enclosed for use by Shareholders at the General Meeting (“**Form of Proxy**”). Shareholders are asked to complete, sign and return the Form of Proxy by post or hand to the Registrar, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX. Alternatively, you can register your vote(s) for the General Meeting by logging on to [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the “Proxy Vote” button and then following the on-screen instructions (you can locate your log-in details on the top of the proxy form). In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited not later than 1:00 p.m. on 30 October 2023.

To give an instruction via the CREST system, CREST messages must be received by the issuer’s agent (ID number 7RA36) not later than 48 hours (ignoring any part of a day that is not a working day) before the time appointed for holding the meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer’s agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## Recommendations

The Board considers that all Resolutions, including the Rule 9 Waiver Resolution, are fair and reasonable and in the best interests of the Independent Shareholders and the Company, as a whole. The Resolutions relate to the approval of the Acquisition, the approval of the issue of the following shares together with the approval (on a poll) by the Independent Shareholders of the Rule 9 Waiver Resolution (together the “**Proposals**”):

- (a) the allotment of equity securities in connection with a rights issue or any other offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary, but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;
- (b) the allotment of the Equity-for-Debt Shares (including any “Concert Party” “Equity-for-Debt Shares”);
- (c) the allotment of the Convertible Loan Note Conversion Shares;
- (d) the allotment of the Subscription (First) Shares;
- (e) the allotment of the Subscription (Second) Shares;
- (f) the allotment of the Consideration Shares;
- (g) the allotment of the Placing Shares;
- (h) the allotment of the Introducer and Advisor Shares (including the “Concert Party” “Introducer and Advisor Shares”);

- (i) the allotment of new Ordinary Shares pursuant to the exercise of the Warrants;
- (j) the allotment of the Performance Shares; and
- (k) the allotment of new Ordinary Shares pursuant to the exercise of the Deferred Consideration Shares.

The Board has received advice from First Equity in relation to the Proposals including the Rule 9 Waiver Resolution and the Acquisition. The Board, having been so advised by First Equity, considers the terms of the Acquisition and the Rule 9 Waiver to be fair and reasonable as far as the Shareholders and Independent Shareholders are concerned and in the best interests of the Shareholders and Independent Shareholders as a whole. In providing its financial advice to the Board, First Equity has taken into account the Board's commercial assessments.

Accordingly, the Board unanimously recommends that you vote in favour of the Resolutions including the approval of the Acquisition and the Waiver Resolution to be proposed at the General Meeting. The Existing Directors unanimously recommend Shareholders to vote in favour of the Proposals and the Waiver Resolution (to be proposed on a poll) at the General Meeting as the Directors have irrevocably undertaken to do in respect of their own beneficial holdings which amount, in aggregate, to 60,000,000 Existing Ordinary Shares, representing approximately 41.2% per cent of the Existing Ordinary Shares.

Yours faithfully

James Longley  
Director and Chief Financial Officer

## **PART II**

### **INFORMATION ON THE COMPANY, MAYFLOWER, MEML, NURSA, AND DST**

#### **1. Introduction**

The Company was incorporated on 22 October 2015 in England, formed for the purpose of acquiring a company, business, project or assets in order to potentially generate significant shareholder returns. From 2015 to the present, the Company has operated in conformity with its constitutional documents.

The Board has been responsible for the Company's objectives and business strategy and its overall supervision, including the identification and evaluation of acquisition opportunities, and the determination and execution of the Company's strategy. The Board has been responsible for the structuring and execution of the acquisition of MEML, NURSA and Desert Star. Desert Star's interest in Henkries is the subject of this Prospectus.

The Board has considerable experience in identifying and assessing acquisition targets and in executing such transactions. The Company's acquisition of MEML will help establish the Company's presence in the natural resources sector and will help form the basis of the Company's growth in the sector.

The Company has never traded and, save as set out in this Document, has not entered into any significant transactions or financial commitments.

The Company's assets currently comprise cash on bank deposit representing sums subscribed by Shareholders for Ordinary Shares in the Company, together with the remaining proceeds of a debt financing facility that the Company entered into in 2017 with Dover Harcourt.

The principal legislation under which the Company operates is the Act and the regulations made thereunder. The Company's Ordinary Shares are duly authorised according to the requirements of the Act.

The Acquisition is expected to provide the Company with an interest in a high-grade uranium project where potential exists to increase ore resources through the evaluation of identified exploration targets close to existing resources, and, further, to advance the Henkries Uranium Project towards production within a short period of time. The Acquisition is intended to be the first phase of a strategy to establish a strategic portfolio of African energy metal producing assets focussing on known and geologically proven energy metal bearing regions.

The Company's directors believe that securing a uranium project that has been subject to extensive historical exploration activities as well as a feasibility study represents a significant opportunity for the Company's stakeholders to gain exposure to the uranium exploration and mining sector.

The Acquisition constitutes a Reverse Takeover under the Listing Rules since, in substance it results in a fundamental change in the business of the issuer. Therefore, trading in the Existing Ordinary Shares continues to be suspended. It is anticipated that Re-Admission and trading in the Company's Enlarged Share Capital will occur on or around 7 November 2023.

#### **2. Mayflower, MEML and NURSA**

Mayflower Capital Investments Pty Limited ("**Mayflower**") was incorporated in Western Australia on 10 October 2001 with Australian Business Number ABN 62 098 404 589 and with its registered office located at Suite 4, Level 1, 35 Cedric Street, Stirling, Western Australia 6021. Mayflower is owned and controlled by Stephen Derek Amphlett. Mayflower is a mining-focused corporate investment and management company with key representatives and offices in London, Johannesburg and Perth. Its management team comprises geologists, mining engineers and metallurgists as well as mining finance and investment banking executives with experience in acquiring, developing and operating mining projects throughout Africa.

Mayflower is an advisor and investor in mining transactions throughout Africa and works with local partners and publicly listed companies in the identification, acquisition and development of mining and exploration projects.



To facilitate the sale of Desert Star to Stranger, Mayflower, together with two proposed directors (namely, Jason Brewer and Jackline Muchai) incorporated two special purposes vehicles: Mayflower Energy Metals Limited (“MEML”) and Neo Uranium South Africa Proprietary Limited (“NURSA”). MEML was incorporated pursuant to the laws of England on 7 January 2022 as a private limited company. Mr Amphlett, Mr Brewer and Ms Muchai (via their respective entities) collectively own 95% of MEML. MEML’s registered office is located at Eccleston Yards 25 Eccleston Place, London, SW1W 9NF.

NURSA was incorporated in South Africa on 30 March 2022 with company registration number 2022/405409/07. MEML owns the entirety of NURSA’s share capital. NURSA presently holds the right to acquire 50.1% of Desert Star’s share capital.

### 3. Nature of Operations

Desert Star Trading 130 Proprietary Limited (“Desert Star”) engages in the exploration, development and the future extraction of  $U_3O_8$ , that is, triuranium octoxide, a substance commonly known as ‘yellowcake’. Desert Star is the 100% legal and beneficial owner of uranium prospecting right NC30/5/1/1/2/11918 in the Northern Cape Province of South Africa, south of the Orange River, commonly known as the Henkries Uranium Project (the “Henkries Uranium Project” or “Henkries”). Desert Star’s prospecting right covers 742.87km<sup>2</sup> of land. The triuranium octoxide deposits that Desert Star currently explores may be used to produce fissile, enriched uranium, which is the primary reactor fuel used in nuclear power stations around the world.

Uranium mineralisation can be found as ores (solid rock mixed with minerals) in a variety of geologies and locations. Once the ore has been mined,  $U_3O_8$  is typically extracted via ‘leaching’ – the application of a liquid (usually acid) to dissolve unwanted solids and coagulate and collect the desired substance. After the  $U_3O_8$  has been separated, dried, filtered and baked, it will exist as a dry powder containing at least 85% uranium.

Uranium occurs naturally as two isotopes,  $U^{235}$  and  $U^{238}$ , and mined yellowcake is a mix of these, but is predominantly (over 99%) comprised of  $U^{238}$ . It is, however, the  $U^{235}$  isotope that is fissile, making it fit for usage in nuclear reactors. Therefore, uranium obtained from yellowcake (or other natural sources) must be ‘enriched’, i.e. a proportion of the  $U^{238}$  must be converted to  $U^{235}$  so that the mixture contains 3%  $U^{235}$ . This is a specialist procedure, not undertaken by miners like Desert Star, and involves converting the uranium mix to a gas and employing centrifuges to separate out the heavier  $U^{238}$  atoms. Once enrichment is complete the uranium may be converted into a powder and formed eventually into fuel rods, which will be deployed in a reactor for a number of years before being fully expended.

### 4. Status of Development

#### (a) Details of mineral resources

The Henkries deposit is a surficial uranium deposit of the lacustrine sediment hosted type, occurring within young (potentially as little as 40,000 years old) un lithified soft sediments within the Koa paleo-drainage. The channel experiences only ephemeral stream flowing along some sections during flash flood events but is thought to be an active unconstrained shallow aquifer for brackish groundwater flow being a topographical and paleo-topographical geomorphic feature. The paleo-drainage overlies ~2,000 Ma basement gneissic rocks of the Goodhouse Suite. The Okiep Copper District is centred approximately 65km to the southwest of the project area.

The uranium mineralisation is best developed within diatomaceous earth and carbonaceous earth but is also found in clay and in a few instances in fluvial silt or sand. At Henkries Central the mineralisation forms a continuous sheet 3,600m long and up to 1,100m wide. Two additional smaller sheets occur south of this. At its thickest it is 7-8m thick but is typically less than 2-3m thick. Most of the deposit is within 8m of surface and it almost entirely within 16m of surface. Henkries North occurs just downstream of a ‘nick-point’ separating it from Henkries Central and after which the paleo-channel gradient is slightly steeper. The uranium mineralisation at Henkries North is within 6 zones the largest being 1km in length. The host is generally clay and grades are lower than at Henkries Central but the mineralisation is up to 10m thick and in some areas a second ‘deeper’ mineralised layer is present up to 30m below surface.

As part of the Competent Persons Report (CPR) prepared for the Company, an updated and current Mineral Resource Estimation (MRE) was completed for the Henkries Central deposit and for 3 of the 6 zones at Henkries North, with the effective date 21 May 2023. This updated and current MRE is provided in Table 1. The Mineral Resource for the Henkries project is tabulated below using the minimum 100ppm  $U_3O_8$  cut-off grade. The MRE

was prepared and is reported in accordance with the JORC and NI43-101 Codes. The total ‘Gross’ MRE is 5.34 Mt with an average grade of 399 ppm U<sub>3</sub>O<sub>8</sub>, containing 4.70Mlbs of U<sub>3</sub>O<sub>8</sub>. Within this the Indicated MRE is 1.97Mt with an average grade of 635 ppm U<sub>3</sub>O<sub>8</sub>, containing 2.75Mlbs of U<sub>3</sub>O<sub>8</sub>. The Inferred MRE is 3.38Mt with an average grade of 262 ppm U<sub>3</sub>O<sub>8</sub>, containing 1.95 Mlbs of U<sub>3</sub>O<sub>8</sub>. Whilst total mineral resources consist of indicated, inferred and measured amounts, mineral reserves are classified as either ‘probable’ or ‘proved’. Estimates of mineral reserves, whether probable or proved, have not yet been prepared.

100 ppm U3O8 cut-off grade		Gross			
	Category	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained
Henkries Central	Indicated	1.97	635	1.08	2.75
	Inferred	1.74	211	1.38	0.81
	Indicated + Inferred	3.71	436	1.22	3.57
Henkries North	Indicated	-	-	-	-
	Inferred	1.63	315	1.13	1.14
	Indicated + Inferred	1.63	315	1.13	1.14
Total both deposits	Indicated	1.97	635	1.08	2.75
	Inferred	3.38	262	1.26	1.95
	Indicated + Inferred	5.34	399	1.19	4.70
200 ppm U3O8 cut-off grade		Gross			
	Category	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained
Henkries Central	Indicated	1.66	723	1.06	2.64
	Inferred	0.40	491	1.32	0.43
	Indicated + Inferred	2.06	678	1.11	3.07
Henkries North	Indicated	-	-	-	-
	Inferred	1.15	391	1.09	0.99
	Indicated + Inferred	1.15	391	1.09	0.99
Total both deposits	Indicated	1.66	723	1.06	2.64
	Inferred	1.54	416	1.15	1.42
	Indicated + Inferred	3.20	575	1.10	4.06

Table 1. Mineral Resource Estimations for the Henkries Project using a 100 ppm U<sub>3</sub>O<sub>8</sub> cut-off grade

For the 3 other zones at Henkries North for which an MRE was not prepared (this was excluded because the 1,900 core samples comprising the details of the mineralisation found in these 3 zones had been sampled and prepared but remains un-assayed), an estimate of the deposit likely to be associated with these holes was identified as an Exploration Target. An Exploration Target is not an MRE; the potential quantity and grade is conceptual in nature as there has been insufficient exploration/assay to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource.

The Exploration Target is expressed as a potential range (minimum and maximum) of tonnes, grade and contained U<sub>3</sub>O<sub>8</sub> is 2.1 to 2.9 Mt with a grade of 230 to 315 ppm U<sub>3</sub>O<sub>8</sub> and with contained 1.1 to 2.0 Mlbs U<sub>3</sub>O<sub>8</sub>. This is in addition to the completed MRE for the 3 zones included Henkries North and Henkries Central.

There are opportunities to expand Henkries North and limited potential to expand Henkries Central. Henkries South accounts for approximately 25km of the 37km of the paleochannel on the project area but only 35 holes have been drilled there. Though these holes did not intersect uranium mineralization, long sections of the drainage are untested. In addition, a tributary to the main drainage is identified joining Henkries Central at its northern end. This area, which is referred to as Henkries SW, contains some thin low to moderate grade shallow mineralisation where drilled in its lower reaches but remains largely untested further ‘upstream’. A significant radioactive anomaly has been identified over the Kabib area of the prospecting right where the uranium count at surface

exceeds any found historically over previously explored areas. There has been no drilling to date in this area of the property and hence this forms the third and most important Exploration Target for the Henkries Uranium Project, as the recent acquiring of data from an airborne radiometric and electromagnetic survey data indicates that this area could be a significant transition point for the uranium moving into the Koa Paleo channel from the south.

There are some base-metal occurrences on the project area that appear to be of significant interest. In the south of the project, the basement gneisses are mostly of the Aggeneys Subgroup. Rocks of this Subgroup hosts the important Cu-Pb-Zn deposits of Black Mountain and Gamsberg (approximately 30km to the southeast of the project area). These will be explored where possible alongside the surface work being completed over the Kabib area.

(b) Life of mine

Anglo American Corporation (AAC), which originally developed the uranium deposit at Henkries, indicated in their definitive feasibility study, or “DFS”, a planned mining rate of 260,000 t/year giving a nine-year life of mine in 1979. The Director’s view is that the updated projected mine life at this stage has not been sufficiently defined, and it will be the goal of a planned studies to best determine this. The historical estimate of AAC was based on old mining and processing technology, with a lower effective uranium price and cut-off grade than that envisaged by the Directors at the current time. In addition, there has been an increase in the resource base and new structural information acquired on the project during the Namakwa Uranium exploration program of 2008 to 2010, combined with advances in processing and mining techniques over the intervening 43 years.

Given this new data, it would be premature for the Company to estimate a new exact mine life, but in the Director’s view it is unlikely to be less than that envisaged by AAC. It is expected that the Company will be able to complete a preliminary economic assessment of the deposit within the first three months post-listing, using a recently completed feasibility study on a similar deposit in Africa, as the basis of a factored estimate and determine a better informed indication on the new mine life for the deposit.

(c) Licences

The mineral tenure for the project is held under a Prospecting Right (PR) issued by the Department of Mineral Resources and Energy (DMRE) of South Africa. The PR was issued to Desert Star Trading 130 (Pty) Ltd with registration No. 2005/014743/07. The PR has reference No. NC30/5/1/1/2/11918PR and was issued on the 1 February 2018 and is valid in its current form until 31 January 2023. The licence is eligible for an automatic, three-year extension, which was applied for in December 2022 and for which the DMRE has acknowledged receipt thereof. The PR includes the following minerals and commodities: uranium, kieselguhr (diatomite), cobalt, copper, molybdenum, lead, tin, antimony, zinc. A subsequent updated application to the DMRE (a so-called “Section 102 application”) was granted in February 2022 for a further 22 minerals, including diamonds. At this stage the Company has identified a significant anomaly related to two of these additional metals that will be investigated in conjunction with uranium. The Company does not anticipate that any other minerals are likely to be encountered in the geology under investigation, but they have been included to cover minerals that have historically occurred alongside uranium in other geological settings.

In addition to the above mineral resources under investigation at Henkries, Desert Star is in negotiations with Eagle Uranium (“Eagle”). Eagle is in the process of applying for an extension of its rights, but this has not yet been granted. On a technical basis, there is no risk and the extension is sought of the initial 5 year prospecting right. Until such time as the extension is granted, the directors do not wish to sign a heads of agreement, but there is an agreement in principle (“AIP”), based on the discussions with Eagle. The AIP between Desert Star and Eagle Uranium confers no obligation to proceed with any transaction. However, if the AIP were to be consummated, Desert Star might increase its land holding under investigation in the Northern Cape region by 150%. The radioactive anomaly currently visible on the Southern Kabib area of the Henkries Prospecting Right continues into the Eagle Uranium property and could significantly increase the potential of any minerals found in the Kabib Exploration Target.

(d) Current exploration and development plans

The Directors’ short-term development program for the Henkries Uranium Project will be to update the Feasibility Study (FS) for the existing deposit at Henkries, which was proven to be economically exploitable by AAC in 1979. The Directors’ short-term development program will comprise the detailed set of quarterly activities

encompassed in their Working Capital Expense plan, which will take between 18 months and 2 years to complete and include to the following activities:

- completion of geophysical traverses to prove up resistivity method of identifying most promising ground for drilling;
- infill drilling to upgrade the deposits at Henkries Central and North to an appropriate amount of indicated and measured resources for a feasibility study (“FS”);
- exploration drilling to increase the size of the resource to over 10Mlbs contained uranium looking at the highly prospective anomalous targets in Henkries South and Kabib;
- update of MRE to incorporate the first two years Measured Resources for production;
- completion of initial phases of metallurgical test-work to update the recovery projections using modern technology;
- completion of an Environmental Impact Assessment (“EIA”) and consultation with interested and affected parties
- development of options for potential acquisition of surrounding prospecting rights also found to have highly prospective ground;
- completion of the Preliminary Economic Assessment (“PEA”) for the project to determine the optimum design and cost estimations for the company’s capital expenditure (“CAPEX”), operating expenditure (“OPEX”) and net present value (“NPV”), and internal rate of return (“IRR”) internal projections; and
- provision of development schedule for a front-end engineering design (“FEED”) phase that will determine the financing requirement for shareholder/financial institutional review.

Once the Feasibility Study (“FS”) has been updated we will move into the project development phase, where various financing options will be explored. It is envisaged that a small modular plant will be constructed initially to exploit the deposit at Henkries, which can either be expanded on once more deposits have been developed or utilised to extend the life of mine/plant operations beyond that envisaged for Henkries.

The future mining of the Henkries orebody is seen as being relatively straightforward and would not require any drilling and blasting. The initial thoughts on mining the ore, the majority of which sits between 5-8m below surface would be a very low cost bulldozer based, strip mine and rehabilitate on a rolling horizon basis. MEML has a team and has identified suitable contractors, to deploy and recommence exploration and project development at site. During the Feasibility Study, the team will complete additional metallurgical test-work. Uranium extraction technology has significantly advanced since 1979 and resulting efficiencies may improve process recoveries.

The Directors believe these gains along with additional infrastructure, and market considerations, will support further improvement of the PEA and future development phase outcomes. Once in production, Desert Star intends to transfer its mined yellowcake to licensed storage facilities, known as ‘converters’; there are only a few locations worldwide licensed to store and further process yellowcake. There are three in the Western world, namely Port Hope in Canada (Cameco), Metropolis in the USA (Converdyn), and Tricastin in France (Orano). There are eight other potential locations, four in each of Russia and China, if yellowcake is ever contracted for sale to those countries. At the converter facility, the yellowcake is quality tested for impurity levels and any penalties are applied to valuation. Afterwards, further physical movement is limited to selected enrichment and fuel manufacturing facilities, since downstream sales of further products are generally made as book transfers between the various conversion sites.

## **5. Principal Markets**

### **(a) Present demand and outlook**

Nuclear power is seen by the global energy markets as a key component in the overall transition towards a low or net-zero carbon, lower cost, sustainable energy economy. Furthermore, during the transitional phase, governments

around the globe are increasingly keen to promote investment into new technologies to facilitate more prevalent and flexible deployment of nuclear power, such as smaller, modular reactors. In the Directors' view, these concerns will encourage a greater demand for enriched uranium and, as a result, U<sub>3</sub>O<sub>8</sub>.

This demand will likely be further propelled by increased electricity needs. The decarbonization of the world's energy ecosystem will go hand-in-hand with the anticipated electrification of heating and transport. The Directors expect that electric-based heating solutions (like heat pumps and infrared) will increase, whilst gas-based central heating will decline and there will be a projected 1.6bn electric cars in use by 2050, as governments regulate production of petrol-powered vehicles. As the world seeks to shift to the net-zero economy (NZE), the Directors anticipate that nuclear energy will play a key role, alongside renewables, in ensuring adequate supply is sustained.

The markets for uranium are therefore global, and production is projected to ramp at a compound annual growth rate (CAGR) of 5% in the mid-term, reaching 65 thousand tonnes by 2025. The Table 2 summarizes the primary consumers of uranium by country, including the respective plans to bring new reactors online. The first column is the estimated national uranium requirements in 2021. As can be seen, proposed and planned reactors in countries like China, Russia, India and Japan are orders of magnitude higher than current capacity. Other industrialized nations like the USA, UK and Canada also have plans to greatly expand their nuclear power production.

	Annual U consumption	Nuclear elec. Generated 2020		Reactors in use		Reactors being built		Planned reactors		Proposed reactors	
	U(t)	TWh	% e	No.	Mwe net	No.	Mwe gross	No.	Mwe gross	No.	Mwe gross
USA	17,587	789.9	19.7	93	95,523	2	2500	3	2550	18	8000
China	9563	344.7	4.9	53	50,769	18	19,730	35	39,310	168	196,860
France	8233	338.7	70.6	56	61,370	1	1650	0	0	0	0
Russia	5925	201.8	20.6	37	27,653	3	2810	27	23,725	21	20,100
S Korea	4270	152.6	29.6	24	23,150	4	5600	0	0	2	2800
Ukraine	1876	71.5	51.2	15	13,107	2	1900	0	0	2	2,400
Canada	1492	92.2	14.6	19	13,624	0	0	0	0	2	1500
Japan	1396	43	5.1	33	31,679	2	2756	1	1385	8	11,562
UK	1259	45.9	14.5	11	6848	2	3440	2	3340	2	2300
Spain	1221	55.8	22.2	7	7121	0	0	0	0	0	0
India	977	40.4	3.3	23	6885	8	6700	12	8400	28	32,000
Sweden	914	47.4	29.8	6	6882	0	0	0	0	0	0
UAE	907	1.6	1.1	2	2690	2	2800	0	0	0	0
Belgium	790	32.8	39.1	7	5942	0	0	0	0	0	0
Pakistan	787	9.6	7.1	5	2242	1	1100	1	1170	0	0
Czech Rep	706	28.4	37.3	6	3934	0	0	1	1200	3	3600
Germany	521	60.9	11.3	3	4055	0	0	0	0	0	0
Finland	421	22.4	33.9	4	2794	1	1720	1	1170	0	0
Switzerland	412	23	32.9	4	2960	0	0	0	0	0	0
Slovakia	359	14.4	53.1	4	1837	2	942	0	0	1	1200

Table 2. The top 20 uranium consumers by nation in 2021 as reported by the International Atomic Energy Association

#### (b) Pricing

Uranium pricing is governed by two broad processes. Firstly, spot prices on the open market are moved by short-term trading sentiment and supply and demand at any one moment. Events like the closure of major mines or changes in regulatory positions can also have an effect. Uranium trading businesses (e.g. Sprott Physical Uranium Trust (TSE:U.UN) and Yellowcake (LON: YCA)) most often use this spot price to rate the value of the stock they hold or are committed to purchase.

However, in some respects the spot price can be a purely nominal, indicative measure, as much of the uranium trading that continues around the world is conducted privately and on the basis of long-term fixed contracts

between buyers (nuclear power producers) and sellers (yellowcake miners), and more often than not these prices are not directly disclosed. In some cases, a producer may want to lock in procurement prices 5 or 10 years in advance, to de-risk and enable it to sell customer contracts over the longer term.

(c) The secondary uranium market

In addition to the resource estimates of uranium mines, the buying patterns of exchange traded funds, or ETF's, and speculative stock holders, along with the squeezing of contracts by power utilities has meant that substantial quantities of uranium that were believed to be held in intermediate processing stockpiles around the world have now been depleted and there is a fine balance between supply and demand. Historically, the gap in physical supply and the actual market demand for uranium has been filled by secondary sources, largely drawn from depleted nuclear fuel sources or unused weapons stocks of Highly Enriched Uranium (HEU), especially from a post-Cold War disarmament deal agreed to by the United States and Russia in 1993. Weapons-grade uranium is typically enriched to a much higher level than is needed for reactor fuel purposes, so it needs to be down-blended for power-production purposes. These stocks have been depleted over a number of years and are thought to be running out, and the last 500 tonnes of the Russian HEU was down-blended in 2013 and the last batch of US material in 2012. There are still some small amounts of surplus HEU in various countries, but the projections indicate that these will be completely removed as a potential uranium source from 2029 onwards. This depletion could be experienced sooner in the light of geopolitical tensions as weapons decommissioning could slow or be halted completely on the back of current geopolitical tensions.

Another secondary source is the re-enriching of depleted uranium, i.e., uranium that has expended a significant portion of its U<sup>235</sup> content in nuclear burning. The recovery and upgrade of spent fuel, however, is very power intensive and in the light of current energy prices the extensive use of this as a secondary source is increasingly unlikely to manifest. There are also a very small number of other known civil stockpiles in existence, expressly for nuclear fuel purposes.

## 6. Competitive Landscape

The uranium mining sector is dominated by multinationals and state-backed entities, making for a small number of producers that control most of the supply. Table 3, below, summarizes the major market shares of worldwide uranium production. This picture predominantly reflects the post-Fukushima, Covid-reduced economic activity scenario, where many Western mines (including the world's largest mine at McArthur River in Canada) were put on care and maintenance due to a low uranium price and an oversupply of yellowcake. The Directors anticipate that a global drive to de-carbonise economies will change this picture significantly.

Company	Market share
KazAtomProm	22.00%
Uranium One	9.00%
Orano	9.00%
CGN	8.00%
CNNC	7.00%
Navoi Mining	7.00%
ARMZ	6.00%
Cameco	6.00%
BHP	6.00%
General Atomics/Quasar	4.00%
VostGok	2.00%
Energy Asia	2.00%
Sopamin	2.00%
Rio Tinto	2.00%
Other	7.00%

Table 3. The world's top uranium producers as reported by the International Atomic Energy Association

By far, the largest operator is KazAtomProm, the state-led Kazakhstani minerals company that mines over 20% of the world's supply of uranium. Canadian firm Uranium One and the French group Orano are presently the joint second largest. Other notable companies involved in uranium mining include Rio Tinto, which currently has a market share of 2%, and BHP, currently at 6%. Cameco, which holds controlling stakes the largest uranium mines in the world (McArthur River and Cigar Lake, which are both in Canada) currently is estimated at 6% market share.

Despite KazAtomProm being the largest producer in the world, Kazakhstan itself holds an estimated 15% of the Earth's uranium resources. Australia holds the largest caches of uranium on the globe, at an estimated 28%. Much of this remains untapped. The United States, whilst being abundant in other energy-related resources like shale oil and gas, is only estimated as having 1% of global uranium reserves. Uranium imports, therefore, are significant to the United States as it requires uranium for maintaining its large nuclear arsenal and submarine fleet.

## 7. History and background

The previous exploration and evaluation work completed on the Henkries Project was carried out by global mining company LSE-Listed and constituent member of the FTSE 100 Index, Anglo American Corporation ("AAC") in the 1970s. AAC completed a detailed geological exploration program that culminated in the completion of a comprehensive feasibility study in 1979.

The Henkries Project is located in the Northern Cape Province of South Africa, immediately south of the Orange River, which forms the international border between Namibia and South Africa. The nearest towns are those of Steinkopf, located 50km southwest and the regional centre of Springbok, 85km to the south.

Access to the Henkries Project is via a maintained gravel road, 36km from the sealed National N7 Highway between Springbok and Vioolsdrif; or via a maintained gravel road from Springbok to the hamlet of Goodhouse, located on the Orange River, 12km to the northeast of Henkries. The sealed road linking Springbok, Poffadder and Upington is located approximately 60km to the southeast of Henkries. The nearest railroad access is the railhead at Bitterfontein, from where the rail line runs southwards to Cape Town. Cape Town is the only port in South Africa licensed to export uranium "yellowcake" and the only production in country comes from Harmony, who currently ship from their NUFCOR calcining facility in the West Rand of Johannesburg, (942 km to the North East of Henkries), via a 1384km sealed road from the West Rand to Cape Town.

The Henkries Project has been subject to several exploration and evaluation programs since the 1970s. This work has included: survey grid generation, outcrop geological mapping, radiometric mapping, gamma ray surveys, track-etch and T-Cup surveys, emanometry surveys, hydrogeology, geochemical surveys and surface surveys. In addition, systematic pitting programs comprising 211 pits at 10m centres to a maximum depth of 4.5m were completed to determine the continuity of the identified uranium mineralisation. Several regional and reserve and resource drilling programs were completed over a period of 40 years, which included in total over 18,000m of drilling, with just over 9,000 attributable to AAC. Holes were drilled in grids of 200m by 200m, then narrowed to 100m x 100m, and with selected areas drilled at 50m x 50m spacings.

These exploration and drilling programs confirmed that the Henkries Project hosted significant mineralisation, with several drill holes that intersected significant uranium grades, one with an average grade of 802 g/t U<sub>3</sub>O<sub>8</sub> over 8.5m.

Based on the completion of all the initial geological exploration, drilling and pitting work, a comprehensive geological model was generated by AAC and formed the basis of the feasibility study that was completed in 1979 and updated by Namakwa Uranium in 2008.

This geological model identified that the Henkries Project uranium deposits are hosted within a relatively flat dipping series of narrow, intercalating lenses of fine-grained silts, diatomaceous earths, clays and carbonaceous matter that make up a SE-NW trending paleochannel. Based on the drilling results, the paleochannel was traced along a strike length of 6.8km, attaining a maximum width of 2,000m.

Following the completion of the initial drilling, AAC calculated an undiluted ore inventory, which was then validated during the more detailed follow up drilling. The results of this were:

- at a cut-off grade of 50g/t, AAC calculated a diluted reserve of 9.6 Mt @ 212g/t U<sub>3</sub>O<sub>8</sub> for 4.5 Mlb U<sub>3</sub>O<sub>8</sub>.
- at a cut-off grade of 225g/t, AAC calculated a diluted reserve of 2.2 Mt @ 628g/t U<sub>3</sub>O<sub>8</sub> for 3.1 Mlb U<sub>3</sub>O<sub>8</sub>.
- a stripping ratio of 2.35:1

Mineralogical and metallurgical test work was carried out in 1977. The bulk of uranium present was associated with the slimes fraction; although minerals such as carnotite, boltwoodite and zippeite were identified, they do not constitute a significant proportion of the uranium inventory at Henkries.

Initial bench scale metallurgical test work using conventional alkaline and acid leach methods was completed before more substantial test work carried out by the Atomic Energy Board (AEB) and the National Institute for Metallurgy resulted in the establishment of a pilot plant. After extensive testing, a satisfactory process route involving an acid leach route (with an average consumption of 48.5l/t) followed by resin-in-pulp (ion exchange) extraction process was developed, that yielded an 85% recovery of yellowcake grading 87.5% U<sub>3</sub>O<sub>8</sub>.

An updated resource has now been calculated for the Henkries Project under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC), and the Canadian Institute of Mining Metallurgy and Petroleum Code 43-101 National Instrument. The project now has a JORC/43-101 Resource of 4.7 million pounds (“mlb”) of U<sub>3</sub>O<sub>8</sub> contained in the ‘Henkries Central’ deposit, an Exploration Target of 1.1-2 million pounds of U<sub>3</sub>O<sub>8</sub> in the ‘Henkries North’ deposit and further high-grade uranium exploration targets identified in the ‘Henkries South’ and ‘Kabib’ areas of the Prospecting Right.

## **8. Strategy and Objectives**

The strategy of the Company is layered on a short-term (2-year) development approach to generate cashflow from the Henkries Uranium Project with a view towards building a longer term (8-year) exploration and portfolio growth strategy to develop the highly prospective Northern Cape Region of South Africa and, potentially, broader regional expansion into energy metals property holdings globally. The Company’s strategy can be summarised as follows:

- (i) Develop the Henkries Uranium Project as fast as possible (2 years) into a small-scale production facility. The Directors aim to make a mine investment decision within 2 years, and then spend the following 9 to 18 months developing a small-scale uranium mine to generate cash-flow.
- (ii) NURSA possesses an extensive database of the energy metal potential of Africa and has spent months developing a targeted approach to potential future acquisitions. The Directors’ aim is to procure assets of a suitable potential that can be explored and developed or sold to increase shareholder value. This acquisition strategy has already begun with an agreement in principle with Eagle Uranium SA which includes a property in the Northern Cape Region of South Africa close to Henkries. The Directors aim to explore the balance of the region to increase the life of the operations at Henkries during years 2-4. The Directors’ latest data indicates that there are several high-potential uranium targets that could be developed in the Northern Cape Region, either to extend the life of the Henkries mine or to increase the modular production capacity of any future plant at Henkries.
- (iii) The final leg of the strategy is to explore additional minerals of significant intrinsic value to the global de-carbonisation drive such as lithium, graphite copper, lead and zinc, should they occur on properties under investigation. The Competent Persons Report (CPR) annexed to this Prospectus highlights the fact that the Henkries Uranium Project’s basement gneisses are mostly of the Aggeneys Subgroup and the Marula Mining Blesberg Spodumene (lithium) deposit and are less than 30km from Henkries, with the potential for further discoveries of this nature in the region. In addition, data obtained in May 2022 from detailed historical airborne surveys identified what could be a significant base metal anomaly within the Henkries property. Any discoveries worthy of investigation have the potential to be spun out with the proceeds being used to fund further the Company’s uranium growth strategy.

## **9. Use of Working Capital**

The Directors intend to focus the Group’s working capital on two main uses: improvement of the recoverable grade of Uranium at Henkries and enlargement of the size of the Henkries resource.

### *Improvement to Head Grade*

Although it is impossible to increase the in-situ grade of the deposit, modern processing techniques can be applied to upgrade the run of mine material ahead of the processing plant. Significant strides have been made in this area



since the 1970s, and such advances have the potential to reduce the proposed plant size and reduce both CAPEX and OPEX requirements, thereby improvement the economics of the project.

In addition, the Directors have identified several gaps in Henkries’ metallurgical information arising out of the absence of a “Virtual Data Room” from the 1970s. A gap analysis has been completed on the immediate metallurgical test-work required to confirm the Anglo results, and the immediate test-work is expected to determine the best use of current technology, operations practice and use of modern consumables/reagents. Closing these gaps is not expected to impact the project’s overall economics, but the Directors believe that it nevertheless is useful as it has the potential to improve confidence in the Group’s ability to finance any future development activities.

#### *Enlargement of Deposit*

Anglo American Corporation’s Definitive Feasibility Study indicated that increasing the size of the ore reserves by 25% with commensurate increase in the Life of Mine would improve the project yield by an equivalent relative 25% ratio. From the work completed by others in the post-Anglo period, the deposit is already nearly 10% larger than when AAC completed their DFS in the 1970s. The aim of the proposed exploration and development drilling and associated metallurgical test-work is to derive a target of a +/-10Milb resource (2Milbs from infill drilling at Henkries North plus another 3Milbs from either Henkries Central or Kabib) at the same in-situ average grade of +/-400ppm. If successful, this will result in an increase in the size of the deposit over that proven to be economical by AAC by more than 65%, with the commensurate improvement in project economics. In addition, the acquisition of the recent airborne radiometric and electromagnetic survey data has also significantly improved the Directors’ ability to target the right areas of the license for the proposed drilling program. This data was not available either during AAC’s or Namakwa Uraniums’ tenure on the project.

In light of the foregoing objectives, the Company has developed a suite of development plans. The Group’s lowest cost scenario has been outlined in the following table with a split of working capital into the major areas of anticipated expenditure over the Group’s initial 18-month period.

<b>Expenditure Focus</b>	<b>Amount in GBP £’000</b>	<b>% of Total Budget</b>
Exploration, Study completion and Local Development costs	1,581	56.5%
Corporate and Administrative costs (for both South Africa and in maintaining the UK listing)	1,075	38.4%
Contingency	143	5.1%
<b>Total</b>	<b>2,799</b>	<b>100.0%</b>

*Table 4. Working capital split by area of expenditure post-listing and after all completion-related costs*

#### *Key Assumption 1 on Use of Working Capital*

The Directors believe that uranium demand will remain relatively high in the near- to mid-term future, due to the increasing demand from India and China as well as the current attractiveness of uranium to investors due to its long term fundamentals. Governments are making increasing numbers of statements and projections about their growth in investment in nuclear power and the de-carbonisation of the economy. Added to this, the reducing availability of secondary supplies of highly enriched uranium (HEU) and the long-term lack of investment in new supply is likely to give uranium a significant price support for the next ten years at least. Whilst the Directors’ strategy does not speculate nor rely on an unusually uranium high price, there is an assumption that the price of uranium will not experience a prolonged downturn in price. If this were to happen, for instance due to geopolitical events that cause uranium’s spot price to decrease over an extended period of time, the Group would likely be required to scale back its activity and conserve its cash resources.

#### *Key Assumption 2 on Use of Working Capital*

The Directors have sought to assemble personnel with proven industry track records to give Henkries the strongest possible chance of success. Key management are able to make strategic decisions on the ground in a fast-changing environment to reduce risk, but also spot new opportunities, as well as understand how to marshal capital and human resource effectively to deliver projects on time. The Directors believe that they have a strong strategic plan

in place and have also had experts prioritise new exploration sites within the tenement. These plans are based, however, on historic surveys and information, and as the project is re-started new information could affect the Directors' outlook and their areas of focus.

*Key Assumption 3 on Use of Working Capital*

The Directors assume that their executive team will remain mostly the same. Recruitment of quality personnel is time consuming and having to replace too many members, particularly if departures occurred in a small period of time, would slow down the progress of the project and create unnecessary costs. If the Directors needed to recruit new personnel suddenly, the Directors may need to offer more attractive financial incentives, with a corresponding effect on the Group's results of operations.

**10. Additional Listings**

As of the date of this Prospectus, the Company has been approached to apply for a dual listing of the Company's shares on the Toronto Stock Exchange (TSX). The TSX is the world's largest organized exchange-trading market in terms of turnover and dealings in uranium mining sector securities. The Company has yet to make a decision to list on the TSX upon completion of acquisition. However it must be noted that the TSX has some of the most sophisticated investors in terms of their knowledge of the uranium sector and have a long list of companies exploring in this sector on their various exchanges, and the additional access to capital for the development of uranium projects could prove of significant benefit to the shareholders of the London listing.

**11. Licences**

The mineral tenements granted to Desert Star are summarised in the table below.

**Table 3**

Asset	Holder	Interest	Status	License expiry date	License area	Comments
NC30/5/1/1/2/11918PR	Desert Star Trading 130 (Pty) Ltd	100%	Exploration	31 Jan 2026	742 km <sup>2</sup>	The application for the extension of this right by an additional 3 years was submitted in December 2022 and acknowledgement was received. These extensions are deemed to be automatically awarded (there is no ministerial discretion on extensions).

To operate, Henkries also must maintain, on an annual basis, its New Order Prospecting Right, at a cost of +/-ZAR 320,000 South African Rand (+/-GBP 17,000) and its National Nuclear Regulators' Certificate of Registration ("COR") operating license for nuclear materials.

**12. Investments and Joint Ventures**

Other than the proposed acquisition of a majority interest in the Henkries Uranium Project through Desert Star, neither the Company nor any of its contemplated subsidiaries has any joint ventures or undertakings in which it holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, or the assets and liabilities of the proposed Group, save for the following:

*Agreement in principle ("AIP") with Eagle Uranium SA*

MEML has an AIP with Eagle comprising an option to acquire and explore at a future period a prospecting right immediately south of Henkries, which right is presently owned by Eagle. The AIP between MEML and Eagle Uranium confers no obligation on either party to proceed with any transaction. However, if the AIP were to be consummated, MEML might increase its land holding under investigation in the Northern Cape region by 150%.

### *Free Carry owed to Anglo American Corporate Services South Africa Proprietary Limited (“ACSSA”)*

Anglo American plc via Anglo Operations Proprietary Limited (“AOL”) ceded to Anglo American Corporate Services South Africa Proprietary Limited (“ACSSA”) a 10% Free Carry on the Henkries Uranium Project. This is tied to an agreement in place between Desert Star and ACSSA for the unrestricted use of Henkries’ historical project data.

ACSSA has confirmed that it does not presently wish to be involved in the development of the Henkries Uranium Project. Under the agreement with ACSSA, ACSSA has the following rights applicable at each of two milestone events: (a) completion of a prefeasibility study (“PFS”), and (b) application for a mining right.

At the completion of milestone (a) (completion of prefeasibility study), ACSSA can elect to either (i) decline to proceed with its involvement in the project, leaving Desert Star to continue with the project at its own discretion, or (ii) maintain its free carry of 10% through to the next phase of the project at no cost.

At the completion of milestone (b) (application for mining right), ACSSA can elect to either (i) convert its interests to a 2% Net Smelter Royalty, or (b) maintain its free carry of 10% so long as ACSSA is prepared to contribute on a pro-rata basis to the ongoing costs of development of the project.

If and when ACSSA is able to, and does, elect to maintain its free carry of 10% and contribute pro-rata to the ongoing costs of the Henkries Uranium Project, ACSSA would be prohibited from acquiring more than 10% of any issued share capital of the Company. Under the terms of an agreement with Desert Star, this percentage cannot be increased by ACSSA or any affiliate thereof for a period of two years following the date of first acquisition of any shares of the Company, unless an offer is made by ACSSA or its affiliates to all shareholders of the Company.

ACSSA have been duly informed of the listing under this Prospectus and have declined to take any interest in Desert Star or the Company at this time.

### **13. Environmental Issues**

Desert Star has applied for a radioactive materials Certificate of Recognition (COR) license issued by the South Africa National Nuclear Regulator (NNR). Normally it is not possible to operate until the COR is granted, but, in this instance, Desert Star has taken over Namakwa Uranium (Pty) Ltd’s site and their prospective activities and is therefore entitled to utilise Namakwa Uranium (Pty) Ltd’s license until such time as the NNR Technical Review Committee meets to approve Desert Star’s application. Receiving a COR is part of a quality assurance program run by the South African government to ensure health and safety levels in different industries. Having been ceded Namakwa Uranium (Pty) Ltd’s COR license, DST is in compliance with all Environmental Risk Management requirements of the MPRDA and NEMA Environmental Agencies of South Africa as outlined in their latest Environmental Compliance Report. Once development and drilling work recommences, strict handling protocols will come into effect to mitigate any potential harm to the environment or personnel, but at the present time drilling is not taking place.

As a radioactive substance, uranium does require a level of extra control and management, as it is toxic to human beings. However, U<sup>238</sup> and U<sup>235</sup> both have very long half-lives and therefore low rates of emissions, particularly in powder form. Uranium emits both gamma rays and alpha particles; the latter can be harmful only if ingested as they do not possess enough energy to penetrate the skin, and danger from exposure is therefore limited to the former. The radioactivity of uranium is comparable with granite and its toxicity is comparable to lead. In fact, it is only the decay products of uranium like radium and bismuth that emit high enough levels of gamma radiation to be detectable in prospecting surveys. These are present in the geology because of the long time periods that allow decay.

A 2014 report on safe uranium mining from the Organisation for Economic Co-operation and Development (OECD) stated: ‘the collection of baseline environmental data, environmental monitoring and public consultation throughout the life cycle of the mine enables verification that the facility is operating as planned, provides early warning of any potentially adverse impacts on the environment and keeps stakeholders informed of developments.’ These are typical best practices for any mine and there are no onerous or expensive extra precautions that would be involved in a uranium mine such as the one that the Company proposes to develop.

In line with the Standard LSE Listing Requirements, the Company will issue an annual Task Force on Climate-related Financial Disclosures (TCFD) Report with focus on the areas where the company has the potential to have

an influence on either the planetary spheres of impact or the socio-economic development foundations. The spheres used will be those as outlined in the Kate Raworth Doughnut of planetary boundaries and social boundaries that define a safe and just space in which humanity may thrive. The Henkries Uranium Project will be developed from the design phase in accordance with these guidelines, in order to create as sustainable mining operations as possible, where it is economically acceptable to the Company's stakeholders. A specific response in terms of aspirations and potential timelines will be developed for each of the areas of potential influence, whilst those that the Directors do not believe can be influenced by the Group will not be reported on.



Figure 1 . Kate Raworth Planetary Doughnut, a visual framework for sustainable development, combining the concept of planetary boundaries with the complimentary concept of social boundaries

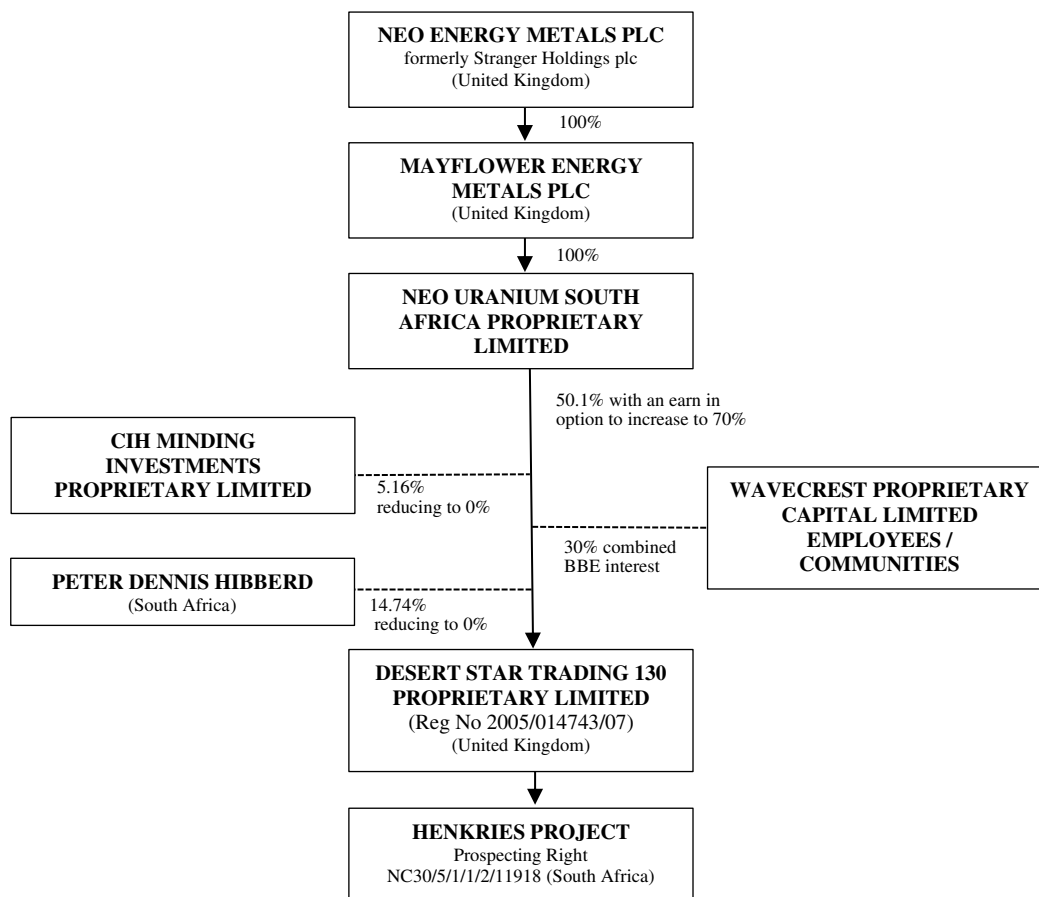
- (i) The following outlines the potential Planetary Spheres which could be influenced by developments at Henkries:
- Climate Change – relating to GHG emissions, sustainable design and carbon footprint of the mine and supporting infrastructure
  - Blue Water Consumption – relating to water usage and maximize re-usage
  - Land Conversion – relating to desert conversion to sustainable and renewable plant growth
  - Biodiversity loss – as measured from a monitored baseline
  - Air Pollution – as measured from a monitored baseline
  - Chemical Pollution – as measured from a monitored baseline
- (ii) The following Social Foundations have the potential to be influenced at Henkries:
- Access to Electricity
  - Access to local Food
  - Access to local Education
  - Access to local Jobs and income
  - Equitable Employment
  - Access to Housing
  - Access to Communications

#### 14. Organisational Charts

Immediately following Re-Admission, the Company will become the direct and indirect owner of MEML and, through MEML's wholly-owned subsidiary NURSA, the Company will become the 50.1% indirect owner of Desert Star.

Desert Star is the legal and beneficial owner of the Henkries Uranium Project and, with it, the legal and beneficial owner of the prospecting right that is the subject of this Prospectus.

Thus, immediately following Admission, the Issuer's inter-corporate relationships with its subsidiaries and its ownership interest in its subsidiaries, as well as with the other Desert Star shareholders, is represented in the following diagram:



## 15. Capital Resources

The Directors consider the Group's cash to be its primary short-term capital resource. As of 27 September 2023 (the latest practical date prior to the submission of this Prospectus), the Group had cash in the amount of £6,000. Following Re-admission and receipt of the net proceeds of the entire Subscription and Placing, and the payment of Desert Star's and MEML's transaction costs, the Directors expect to have approximately £2.8 million in short-term capital resources available over the first 18 months of the project.

Over the long-term, the Directors believe that the Group's capital resources will be supplemented by income from Desert Star's sale of uranium.

Over the course of its last three complete financial years, Stranger's net cash flows excluding operating activities comprised £1,451,000 in fees charged in relation to previous acquisition targets, investment activities (net of all interest) and draw down on loan facility with Dover Harcourt plc and the issue of convertible loan notes in the aggregate amount of £190,000.

Desert Star's cash flows during its last three complete financial years have been minimal and restricted to shareholders loans sufficient to maintain the validity of the prospecting license and the going concern of the business aggregating out to a net position of approximately £11,000 excluding operating activities.

Over the period of 24 months beginning with the date of this Prospectus, the Group's anticipated source of funds is as follows:

- (a) its existing cash resources (c. £6,000 as of 27 September 2023); and
- (b) the estimated net proceeds of the Placing (c. £4.4 million).

The Directors do not expect to receive any additional sources of funds within the next 12 months.

## **16. Regulatory Environment**

To operate in South Africa, Desert Star must adhere to the Broad Based Black Economic Empowerment (B-BBEE) requirements. This is a framework introduced by the South African government in 2005 to redress inequalities stemming from the period when Apartheid was in force. The system encourages businesses to employ and upskill black people in the workplace and to actively support black-owned businesses. Companies are graded on a point system and may need a certain score to operate in a certain sector. If Desert Star fails to fulfil the relevant requirements that apply to it, it may suffer censure or have to cease operations entirely. At this stage of development Desert Star fulfils the requirements of the B-BBEE policy more than 30% of the shares on issue are owned by Wavecrest Proprietary Capital Limited (“**Wavecrest**”). Wavecrest is owned and controlled by Bongani Razi, a proposed new director of the Company. Once an application for a Mining Right is made (post the completion of the definitive feasibility study), further work will be needed to apportion the current B-BBEE shareholding in accordance with the applicable Mining Legislation.

Various pieces of legislation in South Africa may have bearing on the nuclear sector companies that work with radioactive substances like nuclear fuel. These include the Nuclear Energy Act 1999, Act 46 of 1999 and National Radioactive Waste Disposal Institute Act, Act 53 of 2008. Nuclear Energy Act 1999, Act 46 of 1999, all coming under the purview of the South African Department of Energy. In addition there is the Hazardous Substances Act, the Non-Proliferation of Weapons of Mass Destruction Act, the Patent Act, the National Strategic Intelligence Act, the National Key Points Act, the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, the Mine Health and Safety Act, the Mineral and Petroleum Resources Development Act, the National Environmental Management Act, the National Water Act and the Dumping at Sea Control Act. These pieces of legislation may, at various times, become relevant to Desert Star’s activities and operations.

More recently than the above regulations were enacted, the South African government has published a new strategy for the closure of mines (May 2021). These are still draft policies but are focused on the most environmentally friendly methods to close mines, and how closure planning might be applied throughout the mine lifecycle. It should also be noted that in the past the South African government has come under some pressure to increase regulations, particularly on uranium mining. A 2011 report from WISE (an openly anti-nuclear organisation) and SOMO argued that regulations were insufficient, and not strict enough when compared with major uranium mining nations like Canada and Australia. However, it must be noted that all mining companies interviewed for the report expressed their concern over the negative bias of its content and disagreed with the assertions made by WISE and SOMO, whilst many of the government representatives held more balanced views than those expressed by WISE and SOMO in the report.

Detail regarding the implications of this regulatory environment on Desert Star has been covered in the “Risk Factors” of this Prospectus.

## **17. Market trends**

The Covid-19 global pandemic saw a general fall in energy production and demand due to large-scale prolonged lockdowns and government restrictions. However, a 4% rise in energy production is estimated to have occurred in 2021, making up lost ground, as global economies began to rebound and emerge from the dampening effects of the contagion. Rises in demand for fuel, as transport costs to meet and shipping and consumer demand has normalised, have been the most recent visible trend, perhaps obscuring the more long-term, monolithic and structural changes to which the energy sector has continued to be subject, i.e., decarbonisation and a shift to renewables and away from fossil fuels, particularly coal.

The effects of coronavirus have somewhat slowed movements towards greater energy efficiency and improvements in infrastructure. Business and consumer spending shrunk, fuel prices dipped, and investment fell. According to the International Energy Agency (IAE), the level of energy required to bring a unit of GDP into existence has been in continuous decline for some years but 2020 showed only a 0.5% drop; to put this in perspective, international agreements on targets relating to climate change and carbon production dictate a 3-4%

improvement per annum. Increased investment into energy efficiency is expected to mitigate the effects of the pandemic, although this may not occur immediately into sectors that improve the efficiency of production.

Electricity is of course the predominant medium of energy conversion and transport to end users. 2020 also saw a decline in the demand for electricity production and provision. However, obviously closely related to the above, electricity needs are believed to have risen by more than 1,000 TWh in 2021. The Republic of China has exhibited probably the most extreme bounce back, with electricity demand being reported at as much as 10% over 2020 levels. The IAE believes that increased global electricity needs will likely need to be fed by Asian-based coal fired plants as renewables and low-carbon generators will be unable to cater to the sudden jumps caused by the worldwide emergence from the pandemic.

As discussed, the greater emphasis on renewables has supported and accelerated a long-term shift towards a more electricity-dependent economy. In many countries, particularly in the United States, a large-scale shift from coal to gas has combined with this to help reduce power generation-related CO<sub>2</sub> emissions. This has had a knock-on effect of reducing the availability of gas in the United States and driving up the price, which has been exacerbated by geopolitical tensions in Russia and Ukraine and the associated sanctions and commitments from European countries to remove reliance on Russian gas. The recent conflict has also led to various countries making statements around Security of Energy Supply including the long-term source of non-Russian Uranium Ores. However, 2020's fall in demand occurred alongside the highest ever increase in renewables production, meaning that the renewable share of total generation rose to 28%, and non-renewables were under greater pressure to deliver. Overall this led to a 3% net drop in carbon emissions from power producers, the highest in any one year on record.

Nuclear power production, which largely dictates uranium demands, followed a similar trend. 2020 saw a drop in total nuclear generation to 2553 TWh, down almost 4% from 2019. Following this, however, global nuclear output in 2021 increased 2%, somewhat returning to form. Additionally, a number of new reactors came online as scheduled at the end of 2020 and beginning of 2021, making up for generative capacity lost from those that were decommissioned. By the end of 2021 it was expected that a further 10 would come online around the world—four of these in China. Capacity is up but production is believed to still be below 2019 levels.

The Directors' view is that, despite the recent dampening due to the pandemic and associated economic factors, nuclear power is poised to become a more significant part of the global energy ecosystem. The Directors believe that the slightly slower bounce back is typical and indicative of nuclear infrastructure's larger turning circle: reactors require longer timescales and more upfront investment to bring online and are slower to decommission. This couples nuclear power generation in a weaker fashion to fluctuations in global power needs. When looking purely at an aggregate of industrially advanced nations, power output is still 6% below the 2019 rate. In the near term in the US, for example, the retiring of 5 reactors during 2021 means that output was expected to remain at 4% below 2019 levels. At the same time, other advanced economies are expected to shift more towards nuclear power in the near term. Japan has already approved the recommission of all its dormant reactors, meaning that total production is expected to have increased by 6% in 2024, after a heavy decline in 2020. Greater demand in France and a new nuclear power plant in Slovakia, leading to an expected measured increase of 2% in 2023. Again, however, this will not mean an immediate return to 2019 levels.

Emerging markets, finally, tell a slightly different story, with new reactors coming online China, India, the UAE, Russia and Pakistan, meaning that as a unit their expected measured output for 2021 is up 8% over 2019's figures. The share of global nuclear output from emerging market and developing nations is therefore up to 29%.

#### (a) Specific Uranium Market Analysis

One of the key drivers for nuclear investment is the upper limit of generation capacity that can be replaced by Wind and Solar, where anything above 30% of grid supply for Wind and 18% for Solar, yields diminishing returns in overall energy production capacity of any integrated electricity supply network (as has been experienced in Germany).

It has also been proven that in the current technology setting, due to the intermittent generation nature of Wind (35%) and Solar (25%), the lack of smart networks and insufficient economically viable battery storage, that these two sources cannot provide the new "base-load" generation capacity of reliable carbon free power, required to replace fossil fuels. Nuclear, in contrast, has reliably proven for almost 70 years that it can achieve this, with 93% uptime, generating clean power at a lower carbon footprint than either solar or wind.

Nuclear also tend to achieve a higher return on the energy invested to derive its generation capacity i.e. Energy Returned over Energy Invested (EROEI) ratio. This defines the ratio of total energy required to install any given power generation capacity over the energy that this facility can generate over its useful life. Where nuclear has a ratio of 75:1, wind and solar currently sit in the 4 to 9:1 range (which when compared to burning biomass which has a ratio of 4:1, leaves little surplus capacity for economic growth).

## **18. Employees**

The Directors have sought to assemble a team comprising geologists, mining engineers and metallurgists with proven track records in successfully developing and operating mining projects throughout Africa. These personnel (all of whom presently serve as independent contractors) are listed below.

*Andrew Pedley (B.Sc. M.Sc. Pr. Sci. Nat.) – Senior Geological Consultant*

Andrew is an exploration and resource geologist with over 20 years of successful mineral exploration work in Africa from green-fields exploration to management of large resource drilling programs, resource modelling and estimation. He has a long track record of adding value of discovering high-quality mineral deposits, expanding existing deposits and identifying new opportunities

His previous experience covers many commodities but also includes managing the previous uranium exploration activities conducted by Niger Uranium Limited at the Henkries Uranium Project between 2008 and 2010

*Jerry Cloete – Regional Manager*

Jerry has over 30 years of experience in exploring and developing mines in Africa. He was born and raised in the Northern Cape and has a long history of working in the region having started his career at Goldfields on the Okiep Copper Mine.

In addition to which he has worked throughout Africa as operations manager for numerous exploration programmes for Boart Longyear, Oresearch and his own drilling company.

*Peter Hibberd (B.Sc. (Hons) Min. Geol. B. Sc. (Hons) Min. Eng.) – Mining and Geological Consultant*

Peter is a qualified geologist and mining engineer with over 30 years' experience in the mining sector in Southern Africa. He has held technical positions with a number of major mining houses including De Beers, Rio Tinto and JCI.

His core strength is that he has over 15 years' involvement with the Henkries Uranium Project, as the original founding member of DST and has been directly involved with licencing, access of data from Anglo American, agreements with Niger Uranium, geological field work and the oversight of resource estimation and on site exploration activities.

*Stephen Amphlett – Company Secretary and Chief Financial Officer*

Steve has over 35 years' experience focusing on the management, growth and financing of emerging mining, procurement and mine services companies.

He is a Director and Chief Financial Officer of Mayflower Capital Investments, and responsible for overseeing its investments and financial positions in African focused mining and exploration companies.

## **19. Dividend Policy**

The objective of the Directors is the achievement of capital growth and return of capital. The Board will seek to pay dividends in due course once mining operations have commenced and revenue from product sales has reached an appropriate level to provide an excess of funds over operating costs, debt repayments and taxation. The Directors do not intend to declare a dividend in the short term.



## **20. Financial Information**

Financial Information for the Company, and each of the entities that the Company intends to acquire, is set out in Part IV under the heading “Historical Financial Information of the Group”. Copies of the annual audited accounts of the Company for the years ended 31 March 2020, 2021 and 2022, and unaudited financial information for the 6-month periods ended 30 September 2022 and 2021 may be found on the Company’s website: <http://www.strangerholdingsplc.co.uk>.

## **21. Re-Admission**

As the Acquisition constitutes a Reverse Takeover under the Listing Rules, the London Stock Exchange will cancel trading in the Existing Ordinary Shares on the Main Market for listed securities, and the FCA is expected to cancel the listing of the Existing Ordinary Shares on the standard segment of the Official List by 07.30 a.m. on 7 November 2023. Applications will be made for the Existing Ordinary Shares to be readmitted and the New Ordinary Shares to be admitted to the Official List of the London Stock Exchange by way of a Standard Listing and to trading on the Main Market. Re-Admission is expected to occur at 8.00 a.m. on 7 November 2023 and copies of this Document will be available to the public, free of charge, until the expiry of one month from the date of Re-Admission.

If the Acquisition does not complete, the suspension on the Existing Ordinary Shares is expected to be lifted and trading in the Existing Ordinary Shares is expected to recommence.

## **22. Market Quotations**

Dealings in the Company’s Ordinary Shares have been suspended since 22 November 2021. The closing middle market quotations for Existing Ordinary Shares as derived from the Daily Official List of the London Stock Exchange since that time, and immediately prior to the suspension, was 1.35p per share.

## **23. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the Company to issue shares in uncertificated form in accordance with the CREST Regulations.

The Board has resolved to make such arrangements as are necessary for the title to the Ordinary Shares, in issue or to be issued, to be transferred by means of a relevant system in accordance with the provisions of the Uncertificated Securities Regulations 2001.

## PART III

### EXISTING DIRECTORS, PROPOSED DIRECTORS, BOARD AND CORPORATE GOVERNANCE

#### 23. Existing Directors

The biographies of Stranger's Existing Directors are as follows:

**James Timothy Chapman Longley**, Director (born May 1959, aged 64)

James Longley is a chartered accountant whose career has been focused on venture capital, private equity and building growth companies. His earlier career was with Arthur Andersen, Creditanstalt-Bankverein Merchant Banking and Touche Ross Corporate Finance. In 1990 he co-led the £10.5m management buy-in of The Wilcox Group, one of the UK's leading aluminium alloy tipping trailer manufacturers. He was also co-founder, director and chief financial officer of BioProgress Technology International, Inc., a VMS and drug delivery system developer using proprietary films, processes and formulations. It was a NASD quoted and regulated company from 1997 to 2002 and was subsequently listed on AIM.

Mr Longley was also a co-founder, director and chief financial officer of PhotoBox Limited from 2000 to 2006, a company that then merged with its French counterparts, Photoways to create Europe's leading online photo-finishing business. The group acquired Moonpig.com in 2011 which was recently separately listed on the LSE with a valuation in excess of £1.2 billion.

Mr Longley is currently a co-founder, director, chief financial officer and interim CEO of Plutus PowerGen plc, a company listed on AIM.

**Charles Ronald Spencer Tatnall**, Director (born March 1964, aged 59)

Charles Tatnall is primarily involved in advising and raising funds for small and medium sized enterprises with varying business activities ranging from advising investment and family wealth companies to reviewing investments and business opportunities together with the management of personal investments. Until 2005, he was consultant to Bolton Group plc, a UK-listed investment company, identifying and conducting due diligence on potential investment and acquisition opportunities from a broad range of industry sectors. These included natural resources, both exploration and production, electronic hardware and software, and biotechnology.

Previously he held a number of positions with public companies in North America and Canada and was a director and founder of several micro-cap North American listed companies being responsible for general corporate governance and all finance areas. Charles was a co-founder and principal of BioProgress Technology Ltd ("BioProgress") which was quoted on the NASD-regulated OTC market and later migrated to AIM. Charles held the licence for the North American business of BioProgress though a listed vehicle in North America. Earlier, Charles founded Maceworth Ltd in 1985, a large corporate entertainment company in the UK which operated in the areas of running sporting event tented corporate villages, marquee hire, corporate sponsorship and conferences.

#### 2. Proposed Directors

Upon Admission Messrs Longley and Tatnall will remain on Stranger's board as non-executive directors and the following additional individuals will be appointed:

**Jason Paul Brewer**, Non-Executive Chairman (born September 1969, aged 54)

Jason Brewer has over 28 years' experience in international mining, financial markets and investment banking with a particular focus in Africa. This includes holding senior executive positions with a number of major global investment banks, including Dresdner Kleinwort Benson, NM Rothschild & Sons and Investec and with listed funds management companies focused on the mining and metals sector.

He is the founder and principal of Mayflower Capital Investments Pty Limited, an active African focused private equity-style mining investment company, and the Chief Executive Officer of London Listed Marula Mining plc,

which has seen a threefold increase in its share price on the AQSE exchange over the last 12 months. He is also the founder of the Mayflower Africa Foundation, an organisation that aims to improve the education, health and wellbeing of African children through a variety of charitable programs.

**Sean Heathcote**, Director and Chief Executive Officer (born March 1969, aged 54)

Sean Heathcote has over 31 years' experience in the mining and exploration industry in Africa across a broad range of commodities including uranium, bulk commodities, precious metals, diamonds and base metals. He has previously held operations management positions at Billiton and Anglo American in both the UK and Africa. He has 16 years of executive management and directorships experience in the project development companies of Fluor, Murray & Roberts Engineering Solutions, GRD Minproc and Sedgman gained in over 30 countries.

During his career he has participated in the development of over 100 mineral resource projects, including 50 Feasibility Studies. Whilst at GRD Minproc he played a leading role in securing and delivering the Definitive Feasibility Study for the Langer Heinrich and Kayalekera uranium projects and the subsequent EPCM contract for Phase 1 of Langer Heinrich. His previous company directorships include positions at GRD Minproc, Micromine, Group Five, G4S (Construction Materials Division) and Kapsch Africa.

**Bongani Raziya**, Non-Executive Director (born March 1960, aged 63)

Mr Raziya has over 20 years of experience in the retail sector. He graduated as a lawyer and holds B.A., B.Proc and LLB degrees and during the course of his career he has held numerous directorships and board positions in South African companies. He is currently the director of Petregaz, a liquefied petroleum gas (LPG) aggregator, and the largest independent LPG distributor in South Africa. Additionally, he maintains senior operational roles at a number of other natural resource enterprises, including a directorship at Camel Fuels Pty Ltd, a privately owned South African energy trading operation established in 2001, and board membership (as an alternate) at Umsimbithi Mining. Umsimbithi Mining was founded to undertake operations at the Wonderfontein Coal colliery and Mr Raziya was involved as an adviser during the prospecting stage and through to the Bankable Feasibility Study (BFS), sitting on all operational committees. Today the mine is managed by Glencore.

Mr Raziya founded Rwenzori Rare Metals, a rare earth mine based in Uganda. The company established and is continuing to actively develop a significant ion absorption clay deposit at Makuutu, Uganda, which is currently thought to rank amongst the largest ionic clay deposits (key sources of highly prized magnetic, heavy rare earths) outside China. Rwenzori Rare Metals is majority owned by Ionic Rare Earths Limited, which is listed on the Australian Stock Exchange (ASX). Finally, Mr Raziya also founded the largest independent shareholder of Burgan Cape terminals, a refined petroleum product storage facility situated in the port of Cape Town.

Mr Raziya is active in Broad- Based Black Economic Empowerment (B-BBEE) concerns, and acts as an adviser on B-BBEE compliance to a number of companies involved in natural resource extraction. He has spent much time encouraging local entrepreneurial activity and supporting black business leaders. He is also a member of the Young Presidents Organisation in Cape Town.

**Jackline Gathoni Muchai**, Non-Executive Director (born May 1990, aged 33)

Ms. Muchai is a Kenyan-based businesswoman with an understanding of East African markets and active involvement in transactions throughout the region. She is the founder of Gathoni Muchai Investments, a company, which focuses on mining, natural resources and property investments in eastern and southern Africa.

As a director of Mayflower Capital Investment Pty Limited's Nairobi office, she currently is responsible for identifying new investment opportunities in East Africa and assisting in the management of the portfolio of mining investments and projects across Kenya, Tanzania and Uganda, and liaising with key representatives in London, Nairobi and Perth. Ms. Muchai concurrently project manages the activities of the Mayflower Africa Foundation, an organisation that aims to improve the education, health and wellbeing of African children through a variety of programs. Her work mostly concentrates on partnerships with donors around the world and local initiatives like the Makimei Children's Home in Kikuyu, Kenya. In this way the Mayflower Africa Foundation seeks to both

raise the profile and improve facilities for charities and groups working for the betterment of the lives of disadvantaged children.

### **3. Corporate Governance**

The Board is committed to good corporate governance. Given the small size of the Company and the composition of the Company's Board, the Company currently largely complies with the QCA Guidelines on Corporate Governance

As of October 2023, the board will consider all matters normally reserved for a separate remuneration and audit committees, however as the company grows, it will look to constitute separate committees in due course in line with QCA Guidelines.

## PART IV

### OPERATING AND FINANCIAL REVIEW

#### **PART IV(A) OPERATING AND FINANCIAL REVIEW OF STRANGER**

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from Stranger's audited financial information for the years ended 31 March 2020, 2021 and 2022, together with its audited financial information for the 6-month period ended 30 September 2022 and its unaudited financial information for the 6-month period ended 30 September 2021, all prepared in accordance with IFRS, and incorporated herein by reference. The following discussion should be read in conjunction with the other information in this Document, in particular with the entire Part III (Financial Information on the Group). This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page 30. The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" beginning on page 13.*

#### **Overview**

Stranger was incorporated on 22 October 2015 as an investment vehicle to identify and complete a joint venture with a company or business in the services sector, which requires further funding for expansion in conjunction with a public quotation for its shares, which would prove beneficial to the existing Shareholders, management, employees and shareholders of the business being acquired.

Stranger has now identified the Acquisition for which, subject to Admission, it is prepared to provide consideration in cash and shares of Stranger.

The Company has published its audited financial results for the years ended 31 March 2020, 2021 and 2022, which shows cash balances of £60,000, £nil and £nil, respectively. Since the admission to the Official List of the FCA and to the London Stock Exchange's Main Market on 14 November 2016 to date, the Company's operations have been limited to investigating potential acquisition targets and the current cash balance reflects these operating costs. The Company's material liabilities will be converted to equity considerations upon completion of the Acquisition.

#### **Results for the Periods**

During the year ended 31 March 2020, the Company earned revenues of £56,000. These revenues were attributable to fees charged to a previous acquisition target (namely Recyclus) in connection with an aborted reverse acquisition. During the same period, the Company's incurred £432,000 in operating expenses, which mainly comprised consulting and advisory fees (£161,000), Directors fees (£115,000) listing costs (£20,000) and other administrative expenses (£136,000). These operating expenses were incurred as the company pursued its strategy to identify and complete a reverse takeover, acquisition or other appropriate transaction, and resulted in a net loss for the period of £505,000.

For the year ended 31 March 2021, the Company reported a loss of £432,000 which arose predominantly from reverse takeover costs and listing fees together with costs in connection with the aborted acquisition of Recyclus, a company to which Stranger had lent monies to assist in the development of their business prior to contemplated re-listing of the combined group. The terminated Recyclus transaction left the Company with loans and investments made to Recyclus to repay, from investors introduced by them and their directors and principals. During this period, Stranger also received substantial further advances from the Dover Harcourt plc bond, which advances were onward advanced to Recyclus, for which Recyclus had assumed responsibility for servicing and ultimate repayment. Stranger has engaged lawyers and sent a letter before action demanding return of these monies together with costs and interest, and the costs of the aborted transaction.

For the year ended 31 March 2022, the Company reported a loss of £602,000. On 26 September 2021, the Company entered into a Memorandum of Understanding (the “**Memorandum of Understanding**”) with Mayflower Capital Investments Pty Limited (“**Mayflower**”) for the acquisition of certain mineral rights in Africa, to include commodities such as uranium, lead, zinc and tin. This contemplated acquisition forms the subject matter of this Prospectus and is summarised in greater detail in Part I (Description of the Acquisition) of this Document under the heading “Overview and Reasons for the Acquisition” (page 41).

During the 6-month period ended 30 September 2022, notice was issued of a noteholders meeting of Dover Harcourt plc with regard to the secured loan facility that Dover had provided to Stranger. On 22 July 2022, resolutions were passed by the noteholders to redeem the applicable notes, in full. Stranger is implementing this by way of:

- (a) upon Stranger’s relisting, the conversion of notes into shares of Stranger at a rate of 15p per £1;
- (b) Stranger’s undertaking to (i) use all reasonable endeavours to recover amounts due to it in respect of certain litigation rights (“**Claims**”) and (ii) transfer any proceeds received in respect of the Claims to the noteholders;
- (c) the payment of expenses equal to £82,856.30 with the balance of reserves held by the Issuer on 22 July 2022; and
- (d) the termination and release of the facility agreement and related security agreement between Stranger and Dover Harcourt.

## **PART IV(B) OPERATING AND FINANCIAL REVIEW OF DESERT STAR**

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from Desert Star's audited financial information for the years ended 28 February 2023, 2022 and 2021, prepared in accordance with IFRS, and incorporated herein. The following discussion should be read in conjunction with the other information in this Document, in particular with the entire Part V (Financial Information on the Group). This discussion contains forward-looking statements, which, although based on assumptions that the Director consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page 30. The key risks and uncertainties include but are not limited to those described in the section of this Document entitled "Risk Factors" beginning on page 14.*

### **Background**

Desert Star is a private company limited by shares (company registration number 2005/014743/07) that was incorporated on 13 May 2005 and is domiciled in South Africa with registered address Suite 7, Denavo House, 15 York Street, Kensington B, Randburg, 2194, South Africa.

Desert Star operates out of a business address at 2 Leeukloof Drive, Tamboerskloof, Western Cape, 8001 Cape Town, South Africa.

Desert Star has issued capital of 10,000 common shares, these are currently allocated as follows: 60.8% to Wavecrest Capital Pty Ltd a South African registered business; 27.4% to Peter D Hibberd, a South African Citizen and 11.8% to CIH Mining Investments (Pty) Limited, a South African registered business.

Desert Star was established to engage in the exploration, development and extraction of uranium and other minerals through its Prospecting Rights. On 06 February 2017, the Desert Star 's application for a Prospecting Right was accepted by the South African Department of Minerals Resources and Energy (DMRE), which was granted on 01 February 2018. The Prospecting Right was registered on 14 September 2018 in the Minerals & Petroleum Titles Office under Protocol 1686/2018 and Prospecting Right NC30/5/1/1/2/11918 ("Henkries"). The Property is situated in the Northern Cape Province of the Republic of South Africa and the right to Prospect expires on 31 January 2023. There is an automatic option to extend for a further three-year period (provided the application meets the same initial submission criteria), which rights would then expire on 31 January 2026. The application has been submitted before the expiry date (in December 2022) and receipt of it has been acknowledged.

In October 2021, Desert Star signed the Heads of Agreement with NURSA/Mayflower, who have proposed the acquisition of a 50.1% stake in Desert Star and control of the Henkries Project.

The Auditors for Desert Star are W.K.H. Landgrebe C.A. (S.A.) & Co. Chartered Accountants (SA), Registered Auditors, Suite, 7, Denavo House, 15 York Street, Kensington B, Randburg, Johannesburg 2194 South Africa

### **Overview of Trading and Financial Position of DST for the 12 months ending 28 February 2021**

There was no change in the company strategy during this reporting period and investment in the advancement of the Henkries Project continued.

There was no change in the nature of the prospecting data of the company or in the policy regarding their use.

At 28 February 2021 the company's investment in prospecting data amounted to £925,911 , of which £71,474 was reduced in the reporting period through management revaluations. There was no change in the nature of the intangible assets under development of the company or in the policy regarding their use.

At 28 February 2020 the company's investment in intangible assets under development amounted to £24,901, of which £9,853 was added in the period through purchases and management revaluations.

The shareholder loan balance increased during the year from (£19,211) to (£28,886) as at 28 February 2021.

Total liabilities as at 28 February 2021 decreased to (£235,781) and predominantly comprised the deferred tax liability of (£199,668), plus the shareholder loan balance, with trade and other payables of only (£7,227).

The opening cash position was £4,549 and the cash consumed in the financial year was £10,287 with shareholders providing sufficient capital to maintain the business with a closing cash balance of £4,549 and hence the financial statements were prepared for the business as a going concern, whilst the project development is maintained and the search for an investor continues.

### **Overview of Trading and Financial Position of Desert Star for the 12 months ending 28 February 2022**

There was no change in the company strategy during this reporting period and investment in the advancement of the Henkries Project continued.

There was no change in the nature of the prospecting data of the company or in the policy regarding their use.

At 28 February 2022 the company's investment in prospecting data amounted to £1,030,907 up from £925,911 at the end of the previous reporting period.

At 28 February 2022 the company's investment in intangible assets under development amounted to £92,758, of which £67,858 was added in the current year through purchases and management revaluations. There was no change in the nature of the intangible assets under development of the company or in the policy regarding their use.

The shareholder loan balance increased during the year from (£28,886) to (£48,534) as at 28 February 2022.

Total liabilities as at 28 February 2022 increased to (£316,753) and predominantly comprised the deferred tax liability of (£205,912), plus the shareholder loan balance, with other financial liabilities and trade and other payables of (£62,307).

The opening cash position was £4,549 and with shareholders providing sufficient capital to maintain the business with a closing cash balance of £4,414 and hence the financial statements were prepared for the business as a going concern.

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations were formalised in binding agreements.

### **Overview of Trading and Financial Position of Desert Star for the 12 months ending 28 February 2023**

There was no change in the company strategy during this reporting period and investment in the advancement of the Henkries Project continued.

There was no change in the nature of the prospecting data of the company or in the policy regarding their use.

At 28 February 2023 the company's investment in prospecting data amounted to £1.099M up from £1.030M at the end of the previous reporting period.

At 28 February 2023 the company's investment in intangible assets under development amounted to £92.8k, of which £67.4k was added in the current year through purchases and management revaluations. There was no change in the nature of the intangible assets under development of the company or in the policy regarding their use.

The shareholder loan balance increased during the year from (£95.2k) to (£162.7k) as at 28 February 2023, mainly due to the accrued expense contribution of NURSA/MEML in the business post completing its share purchase investment in the period.

Total liabilities as at 28 February 2023 increased to (£443.4k) for the period, predominantly from the increase in shareholder loans attributable to NURSA expenses on the project.



The opening cash position was £4,414 and with shareholders providing sufficient capital to maintain the business with a closing cash balance for the period of £4,321 and hence the financial statements were prepared for the business as a going concern.

Neo Uranium Resources South Africa (Pty) Ltd acquired a 10.02% shareholding in Desert Star Trading 130 Proprietary Limited during the period, following a cash payment of \$360,000 in line with the agreements.

In December 2022, Desert Star timeously completed and submitted its application for a three-year extension to the Prospecting Right at Henkries which was due to expire at the end of January 2023. Confirmation of receipt has been sent by the DMRE for the submission. These extensions are deemed to be automatically awarded (there is no ministerial discretion on extensions), and all development work can continue at site even if the final DMRE paperwork has not been received, which often takes months for them to process.

It must be noted that the exchange rate movement between the South African Rand and the Pound has been significant during this period, with the Rand falling in value versus the Pound by over 30%. If we take into consideration that the bulk of the expenditure going forward for DST will be Rand based, the exchange rate has had the effect of significantly reducing the financing costs in pound terms to develop the project.

### **Summary Financial Tables**

The tables below set out summary financial information of Desert Star as derived from the audited consolidated financial information of the Company as at 28 February 2021, 28 February 2022 and 28 February 2023.

The Company's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

*The remainder of this page is intentionally left blank.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	28-Feb-23 £'000	28-Feb-22 £'000	28-Feb-21 £'000
<b>NON-CURRENT ASSETS</b>			
Intangible assets	1,099	1,031	925.9
Loans to group companies	0.2	0.2	
<b>Total Non-Current Assets</b>	<b>1,099.2</b>	<b>1,031.2</b>	<b>925.9</b>
<b>CURRENT ASSETS</b>			
Loans to group companies	-	-	0.2
Cash and cash equivalents	4.3	4.4	4.6
<b>Total Current Assets</b>	<b>4.3</b>	<b>4.4</b>	<b>4.8</b>
<b>TOTAL ASSETS</b>	<b>1,103.3</b>	<b>1,035.5</b>	<b>930.7</b>
<b>EQUITY</b>			
Issued share capital	0.5	0.5	0.5
Non distributable revaluation reserves	674.0	729.9	700.5
Accumulated losses	(14.4)	(11.6)	(6.1)
<b>TOTAL EQUITY</b>	<b>660.0</b>	<b>718.8</b>	<b>694.9</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan from shareholders	162.7	48.5	28.9
Financial liabilities at fair value		46.7	
Deferred tax	255.0	205.9	199.7
<b>Total Non-Current Liabilities</b>	<b>417.6</b>	<b>301.1</b>	<b>228.6</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	25.7	15.6	7.2
<b>Total Current Liabilities</b>	<b>25.7</b>	<b>15.6</b>	<b>7.2</b>
<b>TOTAL LIABILITIES</b>	<b>443.4</b>	<b>316.7</b>	<b>235.8</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,103.3</b>	<b>1,035.5</b>	<b>930.7</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	28-Feb-23 £'000	28-Feb-22 £'000	28-Feb-21 £'000
Revenue	-	-	-
Cost of sales	-	-	-
<b>Gross loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
Administrative expenses	(3.0)	(7.2)	(1.5)
<b>Operating loss before finance cost</b>	<b>(3.0)</b>	<b>(7.2)</b>	<b>(1.5)</b>
Finance Costs DMRE Kimberley	-	(0.4)	-
<b>Net loss for the year</b>	<b>(3.0)</b>	<b>(7.6)</b>	<b>(1.5)</b>
Income tax expense	0.4	2.1	0.4
<b>Loss for the year from continuing operations</b>	<b>(2.6)</b>	<b>(5.4)</b>	<b>(1.1)</b>
<b>Other comprehensive income – items that will not reclassified to profit and loss</b>			
Gains on intangible assets prospecting data revaluation	248.1	37.1	(71.5)
Deferred tax relating to items that will not be reclassified to P&L	(259.9)	(8.3)	16.0
<b>Items relating to foreign currency presentation that will not reclassified to profit and loss</b>			
Exchange differences translating foreign currencies	(43.8)	1.9	1.4
Deferred tax relating to items that may be reclassified	-	(1.4)	(0.9)
<b>Total other comprehensive income for the year net of taxation</b>	<b>(55.5)</b>	<b>(29.3)</b>	<b>(55.0)</b>
<b>Total comprehensive loss for the year attributable to the owners of the company</b>	<b>(58.1)</b>	<b>23.9</b>	<b>(56.1)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Foreign Currency Translation Reserve £'000	Non Distributable Reserve £'000	Accumulated Losses £'000	Total £'000
<b>Balance at 28 February 2020</b>	<b>0.47</b>	<b>1.0</b>	<b>754.6</b>	<b>(5.1)</b>	<b>751.0</b>
Loss for the year	-	-	-	(1.1)	(1.1)
Other comprehensive income (loss)	-	0.4	(55.4)	-	(55.0)
<b>Balance at 28 February 2021</b>	<b>0.47</b>	<b>1.4</b>	<b>699.2</b>	<b>(6.2)</b>	<b>694.9</b>
Balance at 1 March 2021	0.47	1.4	699.2	(6.2)	694.9
Loss for the year	-	-	-	(5.7)	(5.7)
Other comprehensive income (loss)	-	(1.4)	30.3	-	28.9
Currency revaluation of shares	0.01	-	-	-	-
<b>Balance at 28 February 2022</b>	<b>0.48</b>	<b>(0)</b>	<b>729.5</b>	<b>(11.8)</b>	<b>718.1</b>
Balance at 1 March 2022	0.48	(0)	729.5	(11.8)	718.1
Loss for the year	-	-	-	(2.6)	(2.6)
Other comprehensive income (loss)	-	(43.8)	(11.8)	-	(55.6)
Currency revaluation of shares	(0.06)	-	-	-	(0.06)
<b>Balance at 28 February 2023</b>	<b>0.42</b>	<b>(43.8)</b>	<b>717.7</b>	<b>(14.4)</b>	<b>659.9</b>

## CONSOLIDATED STATEMENT OF CASHFLOW

<i>Note</i>	<b>28-Feb-23</b>	<b>28-Feb-22</b>	<b>28-Feb-21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><i>Cash flows from operating activities</i></b>			
Cash (utilised) in operations	7.1	1.2	(0.3)
Other non-cash item Gain / (Loss) on currency translation	13.7	0.6	0.8
<b>Net cash (utilised) in operating activities</b>	<b>20.8</b>	<b>1.8</b>	<b>0.5</b>
<b><i>Cash flows from investing activities</i></b>			
Purchase of intangible assets under development	(87.7)	(67.8)	(10.1)
Movement in loans to group companies	0.1	(0)	(0.2)
Finance costs DMRE Kimberley	-	(0.4)	
<b>Net cash (utilised) in investing activities</b>	<b>(87.6)</b>	<b>(68.2)</b>	<b>(10.3)</b>
<b><i>Cash flows from financing activities</i></b>			
Revaluation of share capital	(0)	0	(0)
Proceeds from financial liabilities at fair value through other comprehensive income		46.7	
Movement in shareholder loans	67.4	19.6	9.7
<b>Net cash provided by financing activities</b>	<b>67.4</b>	<b>66.3</b>	<b>9.7</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>0.5</b>	<b>(0.1)</b>	<b>(0.1)</b>
Cash and cash equivalents at beginning of year	4.4	4.5	4.8
Effect of exchange rate movement on cash balances	(0.6)	(0)	(0.2)
<b>Cash and cash equivalents at end of year</b>	<b>4.3</b>	<b>4.4</b>	<b>4.6</b>

## **PART V**

### **FINANCIAL INFORMATION ON THE GROUP**

#### **PART V(A) HISTORICAL FINANCIAL INFORMATION OF STRANGER HOLDINGS PLC**

##### **PART V(A)(1) Information Incorporated by Reference**

The Company's annual report and audited financial statements for the years ended 31 March 2020, 2021 and 2022, together with its unaudited interim financial statements for the 6-month period ended 30 September 2021, all prepared in accordance with IFRS, are incorporated by reference into this Document under the heading "Documents Incorporated by Reference" (page 36).

The Company's audited interim financial information for the 6-month period ended 30 September 2022, together with the accountant's report, are presented immediately below.

**PART V(A)(2) Accountant’s Report on the Interim Historic Financial Information of the Company for the interim period to 30 September 2022.**



The Directors  
Stranger Holdings plc  
27-28 Eastcastle Street,  
London W1W 8DH

29 September 2023

Dear Directors

**Accountant’s report on the Historic Financial Information of Stranger Holdings plc (“the Company”)**

**Introduction**

We report on the Historic Financial Information of Stranger Holdings plc (“the Company”) for the six-month period ended 30 September 2022 which comprises the Interim statement of comprehensive income, the Interim statement of financial position, the Interim statement of changes in equity, the interim statement of cashflows, and the related notes (“Historic Financial Information”). This Historic Financial Information has been prepared for inclusion in the Prospectus of the Company dated 29 September 2023 on the basis of the accounting policies set out in note 1 to the Historic Financial Information. The report is required by Annex 1, item 18.3.1 of the Prospectus Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

We have not audited or reviewed the financial information for the six-month period ended 30 September 2021 which has been included for comparative purposes only, and accordingly do not express an opinion thereon. The financial information for the year ended 31 March 2022 has been extracted, without material alteration, from the Company’s audited financial information included by reference within this Prospectus. We are not updating or refreshing any audit opinion previously made by us on the financial information for the year ended 31 March 2022, nor do we accept responsibility for such opinion beyond that owed to those to whom those opinion were addressed by us at the date of issue.

**Responsibility**

The directors of the Company (the “Directors”) are responsible for preparing the Historic Financial Information on the basis of preparation set out in the notes to the Financial Information and in accordance with UK adopted International Financial Reporting Standards (“IFRS”).

It is our responsibility to form an opinion on the Historic Financial Information as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under 5.3.2R(2)(f) of the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, item 1.3 of the Prospectus Regulation, consenting to its inclusion in the Prospectus.

**Basis of opinion**

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council (“FRC”) in the United Kingdom. We are independent of the Company in accordance with the FRC’s ethical standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical

responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Conclusions Relation to Going Concern**

We are required to report if we have anything material to add or draw attention to in respect of the Directors' statement in the Historic Financial Information about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Information and the Directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of this Prospectus.

We have nothing material to add or to draw attention to.

### **Opinion**

In our opinion, the Historic Financial Information in Part V (A)(3) gives, for the purpose of the Prospectus dated 29 September 2023, a true and fair view of the state of affairs of the Company as at 30 September 2022 and of its results, cash flows and changes in equity for the period then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rules 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, item 1.2 of the Prospectus Regulation.

Yours faithfully

**PKF Littlejohn LLP**  
Reporting Accountant



## PART V(A)(3) Audited Interim Historic Financial Information

### STRANGER HOLDINGS PLC INTERIM STATEMENT OF COMPREHENSIVE INCOME

		6 Months ended 30 September 2022 GBP ('000) (audited)	6 Months ended 30 September 2021 GBP ('000) (unaudited)	Year ended 31 March 2022 GBP ('000) (audited)
	Notes			
Administrative expenses		(234)	(142)	(457)
Impairment of financial assets	6	(411)	-	-
Non-recurring costs in relating to this Prospectus		(198)	(1)	(1)
		<hr/>	<hr/>	<hr/>
Operating loss		(843)	(143)	(458)
Investment Income		7	-	13
Finance costs		(21)	(79)	(157)
		<hr/>	<hr/>	<hr/>
<b>Loss before taxation</b>		(857)	(222)	(602)
Taxation	5	-	-	-
		<hr/>	<hr/>	<hr/>
<b>Loss and comprehensive expense for the period</b>		(857)	(222)	(602)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Loss per share – basic and diluted (pence)		(0.59p)	(0.15p)	(0.41p)
		<hr/>	<hr/>	<hr/>

**STRANGER HOLDINGS PLC**  
**INTERIM STATEMENT OF FINANCIAL POSITION**

	Notes	As at 30 September 2022 GBP ('000) (audited)	As at 30 September 2021 GBP ('000) (unaudited)	As at 31 March 2022 GBP ('000) (audited)
<b>Assets</b>				
<b>Current assets</b>				
Trade & other receivables	6	104	392	501
Cash and cash equivalents		2	-	-
<b>Non current assets</b>				
Other debtors		-	138	-
<b>Total Assets</b>		<b>106</b>	<b>530</b>	<b>501</b>
<b>Equity and Liabilities</b>				
Share capital	9	145	145	145
Share premium		737	737	737
Profit and loss		(4,275)	(3,038)	(3,418)
<b>Total Equity</b>		<b>(3,393)</b>	<b>(2,156)</b>	<b>(2,536)</b>
<b>Current Liabilities</b>				
Trade and other payables	7	1,380	614	949
Borrowings	8	2,082	199	2,051
<b>Total current liabilities</b>		<b>3,462</b>	<b>813</b>	<b>3,000</b>
<b>Long term liabilities</b>				
Borrowings	8	37	1,873	37
<b>Total long term liabilities</b>		<b>37</b>	<b>1,873</b>	<b>37</b>
<b>Total Liabilities</b>		<b>3,499</b>	<b>2,686</b>	<b>3,037</b>
<b>Total Equity and Liabilities</b>		<b>106</b>	<b>530</b>	<b>501</b>

**STRANGER HOLDINGS PLC**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>GBP ('000)</b>	<b>GBP ('000)</b>	<b>GBP ('000)</b>	<b>GBP ('000)</b>
<b>Equity at 31 March 2021</b>	145	737	(2,816)	(1,934)
Loss for the period	-	-	(222)	(222)
<b>Equity at 30 September 2021</b>	145	737	(3,038)	(2,156)
Loss for the period	-	-	(380)	(380)
<b>Equity at 31 March 2022</b>	145	737	(3,418)	(2,536)
Loss for the Period	-	-	(857)	(857)
<b>Equity at 30 September 2022</b>	145	737	(4,275)	(3,393)

**STRANGER HOLDINGS PLC**  
**INTERIM CASH FLOW STATEMENT**

	<b>6 months ended 30 September 2022 GBP ('000) (audited)</b>	<b>Period ended 30 September 2021 GBP ('000) (unaudited)</b>	<b>Year ended 31 March 2022 GBP ('000) (audited)</b>
<b>Cash flows from operating activities</b>			
<b>Operating loss</b>	<b>(857)</b>	<b>(222)</b>	<b>(602)</b>
Add interest payable	21	79	157
(Increase)/decrease in trade and other receivables	(14)	(2)	133
Less interest receivable	(7)	-	(13)
Increase/(Decrease) in trade and other payables	444	162	500
Impairment of financial assets	411	-	-
	<hr/>	<hr/>	<hr/>
<b>Net cash flows from operating activities</b>	<b>(2)</b>	<b>17</b>	<b>175</b>
<b>Cashflows from investing activities</b>			
Advance for investment	-	-	(12)
Amounts advanced from related parties	-	43	(36)
Interest received	7	-	13
Interest paid	(3)	(79)	(157)
	<hr/>	<hr/>	<hr/>
<b>Net cash from/(used in) investing activities</b>	<b>4</b>	<b>(36)</b>	<b>(192)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of bonds	-	19	19
Bank borrowing	-	-	(2)
	<hr/>	<hr/>	<hr/>
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>19</b>	<b>17</b>
<b>Net increase in cash and cash equivalents</b>	<b>2</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the period	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>2</b>	<b>-</b>	<b>-</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE AUDITED INTERIM FINANCIAL INFORMATION

### General Information

Stranger Holdings Plc ('the Company') is an investment company incorporated in the United Kingdom. The address of the registered office is 27-28 Eastcastle Street London W1E 8DN. The Company was incorporated and registered in England and Wales on 22 October 2015 as a private limited company and re-registered on 14 November 2016 as a public limited company.

#### 1. Basis of preparation

This Historical Financial Information ("HFI") presented has been prepared for inclusion within this Prospectus only and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The historical financial information comprises the six months ended 30 September 2022 (audited) and the comparative 6 months to 30 September 2021 (unaudited), and the year ended 31 March 2022 (audited) which have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) made reference to a material uncertainty relating to going concern, to which the auditor drew attention by way of emphasis without qualifying its report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The financial information in this interim report has been prepared in accordance with the International Financial Reporting Standards. IFRS comprises standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU). The same accounting policies and methods of computations are used as in the most recent annual financial statements.

There are no IFRS, or IFRIC interpretations that are effective for the first time in this period that would be expected to have a material impact on the company.

The financial information has been prepared under the historical cost convention, as modified by the accounting standard for financial instruments at fair value.

The Directors are of the opinion that the historic financial information should be prepared on a going concern basis, in the light of the expected completion of the transaction for which these HFI information are prepared. It does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 March 2022.

No taxation charge has arisen for the period and the Directors have not declared an interim dividend.

#### **Critical accounting estimates and judgments**

The Company makes certain judgements and estimates which affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Amounts due from a counterparty*

A counterparty ("the Party") involved in a previous Reverse Take-Over transaction was terminated due to their non-performance. We have lent the Party substantial monies to assist in the development of their business prior to the then expected re-listing of the combined group. The Company had received substantial further advances from the bond, which have been onward advanced to the Party, for which they had assumed responsibility for the servicing and ultimate repayment of the bond. We have engaged lawyers and sent a letter before action demanding the return of these monies at the due date together with costs and interest, and the costs of the aborted transaction. There is no guarantee that we will be successful in the claims and based on the reason set out in note 6, we have impaired the loan to the counterparty.

## Going concern

The directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this Prospectus, taking in to account the Working Capital Net Proceeds. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

## 2. Loss per share

Basic loss per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The calculation of basic and diluted earnings per share is based on the following figures:

	<b>6 months ended 30 September 2022 GBP ('000) (audited)</b>	<b>Year ended 30 September 2021 GBP ('000) (unaudited)</b>	<b>Year ended 31 March 2022 GBP ('000) (audited)</b>
Loss for the period	(857)	(222)	(432)
Weighted average number of shares – basic and diluted	145,770,000	145,770,000	145,770,000
Basic and diluted earnings per share	<u>(0.59p)</u>	<u>(0.15p)</u>	<u>(0.30p)</u>

The basic and diluted earnings per share are the same as there were no potential dilutive shares in issue during the period.

## 3. Financial risk management

The company's activities may expose it to some financial risks. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

### a) Liquidity and cash flow risk

Liquidity risk is the risk that company will encounter difficulty in meeting obligations associated with financial liabilities. The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the company's short term and long-term funding risks management requirements. The company manages liquidity risks by maintaining good relationships with their lenders and by continuously monitoring forecast and actual cash flows,

	<b>Less than 1 year £'000</b>	<b>Between 1 and 2 years £'000</b>	<b>Between 2 and 5 years £'000</b>	<b>Over 5 years £'000</b>
<b>As at 30 September 2022 (audited)</b>				

Borrowings (excluding finance lease liabilities)	2,082	10	27	-
Trade and other payables	1,380	-	-	-
<b>As at 31 March 2022 (audited)</b>				
Borrowings (excluding finance lease liabilities)	2,051	10	27	-
Trade and other payables	949	-	-	-
<b>As at 30 September 2021 (unaudited)</b>				
Borrowings (excluding finance lease liabilities)	199	1,841	32	-
Trade and other payables	614	-	-	-

#### 4 Personnel

The average monthly number of employees during the period consisted of the two directors (12 months ending 31 March 2022: 2 and 6 months ended 30 September 2021: 2).

#### 5 Taxation

	<b>6 Months ended 30 September GBP ('000) (audited)</b>	<b>6 Months ended 30 September 2021 GBP (‘000) (unaudited)</b>	<b>Year ended 31 March 2022 GBP (‘000) (audited)</b>
<b>Total current tax</b>	-	-	-
<b>Factors affecting the tax charge for the period</b>			
Loss on ordinary activities before taxation	<b>(857)</b>	<b>(222)</b>	<b>(602)</b>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2020: 19%)	(162)	(42)	(114)
Effects of:			
Non-deductible expenses	-	-	-
Tax losses carried forward	162	42	114
<b>Current tax charge for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>

No liability to UK corporation tax arose on ordinary activities for the current period (2021: £nil).

The company has estimated excess management expenses of £2,806,000 ( Year ended 31 March 2022: £2,409,000 and 6 Month period ended 30 September 2021: £2,100,000) available for carry forward against future trading profits.

No deferred tax asset has been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

## 6 Trade and other receivables

	<b>6 Months ended 30 September 2022 GBP (‘000) (audited)</b>	<b>6 Months ended 30 September 2021 GBP (‘000) (unaudited)</b>	<b>Year ended 31 March 2022 GBP (‘000) (audited)</b>
Other receivables	84	391	488
Prepayments	5	1	1
Other debtors	15	-	12
	<b>104</b>	<b>392</b>	<b>501</b>

Other receivables include amounts due from a counterparty to a legal agreement (“the Party”) of £411,000 (Year ended 31 March 2022: £404,000 and 6 Month period ended 30 September 2021: £391,000). The Party has acknowledged their intention to settle a substantial amount of the outstanding balance by November 2023. The directors have assessed the ability of the Party to be able to settle the outstanding amount and concluded that there is uncertainty based on the Party’s latest financial statements filed with Companies House as the auditors have noted a material uncertainty in respect of going concern, and therefore took the decision to impair the full amount as at 30 September 2022 (Year ended 31 March 2022: £Nil and 6 Month period ended 30 September 2021: £Nil).

There are no material differences between the fair value of trade and other receivables and their carrying value at the year end.

## 7 Trade and other payables

	<b>6 Months ended 30 September 2022 GBP (‘000) (audited)</b>	<b>6 Months ended 30 September 2021 GBP (‘000) (unaudited)</b>	<b>Year ended 31 March 2022 GBP (‘000) (audited)</b>
Trade Payables	958	246	442
Accruals	422	368	507
	<b>1,380</b>	<b>614</b>	<b>949</b>



## 8 Borrowings

	6 Months ended 30 September 2022 GBP ('000) (audited)	6 Months ended 30 September 2021 GBP (‘000) (unaudited)	Year ended 31 March 2022 GBP ('000) (audited)
<b>Current borrowings</b>			
Convertible loan notes	228	190	190
Bank loan	4	9	11
Loan facility	1,853	-	1,853
Unamortised finance costs	(3)	-	(3)
<b>Total current borrowings</b>	<b>2,082</b>	<b>199</b>	<b>2,051</b>
<b>Non-current borrowings</b>			
Loan facility	-	1,853	-
Unamortised finance costs	-	(22)	-
Bank loan	37	42	37
<b>Total non-current borrowings</b>	<b>37</b>	<b>1,873</b>	<b>37</b>
<b>Total borrowings</b>	<b>2,119</b>	<b>2,072</b>	<b>2,088</b>

A bank loan was received in 2020 for £50,000. The loan is repayable over 6 years, is unsecured and attracts interest at 2.5% per annum.

A number of convertible loan notes were issued in 2019 and 2020, with a total nominal value of £190,000.

Convertible loan notes of £90,000, bear interest at 10% per annum, are convertible into ordinary shares and can convert at any time but are fully repayable upon the completion or fall through of the planned reverse take-over.

Convertible loan notes of £100,000, are non-interest bearing, are convertible into ordinary shares and can convert at any time but are fully repayable upon the completion or fall through of the planned reverse take-over.

All loan facility borrowings relate to a loan facility provided by Dover Harcourt Plc. The loan facility is wholly repayable within 5 years of inception and is secured by a fixed and floating charge over all assets held by the Company. The loan bears interest of 7.75% per annum and is paid half yearly in arrears based on the total facility available to the Company.

The finance costs incurred to obtain the facility are being amortised on a straight-line basis over the life of the loan. The balance above represents the remaining unamortised amount.

On 16 June 2022, notice was issued of a noteholders meeting of Dover Harcourt PLC (incorporated as a public limited liability company under the laws of the United Kingdom with registration number 10537069

(the Issuer)) with regard to £20,000,000 7.75% Fixed Rate Secured Notes due 31 October 2022 (the “SERIES 2017-F2 Notes”) of which Stranger had issued the amounts as described in the above paragraph under the umbrella GBP400,000,000 Secured Medium Term Note Programme of Dover Harcourt PLC and on 22 July 2022 the resolutions were passed by the noteholders to the redemption of the Series 2017-F2 Notes in full by way of:

1. the issue to the Noteholders of their pro rata entitlement, being that the issuer converts all amounts due under the Facility Agreement into shares of the Borrower at a rate of 15p per £1 the same price that shares in the Borrower are issued to Mayflower at the placing price upon relisting pursuant to the Proposed Transaction per £1,000 of Series 2017-F2 Notes outstanding (including any accrued and unpaid interest) on 22 July 2022.
2. the shareholders of the Borrower will incorporate a new company, Newco, and will procure that the Borrower transfers certain rights to Newco (such as litigation rights and assets secured under the debenture,) and, furthermore, shall transfer shares valued at £100,000 in the Borrower to Newco to assist in funding the operations and litigation. The rights to be transferred represent rights to certain monies owed to the Borrower and the issue to the Noteholders their pro rata entitlement to shares in Newco per £1,000 of Series 2017-F2 Notes outstanding (including any accrued and unpaid interest) on 22 July 2022, such that the Noteholders will, in aggregate, own 100% of the shares in Newco.
3. the payment of expenses equal to £82,856.30 with the balance of reserves held by the Issuer on 22 July 2022; and
4. the termination and release of the Facility Agreement and the Security Agreement.

The above transaction will occur on condition, and at the same time, of the successful completion of the transaction listed in the Prospectus for which this set of HFI is prepared.

## 9 Share Capital

	As at 30 September 2022 GBP ('000) (audited)	As at 30 September 2021 GBP ('000) (unaudited)	As at 31 March 2022 GBP ('000) (audited)
145,770,000 Ordinary shares of £0.001 each	(145)	(145)	(145)

## 10 Contingent liabilities

The Company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

## 11 Financial instruments

Categories of financial instruments

	6 Months ended 30 September 2022 GBP (‘000) (audited)	6 Months ended 30 September 2021 GBP (‘000) (unaudited)	Year ended 31 March 2022 GBP (‘000) (audited)
<b>Financial assets</b>			
Trade, other receivables, other debtors	104	530	501
Cash and cash equivalents	2	-	-
	<b>106</b>	<b>530</b>	<b>501</b>

	<b>6 Months ended 30 September 2022 GBP (‘000) (audited)</b>	<b>6 Months ended 30 September 2021 GBP (‘000) (unaudited)</b>	<b>Year ended 31 March 2022 GBP (‘000) (audited)</b>
<b>Financial liabilities at amortised cost:</b>			
Convertible loan notes	228	190	190
Bank loan	41	51	48
Non-bank loan facility	1,850	1,831	1,850
	<b>2,119</b>	<b>2,210</b>	<b>2,088</b>

#### a) Interest rate risk

The Company holds quoted debt securities at fixed rates of interest and is therefore exposed to interest rate risk. The impact of an increase or decrease on interest rates of 100 basis points on cash and deposits, based on the closing balance sheet position over a 12-month period, is considered immaterial.

Based on cash balances as above as at the statement of financial position date, a rise in interest rates of 1% would not have a material impact on the profit and loss of the Company and such is not disclosed.

In relation to sensitivity analysis, there was no material difference to disclosures made on financial assets and liabilities.

#### b) Credit risk

No receivables were past due. Refer to note 6 for more information on the impairment of financial assets.

#### c) Fair value of financial assets and liabilities

There are no material differences between the fair value of the Company’s financial assets and liabilities and their carrying values in the financial statements.

## 12 Directors salaries, fees and Related parties

### 1) Salaries paid to Directors:

Charles Tatnall	£Nil (period ended 31 March 2022: £Nil and period ended 30 September 2021: £Nil)
James Longley	£Nil ((period ended 31 March 2022: £Nil and period ended 30 September 2021: £Nil)

2) Consultancy fees charged by Chapman Longley Limited (a company controlled by James Longley) of £56,268 (Year ended March 2022: £72,000 and 6 Month period ended 30 September 2021: £36,000) of which £161,625 (Year ended March 2022: £71,686 and 6 Month period ended 30 September 2021 £36,000) was outstanding as at the period end. All balances are inclusive of VAT where applicable.

3) Consultancy fees charged by Brookborne Limited (a company controlled by Charles Tatnall) of £56,268 (Year ended March 2022: £72,000 and 6 Month period ended 30 September 2021: £36,000) of which £161,625 (Year ended March 2022: £71,686 and 6 Month period ended 30 September 2021 £36,000) was outstanding as at the period end. All balances are inclusive of VAT.

4) Fandango Holdings Plc (a company under common control by Charles Tatnall) is owed £97,840 (Year ended March 2022: £122,300 and 6 Month period ended 30 September 2021: £122,300)) by the company as at the year end. The loan is not secured, does not attract interest and is repayable on demand. These are included in trade and other payables.

5) Plutus Energy Limited (a company under common control) is owed £13,656 (Year ended March 2022: £24,570 and 6 Month period ended 30 September 2021: £2,600) by the company as at the year end. The

loan is unsecured, does not attract interest and is repayable on demand. These are included in trade and other payables.

- 6) Included within trade and other payables is a balance of £4,064 payable (Year ended March 2022: £5,080 and 6 Month period ended 30 September 2021: £5,080) relating to Plutus Powergen PLC (a company under common control). The loan is unsecured, does not attract interest and is repayable on demand.
- 7) Included within trade and other payables is a balance of £33,300 (Year ended March 2022: £18,000 and 6 Month period ended 30 September 2021: £NIL ) which is due to Charles Tatnall for expenses incurred on behalf of the Company. The balance is unsecured, does not attract interest and is repayable on demand.
- 8) Included within trade and other payables is a balance of £32,785 (Year ended March 2022: £25,800 and 6 Month period ended 30 September 2021: £150) which is due to James Longley for expenses incurred on behalf of the Company. The balance is unsecured, does not attract interest and is repayable on demand.

### **13 Capital commitments**

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

### **14 Ultimate controlling party**

The Company has no single controlling party.

# **PART V(B) HISTORICAL FINANCIAL INFORMATION OF DESERT STAR TRADING 130 (PTY) LIMITED**

## **PART V(B)(1) Independent Auditor's Report**

### **W.K.H. Landgrebe C.A. (S.A.) & Co. CHARTERED ACCOUNTANTS & AUDITORS**

SUITE 7  
DENA VO HOUSE  
15 YORK STREET (CNR KING)  
KENSINGTON "B"  
RANDBURG

TEL. (011) 886-1238/9  
FAX (011) 787-6703  
E-MAIL: wkhland@global.co.za

P.O. BOX 3665  
RANDBURG  
2125

### **Independent Auditor's Report**

**To the Shareholders of Desert Star Trading 130 Proprietary Limited**

Dear Sirs

#### **Desert Star Trading 130 Limited**

We report on the financial information set out in Section B of Part V ("Historical Financial Information of Desert Star Trading 130 (Pty) Limited") of the reverse takeover prospectus dated 29 September 2023 (the "**Prospectus**") relating to Stranger Holdings plc ("**Stranger**") and Desert Star Trading 130 Limited ("Desert Star"), which Section comprises audited financial information of Desert Star, for the financial years ending 28 February 2021, 28 February 2022 and 28 February 2023.

#### **Opinion on financial information**

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Desert Star Trading 130 Limited as at 28 February 2021, 28 February 2022 and 28 February 2023 and of its profits, cash flows, statement of comprehensive income and changes in equity for the periods then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### **Responsibilities**

The Directors of Desert Star are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

#### **Basis of Preparation**

This financial information has been prepared for inclusion in the Prospectus dated 29 September 2023 of Stranger Holdings plc on the basis of the accounting policies set out in the paragraphs of each respective financial statement of Desert Star under the heading "Accounting Policies" and is given for the purpose of complying with those paragraphs and for no other purpose.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report.

We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3

of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirement applicable to performing audits of financial information in South Africa.

We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa.

The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Declaration**

For the purposes of Prospectus Regulation Rule PRR 5.3.2R(2)(f) we are responsible for this report as part of this Prospectus and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 to the Prospectus Regulation.

A handwritten signature in black ink, appearing to read 'W.K.H. Landgrebe', is written over a horizontal line.

**W.K.H. Landgrebe CA(SA) & Co.**

**W K H Landgrebe**

**Partner**

**Chartered Accountants (SA)**

**Registered Auditors**

## **PART V(B)(2) Audited Financial Statements**

Desert Star's audited financial statements for the years ended 28 February 2021, 28 February 2022, and 28 February 2023, prepared in accordance with IFRS, are annexed to this Prospectus as Appendix I.

## PART V(D)

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is an unaudited pro forma statement of net assets of Stranger Holdings Plc (the “**Company**”), MEML, NURSA and Desert Star Trading 120 Proprietary Limited (“**Desert Star**”) (together the “**Enlarged Group**”) as at 30 September 2022 and the unaudited pro forma income statement of the Enlarged Group for the 6 month period ending 30 September 2022 (the “**Pro forma Information**”). The Pro forma Information has been prepared on the basis set out in the notes below and in accordance with the requirements of item Annex 20 of the Prospectus Regulation Rules to illustrate the impact of the Placing and Proposed Acquisition as if it had taken place on 30 September 2022. The Pro forma Information has been presented on the basis of the accounting policies adopted by the Company to be presented in its next financial statements.

The Pro forma Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future. The Pro forma Information is based on the unaudited net assets of the Company’s and audited net assets of Desert Star’s financial position as at 30 September 2022 and 28 February 2023 respectively, as shown in Part V Section A and B (Historical Financial Information). No adjustments have been made to take account of trading, expenditure or other movements subsequent to 30 September 2022 and 28 February 2023, being the date of the last published balance sheet of the Company and Desert Star, respectively.

The unaudited pro forma information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part.

#### Unaudited pro forma statement of net assets at 30 September 2022

	Stranger audited net assets as at 30 Sept 2022	Desert Star audited net assets as at 28 Feb 2023	Issue of Placing Shares net of costs	Issue of Convertible Loan Note shares	Dover Harcourt Bonds	Other debt to equity conversions	Acquisition adjustments	Unaudited pro forma adjusted aggregated net assets of the Enlarged Group on Re-Admission
	(Note 1)	(Note 2)	(Note 3)	(Notes 4)	(Note 4)	(Note 4)	(Note 6)	
	£’000	£’000	£’000	£’000	£’000	£’000	£’000	£’000
<b>Assets</b>								
<b>Non-current assets</b>								
Intangible assets	-	1,099	-	-	-	-	1,111	2,210
	-	1,099	-	-	-	-	1,111	2,210
<b>Current assets</b>								
Trade and other receivables	104	-	-	-	(84)	-	-	20
Cash and cash equivalents	2	4	1,339	-	-	-	(850)	495
Current assets	106	4	1,339	-	(84)	-	(850)	515
<b>Total assets</b>	106	1,103	1,339	-	(84)	-	261	2,725
<b>Liabilities</b>								
<b>Current liabilities</b>								
Trade and other payables	(1,380)	(26)	-	-	-	1,039	-	(367)
Loans and borrowings – interest bearing	(2,082)	-	-	229	-	1,853	-	-
<b>Current liabilities</b>	(3,462)	(26)	-	229	-	2,892	-	(367)
<b>Non-current liabilities</b>								
Loan from holding company/shareholders	-	(163)	-	-	-	-	-	(163)
Loans and borrowings - non-interest bearing	-	-	-	-	-	-	-	-
Loans and borrowings - interest bearing	(37)	-	-	-	-	-	-	(37)
Deferred tax	-	(255)	-	-	-	-	-	(255)
<b>Total liabilities</b>	(3,499)	(444)	-	229	-	2,892	-	(822)
<b>Total assets less total liabilities</b>	(3,393)	659	1,339	229	(84)	2,892	261	1,903



## Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The unaudited net assets of the Company as at 30 September 2022 have been extracted without adjustment from the Interim Financial Information to which is set out in Parts V Section A of this document.
2. The audited net assets of Desert Star as at 28 February 2023 have been extracted without adjustment from the Financial Information included in Part V Section B of this document.
3. An adjustment has been made to reflect the proceeds in relation to:
  - i) pre-RTO proceeds of £1,196,500 from the Subscription (First) Shares and the Subscription (second) Shares (not to be issued in Tranches);
  - ii) Placing proceeds of £162,000;
  - iii) and the initial tranche of the AUO\* subscription of £450,000; and
  - iv) less Re-Admission costs estimated at approximately £470,000 (inclusive of any non-recoverable sales taxes), totaling £1,337,500.

\*The remaining tranches of the AUO subscription have not been shown in the pro forma, on the basis these are received over 13 months following Admission.

4. An adjustment has been made to reflect:
  - i. the automatic conversion of £229k convertible loan notes in Stranger upon Re-Admission, in accordance with the terms of the various agreements dated 29 September 2023;
  - ii. the conversion of the Dover Harcourt receivable as per agreement dated 29 September 2023, including the prepaid interest of £84k, into shares on Admission; and
  - iii. the conversion of debt items into equity. This includes:
    - a. related party balances totaling £116k, in accordance with agreements dated 29 September 2023 ;
    - b. trade payables and accruals of £600k, in accordance with various agreements;
    - c. accrued director fees of £323k, in accordance with agreements dated 29 September 2023 and
    - d. remaining bond liabilities of £1,853k, in accordance with agreements dated 29 September 2023.
5. The pro forma does not include the financial information of MEML and NURSA. Any transactions in these entities are intragroup and are included in the financial information of the Enlarged Group. Costs incurred in these entities subsequent to 30 September 2022 have been included in the pro forma income statement, however do not further impact the net assets of the Enlarged Group.
6. An adjustment has been made to reflect the acquisition of Desert Star, through a 50.1% legal and beneficial interest, with consideration of:
  - i) payment to the Desert Star Shareholders, within 5 business days of the Proposed Transaction and upon confirmation of the good standing of DST and the PR, a cash Exclusivity Fee of US\$40,000, pro-rata to their shareholding, paid in October 2021;
  - ii) US\$400,000 (less the Exclusivity Fee in i) above, to be paid in cash 5 business days after Definitive Agreements have been executed by all the Parties; Paid into escrow August 2022
  - iii) US\$600,000 to be paid in cash on completion of the RTO/Acquisition;
  - iv) US\$1,000,000 of ordinary shares in Stranger on completion of the Transaction;
  - v) The Company will need to determine the fair value of the net assets acquired pursuant to the proposed acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise may result in reduction of goodwill, which may be material.

The unpaid cash amount of US\$600,000 and US\$360,000 paid out of pre-IPO has been deducted from cash as at 30 September 2022 .

7. No adjustments have been made to reflect the trading or other transactions, other than described above of:

- i) the Company since 30 September 2022;
- ii) Desert Star since 28 February 2023;

8. The pro forma statement of net assets does not constitute financial statements.

## Unaudited pro forma income statement for the unaudited period ended 30 September 2022

	Stranger audited income statement as at 30 Sept 2022  (Note 1)	Desert Star audited income statement as at 28 Feb 2023  (Note 2)	Placing and subscription costs  (Note 3)	MEML and NURSA Costs  (Note 4)	Unaudited pro forma adjusted aggregated income statement of the Enlarged Group on Re- Admission
	£'000	£'000	£'000	£'000	£'000
Administration expenses	(234)	(3)	(471)	(833)	(1,541)
Impairment	(411)	-	-	-	(411)
Listing costs	(198)	-	-	-	(198)
<b>Operating profit/(loss)</b>	<b>(843)</b>	<b>(3)</b>	<b>(471)</b>	<b>(833)</b>	<b>(2,150)</b>
Investment income	7	-	-	-	7
Finance costs	(6)	-	-	-	(6)
<b>Loss before tax</b>	<b>(842)</b>	<b>(3)</b>	<b>(471)</b>	<b>(833)</b>	<b>(2,149)</b>
Tax (charge)/credit	-	-	-	-	-
<b>Loss from continuing operations</b>	<b>(842)</b>	<b>(3)</b>	<b>(471)</b>	<b>(833)</b>	<b>(2,149)</b>

### Notes

The pro forma income statement has been prepared on the following basis:

1. The audited income statement of the Company for the period ended 30 September 2022 has been extracted without adjustment from the Interim Financial Information to which is set out in Part V Section A of this document.
2. The audited income statement of Desert Star for the period to 28 February 2023 has been extracted without adjustment from the Financial Information to which is set out in Part V Section B of this document.
3. An adjustment has been made to reflect the proceeds of a placing of Ordinary Shares of the Company at an aggregate price of £0.00644 per Ordinary Share net of an adjustment to reflect the payment in cash of Re-Admission costs estimated at approximately £471,000 inclusive of any non-recoverable sales taxes.
4. An adjustment has been made for costs incurred within MEML and NURSA, which relate to transaction fees, totalling £833k.
5. No further adjustments have been made to reflect the trading or other transactions, other than described of the Enlarged Group subsequent to 30 September 2022.
6. The pro forma income statement does not constitute financial statements.

## **PART VI**

### **TAXATION**

#### **Taxation in the UK**

The following information is based on UK tax law and His Majesty's Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately. The tax legislation of an investor's Member State may have an impact on the income received from an investment in the Ordinary Shares.

#### **Tax treatment of UK investors**

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10%, of any of the classes of shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

#### **Dividends**

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £1,000 annum dividend tax allowance. Dividend receipts in excess of £1,000 are taxed at 8.75% for basic rate taxpayers, 33.75% for higher rate taxpayers, and 39.35% for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

#### **Disposals of Ordinary Shares**

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

UK resident individual Shareholders will be subject to capital gains tax to the extent their net gains exceed the annual exempt amount of £6,000, after taking account of any other available reliefs. The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10%, and 20% for upper rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

The corporation tax rate applicable to taxable profits is currently 25% applying to profits over £250,000. A small profits rate applies for companies with profits of £50,000 or less so that these companies pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

### **Further information for Shareholders subject to UK income tax and capital gains tax**

#### ***“Transactions in securities”***

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “*tax advantages*” derived from certain prescribed “*transactions in securities*”.

#### **Stamp Duty and Stamp Duty Reserve Tax**

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or stamp duty reserve tax or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

No UK stamp duty or stamp duty reserve tax will be payable on the allotment and issue of Ordinary Shares pursuant to the Placing.

Most investors will purchase existing Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to stamp duty reserve tax at 0.5%. Where Ordinary Shares are acquired using paper (i.e. non-electronic settlement) stamp duty will become payable at 0.5% if the purchase consideration exceeds £1,000.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax positions and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

#### **Inheritance tax**

Shareholders regardless of their tax status should seek independent professional advice when considering any event which may give rise to an inheritance tax charge.

Ordinary Shares beneficially owned by an individual Shareholder will be subject to UK inheritance tax on the death of the Shareholder (even if the Shareholder is not domiciled or deemed domiciled in the UK); although the availability of exemptions and reliefs may mean that in some circumstances there is no actual tax liability. A lifetime transfer of assets to another individual or trust may also be subject to UK inheritance tax based on the loss of value to the donor, although again exemptions and reliefs may be relevant. Particular rules apply to gifts where the donor reserves or retains some benefit.

**THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX**

**POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.**

## PART VII

### ADDITIONAL INFORMATION

#### 1. Responsibilities

The Company, Existing Directors and the Proposed Directors, whose names appear on page 40 of this Document accept responsibility for the information contained in this Document. To the best of their knowledge, the information contained in this Document is in accordance with the facts and makes no omission likely to affect its import.

#### 2. The Company

The Company was incorporated and registered in England and Wales as a private company limited by shares on 22 October 2015 under the Companies Act 2006 with the name Stranger Holdings Limited and with a registered number 09837001 as a private company limited by shares under the Companies Act 2006. The Company re-registered as a public limited company on 28 October 2016. It is domiciled in the United Kingdom. Its business address is 27-28 Eastcastle Street, London, W1W 8DH, and its telephone number is 0207 236 1177. Upon Re-Admission, Stranger will change its address to 48 Warwick Street London W1B 5AW and its telephone number to +44 (0)20 8078 0955.

The principal legislation under which the Company operates and under which the Ordinary Shares were created is the Companies Act and the regulations made thereunder. The Company operates in conformity with its constitution. The Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA) to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

#### 2. Share capital

- 2.1. The Company was incorporated on 22 October 2015 with an issued share capital of £2 consisting of two Ordinary Shares of £1 each. On 3 November 2016 the Company subdivided these shares to increase the number of shares on offer to 2000 shares with a nominal value of £0.001 per share. On 14 November 2016, the Company issued an additional 49,998,000 ordinary shares of £0.001 each at par, bringing its total issued share capital to 50,000,000 ordinary shares with a market capitalization of £50,000 and re-registered the company as a Public Company.
- 2.2. On 10 January 2017, the Company issued 84,770,000 ordinary shares of £0.001 each in connection the listing of the Company's shares on the Standard Segment of the Official List, bringing its total issued share capital to 134,770,000 ordinary shares.
- 2.3. On 13 January 2017, the Company issued a further 11,000,000 ordinary shares, bringing its total issued share capital to 145,770,000 ordinary shares.
- 2.4. The issued share capital of the Company at the date of this Document, not including any shares conditionally issued in connection with the contemplated Acquisition, is accordingly as follows:

	<i>Par Value</i> (£)	<i>Issued (Fully paid)</i> (Number)	<i>Share Capital</i> (£)
Ordinary Shares	£0.001	145,770,000	145,770

- 2.5. In 2019 the Company entered into a convertible loan note instrument for £90,000 that was interest bearing at 10% at a value of 0.55p per share, and again in 2020 the Company entered into another convertible loan note instrument of £100,000 that was not interest bearing at a value of 1.25 pence per share, thus creating £190,000 of secured convertible loan notes (the "**Convertible Loan Notes**"), together with a debenture. The Convertible Loan Notes can be converted at the election of the noteholders at a price of 1 pence per Ordinary Share. In relation to the interest bearing Loan Note an additional £38,717 of Convertible Loan Notes have been granted as interest. Conditional on Admission, the exercise price of the Convertible Loan will be 1.0 pence per Ordinary Share, and all Convertible Loan Notes shall convert upon Admission, to 22,871,700

shares.

- 2.6. In connection with Admission, the Company has also entered into Equity-for-Debt Subscription Letters with creditors (including Concert Party Members) of the Company (other than holders of the Convertible Loan Notes) who hold debt in the Company in the aggregate approximately of £3.6 million to exchange their debt in the Company for 181,668,267 ordinary shares in the Company (the “**Equity-for-Debt Shares**”) at an aggregate conversion ratio of approximately 2 pence per share, conditional only on completion of the Acquisition.
- 2.7. In addition to converting substantially all of its debt to equity in connection with the contemplated Acquisition, the Company will issue 304,802,666 ordinary shares to the vendors, namely DST and MEML, and/or their designees (the “**Consideration Shares**”).
- 2.8. The Company has received services from the following entities in connection with the transaction, in an introduction or advisory capacity in respect of identifying and bringing the acquisition opportunity to the Company:
  - 2.8.1. G-Lib Investments Limited (“G-Lib”)
  - 2.8.2. 2872450 Ontario Inc. (“Ontario”)
  - 2.8.3. 501 Capital Limited (“501”)
  - 2.8.4. Gathoni Muchai Investments Pty Ltd (“GMI”)
  - 2.8.5. Mayflower Capital Investment Limited (“MCI”)
  - 2.8.6. O’Sullivan Advisory & Investments Pty Ltd (“O’Sullivan”)

and the Company owes these entities the following amounts, and all the entities have agreed to accept the issue of Ordinary Shares issued at the Placing Price of 1.25 pence per share as outlined in the table below in full satisfaction of the sums owed by the Company (together the “**Introducer and Advisor Shares**”).

<b>Company Creditor</b>	<b>Amount Owing</b>	<b>Ordinary Shares to be issued</b>
G-Lib Investments Limited	£831,875	66,550,000
2872450 Ontario Inc	£581,875	46,550,000
501 Capital Limited	£62,500	5,000,000
Gathoni Muchai Investments Pty Ltd	£937,500	75,000,000
Mayflower Capital Investment	£62,500	5,000,000
O’Sullivan Advisory & Investments Pty Ltd	£125,000	10,000,000
<b>Total</b>	<b>£2,601,250</b>	<b>208,100,000</b>

- 2.9. In connection with Admission, the Company has received subscription and placing letters in the period prior to the date hereof, pursuant to which investors have applied to subscribe for 162,132,353 Ordinary Shares at a price of 0.2267p per share during the first round of fundraising (the “**Subscription (First) Shares**”), 577,149,998 Ordinary Shares at a price of 0.7500p per share during the second round of fundraising (the “**Subscription (Second) Shares**”), and 12,920,000 Ordinary Shares at a price of 1.2500p per share during the placing (the “**Placing Shares**”), for a total subscription and placing of 752,202,351 ordinary shares in the aggregate (the “**Subscription and Placing Shares**”), conditional only on completion of the Acquisition and Admission. Of the 577,149,998 Ordinary Shares to be issued in connection with the second subscription (for which admission will be sought subsequent to issue in due course), the 406,666,666 Ordinary Shares for which AUO Commercial Brokerage LLC (“**AUO**”) subscribed will become payable within 13 months of the date of this Prospectus pursuant to the following schedule:



Subscription (Second) Shares to be issued to AUO	Gross Proceeds (£)	Price per Share	Shares to be Issued	Payment Triggers	Cumulative Period of Time from Date of Prospectus
Tranche No. 1	450,000	0.75p	60,000,000	Date of this Prospectus	0 months
Tranche No. 2	1,050,000	0.75p	140,000,000	1 month from Tranche 1 payment	1 month
Tranche No. 3	540,000	0.75p	72,000,000	3 months from Tranche 2 payment	4 months
Tranche No. 4	540,000	0.75p	72,000,000	3 months from Tranche 3 payment	7 months
Tranche No. 5	460,000	0.75p	61,333,333	3 months from Tranche 3 payment	10 months
Tranche No. 6	460,000	0.75p	61,333,333	3 months from Tranche 4 payment	13 months
<b>TOTAL</b>	<b>3,500,000</b>		<b>466,666,666</b>		

A summary of all Subscription and Placing Shares is accordingly as follows:

Shares	Gross Proceeds (£)	Effective Price per Share	Shares to be Issued	Availability of Funds
Subscription (First) Shares	367,500	0.2267p	162,132,353	Re-Admission
Subscription (Second) Shares (not to be issued in Tranches)	828,625	0.7500p	110,483,332	Re-Admission
Subscription (Second) Shares (to be issued in Tranches to AUO)				
Tranche No. 1	450,000	0.7500p	60,000,000	Date of this Prospectus
Tranche No. 2	1,050,000	0.7500p	140,000,000	1 month from Tranche 1 payment
Tranche No. 3	540,000	0.7500p	72,000,000	3 months from Tranche 2 payment
Tranche No. 4	540,000	0.7500p	72,000,000	3 months from Tranche 3 payment
Tranche No. 5	460,000	0.7500p	61,333,333	3 months from Tranche 3 payment
Tranche No. 6	460,000	0.7500p	61,333,333	3 months from Tranche 4 payment
Placing Shares	161,500	1.2500p	12,920,000	Re-Admission
<b>TOTAL</b>	<b>4,857,625</b>		<b>752,202,351</b>	

For the avoidance of doubt, the fact that AUO's subscription is payable over a period of 13 months from the date of this Prospectus does not constitute a qualification of the working capital statement contained in paragraph 6 of Part VII of this Document (Additional Information) on page 117.

- 2.10. Further, in connection with Admission, the Company has agreed to issue 4,073,333 warrants to its broker (namely, First Equity Limited), 7,633,332 warrants to several pre-RTO subscribers (comprising BromComm, Sunil Singh, Peter Silcox, Gordon Hague, Big Island Holdings and Wynter Bee Resources), 155,555,556 warrants to AUO Commercial Brokerage LLC, and 108,088,235 warrants to Brahma Finance (BVI) Limited (the "**Warrants**"). Each Warrant will entitle its holder to subscribe for an Ordinary Share in the Company at a price of 2p per Ordinary Share and will expire on the day that is 2 years from Re-Admission.
- 2.11. Upon Admission, the Company will incentivise its directors and/or management with redeemable performance shares which will convert into up to 260,000,000 Ordinary Shares in the Company provided certain performance-related conditions are met (the "**Performance Shares**"). The Performance Shares shall have a nominal value of £0.0001 each and shall be allotted to those members of the Group's directors and/or management (or to the respective entities in which such directors and/or managers are beneficially interested) as reflected in the table below.

Name of Director or Manager	Number of Performance Shares Awarded
Jason Brewer	40,000,000
Sean Heathcote	60,000,000
Jackline Muchai	40,000,000
Bongani Raziya	40,000,000
James Longley	40,000,000
Charles Tatnall	40,000,000
<b>TOTAL</b>	<b>260,000,000</b>

In the case of each of the foregoing directors or managers, Performance Shares shall convert into an aggregate amount up to 260,000,000 Ordinary Shares in two equal instalments upon the occurrence of the following milestones:

1. On the achievement of an updated JORC Compliant Resource in excess of 10 million tonnes of U<sub>3</sub>O<sub>8</sub>

at an average grade of 399 ppm U<sub>3</sub>O<sub>8</sub> (50%); and

2. upon the grant of a mining right on the Henkries Uranium Project (50%); or
  3. in the event of receipt of an offer to purchase the controlling interest in the Company provided that transaction is approved by shareholders and is completed (100%).
- 2.12. To enable the Company to allot the Performance Shares, a resolution has been proposed to subdivide and re-designate each of the Company's Existing Ordinary Shares of £0.001 par each into 1 ordinary share of £0.0001 par each and 9 deferred shares of £0.0001 each (the "**Deferred Shares**"). Deferred Shares will not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company, nor will the Deferred Shares entitle the holders of them to receive a dividend or other distribution. Further, the Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders. The Deferred Shares are therefore of limited value. The Deferred Shares will have the rights set out in the Articles as amended pursuant to the Resolutions, which are set out in full in Part X (Notice of General Meeting) of this Document (page 144).

Admission to the Official List is not being sought for the Deferred Shares. Accordingly, references in this Prospectus to "shares", the "share capital of the Company", the Company's "Enlarged Share Capital" and the like shall, unless otherwise indicated, refer to the Company's Ordinary Shares, which are the Company's voting shares and those proposed to be admitted to the Official List.

- 2.13. All of the Company's Ordinary Shares are, and will remain after Admission, in registered form, and capable of being held in certificated or uncertificated form. The Registrar is responsible for maintaining the Company's share register. The ISIN of the Ordinary Shares is GB00BYWLRL80 and SEDOL number BYWLRL8.
- 2.14. All of the Company's Ordinary Shares are freely transferable; there are no restrictions of transfer of the Ordinary Shares.
- 2.15. All of the Company's Ordinary Shares are fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006).
- 2.16. The Company's Ordinary Shares rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all Ordinary Shares in issue on Admission. The rights attaching to the Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.
- 2.17. A general meeting will be convened on 1 November 2023 for the purpose of, among other things, authorising the Directors for the purposes of Section 551 of the Act to issue the Equity-for-Debt Shares, Convertible Loan Note Shares, Consideration Shares, Subscription (First) Shares, Subscription (Second) Shares, Placing Shares, Introducer and Advisor Shares, together with the Warrants, Performance Shares and Deferred Consideration Shares. The Notice of General Meeting appears at the end of this Document (page 144). The resolutions, if passed, will authorise the Directors to issue additional Ordinary Shares in the Company up to a maximum aggregate nominal amount of £211,261.86.
- 2.18. Except as stated in this Part VII:
- (a) the Company does not have in issue any securities not representing share capital; and
  - (b) there are no outstanding convertible securities issued by the Company.
- 2.19. Upon Admission the issued share capital of the Company will be as follows:

	<i>Par Value</i> (£)	<i>Issued (Fully paid)</i> (Number)	<i>Share Capital</i> (£)
Ordinary Shares	£0.0001	1,216,371,468	£121,637.15
Performance Shares	£0.0001	260,000,000	£26,000.00
Deferred Shares	£0.0001	1,311,930,000	£131,193.00

The rights attaching to the Performance Shares are summarized above in section 2.11 (page 105) and the rights attaching to the Deferred Shares are summarized above in section 2.12 (page 106).

### 3. Major shareholders

Insofar as it is known to the Company, as at 27 September 2023 (being the latest practicable date prior to the publication of this Prospectus, the Company is aware of the following holdings of Ordinary Shares who are, and immediately following Admission will be, interested directly or indirectly in 3% or more of the Company's ordinary share capital:

<i>Name</i>	<i>As at the date of this Document</i>		<i>On Re-Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>% of the Enlarged Share Capital</i>
Gathoni Muchai Investments Ltd <sup>(1)</sup>	0	0.00%	189,500,000	15.58%
Brahma Finance (BVI) Ltd <sup>(2)</sup>	0	0.00%	162,132,353	13.33%
O'Sullivan Advisory & Investments Ltd <sup>(3)</sup>	0	0.00%	74,500,000	6.12%
G-Lib Investments Ltd	0	0.00%	66,550,000	5.47%
AUO Commercial Brokerage LLC <sup>(4)</sup>	0	0.00%	60,000,000	4.93%
Hargreaves Lansdown (Nominees) Ltd <sup>(5)</sup>	42,039,991	28.84%	58,907,788	4.84%
Charles Ronald Spencer Tatnall	30,000,000	20.58%	51,522,797	4.24%
2872450 Ontario Inc	0	0.00%	46,550,000	3.83%
Jim Nominees Ltd	45,490,000	31.21%	45,490,000	3.74%
Mayflower Capital Investments Pty Ltd <sup>(6)</sup>	0	0.00%	45,000,000	3.70%
Wavecrest Capital Pty Ltd <sup>(7)</sup>	0	0.00%	43,965,286	3.61%
Peel Hunt	8,789,830	6.03%	8,789,830	0.72%

\* The figures herein represent major shareholdings in the Company's Ordinary Shares, not in any Performance Shares or Deferred Shares. Further information regarding the Performance Shares and Deferred Shares, see sections 2.11 (Performance Shares) and 2.12 (Deferred Shares), above.

- (1) Gathoni Muchai Investments Limited is owned and controlled by two proposed directors, namely Jackline Muchai and Jason Brewer.
- (2) Brahma Finance (BVI) Limited is indirectly owned and controlled by Nicholas Eaton Crocker Barham.
- (3) O'Sullivan Advisory & Investments Ltd is owned and controlled by a proposed director, namely Sean Heathcote
- (4) AUO Commercial Brokerage LLC ("AUO") is owned and controlled by Quinton van der Burgh. AUO has subscribed to increase, over a period of 13 months from the date of this Prospectus, its holdings from 60,000,000 Ordinary Shares on re-admission to 466,666,666 Ordinary Shares. Assuming no shares are issued to any other person or entity during this time, AUO's interest in the Company's Ordinary Shares will increase from 4.93% on re-admission to 28.75% upon the conclusion of 13 months commencing on the date of this Prospectus.
- (5) An existing director, namely James Longley, controls 30,000,000 of the ordinary shares owned by Hargreaves Lansdown (Nominees Limited).
- (6) Mayflower Capital Investments Pty Limited is owned and controlled by the proposed Chief Financial Officer, namely Stephen Amphlett.
- (7) Wavecrest Capital Pty Ltd is owned and controlled by a proposed director, namely Bongani Raziya.

Except for the holdings of the Existing Directors and the Proposed Directors, together with the proposed Chief Financial Officer (being Mr Amphlett), Desert Star's Mining and Geological Consultant (namely Peter Hibberd) and CIH Mining Investments (Pty) Limited (one Desert Star's selling shareholders), the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

Any person who is directly or indirectly interested in 3% or more of the Company's issued ordinary share capital, is required to notify such interest to the Company in accordance with the provisions of chapter 5 of the Disclosure Guidance and Transparency Rules, any such interest will be notified by the Company to the public.

Those interested, directly or indirectly in 3% or more of the issued ordinary share capital of the Company do not now, and, following the Admission, will not, have different voting rights from other holders of Ordinary Share

#### 4. Directors' and Senior Managers' Interests

The interests of each of the Directors (all of which are beneficial unless otherwise stated) in the issued share capital of the Company as at the date of this document or which are interests of a person connected with a Director (within the meaning of section 252 of the Act) and the existence of which is known or could, with reasonable diligence, be ascertained by a Director and as they are expected to be immediately following Admission are as follows:

	<i>Interest at the date of this Document</i>		<i>Interest immediately following Re-Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>% of Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>% of the Enlarged Share Capital</i>
<i>Directors</i>				
Jason Paul Brewer <sup>(8)</sup>	0	0.00%	105,274,500	8.65%
Sean Heathcote <sup>(9)</sup>	0	0.00%	90,833,000	7.47%
Jackline Muchai <sup>(10)</sup>	0	0.00%	106,891,600	8.79%
Bongani Raziya <sup>(11)</sup>	0	0.00%	43,965,286	3.61%
James Longley	30,000,000	20.58%	46,867,797	3.85%
Charles Tatnall	30,000,000	20.58%	51,522,797	4.24%
<i>Senior Managers</i>				
Stephen Amphlett <sup>(12)</sup>	0	0.00%	45,000,000	3.70%
Peter Hibberd <sup>(13)</sup>	0	0.00%	30,991,923	2.55%

\* The figures herein represent the interests of several individuals in the Company's Ordinary Shares, not in the Company's Performance Shares or Deferred Shares. Further information regarding the Performance Shares and Deferred Shares, including the holders thereof, can be found in sections 2.11 (Performance Shares) section 2.12 (Deferred Shares), above.

- (8) The shares in this row comprise those owned by Mr Brewer, individually, together with Mr Brewer's 45% beneficial interest in Gathoni Muchai Investments Limited. Mr Brewer is a proposed director of the Company.
- (9) The shares in this row comprise those owned by Mr Heathcote, individually, together with Mr Heathcote's 100% beneficial interest in O'Sullivan Advisory & Investments Ltd. Mr Heathcote is a proposed director of the Company.
- (10) The shares in this row comprise those owned by Ms Muchai, individually, together with Ms Muchai's 55% beneficial interest in Gathoni Muchai Investments Limited. Ms Muchai is a proposed director of the Company.
- (11) The shares in this row comprise those owned by Mr Raziya, individually, together with Mr Raziya 100% beneficial interest in Wavecrest Investments Pty Ltd. Mr Raziya is a proposed director of the Company.
- (12) The shares in this row represent those owned by Mr Amphlett through his 100% beneficial interest in Mayflower Capital Investments Pty Limited. Mr Amphlett is the proposed Chief Financial Officer of the Company.
- (13) The shares in this row represent those owned by Mr Hibberd, individually. Mr Hibberd is Desert Star's Mining and Geological Consultant.

#### 5. Articles of Association of Stranger Holdings plc

As of the date of this Document, the Company's Articles contain (among others) provisions that are summarised in this section 5. On Admission, it is proposed to amend the Company's Articles to, *inter alia*, create two new classes of shares, namely Performance Shares and Deferred Shares. The rights attaching to these additional classes of shares are summarised above in section 2.11 (Performance Shares) and section 2.12 (Deferred Shares). All proposed changes to the Company's Articles are set out in full in Part X (Notice of General Meeting) of this Document (page 144).

##### 5.1. *Objects*

The objects of the Company, in accordance with section 31(1) of the Act, are unrestricted.

##### 5.2. *Limited liability*

The liability of the members is limited to the amount, if any, unpaid on the shares in the Company respectively held by them.

##### 5.3. *Share rights*

Subject to applicable statutes, any resolution passed by the Company under the Act and other Shareholders' rights, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or (if there is no such resolution or so far as it does not make specific provision) as the Board may decide. Redeemable shares may be issued. Subject to the Articles, Act and other Shareholders' rights, unissued shares are at the disposal of the Board.

Subject to the passing of the Resolutions (please see Part X), the Deferred Shares and the Performance Shares shall have the rights set out in the Articles (as amended pursuant to the said Resolutions).

#### 5.4. ***Voting rights***

Subject to any rights or restrictions attaching to any class of shares, every member present in person at a general meeting or class meeting has, upon a show of hands, one vote, and every member (excluding any member holding shares as treasury shares) present in person or by proxy has, upon a poll, one vote for every share held by him.

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

#### 5.5. ***Restrictions***

No member shall, unless the Board otherwise determines, be entitled in respect of shares held by him to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company, if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

If a Shareholder, or any other person appearing to be interested in shares held by that Shareholder, fails to provide the information requested in a notice given to him under section 793 of the Act by the Company in relation to his interest in shares (the "Default Shares") within 28 days of the notice (or, where the Default Shares represent at least 0.25 per cent. of their class, 14 days of the notice), sanctions shall apply, unless the Directors determine otherwise. The sanctions available are the suspension of the right to attend or vote (whether in person or by representative or proxy) at any general meeting or any separate meeting of the holders of any class or on any poll and, where the Default Shares represent at least 0.25 per cent. of their class (excluding treasury shares), the withholding of any dividend payable in respect of those shares and the restriction of the transfer of any shares (subject to certain exceptions).

#### 5.6. ***Dividends and other distributions***

The Company may by ordinary resolution from time to time declare dividends not exceeding the amount recommended by the Board. Subject to the Act, the Board may pay interim dividends, and also any fixed rate dividend, whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it is not liable to holders of shares with preferred or *pari passu* rights for losses arising from the payment of interim or fixed dividends on other shares. There are no fixed dates for the payment of dividends, except as described below.

The Board may withhold payment of all or any part of any dividends or other moneys payable in respect of the Company's shares from a person with a 0.25 per cent. interest if such a person has been served with a direction notice (as defined in the Articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Act.

Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide, all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion of the period in respect of which the dividend is paid. Except as set out above, dividends may be declared or paid in any currency.

The Board may, if authorised by an ordinary resolution of the Company, offer ordinary Shareholders (excluding any member holding shares as treasury shares) in respect of any dividend the right to elect to receive Ordinary Shares by way of scrip dividend instead of cash.

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and revert to the Company.

The Company may stop sending cheques, or similar financial instruments, in payment of dividends by post in respect of any shares or may cease to employ any other means of payment, including payment by means of a relevant system, for dividends if either (i) at least two consecutive payments have remained uncashed or are returned undelivered or that means of payment has failed or (ii) one payment remains uncashed or is returned undelivered or that means of payment has failed, and reasonable inquiries have failed to establish any new address or account of the holder. The Company may resume sending dividend cheques if the holder requests such resumption in writing.

On a liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members (excluding any member holding shares as treasury shares) in kind all or part of the assets of the Company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as the liquidator deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but no member shall be compelled to accept any shares or other assets upon which there is any liability.

#### **5.7. Variation of rights**

Subject to the Act, rights attached to any class of shares may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (calculated by excluding any shares held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares. At every such separate general meeting (except an adjourned meeting) the quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class (calculated by excluding any shares held as treasury shares).

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

#### **5.8. Transfer of shares**

The shares are in registered form. Any shares in the Company may be held in uncertificated form and, subject to the Articles, title to uncertificated shares may be transferred by means of a relevant system. Provisions of the Articles do not apply to any uncertificated shares to the extent that such provisions are inconsistent with the holding of shares in uncertificated form or with the transfer of shares by means of a relevant system.

Subject to the Articles, any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer must be executed by or on behalf of the transferor and (in the case of a partly-paid share) the transferee.

The transferor of a share is deemed to remain the holder until the transferee's name is entered in the register.

The Board may, in its absolute discretion (but subject to any rules or regulations of the London Stock Exchange or any rules published by the UKLA applicable to the Company from time to time), decline to register any transfer of any share which is not a fully paid share. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer:

(A) is duly stamped or certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty and is accompanied by the relevant share certificate and such other evidence of the right to transfer as the Board may reasonably require;

(B) is in respect of only one class of share; and

(C) if to joint transferees, is in favour of not more than four such transferees.

Registration of a transfer of an uncertificated share may be refused in the circumstances set out in the Regulations and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

The Board may decline to register a transfer of any of the Company's certificated shares by a person with a 0.25 percent interest if such a person has been served with a direction notice (as defined in the Articles) after failure to provide the Company with information concerning interests in those shares required to be provided under the Act, unless (i) the person is not himself in default as regards supplying the information requested, and (ii) the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Board to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

#### **5.9. *Alteration of share capital***

The Company may by ordinary resolution increase, consolidate, consolidate and then divide, or (subject to the Act) sub-divide its shares or any of them. The Company may, subject to the Act, by special resolution reduce its share capital, share premium account, capital redemption reserve or any other undistributable reserve.

#### **5.10. *General meetings***

Subject to the provisions of the Act, an annual general meeting and a general meeting convened for the passing of a special resolution or a resolution of which special notice has been given to the Company shall be called by not less than twenty-one clear days' notice in writing. All other meetings shall be called by not less than fourteen clear days' notice in writing.

The notice must specify the place, day and time of the meeting and the general nature of the business transacted.

Notices shall be given to the auditors of the Company and to all members other than any who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notice. Notice may be via electronic communication and publication on a website in accordance with the Act.

Each director shall be entitled to attend and speak at any general meeting. The chairman of the meeting may invite any person to attend and speak at any general meeting where he considers that this will assist in the deliberations of the meeting.

The Board may direct that persons wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to, authorise one or more persons who shall include a director or the secretary or the chairman of the meeting to refuse entry to, or to eject from, such general meeting any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

#### **5.11. *Directors***

##### **(A) *Number of Directors***

The Directors shall be not less than two in number. The Company may by ordinary resolution vary the minimum and/or maximum number of Directors.

##### **(B) *Directors' shareholding qualification***

A Director shall not be required to hold any shares in the Company.

*(C) Appointment of directors*

Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office only until the next following annual general meeting of the Company and is then eligible for election by Shareholders but is not taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.

The Board or any committee authorised by the Board may from time to time appoint one or more Directors to hold any employment or executive office for such period (subject to the provisions of the Act) and on such terms as they may determine and may also revoke or terminate any such appointment.

*(D) Retirement of Directors*

At every annual general meeting, there shall retire from office any Director who shall have been a Director at each of the two preceding annual general meetings and who was not appointed or re-elected by the Company in a general meeting at, or since, either such annual general meeting. A retiring Director shall be eligible for re-election. A Director retiring at a meeting shall, if he is not re-elected at such meeting, retain office until the conclusion of the meeting or adjourned meeting at which he is due to retire. Where a Director is a non-executive director and has been in office for nine years or more he shall retire from office at every annual general meeting.

Subject to the provisions of the Articles, at the meeting at which a Director retires the Company can pass an ordinary resolution to re-elect the Director or to elect some other eligible person in his place.

*(E) Removal of Directors by special resolution*

the Company may by special resolution remove any Director before the expiration of his period of office.

*(F) Vacation of office*

The office of a Director shall be vacated if:

- (i) (not being an executive Director holding office for a fixed term) he resigns his office by notice in writing delivered to the registered office of the Company or submitted to a meeting of the Board or (being an executive Director holding office for a fixed term) his resignation in writing is accepted by the Board;
- (ii) either:
  - (a) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
  - (b) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have.
- (iii) without leave, he is absent from meetings of the Board (whether or not any alternate Director appointed by him attends) for six consecutive months, and the Board resolves that his office is vacated;
- (iv) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (v) he is removed from office pursuant to the Articles or by virtue of any provision of statute or prohibited by law from being a Director;



- (vi) being an executive Director, he ceases to be the holder of executive office; or
- (vii) all the other Directors unanimously resolve that he be removed as a Director.

If the office of a Director is vacated for any reason, he must cease to be a member of any committee or sub-committee of the Board.

*(G) Alternate director*

Any Director may appoint any person to be his alternate and may at his discretion remove such an alternate Director. If the alternate Director is not already a Director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to being so approved.

*(H) Proceedings of the Board*

Subject to the provisions of the Articles, the Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions vested in or exercisable by the Board.

The Board may appoint a Director to be the chairman or a deputy chairman. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

All or any of the members of the Board may participate in a meeting of the Board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present at the meeting and shall be entitled to vote and to be counted in the quorum.

The Board may delegate any of its powers, authorities and discretions (with power to sub delegate) to any committee, consisting of such person or persons as it thinks fit, provided that the majority of persons on any committee or sub-committee must be Directors. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in the Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by Board.

*(I) Remuneration of Directors*

Each of the Directors shall be paid a fee at such rate as may from time to time be determined by the Board, but the aggregate of all such fees so paid to the Directors shall not exceed £300,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the Company. Any Director who is appointed to any executive office shall be entitled to receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, either in addition to or in lieu of his remuneration as a Director. In addition, any Director who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a Director, may be paid such extra remuneration as the Board or any committee authorised by the Board may determine. Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board, or committees of the Board or of the Company or any other meeting which as a Director he is entitled to attend, and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. The Company may also fund a Director's expenditure on defending proceedings (whether civil or criminal) as provided in the Act, or in connection with any application for relief from liability made by a Director under the Act.

*(J) Pensions and gratuities for Directors*

The Board or any committee authorised by the Board may exercise the powers of the Company to provide benefits either by the payment of gratuities or pensions or by insurance or in any other manner for any Director or former Director or his relations, dependents or persons connected to him, but no benefits

(except those provided for by the Articles) may be granted to or in respect of a Director or former Director who has not been employed by or held an executive office or place of profit under the Company or any of its subsidiaries or their respective predecessors in business without the approval of an ordinary resolution of the Company.

*(K) Permitted interests of Directors*

Subject to the provisions of the Act, and provided he has declared the nature of his interest to the Board as required by the Act, a Director is not disqualified by his office from contracting with the Company in any manner, nor is any contract in which he is interested liable to be avoided, and any Director who is so interested is not liable to account to the Company or the members for any benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established.

A Director may hold any other office or place of profit with the Company in conjunction with his office of Director and may be paid such extra remuneration for so doing as the Board may decide, either in addition to or in lieu of any remuneration provided for by other Articles. A Director may also be or become a director or other officer of, or otherwise interested in, or contract with any company promoted by the Company or in which the Company may be interested and shall not be liable to account to the Company or the members for any benefit received by him, nor shall any such contract be liable to be avoided.

A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services.

*(L) Restrictions on voting*

No Director may vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested save to the extent permitted specifically in the Articles. Except as mentioned below, no Director may vote on, or be counted in a quorum in relation to any resolution of the Board in respect of any contract in which he is to his knowledge materially interested and, if he does so, his vote shall not be counted. These prohibitions do not apply where that material interest arises only from one or more of the following matters:

- (i) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) the resolution relates to the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other Directors and/or to the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements;
- (iv) the resolution relates to the purchase or maintenance for any Director or Directors of insurance against any liability;
- (v) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange;
- (vi) the resolution relates to an arrangement for the benefit of the employees and Directors and/or former employees and former Directors of the Company or any of its subsidiary undertakings, and/or the members of their families (including a spouse or civil partner or a former spouse

or former civil partner) or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to any Director any privilege or advantage not generally accorded to the employees and/or former employees to whom the arrangement relates; or

- (vii) the resolution relates to a transaction or arrangement with any other company in which he is interested, directly or indirectly (whether as director or shareholder or otherwise) provided that he is not the holder of or beneficially interested in 1 per cent. or more of any class of the equity share capital of that company and not entitled to exercise 1 per cent. or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded (i) any shares held by the Director as a bare or custodian trustee and in which he has no beneficial interest, (ii) any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder, and (iii) any shares of that class held as treasury shares).

Subject to the Act, the Company may by ordinary resolution suspend or relax the above provisions to any extent or ratify any transaction not duly authorised by reason of a contravention of such provisions.

#### *(M) Borrowing powers*

Subject to the Articles and the Act, the business of the Company will be managed by the Board who may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. In particular, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge any of its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party. The Board must restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure that the aggregate principal amount from time to time outstanding of all borrowings by the group (exclusive of borrowings within the group) shall not, without the previous sanction of an ordinary resolution of the Company, exceed £10 million.

#### *(N) Indemnity of Directors*

Subject to the provisions of the Act, the Company will indemnify any Director of the Company against any liability and may purchase and maintain for any Director of the Company insurance against any liability.

### **5.12. Dividends**

The profits of the Company available for dividend in accordance with the Act and determined to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities. The Company may by ordinary resolution declare dividends accordingly. Subject to the rights of persons (if any) entitled to ordinary shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the Ordinary Shares in respect whereof the dividends are paid, but no amount paid up on a share in advance of calls shall be treated as paid up on the Ordinary Shares; all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the Ordinary Shares during any portion or portions of the period in respect of which the dividend is paid, except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date such share shall rank for dividend accordingly.

### **5.13. Untraced shareholders**

The Company may sell any certificated shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares at the best price reasonably obtainable at the time of sale if:

- (i) the shares have been in issue throughout the period of 12 years immediately preceding the date of publication of the advertisements referred to in paragraph (iii) below or the first of the two advertisements to be published if they are published on different dates (the "Qualifying Period") and at least three cash dividends have become payable on the shares during that period and no cash dividend payable on the shares has either been claimed or satisfied in the manner specified

in the Articles at any time during the period beginning on the commencement of the Qualifying Period and ending on the date when the requirements of paragraphs 5.13(i) to (iii) have been satisfied (the “**Relevant Period**”);

- (ii) the Company has not at any time during the Relevant Period received any communication from the holder of, or person entitled by transmission to, the shares; and
- (iii) the Company has published two advertisements, one in a newspaper with a national circulation and the other in a newspaper circulating in the area in which the last known postal address of the holder of, or person entitled by transmission to, the shares (or the postal address at which service of notices may be effected under the Articles) is located, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates.

The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds.

#### **5.14. Ownership threshold**

There are no provisions in the Articles governing the ownership threshold above which Shareholder ownership must be disclosed. Shareholders will, however, be required to disclose Shareholder ownership in accordance with the Act and the Disclosure Guidance and Transparency Rules.

#### **5.15. Squeeze-out and Sell-out**

##### **5.15.1. Squeeze-out**

Under the Act, if a person who has made a general offer to acquire shares were to acquire 90 per cent. of the shares to which the offer relates and 90 per cent. of the voting rights carried by those shares before the expiry of three months from the last day on which the offer can be accepted, it could then compulsorily acquire the remaining ten per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, executing a transfer of the outstanding shares in its favour and paying the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

##### **5.15.2. Sell-out**

The Act gives minority Shareholders in the Company a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 6.1 above. If, at any time before the end of the period within which the offer can be accepted, the offeror holds or has agreed to acquire not less than 90 per cent. of the shares in the Company and 90 per cent. of the voting rights in the Company, any holder of shares who has not accepted the offer can, by a written communication to the offeror, require it to acquire those shares.

The offeror is required to give such Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period.

If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

## 6. Working capital

The Company is of the opinion that, taking into account the Working Capital Net Proceeds, the working capital available to the Group from Admission is sufficient for its present requirements, that is, for at least the next 12 months from the date of this Document.

## 7. Further Disclosures on Directors and Senior Managers of Stranger Holdings plc

7.1. In addition to their directorships with the Company, the Directors and Senior Managers (either existing or proposed, as the case may be) are, or have been, members of the administrative, management or supervisory bodies (“directorships”) or partners of the following companies or partnerships, at any time in the five years prior to the date of this Document.

### Current Directors

<b>James Timothy Chapman Longley</b>	
<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
Chapman Longley Limited	Dearden Chapman Accountants Limited
DCA Accountants Limited	Denim Ventures Limited
Duke and Duke Limited	Diable Holdings Limited
Plutus PowerGen plc	E3S3 Limited
Stranger Holdings plc	Eyeswide Limited
Strategic Holdings Limited	Extrajet Ltd
Neo Energy Metals Limited	Fandango Holdings plc
	FC Powergen Limited
	GW Power Limited
	In Cloud 9 Limited
	James Longley Limited
	KI Power Limited
	LF Flexgen Limited
	Longleys Line Limited
	Longleys Of Leeds Limited
	NRS Power Limited
	Rosehurst Management Limited
	Sinister Holdings Limited
	Spencer Chapman Limited
	Swallow Energy Limited
	VLM Air Lim-ted
	Whin-y - Froth (Halfwit) Limited
	Gold Mines of Africa Limited
	Plutus Energy Limited

<b>Charles Ronald Spencer Tatnall</b>	
<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
Brookborne Limited	FC Powergen Limited
Fandango Holdings plc	KI Power Limited

Stranger Holdings plc	LF Flexgen Limited
Plutus Energy Limited	NRS Power Limited
Plutus PowerGen plc	Plutus Investors Limited
Stranger Holdings plc	Spencer Chapman Limited
Strategic Holdings Limited	Swallow Energy Limited
	Yum Energy Limited
	Yum Management Limited

### Proposed Directors

<b>Jason Paul Brewer</b>	
<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
Mayflower Copper Investments Limited	<i>None</i>
Mayflower Strategic Minerals Limited	
Mayflower Children's Foundation	
Terra Rara UK Limited	
Mayflower Energy Metals Limited	
Marula Resources Limited	

<b>Sean Heathcote</b>	
<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
<i>None</i>	Kapsch Africa Pty Ltd
	G4S Africa Pty Ltd
	Sedgman South Africa Pty Ltd
	Group Five Construction Materials Pty Ltd
	Micromine Africa Pty Ltd
	GRD Minproc SA Pty Ltd
	Engineering Solutions Pty Ltd (A Division of Murray & Roberts)

<b>Bongani Raziya</b>	
<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
<i>None</i>	<i>None</i>

<b>Jackline Gathoni Muchai</b>	
<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
<i>None</i>	<i>None</i>

### Proposed Senior Manager

<b>Stephen Derek Amphlett</b>	
<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships</b>
Amphlett Pty Ltd	<i>None</i>

- 7.2. James Longley entered into an Individual Voluntary Arrangement supervised by Mr. Bennett of Berg Kaprow Lewis in 1999 for a sum of £210,000, which was paid in full.
- 7.3. James Longley was a non-executive director of Ovivo Mobile Communications Limited which entered into a voluntary creditors liquidation in May 2014. The approximate loss to creditors was approximately £2.25 million.
- 7.4. Charles Tatnall was formerly a director of Maceworth Ltd, a company that went into compulsory liquidation in 1990 and was dissolved in 1995. The approximate loss to creditors was £160,000.
- 7.5. Directors' confirmations:

Save as disclosed in this section 8, at the date of this Document none of the Directors:

- (a) has any unspent convictions;
- (b) has been a director of any company which, at that time or within 12 months after his ceasing to be a director, became bankrupt, had a receiver appointed or was liquidated (other than solvent liquidations);
- (c) has had any public criticism against him by statutory or regulatory authority; or
- (d) has any conflict of interest in performing his duties as director of the Company.

## **8. Reasons for the Offer and Use of Proceeds**

The Company expects to receive net proceeds from the Placing (gross proceeds of approximately £4.9 million minus commissions of approximately £90,000, minus estimated professional fees of approximately £380,000) equalling approximately £4.4 million. In furtherance of the Acquisition and the advancement of Henkries, the Company expects to use these net proceeds (a) to satisfy MEML's Acquisition-related liabilities (specifically, the payment of Desert Stars' Cash Consideration in the amount of \$1,000,000 (c. £821,000) plus MEML's fees and costs since the signing of the Heads of Agreement in November 2021 (c. £770,000), (b) to satisfy in full trade creditors of Stranger, and (c) for ongoing working capital to advance the Henkries Uranium Project to a production decision.

For the avoidance of doubt, the issue of the Equity-for-Debt Shares and Convertible Loan Note Conversion Shares, combined with the Company's agreement to pay non-subscribing creditors a pre-agreed cash payout, will fully discharge Stranger's outstanding debt commitments including the Dover Harcourt facility and any non-convertible loan debt, fees and accrued interest thereon, which as of 27 September 2023 (the latest practicable date prior to publication of this Prospectus) are approximately £3.6 million in the aggregate.

## **9. Share Dealing Code**

As at the date of this Document, the Directors have voluntarily adopted a share dealing code (the "**Share Dealing Code**") compliant with the European Union's Market Abuse Regulation (*Regulation 596/2014*). The Board will be responsible for taking all proper and reasonable steps to ensure compliance with Share Dealing Code by the Directors.

## **10. Dividend Policy**

The objective of the Directors is the achievement of substantial capital growth. In the short term they do not intend to declare a dividend.

## **11. Shareholder Loans**

As of the date of this Document, there are no outstanding shareholder loans to Stranger Holdings plc.

## 12. Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests

As at the date of this Document, there are no potential conflicts of interest between any duties to the Enlarged Group of any of the Directors, Proposed Directors or Senior Managers and their private interests and/or other duties save that one of the proposed directors, namely Bongani Raziya, is a minority (30%) investor in Desert Star. Upon due and careful inquiry, the Directors do not believe this conflict to be material. Any material conflict of interest that arises in future will be considered by the non-conflicted directors.

## 13. Terms of employment and engagement for Directors and Senior Managers of Stranger Holdings plc

- 13.1. Jason Paul Brewer. Under a letter of appointment dated 29 September 2023 between the Company and Mr Brewer, Mr Brewer is to be appointed as Non-Executive Chairman of the Company with effect from Admission for an indefinite term. Mr Brewer's appointment can be terminated on 6 months' notice. Mr Brewer is required to devote such time as is necessary for the proper performance of his duties to the Company. The Company will pay to Mr Brewer a fee at the rate of £8,000 per month and a one-time signing bonus of £60,000. Further, MEML has designated Gathoni Muchai Investments Pty Limited (an entity in which Mr Brewer has a 45% interest) (a) to receive 114,500,000 Consideration Shares upon Admission, (b) to receive 75,000,000 Introducer and Advisor Shares (c) to receive up to 20,000,000 Deferred Consideration Shares in the event that MEML becomes entitled to Deferred Consideration Shares (d) in his personal capacity to receive 19,999,500 Debt to Equity Shares and (e) the potential to earn 40,000,000 Performance Shares.
- 13.2. Sean Heathcote. Under a letter of appointment dated 29 September 2023 between (1) the Company and (2) Sean Heathcote, Mr Heathcote is to be appointed as Chief Executive and Director of the Company with effect from Admission for an indefinite term subject to 6 months' notice. The Company will pay to Mr Heathcote an annual salary of £149,500 per annum to be reviewed after 6 months from Re-Admission and shall reimburse (or procure the reimbursement of) all reasonable expenses incurred by him within the scope of his services. Further, MEML has designated O'Sullivan Advisory & Investments Ltd (an entity that Mr Heathcote owns) (a) to receive 64,500,000 Consideration Shares upon Admission, (b) to receive 10,000,000 Introducer and Advisor Shares, (d) up to 20,000,000 Deferred Consideration Shares in the event that MEML becomes entitled to Deferred Consideration Shares (e) in his personal capacity to receive 16,333,000 Debt to Equity Shares and (f) the potential to earn 60,000,000 Performance Shares.
- 13.3. Jackline Muchai. Under a letter of appointment dated 29 September 2023 between the Company and Ms. Muchai, Ms. Muchai is to be appointed as Non-Executive Director of the Company with effect from Admission for an indefinite term. Ms. Muchai's appointment can be terminated on 6 months' notice. Ms. Muchai is required to devote such time as is necessary for the proper performance of her duties to the Company. The Company will pay to Ms. Muchai a fee at the rate of £2,500 per month. Further, MEML has designated Gathoni Muchai Investments Pty Limited (an entity in which Ms Muchai has a 55% interest) (a) to receive 114,500,000 Consideration Shares upon Admission, (b) to receive 75,000,000 Introducer and Advisor Shares (c) to receive up to 20,000,000 Deferred Consideration Shares in the event that MEML becomes entitled to Deferred Consideration Shares (d) in her personal capacity to receive 2,666,000 Debt to Equity Shares and (e) the potential to earn 40,000,000 Performance Shares.
- 13.4. Bongani Raziya. Under a letter of appointment dated 29 September 2023, between the Company and Mr Raziya, Mr Raziya is to be appointed as Non-Executive Director of the Company with effect from Admission for an indefinite term. Mr. Raziya's appointment can be terminated on 6 months' notice. Mr Raziya is required to devote such time as is necessary for the proper performance of her duties to the Company. The Company will pay to Mr Raziya a fee at the rate of £2,500 per month. Further, as a shareholder of DST Wavecrest Capital Pty Ltd (an entity controlled by Mr Raziya) has been assigned (a) to receive 43,965,286 Consideration Shares upon Admission, (b) in his personal capacity has the potential to earn 40,000,000 Performance Shares.
- 13.5. James Longley. Pursuant to a consultancy agreement dated 29 September 2023 with Chapman Longley Limited ("CLL"), Mr Longley will remain on the Company's board as a Non-Executive Director. The agreement with CLL takes effect upon Admission and replaces all previous agreements in respect of Mr Longley's service to the Company. Under the terms of the consultancy agreement, the Company agrees to engage CLL and CLL agrees to provide the services of James Longley as a non-executive director and will ensure that James Longley is available to the Company to provide such services. The agreement between the Company and CLL is terminable by either party giving to the other not less than 12 months'



prior written notice which may not expire prior to the first anniversary of Admission. The Company will pay to CLL a fee at the rate of £8,000 per month plus VAT and a one-time signing bonus of £60,000 plus VAT.

- 13.6. Charles Tatnall. Pursuant to a consultancy agreement dated 29 September 2023 with Brookborne Limited (“Brookborne”), Mr Tatnall will remain on the Company’s board as a Non-Executive Director. The Agreement with Brookborne takes effect upon Admission and replaces all previous agreements in respect of Mr Tatnall’s service to the Company. Under the terms of the consultancy agreement, the Company agrees to engage Brookborne and Brookborne agrees to provide the services of Charles Tatnall as a non-executive director and will ensure that Charles Tatnall is available to the Company to provide such services. The agreement between the Company and Brookborne is terminable by either party giving to the other not less than 12 months’ prior written notice which may not expire prior to the first anniversary of Admission. The Company will pay to Brookborne a fee at the rate of £8,000 per month plus VAT and a one-time signing bonus of £60,000 plus VAT.
- 13.7. Stephen Amphlett. Under a letter of appointment dated 29 September 2023 between (1) the Company and (2) Stephen Amphlett, Mr Amphlett is to be appointed as Chief Financial Officer of the Company with effect from Admission for an indefinite term subject to 3 months’ notice. The Company will pay to Mr Amphlett an annual salary of £40,000 per annum. Further, MEML has designated Mayflower Capital Investment Pty Ltd (an entity that Mr Amphlett owns) (a) to receive 40,000,000 Consideration Shares upon Admission, (b) to receive 5,000,000 Introducer and Advisor Shares and (c) to receive up to 20,000,000 Deferred Consideration Shares in the event that MEML becomes entitled to Deferred Consideration Shares.

In addition, and as previously set out in section 2.11 of this Part VII, each of the directors above (but, for the avoidance of doubt, not the proposed Chief Financial Officer Stephen Amphlett) shall be entitled to benefit from a management incentive plan pursuant to which up to 260,000,000 Performance Shares in the aggregate will be awarded upon Admission which shall be converted into up to 260,000,000 Ordinary Shares upon the achievement of certain milestones in the Enlarged Group’s development.

Save as disclosed above, there are no existing or proposed service agreements between any of the Directors and the Company providing for benefits upon termination of employment.

#### **14. Pension Arrangements**

There are no pensions or other similar arrangements in place with any of the Directors nor are any such arrangements proposed.

#### **15. Employees**

As at the date of this Document, the Company has two employees, namely James Longley and Charles Tatnall, who are both executive directors. As of the date of this Document, Messrs Longley and Tatnall plan to become non-executive directors. The Company intends that Sean Heathcote will be engaged as the Enlarged Group’s Director and Chief Executive Officer, and that Stephen Amphlett will be engaged as the Enlarged Group’s Chief Financial Officer. Thus, immediately following completion of the Acquisition and Admission, the Group will have two employees.

#### **16. Property**

16.1. **Tenure – Freehold.** As of the date of this Document, the Company does not own any freehold properties.

16.2. **Tenure – Leasehold.** As of the date of this Document, the Company does not own any leasehold properties.

#### **17. Subsidiaries**

As at the date of this Document, the Company is not part of a group. Following completion of the Acquisition and Admission, the Company will own 100% of MEML’s share capital, and MEML will in turn own 100% of NURSA’s share capital, who in turn will hold 50.1% of DSTs’ share capital with an earn in option of up to 70%.

## **18. Statutory auditor**

The auditor of the Company is PKF Littlejohn LLP whose registered address is at 15 Westferry Circus Canary Wharf London E14 4HD. Jeffreys Henry was the auditor of the Company for the years ended 31 March 2020 and 2021 and PKF Littlejohn for the year ended 31 March 2022. Jeffreys Henry and PKF Littlejohn are each registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

## **19. Dilution of Ordinary Share Capital**

The issue of the Equity-for-Debt Shares, Convertible Loan Note Shares, Consideration Shares and Introducer and Advisor Shares will result in the Existing Ordinary Shares being diluted so as to constitute approximately 11.98% of the Enlarged Share Capital immediately after Re-Admission. Taking into account the entirety of shares for which AUO Commercial Brokerage LLC has subscribed, which shares will become payable within 13 months of the date of this Prospectus pursuant to the schedule that appears in section 2.9 of Part VII of this Prospectus (page 104) (and for which admission will be sought subsequent to issue in due course), this figure reduces to 8.98%. The exercise of any Warrants, the conversion of any Performance Shares, and/or the issuance of any Deferred Consideration Shares would result in further dilution. In particular, the conversion of all such convertible securities and the issue of all such Deferred Consideration Shares will result in Stranger's Existing Ordinary Shares being diluted so as to constitute approximately 6.45% of Stranger's share capital, on a fully diluted basis.

## **20. Related-Party Transactions**

None save the following:

- 20.1. Stranger Directors' service contracts and letters of appointment beginning on page 120 of this Document under the heading "Terms of employment and engagement for Directors of Stranger Holdings plc".

## **21. Significant Change**

### ***Stranger Holdings plc***

Since 30 September 2022, there have been no significant changes in the Company's financial position or performance.

### ***Desert Star Proprietary 130 Limited***

Since 28 February 2023, there have been no significant changes in Desert Star's financial position or performance.

## **22. CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any Shareholder so wishes.

However, CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. Subscribers may elect to receive Ordinary Shares in uncertificated form if such investor is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **23. Material contracts**

### **23.1. The Company**

- *Heads of Agreement and Option Purchase Agreement.* On 25 October 2021, the Company and Mayflower entered into an agreement to acquire contractual exploration rights held by Mayflower Strategic Minerals Limited in the Henkries Uranium Mine. The parties' agreements are summarised in section 2 of Part I of this Prospectus under the heading "Overview and Reasons for the Acquisition" (page 41) and further details of the agreements are provided in section 4 of Part I under the heading "Details of the Acquisition" (page 42).

- *Broker Agreement.* On 10 May 2023, the Company entered into an agreement with First Equity Limited (the “**Broker**” or “**First Equity**”) pursuant to which the Broker will be appointed as the Company’s placing agent and corporate broker in connection with Re-Admission. Pursuant to the agreement, the Company agrees:
  - to pay the Broker a placing Commission of 6.0 per cent of funds raised for investors that the Broker introduces;
  - to pay the Broker a handling fee of 1.0 per cent, if the Broker is required to issue a Subscription Letter to investors not introduced by the Broker and provide a settlement service to such investors;
  - to issue the Broker with 1 Broker Warrant for every 10 shares that are subscribed for by investors introduced by the Broker, with such warrants having the same terms as those issued to investors in the RTO Placing or if no investor warrants are issued in the RTO Placing, then the exercise price will be 50 per cent above the IPO Placing price, with a term to expiry period of three years after the Placing shares are admitted to trading;
  - to pay the Broker an RTO Listing fee of £20,000 upon completion of the RTO for providing advice and reviewing documents in connection with the RTO;
  - to pay the Broker an annual Corporate Broker fee of £25,000 (plus VAT, if applicable), payable quarterly in advance, for a minimum period of 18-months from the Admission date for corporate broking and discretionary research services; and
  - to pay to the Broker any reasonable legal fees that may be incurred in connection with the IP Placing and Admission of Shares.
  
- On 16 June 2022, the Company agreed with its lender (namely Dover Harcourt plc) to restructure the Company’s secured loan facility (the “**Dover Harcourt Loan Facility**”), subject to the transaction that is the subject of this Prospectus. As of 20 July 2023, the principal amount under the Dover Harcourt Loan Facility was £1,853,278 and the amount of interest outstanding was £176,743.52, for a total settlement amount of approximately £2 million. Should the contemplated Acquisition of MEML proceed and Re-Admission occur, Stranger will convert all amounts due under the Dover Harcourt Loan Facility into shares of Stranger at a rate of 15p per £1 and the security agreement to which Stranger is subject shall be released. In addition, Stranger will undertake to (a) use all reasonable endeavours to recover amounts due to it in respect of certain litigation rights (**Claims**) and (b) transfer any proceeds received in respect of the Claims to the noteholders.
  
- *Intercompany services agreement (the ICA)*
  - In 2022 the Company entered into the ICA with Mayflower Energy Metals Limited (**MEML**) pursuant to which MEML agreed to provide management services (the “**Services**”) to the Company in connection with the reverse takeover of MEML by Stranger.
  - In consideration of MEML providing the Services to the Company, the Company shall pay all charges relating to the Services to MEML (the “**Charges**”), such Charges being calculated as 100 per cent of the cost to MEML.
  - The effect of the ICA is such that the Company allows MEML to make certain payments on its behalf.
  - As of 31 July 2023 (being the latest practical date prior to the submission of this Prospectus), MEML spent £1,020,750 in connection with the ICA. Such expenditures were borne either directly by MEML or indirectly via MEML’s wholly-owned subsidiary, NURSA, and were used to pay transaction costs to advance the Company’s acquisition of Desert Star. Of this amount, £187,398 is accounted for in the historical financial information of Stranger and Desert Star. The remainder, being £833,352, is not reflected in the historical financial information for Stranger or Desert Star, but instead is to be settled by inter-company recharge. The amounts expended by MEML, either directly or via its wholly-owned subsidiary NURSA, are purely transaction costs that are inter-company in nature. For the avoidance of doubt, all of MEML’s and NURSA’s funds were used to pay transaction costs borne by MEML and NURSA on behalf of Stranger and/or Desert Star; these were the only transactions within MEML and NURSA and thus effectively intragroup. There are no other transactions within MEML and NURSA other than those that will be recharged to Stranger.

### **23.2 Desert Star Trading 130 Pty Limited**

- *Binding Terms Sheet, Heads of Agreement and Share Sale Agreement.* On 22 October 2021, Desert Star and Mayflower Strategic Minerals Limited entered into an agreement to acquire contractual Prospecting Rights held by Desert Star in the Henkries Uranium Prospect. The parties supplemented their agreement on 11 April 2022 with a formal purchase agreement, which went through various amendments; the final amendment is dated 29 March 2023. The parties' agreements are summarised in section 2 of Part I of this Prospectus under the heading "Overview and Reasons for the Acquisition" (page 41) and further details of the agreements are provided in section 3 of Part I under the heading "Details of the Acquisition" (page 42).

## 24. Capitalisation and Indebtedness

The capitalisation of the Company and Desert Star as at 31 July 2023, extracted from the unaudited management accounts was as follows:

<i>Stranger Holdings plc</i>	(Unaudited) 31 July 2023 £'000
<b>Total Current Debt</b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	1,849
	<u>1,849</u>
<b>Total Non-Current Debt (excluding current portion of long-term debt)</b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	233
	<u>2,082</u>
<b>Shareholder's Equity</b>	
Share Capital	146
Share Premium	737
	<u>                    </u>
	<u>                    </u>
<b>Total capitalisation</b>	<u>2,965</u>

Since 31 July 2023, there has not been any material change in Stranger's capitalisation.

<i>Desert Star Proprietary Ltd</i>	(Unaudited) 31 July 2023 £'000
<b>Total Current Debt</b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
	<u>-</u>
<b>Total Non-Current Debt (excluding current portion of long-term debt)</b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	164
	<u>164</u>
<b>Shareholder's Equity</b>	
Share Capital	1
Other reserves	-
	<u>                    </u>
	<u>                    </u>
<b>Total capitalisation</b>	<u>165</u>

Since 31 July 2023, there has not been any material change in Desert Star's capitalisation.

The net indebtedness of the Company (unaudited) and Desert Star (unaudited) as at 31 July 2023, extracted from the unaudited management accounts, was as follows:

<i>Stranger Holdings plc</i>	(unaudited) 31 July 23 £'000
Cash	-
Cash equivalents	-
Other current financial assets	-
Liquidity	<u>-</u>
Current financial debt	1,849
Current portion of non-current financial debt	-

<b>Current financial indebtedness</b>	<b>1,849</b>
<b>Net current financial indebtedness</b>	<b>1,849</b>
Non-current financial debt	37
Debt instruments	196
Other non-current loans	-
<b>Non-current financial indebtedness</b>	<b>233</b>
<b>Total financial indebtedness</b>	<b>2,082</b>

*Desert star Trading 130 Pty Limited*

(Unaudited)  
31 July 2023  
£'000

Cash	1
Cash equivalents	4
Other current financial assets	-
Liquidity	5
Current financial debt	-
Current portion of non-current financial debt	-
<b>Current financial indebtedness</b>	<b>-</b>
<b>Net current financial indebtedness</b>	<b>(5)</b>
Non-current financial debt	164
Debt instruments	-
Other non-current loans	-
<b>Non-current financial indebtedness</b>	<b>164</b>
<b>Total financial indebtedness</b>	<b>159</b>

Neither Stranger nor Desert Star has any further indirect or contingent indebtedness as of 31 July 2023.

Since 31 July 2023, neither Stranger nor Desert Star has experienced a material change in its indebtedness.

The sources of the capitalisation statements for each of the Company and Desert Star are the unaudited financial information annexed to this Prospectus, as updated by the Company's unaudited management accounts up to 31 July 2023. The source for net indebtedness statements for each of the Company and Desert Star are their respective unaudited management accounts up to 31 July 2023.

## 25. Capital Resources

Reference is made to the Company's *Annual Report and Audited Financial Statements for the Year Ended 31 March 2022*, which is incorporated herein by reference, and in particular the report on the Company's cash position, which appears on page 3 of the Company's Annual Report.

## 26. Lock-Up Agreements

Each of the following shareholders (collectively, the "**Locked-In Shareholders**"), who collectively are expected to own approximately 39.7% of Stranger's share capital immediately after Admission, have agreed that it shall not, offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which it holds directly or indirectly in the Company for a period of 6 months commencing on the date of Admission:

Name of Locked-in Shareholder	Number of shares owned on Admission	% of total issued share capital owned on Admission
Gathoni Muchai Investments Limited	189,500,000	15.58%
O'Sullivan Advisory & Investments Ltd	74,500,000	6.12%
Mayflower Capital Investments Pty Limited	45,000,000	3.70%
James Longley (via Hargreaves Lansdown (Nominees) Limited)	46,867,797	3.85%
Oliver Edmund Chapman Longley	4,655,000	0.38%
Charles Ronald Spencer Tatnall	51,522,797	4.24%
Wavecrest Capital Pty Ltd	43,965,286	3.61%
Peter Dennis Hibberd	30,991,923	2.55%
CIH Mining Investments	10,845,457	0.89%
Dover Harcourt plc	42,616,950	3.50%

The restrictions on the ability of each Locked-In Shareholder to transfer its Ordinary Shares, are subject to certain usual and customary exceptions for: transfers to trusts for the benefit of such Locked-In Shareholder and its associates; transfers to associates, provided that in each of the foregoing cases, the transferees enter into a lock-up agreement; and the acceptance of, or provision of, an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms after Admission.

## 27. Governmental, Legal or Arbitration Proceedings

Stranger is owed £391,000 by Recyclus Group Limited (“**Recyclus**”), which was a previous target of Stranger for a Reverse Take Over (“**RTO**”), and which terminated such proposed RTO, opting instead to list under the “Technology Minerals” umbrella. The Directors understand that Recyclus is now 50% owned by Technology Minerals plc, a company listed on the London Stock Exchange. Stranger is actively trying to recover these funds and has commenced legal action. The directors are reasonably confident, at this stage, that these monies will largely be recovered in due course.

Separately, and prior to the proposed RTO of Recyclus, Stranger had previously entered into Heads of Terms for the RTO of Alchemy Utilities Group (“**Alchemy**”), a group of companies based in Ireland. This transaction aborted. Stranger had lent Alchemy approximately £290,000 and, in addition, was entitled to costs in the amount of £150,000 from the proposed vendors (being, in particular, Alchemy’s principal shareholders and then-existing directors). Neither of these amounts have been repaid to Stranger and it is the intention of Stranger to pursue Alchemy and Alchemy’s principal shareholders for these monies.

The causes of action in respect of the aborted reverse takeovers of Recyclus and Alchemy shall, subject to completion of the reverse takeover of MEML, be spun off into a new company to be owned solely by Stranger’s existing shareholders and not, for instance, by those who will receive Consideration Shares or Deferred Consideration Shares in Stranger.

## 28. Other Information

- (a) Save as disclosed in section 28 in this Part VII, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since incorporation which may have or have had in the recent past significant effects on the Company’s financial position or profitability.
- (b) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since incorporation which may have or have had in the recent past significant effects on DST’s financial position or profitability.
- (c) There are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company’s business, other than those described in Part I of this Document beginning on page 51 under the heading “Licences”.
- (d) There are no significant investments in progress, other than those described in Part I of this Document
- (e) No exceptional factors have influenced the Company’s or DST’s activities.
- (f) W.K.H. Landgrebe C.A. (S.A. & Co.), chartered accountants and auditors whose business address is at Suite 7, Denavo House, 15 York Street (CNR KING), Kensington “B”, Randburg, South Africa, has given and not withdrawn its consent to the incorporation by reference of its Independent

Auditor's Report for DST and has authorised the contents of that report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.

- (g) The Company has elected not to engage the services of a financial adviser in relation to Admission.
- (h) The admission-related costs and expenses of the Acquisition and the Admission to Official List (inclusive of brokerage commissions) are estimated at £470,525 excluding VAT and are payable by the Company.
- (i) Minesearch Geological Consulting, a mineral exploration services company, whose business address is 5 Warthog Way, Intaba Ridge Estate, Pietermaritzburg, South Africa, has given and not withdrawn its consent to the inclusion in this Document of its competent person's report and has authorised the contents of that report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. Further, Minesearch Geological Consulting declares that, to the best of its knowledge, the information contained in those parts of this Document for which it is responsible is in accordance with the facts and that those parts of this Document make no omission likely to affect their import.
- (j) Bananomix Pty Ltd, a metallurgical process consulting services company, whose business address is 414 B Queens Crescent, Lynnwood, Pretoria, South Africa, has given and not withdrawn its consent to the inclusion in this Document of its competent person's report and has authorised the contents of that report for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. Further, Bananomix Pty Ltd declares that, to the best of its knowledge, the information contained in those parts of this Document for which it is responsible is in accordance with the facts and that those parts of this Document make no omission likely to affect their import.
- (k) Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **29. Availability of this Document and documents for inspection**

For the term of this Prospectus, copies of the following documents will be available for inspection from the registered office of the Company during normal office hours (except Saturdays, Sundays and public holidays) and from the Company's website <http://strangerholdingsplc.com>:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of Desert Star;
- (c) the audited accounts of the Company for the years ended 31 March 2020, 2021 and 2022, the audited financial information of the Company for the 6-month period ended 30 September 2022, and the unaudited financial information of the Company for the 6-month period ended 30 September and 2021.
- (d) the audited accounts of Desert Star for the years ended 28 February 2021, 2022, and 2023.
- (e) the unaudited pro forma financial information of the Group
- (f) this Document.

29 September 2023



## PART VIII

### TAKEOVER CODE DISCLOSURES AND RULE 9 WAIVER

#### 1. Acquisition terms

As noted above in Part I (“*Description of the Acquisition*”), the Company has entered into the Heads of Agreement whereby the Company has agreed to acquire, subject to several conditions, MSML’s rights under a binding term sheet entered into by Mayflower Strategic Minerals Limited (“**MSML**”) (the “**Binding Term Sheet**”) with Desert Star Trading 130 Proprietary Limited (“**Desert Star**”) and the Desert Star shareholders dated 22 October 2021 to acquire a controlling, majority interest in Desert Star and, with it, an interest in the Henkries Uranium Project. MSML has incorporated Mayflower Energy Metals Limited (“**MEML**”) as direct holder of the interests to be acquired, and the Company will acquire 100% of the issued share capital of MEML (“**Acquisition**”). The Acquisition is conditional on the Placing. The consideration for the Acquisition is the issue of the Consideration Shares and Deferred Consideration Shares to certain parties at completion, details of which are set out immediately below in section 2 under the definition of “**Concert Party**”. In addition, conditional upon certain events the Company will be required to issue the Deferred Consideration Shares and convert Performance Shares into Ordinary Shares to members of the Concert Party (as defined below). The Consideration Shares, Concert Party Introducer and Advisor Shares and Concert Party Equity-for-Debt Shares (as each is defined below) held by the Concert Party will represent 35.7% of the Enlarged Share Capital at Re-Admission. Part I of this Prospectus sets out the opportunity to the Company represented by the Acquisition and the anticipated benefit to the Company of undertaking the Acquisition.

Except for the agreements effecting the Acquisition, agreements with service providers and as otherwise set out in this Part VIII, no member of the Concert Party will within the period of two years preceding the date of this Prospectus have entered into any material contract with the Company. No member of the Concert Party currently holds any Shares.

#### 2. Rule 9 and Concert Party

The Takeover Code (the “**Takeover Code**”) which is issued and administered by the Panel, applies to Stranger Holdings plc. The Company is a public limited liability company. The registered office of the Company is, and will continue to be, in England.

The Company and its shareholders are afforded certain protections under the Takeover Code.

The Takeover Code makes provision where a person and any person acting in concert pursuant to an agreement or understanding (whether formal or informal) co-operate, to obtain or consolidate control of that company. Control means an interest, or aggregate interest, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code), irrespective of whether the interest or interests give de facto control.

Persons “acting in concert” under the Takeover Code is defined at the end of this Part VIII. For the purposes of the Acquisition, the persons who have been designated by MEML to receive Consideration Shares and/or Deferred Consideration Shares as part of the consideration for the Acquisition are deemed to be acting in concert, and together with connected persons receiving Introducer and Advisor Shares therefore form the “**Concert Party**” as follows:

##### The Seller and its Designees

1. Mayflower Energy Metals Limited (“**MEML**”). MEML is the vendor of the Henkries assets via MEML’s wholly owned subsidiary, Neo Uranium South Africa Proprietary Limited (“**NURSA**”). The share capital of MEML is owed by Gathoni Muchai Investment Pty (50%) (as to which see below), Mayflower Capital Investments Pty Limited (45%) (as to which see below) and Orana Corporate Limited (5%).
2. Gathoni Muchai Investments Pty Ltd. (“**Gathoni**”). Jackline Muchai and Jason Brewer and (each of whom are proposed to become directors of Stranger post-Admission) own 55% and 45%, respectively, of Gathoni’s share capital.

3. Mayflower Capital Investments Pty Limited (“**Mayflower**”). Mayflower helped to arrange the sale of Henkries to Stranger via MEML and NURSA. Stephen Amphlett is the founder and principal of Mayflower. Stephen Amphlett (who is proposed to become Stranger’s Chief Financial Officer post-Admission) owns the entirety of Mayflower’s share capital.
4. Wavecrest Capital Pty Ltd (“**Wavecrest**”). Bongani Raziya (who is proposed to become a director of Stranger post-Admission) owns the entirety of Wavecrest’s share capital. Wavecrest is a selling shareholder of Desert Star.
5. O’Sullivan Advisory & Investments (“**O’Sullivan**”). Sean Heathcote (who is proposed to become a director of Stranger post-Admission) owns the entirety of O’Sullivan’s share capital.
6. Peter Dennis Hibberd. Mr Hibberd is Desert Star’s Mining and Geological Consultant and one of Desert Star’s selling shareholders.
7. CIH Mining Investments (Pty) Ltd (“**CIH**”). CIH is one of Desert Star’s selling shareholders.

Directors (Post-Admission)

8. Jason Brewer. Mr Brewer is proposed to become a director of Stranger post-Admission. He owns 45% of Gathoni (as to which see item 2, above) and is the founder and principal of Mayflower (as to which see item 3, above).
9. Sean Heathcote. Mr Heathcote is proposed to become a director of Stranger post-Admission. He is the owner of O’Sullivan Advisory & Investments (as to which see item 5, above).
10. Jackline Muchai. Ms Muchai is proposed to become a director of Stranger post-Admission. She owns 55% of Gathoni (as to which see item 2, above).
11. Bongani Raziya. Mr Raziya is proposed to become a director of Stranger post-Admission. He is the owner of Wavecrest (as to which see item 4, above).

At Admission, the Company will issue 75,000,000 Ordinary Shares to Gathoni in consideration for services provided to the Company, 10,000,000 Ordinary Shares to O’Sullivan in consideration for services provided to the Company and 5,000,000 Ordinary Shares to Mayflower in consideration for services provided to the Company (“**Concert Party Introducer and Advisor Shares**”).

The Company is also indebted to Jason Brewer, Sean Heathcote and Jackline Muchai each a member of the Concert Party and each of whom have entered into a debt-for-equity letter with the Company and at Admission will be issued 19,999,500 Ordinary Shares, 16,333,000 Ordinary Shares and 2,666,000 Ordinary Shares, respectively (“**Concert Party Equity-for-Debt Shares**”).

Following Admission, the members of the Concert Party will be interested in 433,801,766 Ordinary Shares, representing 35.7% of the voting rights of the Company.

Assuming the allotment in full to the members of the Concert Party of (a) certain management incentives (namely, the Performance Shares) and (b) the Deferred Consideration Shares (and assuming that no other person converts any convertible securities or exercises any options or any other right to subscribe for shares in the Company), the members of the Concert Party would be interested in 673,801,766 shares, representing 45.0% of the enlarged voting rights of the Company.

A table showing the respective individual interests in shares of the members of the Concert Party on Admission and following the allotment of the Deferred Consideration Shares and the conversion of the Performance Shares to Ordinary Shares is set out below.

Name of Concert Party Member	Associated Persons / Entity	No. of Ordinary Shares pre-Admission	No. of Ordinary Shares at Admission				Percentage of Enlarged Share Capital upon Admission (%)	Performance Shares *	Deferred Consideration**	No. of Options, Warrants, and Convertible Securities Capable of being Converted into Ordinary Shares***	No. of Ordinary Shares post-Admission (Maximum Controlling Position)	Percentage of Ordinary Shares post-Admission (Maximum Controlling Position) (%)	Percentage of Diluted Enlarged Share Capital (%)
			Consideration Shares	Introducer Advisor Shares	Equity for Debt Shares	Total Ordinary Shares							
Gathoni Muchai Investments Pty Ltd		0	114,500,000	75,000,000		189,500,000	15.58%	0	20,000,000	-	209,500,000	14.0%	9.3%
Wavecrest Capital Pty Ltd		0	43,965,286			43,965,286	3.61%	0	0	-	43,965,286	2.9%	1.9%
O'Sullivan Advisory & Investments		0	64,500,000	10,000,000		74,500,000	6.12%	0	20,000,000	-	94,500,000	6.3%	4.2%
Mayflower Capital Investment Limited		0	40,000,000	5,000,000		45,000,000	3.70%	0	20,000,000	-	65,000,000	4.3%	2.9%
Peter Dennis Hibberd		0	30,991,923			30,991,923	2.55%	0	0	-	30,991,923	2.1%	1.4%
CIH Mining Investments		0	10,845,457			10,845,457	0.89%	0	0	-	10,845,457	0.7%	0.5%
Jason Brewer		0		19,999,500		19,999,500	1.64%	40,000,000	0	-	59,999,500	4.0%	2.7%
Sean Heathcote		0		16,333,000		16,333,000	1.34%	60,000,000	0	-	76,333,000	5.1%	3.4%
Jacline Muchai		0		2,666,600		2,666,600	0.22%	40,000,000	0	-	42,666,600	2.9%	1.9%
Bongani Raziya		0				0	0.00%	40,000,000	0	-	40,000,000	2.7%	1.8%
<b>Total</b>			<b>304,802,666</b>	<b>90,000,000</b>	<b>38,999,100</b>	<b>433,801,766</b>	<b>35.66%</b>	<b>180,000,000</b>	<b>60,000,000</b>	<b>0</b>	<b>673,801,766</b>	<b>45.0%</b>	<b>29.8%</b>

\* To compute the maximum controlling position, it is assumed that all performance consideration shares are issued to the members of the concert party (and to no one else)

\*\* To compute the maximum controlling position, it is assumed that all deferred consideration shares are issued

\*\*\* To compute the maximum controlling position, it is assumed that members of the concert party--and no others--exercise their respective options, warrants, and convertible securities

### 3. The Waiver Resolution

Under Rule 9 of the Takeover Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, when taken together with shares in which he is already interested and in which persons acting in concert with him are interested carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, that person is normally required to make a general offer to all remaining shareholders to acquire their shares.

Similarly, if any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, a general offer will normally be required.

A general offer, if required under Rule 9 of the Takeover Code, must be in cash and at not less than the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the Company during the 12 months prior to announcement of the offer.

The Panel has agreed to waive the obligation on the Concert Party to make a general offer that would otherwise arise as a result of the interests in Shares following the issue of the Consideration Shares, Concert Party Introducer and Advisor Shares, Concert Party Equity-for-Debt Shares, the Deferred Consideration Shares and/or the Performance Shares to any member of the Concert Party provided the approval, on a poll of the Independent Shareholders, is obtained at the General Meeting. Accordingly, the Waiver Resolution is being proposed at the General Meeting and will be taken on a poll. Therefore, the directors who are independent of the Concert Party ("**Independent Directors**") are seeking Independent Shareholders' approval, via a resolution to be put before the meeting at the General Meeting ("**Waiver Resolution**"), for a waiver to be granted from the Rule 9 obligations that would otherwise apply to the Concert Party in these circumstances ("**Rule 9 Waiver**").

For the avoidance of doubt, the Rule 9 Waiver applies only in respect of the interest in Shares by the Concert Party resulting from the issue of the Consideration Shares, Concert Party Introducer and Advisor Shares, Concert Party Equity-for-Debt Shares, Deferred Consideration Shares and/or conversion of the Performance Shares and not in respect of other increases in its interests in Shares. In the event that the Waiver Resolution is approved by Independent Shareholders, no member of the Concert Party will be restricted from making an offer for the Company.

In considering the Waiver Resolution the existing Shareholders should have regard to the following:

- (i) on the issue of the Consideration Shares, Concert Party Introducer and Advisor Shares, Concert Party Equity-for-Debt Shares, the Deferred Consideration Shares and/or the Performance Shares, the Concert Party may hold a significant proportion of the Enlarged Share Capital. The interests of the Concert Party may conflict with the interests of the Independent Shareholders and/or the Company and in such circumstances, matters may not be resolved in a manner which Independent Shareholders consider to be in their best interests or in the interests of the Company;
- (ii) the anticipated significant size of the Concert Party's interest following completion of the Acquisition and issue of the Consideration Shares, Concert Party Introducer and Advisor Shares, Concert Party Equity-for-Debt Shares, the Deferred Consideration Shares and/or conversion of the Performance Shares may have an impact on the Company's future ability to attract new equity investors, which could in turn have an effect on the Company's ability to grow; and
- (iii) in the event that Shareholders do not vote in favour of the Waiver Resolution, then the Placing will not complete and the Acquisition, which is conditional on the completion of the Placing, will not proceed which will impact the future business of the Company.

#### 4. **Information on Mayflower, MEML and NURSA**

Mayflower Capital Investments Pty Limited (“**Mayflower**”) was incorporated in Western Australia on 10 October 2001 with Australian Business Number ABN 62 098 404 589 and with its registered office located at Suite 4, Level 1, 35 Cedric Street, Stirling, Western Australia 6021. Mayflower is owned and controlled by Stephen Derek Amphlett. Mayflower is a mining-focused corporate investment and management company with key representatives and offices in London, Johannesburg and Perth. Its management team comprises geologists, mining engineers and metallurgists as well as mining finance and investment banking executives with experience in acquiring, developing and operating mining projects throughout Africa. The sole director of Mayflower is Mr Amphlett.

Mayflower is an advisor and investor in mining transactions throughout Africa and works with local partners and publicly listed companies in the identification, acquisition and development of mining and exploration projects.

To facilitate the sale of Desert Star to Stranger, Mayflower, together with two proposed directors (namely, Jason Brewer and Jackline Muchai) incorporated two special purposes vehicles: Mayflower Energy Metals Limited (“**MEML**”) and Neo Uranium South Africa Proprietary Limited (“**NURSA**”). MEML was incorporated pursuant to the laws of England and Wales on 7 January 2022 as a private limited liability company. MEML's registered office is located at Eccleston Yards 25 Eccleston Place, London, SW1W 9NF. The share capital of MEML is owed by Gathoni Muchai Investment Pty which is connected to Ms Muchai (50%), Mayflower Capital Investments Pty Limited, which is connected to Mr Brewer (45%) and Orana Corporate Limited (5%). The directors of MEML are Jason Brewer, Jackline Muchai, and Ann Muchai.

NURSA was incorporated in South Africa on 30 March 2022 with company registration number 2022/405409/07. MEML owns the entirety of NURSA's share capital. NURSA presently holds the right to acquire 50.1% of Desert Star's share capital. The sole director of NURSA is Jason Brewer.

#### 5. **Management, Employees and continuation of the Business**

The members of the Concert Party have confirmed that its intention regarding the future of the business, the location of the Company's place of business and the continued employment of its employees and management will not be altered as a result of the completion of the Acquisition, except for the appointment of the members of the Concert Party as Directors of the Company as detailed below. There is currently no research and development function within the Company and there is no intention for this to change. Except for the Acquisition, there are no plans to introduce any significant change in the business or in the terms of employment of the employees of the Group (including their pension contributions), nor are there plans for any redeployment of the fixed assets of the Group or any plans to change the Company's existing trading facilities on the LSE, as a result of the Acquisition. Following Re-Admission, the Company and the Concert Party intend to maintain the Company's admission to the standard segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange.

On completion of the Acquisition at Re-Admission, the following people will be appointed as additional directors:

Jason Paul Brewer (domiciled in Scotland)	Non-Executive Chairman
Jackline Gathoni Muchai (domiciled in Kenya)	Non-Executive Director
Sean Heathcote (domiciled in England)	Executive Director
Bongani Raziya (domiciled in South Africa)	Non-Executive Director

The interests of each of the current and proposed Directors (all of which are beneficial unless otherwise stated) in the issued ordinary share capital of the Company as at the date of this letter and as at Re-Admission or which are interests of a person connected with a Director (within the meaning of section 252 of the Companies Act 2006) and the existence of which is known or could, with reasonable diligence, be ascertained by a Director and as they are expected to be immediately following Re-Admission are as follows:

	Interest in Company's Ordinary Share capital at the date of this letter		Interest in Company's Ordinary Share capital immediately following Re-Admission	
	No.	% of total issued share capital	No.	% of total issued share capital
<i>Directors</i>				
Jason Paul Brewer <sup>(1)</sup>	0	0.0%	100,275,000	8.7%
Sean Heathcote <sup>(2)</sup>	0	0.0%	84,500,000	7.5%
Jackline Muchai <sup>(3)</sup>	0	0.0%	106,225,000	8.8%
Bongani Raziya <sup>(4)</sup>	0	0.0%	43,965,286	3.6%
James Longley	30,000,000	20.6%	44,662,500	3.9%
Charles Tatnall	30,000,000	20.6%	46,162,500	4.2%
<i>Senior Managers</i>				
Stephen Amphlett <sup>(5)</sup>	0	0.0%	45,000,000	3.7%
Peter Hibberd <sup>(6)</sup>	0	0.0%	30,991,923	2.5%

<sup>(1)</sup> The shares in this row comprise those owned by Mr Brewer, individually, together with Mr Brewer's 45% beneficial interest in Gathoni Muchai Investments Limited. Mr Brewer is a proposed director.

<sup>(2)</sup> The shares in this row comprise those owned by Mr Heathcote, individually, together with Mr Heathcote's 100% beneficial interest in O'Sullivan Advisory & Investments. Mr Heathcote is a proposed director.

<sup>(3)</sup> The shares in this row comprise those owned by Ms Muchai, individually, together with Ms Muchai's 55% beneficial interest in Gathoni Muchai Investments Limited. Ms Muchai is a proposed director.

<sup>(4)</sup> The shares in this row comprise those owned by Mr Raziya, individually, together with Mr Raziya 100% beneficial interest in Wavecrest Investments Pty Ltd. Mr Raziya is a proposed director.

<sup>(5)</sup> The shares in this row represent those owned by Mr Amphlett through his 100% beneficial interest in Mayflower Capital Investments Pty Limited. Mr Amphlett is the proposed Chief Financial Officer of Stranger.

<sup>(6)</sup> The shares in this row represent those owned by Mr Hibberd, individually. Mr Hibberd is Desert Star's Mining and Geological Consultant.

In addition to the Ordinary Shares held by the Directors and proposed directors as noted above, Performance Shares allotted to those members of the Group's directors and/or management reflected in the table below will convert into up to 260,000,000 Ordinary Shares in the Company ("**Performance Shares**") to those members of the Group's directors and/or management reflected in the table below (or to entities in which they have a beneficial interest), provided certain performance-related conditions are met.

Name of Director or Manager	Number of Performance Shares Awarded
Jason Brewer	40,000,000
Sean Heathcote	60,000,000
Jackline Muchai	40,000,000
Bongani Raziya	40,000,000
James Longley	40,000,000
Charles Tatnall	40,000,000
<b>TOTAL</b>	<b>260,000,000</b>

## 6. Disclosure of Interests and Dealings

As at the close of business on the Latest Practicable Date:

(a) no member of the Concert Party has any interest in or right to subscribe for, or had any short position in relation to, any relevant Company securities, nor has any member of the Concert Party dealt in any relevant Company securities during the disclosure period;

(b) none of the directors of corporate entities of the Concert Party or other individuals (including any of such persons respective immediate families, related trusts or connected persons) had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Company securities, nor had any such person dealt in any relevant Company securities during the disclosure period;

(c) no other person acting in concert with any member of the Concert Party had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Company securities, nor had any such person dealt in any relevant Company securities during the disclosure period;

(d) no agreement, arrangement or understanding (including any compensation arrangement) exists between any member of the Concert Party and/or any of the Directors or recent directors, Shareholders or recent Shareholders, or any person interested or recently interested in shares of the Company, having any connection with, or dependence upon the outcome of the Acquisition;

(e) there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Shares to be acquired by any member of the Concert Party pursuant to the completion of the Acquisition will be transferred to any other person; and

(f) no member of the Concert Party nor any person acting in concert with such member has borrowed or lent any relevant Company securities, save for any borrowed shares which have either been on-lent or sold.

As at the disclosure date there are no relationships (personal, financial or commercial), arrangements or understandings between any member of the Concert Party and First Equity Limited or any person who is, or is presumed to be, acting in concert with First Equity Limited.

#### **7. Responsibility for the purpose of the Takeover Code**

Each of Sean Heathcote and Jason Brewer (who represent the Concert Party members) accepts responsibility for the information contained in this Part VIII of the Prospectus (and any expression of opinion) relating to the Concert Party, himself and the members of his close family and related trusts and companies controlled by any of them. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus for which they take responsibility is in accordance with the facts and contains no omissions likely to affect import of such information.

The Company, Directors and the Proposed Directors whose names appear on page 44 of this Prospectus accept responsibility for the information contained in this Prospectus (including any expressions of opinion). To the best of the knowledge and belief of the Directors and the Proposed Directors (who have each taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

#### **8. Notice of General Meeting**

The Notice of General Meeting containing the Waiver Resolution is set out at the end of this Prospectus (Part X). Your attention is also drawn to the information in the notes to Part X, which give further information in respect of the General Meeting.

**On completion of the Acquisition and the issue of the Consideration Shares, Concert Party Introducer and Advisor Shares, Concert Party Equity-for-Debt Shares, the Deferred Consideration Shares and the Performance Shares, the Concert Party will be interested in shares carrying not less than 30 per cent. of the Company's voting rights, but will not hold shares carrying more than 50% of the voting rights of the Company, and further acquisition of interests in shares by the Concert Party will be subject to Rule 9 of the Takeover Code.**

#### **9. Documents available for Inspection**

Copies of the following documents will be available for inspection:

- a copy of this Prospectus;
- a copy of each of the documents relating to the Acquisition;

- the constitutional documents of each corporate member of the Concert Party;
- the existing Articles of the Company;
- the audited accounts of the Company for the years ended 31 March 2020, 2021 and 2022, and the audited financial information of the Company for the 6-month periods ended 30 December 2022 and 2021;
- the audited accounts of Desert Star for the years for the years ended 28/29 February 2023, 2022 and 2021;
- the unaudited pro forma statement of net assets of the enlarged Company referred to in Part V, section (C) (Unaudited Pro Forma Financial Information) of this Prospectus; and
- the written consent of First Equity Limited referred to in paragraph 10 below.

The documents will be available at (i) the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) until the conclusion of the General Meeting, (ii) at the place of the meeting for at least 15 minutes prior to the General Meeting until its conclusion, and (iii) for inspection on: [www.strangerholdingsplc.co.uk](http://www.strangerholdingsplc.co.uk).

## 10. Recommendation

The Board has received advice from First Equity in relation to the Proposals including the Rule 9 Waiver Resolution and the Acquisition and the Board unanimously recommends voting in favour of the Resolutions as set out in section 10 of Part 1 of this Document on page 46.

**The Definitions set out in Part IX, include relevant definitions in respect of this Part VIII. In addition, the following definitions apply to this Part VIII:**

- a. references to persons “**acting in concert**” comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. A person and each of its affiliated persons will be deemed to be acting in concert with each other. Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established:
- (1) a company (“X”) and any company which controls#, is controlled by or is under the same control as X, all with each other;
  - (2) a company (“Y”) and any other company (“Z”) where one of the companies is interested, directly or indirectly, in 30% or more of the equity share capital in the other, together with any company which would be presumed to be acting in concert with either Y or Z under presumption (1), all with each other;
  - (3) a company's pension schemes, and the pension schemes of any company with which the company is presumed to be acting in concert under presumption (1) or (2), with the company;
  - (4) the directors of a company (together with their close relatives and the related trusts of any of them) with the company;
  - (5) an investment manager of or investment adviser to: (a) an offeror; (b) an investor in a new company (or other vehicle) formed for the purpose of making an offer; or (c) the offeree company, with the offeror or offeree company (as appropriate), together with any person controlling#, controlled by or under the same control as that investment manager or investment adviser;
  - (6) a connected adviser with its client and, if its client is acting in concert with an offeror or the offeree company, with that offeror or offeree company respectively, in each case in respect of the interests in shares of that adviser and persons controlling#, controlled by or under the same control as that adviser (except in the capacity of an exempt fund manager or an exempt principal trader);

- (7) the directors of a company which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent. (See also Note 5 of part C3 of the Takeover Code);
- (8) a person, the person's close relatives, and the related trusts of any of them, all with each other;
- (9) the close relatives of a founder of a company to which the Code applies, their close relatives, and the related trusts of any of them, all with each other; and
- (10) shareholders in a private company or members of a partnership who sell their shares or interests in consideration for the issue of new shares in a company to which the Code applies, or who, in connection with an initial public offering or otherwise, become shareholders in a company to which the Code applies.

For the purposes of presumptions (1) and/or (2):

- (a) a reference to a company includes any other undertaking (including a partnership or a trust) or any legal or natural person;
  - (b) under presumption (1), interests of either 30% or more in a company's shares carrying voting rights or the majority of a company's equity share capital do not dilute through a chain of ownership;
  - (c) under presumption (2), interests of 30% or more in a company's equity share capital dilute through a chain of ownership;
  - (d) the reference in presumption (2) to a company being "indirectly" interested in the equity share capital in another company refers only to the economic rights attached to such shares and not to any voting rights carried by such shares; and
  - (e) except for the purposes of establishing whether a person is acting in concert with a new company (or other vehicle) formed for the purpose of making an offer (see paragraph (a) of Note 7 of Part C3 of the Takeover Code), if an investor invests in a fund or company and that fund or company in turn invests in another fund or company, the investor's indirect interests in the latter fund or company will (in addition to the investor's direct interests) only be taken into account in determining whether the investor and that fund or company are presumed to be acting in concert under presumption (2) if each link in the chain of interests represents 30% or more of the relevant fund's limited partnership interests or the relevant company's equity share capital.
- b. an "**arrangement**" includes any indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
  - c. a "**connected adviser**" has the meaning attributed to it in the Takeover Code;
  - d. "**connected person**" has the meaning attributed to it in the UK Companies Act 2006;
  - e. "**control**" means an interest, or aggregate interests, of shares in the capital of a company carrying 30 per cent. or more of the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting, irrespective of whether the interest or aggregate interests give de facto control;
  - f. "**dealing or dealt**" includes:
    - i. acquiring or disposing of relevant securities, the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights allocated to relevant securities, or of general control of relevant securities;



- ii. taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option in respect of any relevant securities;
  - iii. subscribing or agreeing to subscribe for relevant securities (whether in respect of new or existing securities);
  - iv. exercising or converting any relevant securities carrying conversion or subscription rights;
  - v. acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying of, a derivative referenced directly or indirectly, to relevant securities;
  - vi. entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities;
  - vii. redeeming or purchasing of, or taking or exercising an option over, any of its own relevant securities by the offeree company or an offeror; and
  - viii. any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;
- g. “**derivative**” includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security;
- h. “**disclosure date**” means the Latest Practicable Date;
- i. “**disclosure period**” means the 12 month period prior to the publication of this Prospectus;
- j. an “**exempt fund manager**” means a person who manages investment accounts on a discretionary basis and is recognised by the Panel as an exempt fund manager for the purposes of the Takeover Code;
- k. an “**exempt principal trader**” means a person who is recognised by the Panel as an exempt principal trader for the purposes of the Takeover Code;
- l. being “**interested**” in relevant securities includes where a person:
- i. owns relevant securities; or
  - ii. has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities or has general control of them; or
  - iii. by virtue of any agreement to purchase, option or derivative, has the right or option to acquire relevant securities or to call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or
  - iv. is party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them;
- m. “**relevant Company securities**” means the Existing Shares in the Company (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- n. “**relevant Concert Party securities**” means shares or units in any member of the Concert Party (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (included traded options) in respect thereof;
- o. “**relevant securities**” means relevant Concert Party securities or relevant Company securities; and
- p. “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require any other person to purchase or take delivery.

## PART IX

### DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise.

“Act”	the Companies Act 2006 (as amended)
“Acquisition”	means the acquisition by Stranger of an option to acquire, initially, a 50.1% interest in the Henkries, and potentially further investment in the exploration of the Henkries to earn in up to a total of 70% of Henkries, all as described in Part I of this Document.
“Admission” or “Re-Admission”	admission of the Enlarged Share Capital to the standard listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities
“AUO Subscription Shares”	the 406,666,666 Ordinary Shares for which AUO Commercial Brokerage LLC subscribed and that will become payable (and, in due course, issued) within 13 months of the date of this Prospectus pursuant to the schedule that appears in section 2.9 of Part VII of this Prospectus (page 104).
“Articles”	the articles of association of the Company
“Board”	the Directors of the Company
“Broker” or “First Equity”	First Equity Limited, a limited company registered in England with Company Number 05879560 whose registered address is 57 Berkeley Square, London, England, W1J 6ER
“City Code” or “Takeover Code”	the UK City Code on Takeovers and Mergers, as updated from time to time
“Closing Price”	closing middle market price of 1.25p for Existing Ordinary Shares on 27 September 2023 being the last practicable day before publication of this Document
“Company” or “Stranger”	Stranger Holdings plc
“Concert Party”	the persons and entities agreed by the Panel and Company to be acting in concert specified in section 2 of Part VIII of this Document
“Connected Persons”	has the meaning attributable to it in section 252 of the Act
“Consideration Shares”	the 304,802,667 new Ordinary Shares to be issued by the Company in connection with the Acquisition in accordance with the Heads of Agreement
“Control”	an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the Voting Rights of a company, irrespective of whether such interest or interests give de facto control
“Convertible Loan Notes”	the convertible loan notes issued by the Company as summarised in section 2.5 of Part VII of this Document (page 88).

“CREST”	the relevant system, as defined in the CREST Regulations, for paperless settlement of share transfers and holding shares in uncertificated form which is administered by Euroclear (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 of the UK (SI 2001 No. 3755) (as amended)
“Deferred Consideration Shares”	deferred consideration shares of up to 100,000,000 Ordinary Shares in the Company, which shall be issued upon the achievement of certain milestones, as summarised in section 5 of Part I of this Document (page 44)
“Deferred Shares”	deferred shares of £0.0001 each in the capital of the Company which carry no rights as to voting, dividend or other distribution and which can be redeemed by the Company at any time for £0.01 for all shares of that class registered in the name of any holder, as summarised in section 2.12 of Part VII of this Document (page 106)
“Diluted Enlarged Share Capital”	the Enlarged Share Capital, as diluted by the exercise of the Warrants (page 105) and the conversion of the Performance Shares (page 105) and the issuer of the Deferred Consideration Shares (page 44). For the avoidance of doubt, the Diluted Enlarged Share Capital does not include any Deferred Shares.
“Directors”	the Existing Directors and the Proposed Directors
“Disclosure Guidance and Transparency Rules” or “DTR”	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
“Document” or “Prospectus”	means this prospectus
“Desert Star”, “DST” or the “Target”	Desert Star 130 Proprietary Limited, a limited company incorporated in South Africa on 13 May 2005 with a Registration Number 2005/014743/07.
“Enlarged Share Capital”	the issued ordinary share capital of the Company immediately following the completion of the Acquisition and the issue of the Consideration Shares and the Ordinary Shares issued as a result of the exercise of the Equity-for-Debt Shares, the Convertible Loan Note Shares, the Subscription Shares, the Placing Shares and the Introducer and Advisor Shares. The Enlarged Share Capital does not include any Performance Shares or Deferred Shares. For the avoidance of doubt, the Enlarged Share Capital represents the shares issued by the Company immediately after Re-Admission; it does not include any Subscription shares to be issued to AUO Commercial Brokerage LLC after Re-Admission.
“Equity-for-Debt Shares”	the 181,668,267 Ordinary Shares which have been issued, subject to Admission, and allotted to certain creditors of Stranger Holdings plc
“Equity-for-Debt Subscription Letters”	the letters from certain creditors of Stranger Holdings plc making irrevocable conditional applications for Ordinary Shares, in exchange for discharging the debt owed to such creditor by Stranger Holdings plc
“EU”	the Member States of the European Union
“EU Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when

	securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
“EUWA”	European Union (Withdrawal) Act 2018, as amended
“Existing Directors”	the existing directors of the Company being James Timothy Chapman Longley and Charles Ronald Spencer Tatnall
“Existing Ordinary Shares” or “Existing Share Capital”	the 145,770,000 Ordinary Shares in issue immediately preceding the Placing and Acquisition
“Existing Secretary”	the existing secretary of the Company being Cargil Management Services Limited whose address is 27/28 Eastcastle St, London W1W 8DH and who is to remain as secretary of the Company upon completion of the Acquisition
“FCA”	the UK Financial Conduct Authority
“FSMA”	The Financial Services and Markets Act 2000 (as amended)
“General Meeting”	means the general meeting of the Company to be held at 1.00 p.m. on 1 November 2023 pursuant to the Notice of General Meeting
“Group” or “Enlarged Group”	the Company and, following completion of the Acquisition, MEML, NURSA, Desert Star and any other direct or indirect subsidiaries from time to time
“Henkries Uranium Project“, “Henkries Project” or “Henkries”	the Henkries Uranium Deposit and associated exploration licences located in Northern Cape in the Republic of South Africa and approximately 85km North North East of Springbok
“IFRS”	the International Financial Reporting Standards as adopted by the International Accounting Standards Board
“Independent Directors”	James Longley and Charles Tatnall, being the Directors who are not members of any Concert Party
“Independent Shareholders”	all Shareholders who are independent of the Concert Party and who, in aggregate, hold 100% of the Existing Share Capital
“Introducer and Advisor Shares“	The Ordinary Shares issued to introducers contemporaneously with Admission as consideration for advisory and introducer services rendered to the Company as summarised in section 2.8 of Part VII of this Document (page 89)
“Listing Rules”	the listing rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time
“Loan Conversion Shares” or “Convertible Loan Note Conversion Shares”	the Ordinary Shares issued upon conversion of the Loan Notes
“Loan Notes”	the Convertible Loan Notes issued by the Company as summarised in section 2 of Part VII of this Document (page 103).
“London Stock Exchange” or “LSE”	London Stock Exchange plc

“Management Incentives”	The Performance Share issued to members of the Group’s directors and/or management, as summarised in section 2.11 of Part VII of this Document, beginning on page 105.
“Main Market”	the regulated market of the London Stock Exchange for officially listed securities
“Mayflower”	Mayflower Capital Investments Pty Limited, a limited company incorporated in Australia on 10 October 2001 with company number 098 404 589, whose registered address is Unit 4, Level 1, 35 Cedric Street, Stirling, Western Australia 6021.
“MEML”	Mayflower Energy Metals Limited, a limited company incorporated in England on 7 January 2022 with company number 13833926, whose registered address is Eccleston Yard, 25 Eccleston Place, London, United Kingdom SW10 9NF.
“Mining Act”	The mining law in the Republic of South Africa as administered by the Department of Mineral Resources and Energy (“DMRE”) and regulated by the Mineral and Petroleum Resources Development Act, 2002 (“MPRDA”), which should be read in conjunction with the National Environmental Management Act, 1998 (“NEMA”), which is the primary statute regulating the environmental aspects associated with mining.
“New Ordinary Shares”	together, the Equity-for-Debt Shares, the Convertible Loan Note Shares, the Consideration Shares, the Subscription Shares, Placing Shares and the Introducer and Advisor Shares
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	the ordinary shares in the capital of the Company at the relevant time
“Original Admission”	admission of the Existing Ordinary Shares to the standard listing segment of the Official List and to the London Stock Exchange’s Main Market for Listed Securities on 13 January 2017
“Original Prospectus”	the prospectus published by the Company on 10 January 2017
“Panel”	Panel on Takeover and Mergers
“Performance Shares”	the 260,000,000 shares proposed to be issued as management incentives to members of the Group’s directors and/or management, as summarised in section 2.11 of Part VII of this Document, beginning on page 105.
“Premium Listing”	a Premium Listing under Chapter 6 of the Listing Rules
“Placees”	those persons who have signed Placing Letters
“Placing”	the proposed placing to raise approximately £161,500
“Placing Letters”	the letters from potential investors making irrevocable conditional applications for Ordinary Shares under the Placing at the applicable Placing Price
“Placing Price”	1.25p per Ordinary Share (during the second round of fundraising)

“Placing Shares”	the 12,920,000 Ordinary Shares in the capital of the Company to be issued upon Admission pursuant to the Placing
“Proposals”	has the meaning given in the Recommendations section under section 10 of Part I of this Document (page 46)
“Proposed Directors”	the proposed directors of the Company on Admission, being Jason Paul Brewer, Jackline Muchai, Bongani Raziya, Sean Heathcote
“Prospectus Delegated Regulation”	Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended
“Prospectus Regulation”	Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 and as amended
“Prospectus Regulation Rules”	the Prospectus Regulation Rules made by the by the FCA pursuant to section 73A of the FSMA, as amended from time to time
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the notice of general meeting, which begins on page 144 of this Document
“Reverse Takeover”	a transaction defined as a reverse takeover under Listing Rule 5.6.4 (1) and (2)
“Rule 9”	Rule 9 of the Takeover Code
“Rule 9 Waiver”	a waiver to be granted from the Rule 9 obligations that would otherwise apply to the Concert Party
“Shareholders”	means the holders of shares in the capital of the Company from time to time
“Standard Listing”	a Standard Listing under Chapter 14 of the Listing Rules
“Subscriptions”	the subscriptions to raise approximately £4.2 million, in two rounds as detailed in this Prospectus.
“Subscription Letters”	the subscription letters signed in respect of the Subscription (First) Shares and the Subscription (Second) Shares
“Subscription (First) Shares”	the 162,132,353 Ordinary Shares issued at the effective price of 0.2267p per share during the Company’s first round of fundraising detailed in this Prospectus
“Subscription (Second) Shares”	the 577,149,998 Ordinary Shares issued at the price of 0.7500p per share during the Company’s second round of fundraising as detailed in this Prospectus. Of the shares to be issued in connection with the second subscription, 406,666,666 Ordinary Shares will become payable (and, in due course, issued) within 13 months of the date of this Prospectus pursuant to the schedule that appears in section 2.9 of Part VII of this Prospectus (page 104)
“Subscription and Placing Shares”	The Subscription (First) Shares and Subscription (Second) Shares, together with the Placing Shares

“Subscription Price”	the applicable price per Ordinary Shares for the Subscription (First) Shares or Subscription (Second) Shares, as the case may be
“Target”	Desert Star Trading 180 Pty Ltd
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time
“UK Listing Authority” or “UKLA”	the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“United States” or “US”	the United States of America, its territories and possessions, any State of America and the District of Columbia
“Voting Rights”	all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting
“Waiver Resolution”	a resolution to be put before the meeting at the General Meeting, for a waiver to be granted from the Takeover Code Rule 9 obligations that would otherwise apply to the Concert Party
“Warrants”	the 275,350,455 warrants to be issued in connection with Re-Admission, and exercisable at a price of 2p per share, as summarised in section 2.10 of Part VII of this Document (page 105).
“Working Capital Net Proceeds”	the estimated net proceeds of the Subscription and Placing that are receivable by the Company, as detailed in section 2.9 of Part VII (Additional Information) of this Prospectus (page 104), less any Subscription proceeds that are receivable after 12 months from the date of this Prospectus. The Working Capital Net Proceeds are estimated to be £2,336,656.
“€” or “Euro” or “EUR”	lawful currency of the participating member states of the Eurozone “Euro’s”
“£” or “Sterling” or “GBP”	Pound Sterling, the lawful currency of the UK
“\$” or “US Dollar” or “USD”	United States dollar, the lawful currency of the United States of America “US\$”

# PART X

## NOTICE OF GENERAL MEETING

Company Number: 09837001

STRANGER HOLDINGS PLC

### NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the members of Stranger Holdings plc (the “Company”) will be held at the offices of MSP Secretaries Limited, Eastcastle House, 27/28 Eastcastle Street, London W1W 8DH on 1 November 2023 at 1.00 p.m. for the purpose of considering and, if thought fit, passing the resolutions set out below of which resolution 8 shall be proposed to the Independent Shareholders only as an ordinary resolution and voting for which shall be taken only on a poll.

This Notice concerns matters described in a prospectus issued by the Company to its shareholders dated 29 September 2023 (the “Prospectus”) which contains this Notice of general meeting. Words and expressions defined in the Prospectus have the same meaning in this Notice.

### ORDINARY RESOLUTIONS

1. THAT, (i) in accordance with section 618 of the Companies Act 2006 as amended (the “2006 Act”), each ordinary share of £0.001 in the issued share capital of the Company be sub-divided into 10 ordinary shares of £0.0001 each having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares of £0.001 each in the capital of the Company as set out in the Company’s articles of association for the time being; and  
  
(ii) 1,311,930,000 ordinary shares of £0.0001 each in the capital of the Company be re-designated as 1,311,930,000 deferred shares of £0.0001 each in the issued share capital of the Company, having the rights set out in the articles of association (as amended pursuant to Resolution 11).
2. THAT, the directors of the Company be generally and unconditionally authorised in accordance with section 551 of the 2006 Act as amended to allot Relevant Securities (as defined in this resolution) up to an aggregate nominal amount of £211,261.86, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 5 years from the date of the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the Directors may allot Relevant Securities to be allotted in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act. In this resolution, “**Relevant Securities**” means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company (“**Shares**”).
3. THAT, the proposed admission of the enlarged issued share capital of the Company to the Official List of the UK Listing Authority (by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000 as amended from time to time) and to the London Stock Exchange Plc for the enlarged issued share capital to be admitted to trading on the London Stock Exchange Plc’s main market for listed securities be hereby approved.
4. THAT, the election of Jason Paul Brewer as a director of the Company be approved.
5. THAT, the election of Sean Heathcote as a director of the Company be approved.
6. THAT, the election of Bongani Raziya as a director of the Company be approved.
7. THAT, the election of Jackline Muchai as a director of the Company be approved.
8. THAT, subject to the passing of Resolution 10, the waiver granted by the Panel on Takeovers and Mergers, on the terms described in Part VIII of the Prospectus of the obligation that would otherwise arise on the



members of the Concert Party (as defined in the Prospectus) under Rule 9 of the City Code on Takeovers and Mergers to make a general offer to the shareholders of the Company for the entire issued and to be issued ordinary share capital of the Company, as a result of the interests in Shares that on completion of the Acquisition and the issue of the Consideration Shares, Introducer and Advisor and Debt for Equity Shares will represent approximately 35.7% of the voting rights in the Company on Admission and, on the further issue of the Deferred Consideration Shares and/or conversion of the Performance Shares that are deemed to be held by the Concert Party, will represent up to a maximum of 45.0% of the voting rights in the Company, be and is hereby approved.

9. THAT the acquisition by the Company of an option to acquire, initially, a 50.1% interest in the Henkries, and potentially further investment in the exploration of the Henkries to earn in up to a total of 70% of Henkries, by way of a reverse takeover of Mayflower Energy Metals Limited, be and is hereby approved.

### SPECIAL RESOLUTIONS

10. THAT, subject to Resolution 2 above being duly passed, the directors of the Company be generally empowered pursuant to section 570 of the 2006 Act (in the case of sub-paragraphs (a), (g), (h) and (i) below) and section 571 of the Act (in the case of sub-paragraphs (b), (c), (d), (e) and (f) below) to allot equity securities (as defined in section 560 of the 2006 Act) for cash as if section 561(1) of the 2006 Act did not apply to any such allotment pursuant to the general authority conferred on them by Resolution 2 above (as varied from time to time by the Company in general meeting) PROVIDED THAT such power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue or any other offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary, but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;
- (b) the allotment of the Equity-for-Debt Shares (including any “Concert Party” “Equity-for-Debt Shares”);
- (c) the allotment of the Convertible Loan Note Conversion Shares;
- (d) the allotment of the Subscription (First) Shares;
- (e) the allotment of the Subscription (Second) Shares;
- (f) the allotment of the Consideration Shares;
- (g) the allotment of the Placing Shares;
- (h) the allotment of the Introducer and Advisor Shares (including the “Concert Party” “Introducer and Advisor Shares”);
- (i) the allotment of new Ordinary Shares pursuant to the exercise of the Warrants;
- (j) the allotment of the Performance Shares; and
- (k) the allotment of new Ordinary Shares pursuant to the exercise of the Deferred Consideration Shares;

and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors of the Company pursuant to section 570 of the 2006 Act and shall expire on the date falling 5 years from the date of the passing of this resolution (unless renewed varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

11. That, the articles of association of the Company be amended by adding the following new definitions and articles 5.3-5.13:

**“Deferred Shareholders” means the holders of Deferred Shares;**

**“Deferred Shares”** means deferred shares of £0.0001 each in the capital of the Company;

**“Issue Date”** the date Performance Shares were issued;

**“Ordinary Shares”** means ordinary shares of £0.0001 each in the capital of the Company;

**“Performance Shareholders”** the holders of Performance Shares;

**“Performance Shares”** performance shares of £0.0001 each in the capital of the Company;

### **Performance Shares**

- 5.3 The Performance Shares (if any) shall not entitle the holders of them to:
- 5.3.1 receive notice of, to attend, to speak or to vote at any general meeting of the Company; and/or
  - 5.3.2 receive a dividend or other distribution.
- 5.4 The Performance Shares held by each holder of Performance Shares shall automatically convert into Ordinary Shares (on the basis of 1 Performance Share for 1 Ordinary Share) immediately upon the occurrence of the following:
- 5.4.1 as to 50% upon Desert Star Trading 130 Proprietary Limited receiving an updated JORC Compliant Resource in excess of 10 million tonnes of Triuranium octoxide ( $U_3O_8$ ) at an average grade of 399 ppm  $U_3O_8$ ; and
  - 5.4.2 as to 50% upon the grant of a mining right on the Henkries Uranium Project; and
  - 5.4.3 100% of the Performance Shares are converted in the event of receipt of an offer to purchase the controlling interest in the Company provided that transaction is approved by shareholders and is completed.
- 5.5 If the Ordinary Shares are listed or traded on any stock exchange, the Company shall apply to the appropriate body for any Ordinary Shares converted pursuant to Article 5.4 to be listed or admitted to trading on that exchange.
- 5.6 Subject to the 2006 Act, the Company may with the approval of the Directors in their sole discretion by notice in writing (“**Redemption Notice**”) redeem all of the Performance Shares (to the extent they have not been converted into Ordinary Shares) at that time in issue, any time after the fifth anniversary of the Issue Date, and if a Redemption Notice is served, all the Performance Shares will immediately become due for redemption on the date of such notice.
- 5.7 On the date on which the Performance Shares may be redeemed, the Company shall redeem the number of the Performance Shares set out in the Redemption Notice and each holder of the Performance Shares shall deliver to the Company at its registered office the certificate(s) for the Performance Shares to be redeemed (or an indemnity for lost certificate in a form acceptable to the Directors, in respect of any lost certificate(s)) and on such delivery (and against the receipt by the holder of the Performance Shares for the redemption moneys payable in respect of his the Performance Shares) the Company shall pay each holder of the Performance Shares (or, in the case of joint holders, to the holder of the Performance whose name stands first in the register of Shareholders in respect of those the Performance Shares) the amount equal to the nominal value of the Performance Shares being redeemed.
- 5.8 The Company shall, in the case of a redemption in full, cancel the share certificate of the holder of the Performance Shares concerned, and, in the case of a redemption of part of the holding of the Performance Shares included in a certificate, either (a) note the amount and date of redemption on the original certificate or (b) cancel the original certificate and without charge issue a new certificate to the holder for the balance of the Performance Shares not redeemed on that occasion.
- 5.9 If on any due date for redemption of the Performance Shares the Company is prohibited by law from redeeming all or any of the Performance Shares then due to be redeemed, it shall on the due date redeem that number of the Performance Shares as it may then lawfully redeem, and if there is more than one holder whose Performance Shares are due to be redeemed then the Performance Shares shall be redeemed in proportion as nearly as may be to their existing holdings of the Performance Shares and the Company shall redeem the balance of those shares as soon as practical after it is not so prohibited. If the Company fails to make any partial redemption of the Performance Shares on any due date for redemption, then subsequent redemptions of the Performance Shares shall be deemed to be of those the Performance Shares which first became due for redemption.

### **Deferred Shares**

- 5.10 Deferred Shares shall not entitle the holders of them to:
- 5.10.1 receive notice of, to attend, to speak or to vote at any general meeting of the Company; and/or
  - 5.10.2 receive a dividend or other distribution.
- 5.11 The Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders.
- 5.12 The creation, allotment or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Board at any time after their creation, allotment or issue to appoint any person to execute or give on behalf of the holder of those Shares a transfer of them to such person or persons as the Company may determine.

### **Return of capital**

- 5.13 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):
- 5.13.1 firstly, in paying to the Deferred Shareholders, in priority to any other classes of shares, if any, a total of £1.00 for the entire class of the Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of the Deferred Shares), provided that if there are insufficient surplus assets to pay the amount as set out in this Article 5.13.1, the remaining surplus assets shall be distributed to the Deferred Shareholders pro rata to their respective holdings of the Deferred Shares;
- 5.13.2 secondly, in paying to the holders or Performance Shareholders, an amount equal to the nominal value of the Performance Shares registered in the name of each Performance Shareholder, provided that if there are insufficient surplus assets to pay the amount as set out in this Article 5.13.2, the remaining surplus assets shall be distributed to the Performance Shareholders pro rata to their respective holdings of the Performance Shares; and
- 5.13.3 thirdly, distributing the balance of the surplus assets (if any) among the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held.
12. That, conditional on completion of the Acquisition and the admission of the enlarged issued share capital of the Company to the Official List of the UK Listing Authority (by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000 as amended from time to time) and to the London Stock Exchange Plc for the enlarged issued share capital to be admitted to trading on the London Stock Exchange Plc's main market for listed securities, the name of the Company be changed from Stranger Holdings Plc to Neo Energy Metals plc.

By order of the Board

Charles Tatnall  
James Longley

Date: 29 September 2023

*Registered Office*  
27/28 Eastcastle Street  
London United Kingdom  
W1W 8DH

Registered in England and Wales No. 09837001

## NOTES:

1. On a vote by show of hands every Shareholder who is present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder shall have one vote for every Ordinary Share held.
2. As at 28 September 2023, the Company's issued ordinary share capital comprises 145,770,000 Ordinary Shares.
3. Members are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
4. A proxy need not be a member of the Company. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.
5. You can register your vote(s) for the General Meeting either:
  - by logging on to [www.shareregistrars.uk.com](http://www.shareregistrars.uk.com), clicking on the "Proxy Vote" button and then following the on-screen instructions (you can locate your log-in details on the top of the proxy form);
  - by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice;
  - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in notes 18-24 below.

In order for a proxy appointment to be valid the proxy must be received by Share Registrars Limited by 1.00 p.m. on 30 October 2023.

6. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe you should have one, or if you require additional forms, please contact Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX (the "Company's Registrars").
7. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours and by appointment only) by hand at Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX no later than 1.00 p.m. on 30 October 2023 (or, in the event of an adjournment, no later than 48 hours before the time of the adjourned meeting excluding non-working days), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
8. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution. However, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.
9. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members as at 1.00 p.m. on the 30 October 2023 or 48 hours before the time of the meeting shall be entitled to vote at the meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to vote at the meeting.
10. If you appoint a proxy to vote on your behalf at this general meeting, your voting rights will revert to you at the conclusion of the General Meeting or any adjournment of it.
11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
12. If a member is a company, the proxy form must be executed under its common seal (or such form of

execution as has the same effect) or executed on its behalf by a duly authorized officer of the company or an attorney for the company. A copy of the authorisation of such officer or attorney must be lodged with this proxy form.

13. In the case of joint holders, any one holder may sign the form of proxy, but all the names of the joint holders should be stated on this proxy form. The vote of the most senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names of the joint holders stand in the register of members of the Company in respect of the joint holding (the first-named being the most senior).
14. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (as set out in note 7) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time will be disregarded.
15. If more than one valid proxy appointment is returned in respect of the same shares, the appointment received last by the Company's Registrars before the latest time for the receipt of proxies (as set out in note 7) will take precedence.
16. In order to revoke a proxy appointment, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company's Registrars. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
17. The revocation notice must be received by the Company's Registrars, by no later than the applicable cut-off time for receipt of the corresponding proxy appointment (as set out in note 7).
18. If you hold existing Ordinary Shares in CREST, the Form of Proxy should not be completed in respect of those shares. Instead, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the Company's registrars, Share Registrars Limited (under Participant ID 7RA36) so that it is received by not later than 1.00 p.m. on 30 October 2023.
19. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.
20. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
21. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [euroclear.com/CREST](http://euroclear.com/CREST)).
22. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA36) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of Instructions to proxies appointed through CREST should be communicated to the appointee through other means.
23. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service

provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

24. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

## **APPENDICES**

Appendix I Audited Financial Statements for Desert Star for 2021, 2022, 2023

Appendix II Competent Person's Report for Henkries Uranium Deposit

Appendix I Audited Financial Statements for Desert Star for 2021, 2022, 2023



Desert Star Trading 130 Proprietary Limited  
(Registration number 2005/014743/07)  
Financial Information  
for the year ended 28 February 2021

W.K.H. Landgrebe C.A. (S.A.) & Co.  
Chartered Accountants (SA)  
Registered Auditors

Issued 08 July 2022

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## General Information

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	General Mining and Mineral Processing
<b>Director</b>	Peter Michael Major
<b>Registered office</b>	Suite 7, Denavo House 15 York Street Kensington B Randburg 2194
<b>Business address</b>	2 Leeukloof Drive Tamboerskloof Western Cape 8001
<b>Postal address</b>	P O Box 15773 Vlaeberg Western Cape 8018
<b>Bankers</b>	ABSA
<b>Auditors</b>	W.K.H. Landgrebe C.A. (S.A.) & Co. Chartered Accountants (SA) Registered Auditors Suite 7, Denavo House 15 York Street Kensington B Randburg 2194 P O Box 3665 Randburg 2125
<b>Secretary</b>	Landgrebe Secretarial Services CC
<b>Company registration number</b>	2005/014743/07
<b>Tax reference number</b>	9022815154
<b>Issued</b>	08 July 2022

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Contents

---

	<b>Page</b>
Director's Responsibilities and Approval	3
Director's Report	4 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Position	10
Statement of Profit or Loss and Other Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 18
Notes to the Financial Information	19 - 25
The following supplementary information does not form part of the financial information and is unaudited:	
Detailed Income Statement	26
Tax Computation	27

### **Level of assurance**

This financial information has been audited in compliance with International Financial Reporting Standard and the applicable requirements of the Companies Act of South Africa

### **Published**

08 July 2022

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Director's Responsibilities and Approval

---

The director is required in terms of the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the financial information and related financial information included in this report. It is his responsibility to ensure that the financial information fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial information.

The financial information are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial information. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 28 February 2022 and, in light of this review and the current financial position, he is satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial information. The financial information have been examined by the company's external auditors and their report is presented on pages 7 to 9.

The financial information set out on pages 10 to 25, which has been prepared on the going concern basis, was approved by the director on 08 July 2022 and was signed by:

---

**Peter Michael Major**

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Director's Report

---

The director has pleasure in submitting his report on the financial information of Desert Star Trading 130 Proprietary Limited for the year ended 28 February 2021.

### 1. Incorporation

The company was incorporated on 13 May 2005 and obtained its certificate to commence business on the same day.

### 2. Nature of business

Desert Star Trading 130 Proprietary Limited was incorporated in South Africa with interests in the Mining industry. The company operates in South Africa.

The principal activity of the company is to mine uranium and other minerals in the Namaqualand area. The operations of the company are currently in the prospecting phase.

### 3. Review of financial results and activities

The financial information has been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Full details of the financial position, results of operations and cash flows of the company are set out in this financial information.

### 4. Share capital

	2021		2020	
Authorised	Number of shares			
Common shares of no par value	100,000		100,000	
Issued	2021	2020	2021	2020
	£	£	Number of shares	Number of shares
Common shares of no par value	470	492	10,000	10,000

There have been no changes to the authorised or issued share capital during the year under review.

### 5. Control over unissued shares

The unissued common shares are the subject of a general authority granted to the director in terms of section 38 of the Companies Act of South Africa. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued common shares, up to a maximum of 90% of the company's unissued share capital, under the control of the director until the next AGM. 3723 common shares of the company are reserved for conversion of a loan account to equity for Neo Uranium Resources South Africa (Pty) Ltd in terms of the Share Sale and Subscription agreement.

### 6. Directorate

The director in office at the date of this report is as follows:

#### Director

Peter Michael Major

### 7. Intangible Assets

There was no change in the nature of the prospecting data of the company or in the policy regarding their use.

At 28 February 2021 the company's investment in prospecting data amounted to £901,010, of which £71,474 was reduced in the current year through management revaluations.

There was no change in the nature of the intangible assets under development of the company or in the policy regarding their use.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Director's Report

---

At 28 February 2019 the company's investment in intangible assets under development amounted to £24,901, of which £9,853 was added in the current year through purchases and management revaluations.

### 8. Events after the reporting period

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

The director is not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 9. Going concern

The director has reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and does believe that the company has access to adequate financial resources to continue in operation for the foreseeable future. The financial information has accordingly been prepared on the going concern basis.

### 10. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

### 11. Auditors

W.K.H. Landgrebe C.A. (S.A.) & Co. continued in office as auditors for the company for 2021.

At the AGM, the shareholders will be requested to reappoint W.K.H. Landgrebe C.A. (S.A.) & Co. as the independent external auditors of the company and to confirm Mr W K H Landgrebe as the designated lead audit partner for the 2022 financial year.

### 12. Secretary

The company secretary is Landgrebe Secretarial Services CC.

Postal address: P O Box 3665  
Randburg  
2125

Business address: Suite 7, Denavo House  
15 York Street  
Kensington B  
Randburg  
2194

### 13. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### 14. Date of authorisation for issue of financial statements

The financial information has been authorised for issue by the director on 08 July 2022. No authority was given to anyone to amend the financial information after the date of issue.

# **Desert Star Trading 130 Proprietary Limited**

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## **Director's Report**

---

The financial information set out on pages 10 to 27, which has been prepared on the going concern basis, was approved by the director on 08 July 2022, and was signed by:

---

**Peter Michael Major**

**08 July 2022**

**W.K.H. Landgrebe C.A. (S.A.) & Co.**  
**CHARTERED ACCOUNTANTS & AUDITORS**

---

SUITE 7  
DENAVO HOUSE  
15 YORK STREET (CNR. KING)  
KENSINGTON "B"  
RANDBURG

TEL. (011) 886-1238/9  
FAX (011) 787-6703  
E-MAIL: [wkhlnd@global.co.za](mailto:wkhlnd@global.co.za)

P.O. BOX 3665  
RANDBURG  
2125

## **Independent Auditor's Report**

---

**To the Shareholders of Desert Star Trading 130 Proprietary Limited**

### **Introduction**

We report on the financial information as set out herein in Pound Sterling for purposes of inclusion in the "Financial Information" section of a proposed Prospectus

This financial information is given for the purpose of complying with the requirements of the proposed Prospectus and for no other purpose

### **Responsibility**

The Director of Desert Star Trading 130 Proprietary Limited is responsible for preparing the "Financial Information" in accordance with International Financial Reporting Standards ("IFRS") as adopted by the UK and similarly by South Africa.

It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

Save for any responsibility arising under the Annexures and Sections of the Prospectus Delegated Regulation to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with the Annexures and Sections of the Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

### **Opinion**

We have audited the financial information of Desert Star Trading 130 Proprietary Limited (the company) set out on pages 10 to 25, which comprise the statement of financial position as at 28 February 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial information, including a summary of significant accounting policies.

In our opinion, the financial information presents fairly, in all material respects, the financial position of Desert Star Trading 130 Proprietary Limited as at 28 February 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial information in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

---

**PARTNERS: W.K.H. LANDGREBE (B.COM) C.A. (S.A.), W.P. McALEENAN (B.COMPT.) C.A. (S.A.) M.B.A**



# Independent Auditor's Report

---

## Other Matter

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

## Other Information

The director is responsible for the other information. The other information comprises the information included in the document titled "Desert Star Trading 130 Proprietary Limited financial information for the year ended 28 February 2021", which includes the Director's Report as required by the Companies Act of South Africa and the supplementary information as set out on pages 26 to 27. The other information does not include the financial information and our auditor's report thereon.

Our opinion on the financial information does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Director for the Financial Information

The director is responsible for the preparation and fair presentation of the financial information in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the director determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

## **Independent Auditor's Report**

---

- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

---

**W.K.H. Landgrebe C.A. (S.A.) & Co.**  
**W K H Landgrebe**  
**Partner**  
**Chartered Accountants (SA)**  
**Registered Auditors**

**08 July 2022**  
**Randburg**

---

**PARTNERS: W.K.H. LANDGREBE (B.COM) C.A. (S.A.) , W.P. McALEENAN (B.COMPT.) C.A. (S.A.) M.B.A**

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Statement of Financial Position as at 28 February 2021

Figures in Pound Sterling	Note(s)	2021	2020
<b>Assets</b>			
Non-Current Assets			
Intangible assets	2	925,911	987,531
Current Assets			
Loans to group companies	3	195	-
Cash and cash equivalents	5	4,549	4,799
		<b>4,744</b>	<b>4,799</b>
<b>Total Assets</b>		<b>930,655</b>	<b>992,330</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	6	470	492
Non-Distributable Revaluation Reserves		700,554	755,598
Accumulated loss		(6,150)	(5,062)
		<b>694,874</b>	<b>751,028</b>
<b>Liabilities</b>			
Non-Current Liabilities			
Loans from shareholders	9	28,886	19,211
Deferred tax	4	199,668	216,102
		<b>228,554</b>	<b>235,313</b>
Current Liabilities			
Trade and other payables	10	7,227	5,989
<b>Total Liabilities</b>		<b>235,781</b>	<b>241,302</b>
<b>Total Equity and Liabilities</b>		<b>930,655</b>	<b>992,330</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Pound Sterling	Note(s)	2021	2020
Other operating expenses		(1,510)	(1,392)
<b>Loss before taxation</b>		<b>(1,510)</b>	<b>(1,392)</b>
Taxation	11	423	390
<b>Loss for the year</b>		<b>(1,087)</b>	<b>(1,002)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains on intangible asset prospecting data revaluation		(71,475)	63,009
Deferred tax effect relating to items that will not be reclassified to profit or loss		16,011	(39,903)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(55,464)</b>	<b>23,106</b>
<b>Items relating to foreign currency presentation that will not be reclassified to profit or loss:</b>			
Exchange differences on translating foreign currencies		1,370	950
Income tax relating to items that may be reclassified		(950)	(759)
<b>Total items relating to foreign currency presentation that will not be reclassified to profit or loss</b>		<b>420</b>	<b>191</b>
<b>Other comprehensive income for the year net of taxation</b>	12	<b>(55,044)</b>	<b>23,297</b>
<b>Total comprehensive (loss) income for the year</b>		<b>(56,131)</b>	<b>22,295</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Accumulated loss	Total equity
Figures in Pound Sterling					
<b>Balance at 01 March 2019</b>	<b>530</b>	<b>759</b>	<b>731,542</b>	<b>(4,060)</b>	<b>728,771</b>
Loss for the year	-	-	-	(1,002)	(1,002)
Other comprehensive income	-	191	23,106	-	23,297
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>191</b>	<b>23,106</b>	<b>(1,002)</b>	<b>22,295</b>
Currency revaluation of shares	(38)	-	-	-	(38)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38)</b>
<b>Balance at 01 March 2020</b>	<b>492</b>	<b>950</b>	<b>754,648</b>	<b>(5,063)</b>	<b>751,027</b>
Loss for the year	-	-	-	(1,087)	(1,087)
Other comprehensive income	-	420	(55,464)	-	(55,044)
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>420</b>	<b>(55,464)</b>	<b>(1,087)</b>	<b>(56,131)</b>
Currency revaluation of shares	(22)	-	-	-	(22)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>(22)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22)</b>
<b>Balance at 28 February 2021</b>	<b>470</b>	<b>1,370</b>	<b>699,184</b>	<b>(6,150)</b>	<b>694,874</b>

Note(s)

6

7&12

8&12

12

The accounting policies on pages 14 to 18 and the notes on pages 19 to 25 form an integral part of the financial information.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Statement of Cash Flows

Figures in Pound Sterling	Note(s)	2021	2020
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	13	(274)	(2)
Other non-cash item Gain / (Loss) on currency translation	14	830	(612)
<b>Net cash from operating activities</b>		<b>556</b>	<b>(614)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets under development	2	(10,092)	(6,019)
Movement in loans to group companies		(195)	-
<b>Net cash from investing activities</b>		<b>(10,287)</b>	<b>(6,019)</b>
<b>Cash flows from financing activities</b>			
Revaluation of share capital	6	(22)	(38)
Movement in shareholders loan		9,675	6,016
<b>Net cash from financing activities</b>		<b>9,653</b>	<b>5,978</b>
<b>Total cash movement for the year</b>		<b>(78)</b>	<b>(655)</b>
Cash at the beginning of the year		4,799	5,130
Effect of exchange rate movement on cash balances		(172)	324
<b>Total cash at end of the year</b>	5	<b>4,549</b>	<b>4,799</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Accounting Policies

---

### 1. Significant accounting policies

The principal accounting policies applied in the preparation of this financial information are set out below.

#### 1.1 Basis of preparation

The financial information has been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing this financial information and the Companies Act of South Africa of South Africa, as amended.

The financial information complies with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial information has been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pound Sterling for purposes of this financial information, while South African Rands is the company's functional currency.

#### 1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at revalued amount, being fair value at the date of revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount of an intangible asset, as a result of a revaluation, is credited in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in the carrying amount of an intangible asset, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is debited to other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Accounting Policies

---

### 1.2 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

---

Item	Depreciation method	Average useful life
Intangible assets under development	Straight line	To be determined on commencement of mining operations
Intangible asset prospecting data	Straight line	To be determined on commencement of mining operations

### 1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Note Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.



# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Accounting Policies

---

### 1.3 Financial instruments (continued)

#### Borrowings and loans from related parties

##### Classification

Loans from group companies (note 3), loans from shareholders (note ) and borrowings (note ) are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note .)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note for details of risk exposure and management thereof.

#### Trade and other payables

##### Classification

Trade and other payables (note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note ).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Accounting Policies

---

### 1.4 Tax

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Accounting Policies

---

### 1.5 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

### 1.7 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 15.

### 1.8 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pound Sterling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial information are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pound Sterlings by applying to the foreign currency amount the exchange rate between the Pound Sterling and the foreign currency at the date of the cash flow.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Notes to the Financial Information

Figures in Pound Sterling

2021

2020

### 2. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Intangible assets under development	24,901	-	24,901	15,047	-	15,047
Prospecting Data Henkries Central at revaluation	462,104	-	462,104	498,762	-	498,762
Prospecting Data Henkries North at revaluation	438,906	-	438,906	473,722	-	473,722
<b>Total</b>	<b>925,911</b>	<b>-</b>	<b>925,911</b>	<b>987,531</b>	<b>-</b>	<b>987,531</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Revaluations	Total
Intangible assets under development	15,047	10,092	(238)	24,901
Prospecting Data Henkries Central at revaluation	498,762	-	(36,658)	462,104
Prospecting Data Henkries North at revaluation	473,722	-	(34,816)	438,906
	<b>987,531</b>	<b>10,092</b>	<b>(71,712)</b>	<b>925,911</b>

#### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Revaluations	Total
Intangible assets under development	10,223	6,019	(1,195)	15,047
Prospecting Data Henkries Central at revaluation	483,490	-	15,272	498,762
Prospecting Data Henkries North at revaluation	459,218	-	14,504	473,722
	<b>952,931</b>	<b>6,019</b>	<b>28,581</b>	<b>987,531</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Notes to the Financial Information

Figures in Pound Sterling	2021	2020
<b>2. Intangible assets (continued)</b>		
<b>Individually material intangible assets</b>		
Intangible assets under development	24,901	15,047
Prospecting expenses incurred and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.		
Prospecting Data Henkries Central at revaluation	462,104	498,762
Prospecting Data costs estimated and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.		
Prospecting Data Henkries North at revaluation	438,906	473,722
Prospecting Data costs estimated and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.		
	<u>925,911</u>	<u>987,531</u>

On 06 February 2017, the company's application for a Prospecting Right was accepted by the DMRE. The Prospecting Right was granted on 01 February 2018. The Prospecting Right was registered on 14 September 2018 in the Minerals & Petroleum Titles Office under Potocol 1686/2018 and Prospecting Right NC 11918 PR.

The evaluation of the Prospecting Data at both Henkries sites was undertaken by the director based on estimates provided by Andrew Pedley, an Exploration Geologist and competent mining expert with more than 20 years expertise, who acquired quotes of the sonic and aircore drilling and assay and related costs in December 2021 on behalf of management for the prospecting activities conducted by previously interested third parties. Management has since retrospectively adopted this evaluation as it has ownership and use of the data and samples from the prior prospecting activities in order to expedite future mining activity without incurring the cost thereof.

The US Dollar based valuation has been adjusted to the exchange rates ruling at the date of this financial information.

The useful life of the Prospecting Data will be determined on commencement of mining operations at Henkries and such useful life will be reassessed by management on an annual basis.

### 3. Loans to group companies

#### Associates

Nababeep Copper Company (Pty) Ltd	195	-
The loan is unsecured, interest free and has no fixed terms of repayment within the ensuing twelve months.		

#### Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

The maximum exposure to credit risk is the gross carrying amount of the loan. The company does not hold collateral or other credit enhancements against group loans receivable.

#### Fair value of group loans receivable

The fair value of group loans receivable approximates their carrying amounts.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Notes to the Financial Information

Figures in Pound Sterling 2021 2020

### 4. Deferred tax

#### Deferred tax asset / (liability)

Tax losses available for set off against future taxable income	2,158	1,735
Increase (decrease) of deferred tax on revaluation of intangible assets	<u>(201,826)</u>	<u>(217,837)</u>
<b>Total deferred tax liability, net of deferred tax on revaluation of intangible assets recognised</b>	<b><u>(199,668)</u></b>	<b><u>(216,102)</u></b>

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	<u>(199,668)</u>	<u>(216,102)</u>
------------------------	------------------	------------------

#### Reconciliation of deferred tax asset / (liability)

At beginning of year	(216,102)	(209,606)
Increases (decrease) in tax loss available for set off against future taxable income - gross of deferred tax effect from revaluation	423	174
Increases (decrease) in revaluation of deferred tax asset	<u>16,011</u>	<u>(6,670)</u>
	<b><u>(199,668)</u></b>	<b><u>(216,102)</u></b>

#### Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	63	100
Rehabilitation Guarantee funds paid directly to DMRE (see note 15)	<u>4,486</u>	<u>4,699</u>
	<b><u>4,549</u></b>	<b><u>4,799</u></b>

### 6. Share capital

#### Authorised

100,000 Common shares of no par value	<u>100,000</u>	<u>100,000</u>
---------------------------------------	----------------	----------------

#### Reconciliation of number of shares issued:

Reported as at 01 March 2020	<u>10,000</u>	<u>10,000</u>
------------------------------	---------------	---------------

- unissued common shares are under the control of the director in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting. 3723 common shares of the company are reserved for conversion of a loan account to equity for Neo Uranium Resources South Africa (Pty) Ltd in terms of the Share Sales and Subscription Agreements.

#### Issued

Common shares of no par value	<u>470</u>	<u>492</u>
-------------------------------	------------	------------

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Notes to the Financial Information

Figures in Pound Sterling 2021 2020

### 7. Foreign currency translation reserve

Translation reserve comprises exchange differences on conversion of balance sheet items from South African Rands to Pound Sterling.

Exchange Rate differences on balance sheet items	1,370	950
--	-------	-----

### 8. Non-Distributable Revaluation reserve

In terms of the articles of association, the reserves are non-distributable.

Henkries Central and North Revaluation Reserve	901,010	972,485
Deferred Tax effect of Henkries Central and North Revaluation Reserve	(201,826)	(217,837)
	<u>699,184</u>	<u>754,648</u>

### 9. Loans from shareholders

P D Hibberd	8,763	5,263
CIH Mining Investments (Pty) Ltd	2,162	2,264
Wavecrest Capital (Pty) Ltd	17,961	11,684
	<u>28,886</u>	<u>19,211</u>

The loans are unsecured, interest free and have no fixed terms of repayment within the ensuing twelve months.

Refer to note Changes in liabilities arising from financing activities for details of the movement in loans from shareholders during the reporting period.

### Fair value of shareholder loans payable

The fair value of loans from shareholders approximates their carrying amounts.

### 10. Trade and other payables

#### Financial instruments:

Trade payables	7,227	5,989
----------------	-------	-------

#### Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	7,227	5,989
-------------------	-------	-------

#### Exposure to currency risk

The net carrying amounts, in Pound Sterling, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Pound Sterling by converting the foreign currency amount at the closing rate at the reporting date.

#### Pound Sterling Amount

Pound Sterling	7,227	5,989
----------------	-------	-------

#### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Notes to the Financial Information

Figures in Pound Sterling	2021	2020
<b>11. Taxation</b>		
<b>Major components of the tax income</b>		
<b>Deferred</b>		
Other deferred tax	(423)	(390)
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(1,510)	(1,392)
Tax at the applicable tax rate of 28% (2020: 28%)	(423)	(390)
<b>Tax effect of adjustments on taxable income</b>		
Tax losses carried forward	423	390
	-	-

No provision has been made for 2021 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is £ (6,940).

## 12. Other comprehensive income

### Components of other comprehensive income - 2021

	Gross	Tax	Net
<b>Items that will not be reclassified to profit (loss)</b>			
<b>Movements on revaluation</b>			
Gains (losses) on deferred tax effect on prospecting data revaluation	-	(201,826)	(201,826)
Tax Effect on gains (losses) on prospecting data revaluation	(71,475)	217,837	146,362
	<b>(71,475)</b>	<b>16,011</b>	<b>(55,464)</b>
<b>Items that may be reclassified to profit (loss)</b>			
<b>Exchange differences on translating to foreign currency</b>			
Exchange rate differences arising at the year end	1,370	(950)	420
<b>Total</b>	<b>(70,105)</b>	<b>15,061</b>	<b>(55,044)</b>



# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Notes to the Financial Information

Figures in Pound Sterling

2021

2020

### 12. Other comprehensive income (continued)

#### Components of other comprehensive income - 2020

	Gross	Tax	Net
<b>Items that will not be reclassified to profit (loss)</b>			
<b>Movements on revaluation</b>			
Gains (losses) on deferred tax effect on prospecting data revaluation	-	(217,837)	(217,837)
Tax Effect on gains (losses) on prospecting data revaluation	63,009	177,934	240,943
	<b>63,009</b>	<b>(39,903)</b>	<b>23,106</b>
<b>Items relating to foreign currency presentation that will not be reclassified to profit (loss)</b>			
<b>Exchange differences on translating to foreign currency</b>			
Exchange rate differences arising at the year end	950	(759)	191
<b>Total</b>	<b>63,959</b>	<b>(40,662)</b>	<b>23,297</b>

### 13. Cash used in operations

Loss before taxation		(1,510)	(1,392)
<b>Changes in working capital:</b>			
Trade and other payables		1,236	1,390
		<b>(274)</b>	<b>(2)</b>

### 14. Other non-cash item Gain / (Loss) on currency translation

<b>Foreign Currency translation effects</b>			
Non-cash item intangible asset revaluations		1,012	1,277
Non-cash item balance sheet items		(182)	(1,889)
		<b>830</b>	<b>(612)</b>

### 15. Contingencies

An unquantified contingent liability exists in respect of the rehabilitation guarantee part of which has been paid to the DMRE in respect of the two Henkries sites. The payment is currently reflected under cash and cash equivalents. (see note 5)

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Notes to the Financial Information

---

Figures in Pound Sterling	2021	2020
---------------------------	------	------

---

### 16. Related parties

#### Relationships

Associates	NababEEP Copper Company (Pty) Ltd
Shareholder	Wavecrest Capital (Pty) Ltd
Shareholder	P D Hibberd
Shareholder	CIH Mining Investments (Pty) Ltd
Director	P M Major

#### Related party balances

##### Loan accounts - Owing (to) by related parties

Wavecrest Capital (Pty) Ltd	(17,961)	(11,684)
P D Hibberd	(8,763)	(5,263)
CIH Mining Investments (Pty) Ltd	(2,162)	(2,264)
NababEEP Copper Company (Pty) Ltd	195	-

The loans are unsecured, interest free and have no fixed terms of repayment within the ensuing twelve months.

### 17. Events after the reporting period

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2021

## Detailed Income Statement

Figures in Pound Sterling	Note(s)	2021	2020
<b>Other operating expenses</b>			
Auditors remuneration		(620)	(654)
Bank charges		(3)	(3)
Accounting fees		(781)	(621)
Secretarial fees		(106)	(114)
		<u>(1,510)</u>	<u>(1,392)</u>
<b>Loss before taxation</b>		<b>(1,510)</b>	<b>(1,392)</b>
Taxation	11	423	390
<b>Loss for the year</b>		<b>(1,087)</b>	<b>(1,002)</b>

## Desert Star Trading 130 Proprietary Limited

(Taxpayer reference number 9022815154)

(Registration number: 2005/014743/07)

Financial Information for the year ended 28 February 2021

### Tax Computation

Figures in Pound Sterling

2021

Net loss per income statement	(1,510)
<b>Calculated tax loss for the year</b>	<b>(1,510)</b>
Assessed loss brought forward	(5,430)
<b>Assessed loss for 2021 - carried forward</b>	<b>(6,940)</b>
Tax thereon @ 28% in the Pound Sterling	-

Desert Star Trading 130 Proprietary Limited  
(Registration number 2005/014743/07)  
Financial Information  
for the year ended 28 February 2022

W.K.H. Landgrebe C.A. (S.A.) & Co.  
Chartered Accountants (SA)  
Registered Auditors

Issued 08 July 2022

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## General Information

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	General Mining and Mineral Processing
<b>Director</b>	Peter Michael Major
<b>Registered office</b>	Suite 7, Denavo House 15 York Street Kensington B Randburg 2194
<b>Business address</b>	2 Leeukloof Drive Tamboerskloof Western Cape 8001
<b>Postal address</b>	P O Box 15773 Vlaeberg Western Cape 8018
<b>Bankers</b>	ABSA
<b>Auditors</b>	W.K.H. Landgrebe C.A. (S.A.) & Co. Chartered Accountants (SA) Registered Auditors Suite 7, Denavo House 15 York Street Kensington B Randburg 2194 P O Box 3665 Randburg 2125
<b>Secretary</b>	Landgrebe Secretarial Services CC
<b>Company registration number</b>	2005/014743/07
<b>Tax reference number</b>	9022815154
<b>Issued</b>	08 July 2022

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Contents

---

	<b>Page</b>
Director's Responsibilities and Approval	3
Director's Report	4 - 6
Independent Auditor's Report	7 - 9
Statement of Financial Position	10
Statement of Profit or Loss and Other Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 18
Notes to the Financial Information	19 - 29

### **Level of assurance**

This financial information has been audited in compliance with International Financial Reporting Standards and the applicable requirements of the Companies Act of South Africa.

### **Published**

08 July 2022

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Director's Responsibilities and Approval

---

The director is required in terms of the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the financial information and related financial information included in this report. It is his responsibility to ensure that the financial information fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial information.

The financial information are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial information. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 28 February 2023 and, in light of this review and the current financial position, he is satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial information. The financial information have been examined by the company's external auditors and their report is presented on pages 7 to 9.

The financial information set out on pages 10 to 29, which has been prepared on the going concern basis, was approved by the director on 08 July 2022 and was signed by:

---

**Peter Michael Major**



# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Director's Report

---

The director has pleasure in submitting his report on the financial information of Desert Star Trading 130 Proprietary Limited for the year ended 28 February 2022.

### 1. Incorporation

The company was incorporated on 13 May 2005 and obtained its certificate to commence business on the same day.

### 2. Nature of business

Desert Star Trading 130 Proprietary Limited was incorporated in South Africa with interests in the Mining industry. The company operates in South Africa.

The principal activity of the company is to mine uranium and other minerals in the Namaqualand area. The operations of the company are currently in the prospecting phase.

### 3. Review of financial results and activities

The financial information has been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Full details of the financial position, results of operations and cash flows of the company are set out in this financial information.

### 4. Share capital

			2022	2021
<b>Authorised</b>			Number of shares	
Common shares of no par value			100,000	100,000
<b>Issued</b>	2022	2021	2022	2021
	£	£	Number of shares	
Common shares of no par value	479	470	10,000	10,000

There have been no changes to the authorised or issued share capital during the year under review.

### 5. Control over unissued shares

The unissued common shares are the subject of a general authority granted to the director in terms of section 38 of the Companies Act of South Africa. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued common shares, up to a maximum of 90% of the company's unissued share capital, under the control of the director until the next AGM. 3,723 common shares of the company are reserved for conversion of a loan account to equity for Neo Uranium Resources South Africa (Pty) Ltd in terms of the Share Sale and Subscription Agreement.

### 6. Directorate

The director in office at the date of this report is as follows:

#### Director

Peter Michael Major

### 7. Intangible Assets

There was no change in the nature of the prospecting data of the company or in the policy regarding their use.

At 28 February 2022 the company's investment in prospecting data amounted to £938,150, of which £37,140 was added in the current year through management revaluations.

There was no change in the nature of the intangible assets under development of the company or in the policy regarding their use.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Director's Report

---

At 28 February 2022 the company's investment in intangible assets under development amounted to £92,757, of which £67,856 was added in the current year through purchases and management revaluations.

### 8. Events after the reporting period

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

The director is not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 9. Going concern

The director has reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and does believe that the company has access to adequate financial resources to continue in operation for the foreseeable future. The financial information has accordingly been prepared on the going concern basis.

### 10. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

### 11. Auditors

W.K.H. Landgrebe C.A. (S.A.) & Co. continued in office as auditors for the company for 2022.

At the AGM, the shareholders will be requested to reappoint W.K.H. Landgrebe C.A. (S.A.) & Co. as the independent external auditors of the company and to confirm Mr W K H Landgrebe as the designated lead audit partner for the 2023 financial year.

### 12. Secretary

The company secretary is Landgrebe Secretarial Services CC.

Postal address: P O Box 3665  
Randburg  
2125

Business address: Suite 7, Denavo House  
15 York Street  
Kensington B  
Randburg  
2194

### 13. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### 14. Date of authorisation for issue of financial statements

The financial information has been authorised for issue by the director on 08 July 2022. No authority was given to anyone to amend the financial information after the date of issue.

# **Desert Star Trading 130 Proprietary Limited**

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## **Director's Report**

---

The financial information set out on pages 10 to 29, which has been prepared on the going concern basis, was approved by the director on 08 July 2022, and was signed by:

---

**Peter Michael Major**

**08 July 2022**

**W.K.H. Landgrebe C.A. (S.A.) & Co.**  
**CHARTERED ACCOUNTANTS & AUDITORS**

---

SUITE 7  
DENAVO HOUSE  
15 YORK STREET (CNR. KING)  
KENSINGTON "B"  
RANDBURG

TEL. (011) 886-1238/9  
FAX (011) 787-6703  
E-MAIL: [wkhlnd@global.co.za](mailto:wkhlnd@global.co.za)

P.O. BOX 3665  
RANDBURG  
2125

## **Independent Auditor's Report**

---

**To the Shareholders of Desert Star Trading 130 Proprietary Limited**

### **Introduction**

We report on the historic financial information set out in Section B of Part V (the "Financial Information") of the prospectus (the "Document") relating to Desert Star Trading 130 Proprietary Limited ("DST"). This covers the financial years to 29 February 2020, and 28 February 2021 and 2022. This information has been prepared for inclusion in the Document dated xx July 2022 relating to the proposed readmission to the London Stock Exchange Standard Segment of Stranger Holdings plc ("the Company") and on the basis of the accounting policies set out in the note "Accounting Policies". The report is required by Annex 1, Section 18, Item 18.3.1 of the Prospectus Delegated Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

### **Responsibility**

The Directors of Stranger Holdings plc are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

Save for any responsibility arising under Annex 1, Section 1, Item 1.2 of the Prospectus Delegated Regulation to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purpose of complying with Annex 1, Section 1, Item 1.3 of the Prospectus Delegated Regulation, consenting to its inclusion in the Prospectus.

### **Opinion**

We have audited the financial information of Desert Star Trading 130 Proprietary Limited (the company) set out on pages 10 to 29, which comprise the statement of financial position as at 28 February 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial information, including a summary of significant accounting policies.

In our opinion, the financial information presents fairly, in all material respects, the financial position of Desert Star Trading 130 Proprietary Limited as at 28 February 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

# Independent Auditor's Report

---

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial information in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Matter

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

## Responsibilities of the Director for the Financial Information

The director is responsible for the preparation and fair presentation of the financial information in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the director determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

In preparing the financial information, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represents the underlying transactions and events in a manner that achieves fair presentation.

## **Independent Auditor's Report**

---

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

---

**W.K.H. Landgrebe C.A. (S.A.) & Co.**  
**W K H Landgrebe**  
**Partner**  
**Chartered Accountants (SA)**  
**Registered Auditors**

**08 July 2022**  
**Randburg**

---

**PARTNERS: W.K.H. LANDGREBE (B.COM) C.A. (S.A.) , W.P. McALEENAN (B.COMPT.) C.A. (S.A.) M.B.A**

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Statement of Financial Position as at 28 February 2022

Figures in Pound Sterling	Note(s)	2022	2021
<b>Assets</b>			
Non-Current Assets			
Intangible assets	2	1,030,907	925,911
Loans to Associated companies	3	198	195
		<u>1,031,105</u>	<u>926,106</u>
Current Assets			
Cash and cash equivalents	5	4,414	4,549
<b>Total Assets</b>		<u>1,035,519</u>	<u>930,655</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	6	479	470
Non-Distributable Reserves		729,480	700,554
Accumulated loss		(11,809)	(6,150)
		<u>718,150</u>	<u>694,874</u>
<b>Liabilities</b>			
Non-Current Liabilities			
Loans from shareholders	9	48,534	28,886
Financial liabilities at fair value	10	46,709	-
Deferred tax	4	206,530	199,668
		<u>301,773</u>	<u>228,554</u>
Current Liabilities			
Trade and other payables	11	15,596	7,227
<b>Total Liabilities</b>		<u>317,369</u>	<u>235,781</u>
<b>Total Equity and Liabilities</b>		<u>1,035,519</u>	<u>930,655</u>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Pound Sterling	Note(s)	2022	2021
Other operating expenses		(7,207)	(1,510)
<b>Operating loss</b>		<b>(7,207)</b>	<b>(1,510)</b>
Finance costs DMRE Kimberley	12	(355)	-
<b>Loss before taxation</b>		<b>(7,562)</b>	<b>(1,510)</b>
Taxation	13	1,903	423
<b>Loss for the year</b>		<b>(5,659)</b>	<b>(1,087)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains/(losses) on intangible asset revaluation		39,127	(71,475)
Deferred tax effect relating to items that will not be reclassified to profit or loss		(8,765)	16,011
<b>Total items that will not be reclassified to profit or loss</b>		<b>30,362</b>	<b>(55,464)</b>
<b>Items relating to foreign currency presentation that will not be reclassified to profit or loss:</b>			
Exchange differences on translating foreign currencies		(66)	1,370
Income tax relating to items that may be reclassified		(1,370)	(950)
<b>Total items relating to foreign currency presentation that will not be reclassified to profit or loss</b>		<b>(1,436)</b>	<b>420</b>
<b>Other comprehensive income/(loss) for the year net of taxation</b>	14	<b>28,926</b>	<b>(55,044)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>23,267</b>	<b>(56,131)</b>



## Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

### Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Accumulated loss	Total equity
Figures in Pound Sterling					
<b>Balance at 01 March 2020</b>	<b>492</b>	<b>950</b>	<b>754,648</b>	<b>(5,063)</b>	<b>751,027</b>
Loss for the year	-	-	-	(1,087)	(1,087)
Other comprehensive income	-	420	(55,464)	-	(55,044)
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>420</b>	<b>(55,464)</b>	<b>(1,087)</b>	<b>(56,131)</b>
Currency revaluation of shares	(22)	-	-	-	(22)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>(22)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22)</b>
<b>Balance at 01 March 2021</b>	<b>470</b>	<b>1,370</b>	<b>699,184</b>	<b>(6,150)</b>	<b>694,874</b>
Loss for the year	-	-	-	(5,659)	(5,659)
Other comprehensive income	-	(1,436)	30,362	-	28,926
<b>Total comprehensive Loss for the year</b>	<b>-</b>	<b>(1,436)</b>	<b>30,362</b>	<b>(5,659)</b>	<b>23,267</b>
Currency revaluation of shares	9	-	-	-	9
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>
<b>Balance at 28 February 2022</b>	<b>479</b>	<b>(66)</b>	<b>729,546</b>	<b>(11,809)</b>	<b>718,150</b>
Note(s)	6	7&14	8&14	14	

The accounting policies on pages 14 to 18 and the notes on pages 19 to 29 form an integral part of the financial information.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Statement of Cash Flows

Figures in Pound Sterling	Note(s)	2022	2021
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	15	1,162	(274)
Finance costs DMRE Kimberley		(355)	-
Other non-cash item gain/(loss) on currency translation	16	(1,395)	830
<b>Net cash from operating activities</b>		<b>(588)</b>	<b>556</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets under development	2	(65,868)	(6,019)
Movement in loans to Associated companies		(3)	(195)
<b>Net cash from investing activities</b>		<b>(65,871)</b>	<b>(6,214)</b>
<b>Cash flows from financing activities</b>			
Revaluation of share capital	6	9	(22)
Proceeds from financial liabilities at fair value through other comprehensive income		46,709	-
Movement in shareholders' loans		19,648	9,675
<b>Net cash from financing activities</b>		<b>66,366</b>	<b>5,978</b>
<b>Total cash movement for the year</b>		<b>(93)</b>	<b>320</b>
Cash at the beginning of the year		4,549	4,799
Effect of exchange rate movement on cash balances		(42)	(570)
<b>Total cash at end of the year</b>	5	<b>4,414</b>	<b>4,549</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Accounting Policies

---

### 1. Significant accounting policies

The principal accounting policies applied in the preparation of this financial information are set out below.

#### 1.1 Basis of preparation

The financial information has been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing this financial information and the Companies Act of South Africa of South Africa, as amended.

The financial information complies with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial information has been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pound Sterling for purposes of this financial information, while South African Rands is the company's functional currency.

#### 1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset;
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at revalued amount, being fair value at the date of revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount of an intangible asset, as a result of a revaluation, is credited in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in the carrying amount of an intangible asset, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is debited to other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Accounting Policies

---

### 1.2 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

---

Item	Depreciation method	Average useful life
Intangible assets under development	Straight line	To be determined on commencement of mining operations
Intangible asset prospecting data	Straight line	To be determined on commencement of mining operations

### 1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Note 19 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Accounting Policies

---

### 1.3 Financial instruments (continued)

#### Borrowings and loans from related parties

##### Classification

Loans from Associated companies (note 3), loans from shareholders (note 9) and borrowings (note 10) are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs DMRE Kimberley (note 12.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

#### Trade and other payables

##### Classification

Trade and other payables (note 11), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs DMRE Kimberley (note 12).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Accounting Policies

---

### 1.4 Tax

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Accounting Policies

---

### 1.5 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

### 1.7 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 17.

### 1.8 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pound Sterling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial information are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pound Sterlings by applying to the foreign currency amount the exchange rate between the Pound Sterling and the foreign currency at the date of the cash flow.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling

2022

2021

### 2. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Intangible assets under development	92,757	-	92,757	24,901	-	24,901
Prospecting Data Henkries Central at revaluation	481,153	-	481,153	462,104	-	462,104
Prospecting Data Henkries North at revaluation	456,997	-	456,997	438,906	-	438,906
<b>Total</b>	<b>1,030,907</b>	<b>-</b>	<b>1,030,907</b>	<b>925,911</b>	<b>-</b>	<b>925,911</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Revaluations	Total
Intangible assets under development	24,901	65,868	1,988	92,757
Prospecting Data Henkries Central at revaluation	462,104	-	19,049	481,153
Prospecting Data Henkries North at revaluation	438,906	-	18,091	456,997
	<b>925,911</b>	<b>65,868</b>	<b>39,128</b>	<b>1,030,907</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Revaluations	Total
Intangible assets under development	15,047	6,019	3,835	24,901
Prospecting Data Henkries Central at revaluation	498,762	-	(36,658)	462,104
Prospecting Data Henkries North at revaluation	473,722	-	(34,816)	438,906
	<b>987,531</b>	<b>6,019</b>	<b>(67,639)</b>	<b>925,911</b>



# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling	2022	2021
<b>2. Intangible assets (continued)</b>		
<b>Individually material intangible assets</b>		
Intangible assets under development	92,757	24,901
Prospecting expenses incurred and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.		
Prospecting Data Henkries Central at revaluation	481,153	462,104
Prospecting Data costs estimated and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.		
Prospecting Data Henkries North at revaluation	456,997	438,906
Prospecting Data costs estimated and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.		
	<u>1,030,907</u>	<u>925,911</u>

On 6 February 2017, the company's application for a Prospecting Right was accepted by the DMRE. The Prospecting Right was granted on 1 February 2018. The Prospecting Right was registered on 14 September 2018 in the Minerals & Petroleum Titles Office under Potocol 1686/2018 and Prospecting Right NC 11918 PR.

The evaluation of the Prospecting Data at both Henkries sites was undertaken by the director based on estimates provided by Andrew Pedley, an Exploration Geologist and competent mining expert with more than 20 years expertise, who acquired quotes of the sonic and aircore drilling and assay and related costs in December 2021 on behalf of management for the prospecting activities conducted by previously interested third parties. Management has since retrospectively adopted this evaluation as it has ownership and use of the data and samples from the prior prospecting activities in order to expedite future mining activity without incurring the cost thereof.

The US Dollar based valuation has been adjusted to the exchange rates ruling at the date of this financial information.

The useful life of the Prospecting Data will be determined on commencement of mining operations at Henkries and such useful life will be reassessed by management on an annual basis.

### 3. Loans to Associated companies

#### Associates

Nababeep Copper Company (Pty) Ltd	198	195
The loan is unsecured, interest free and has no fixed terms of repayment within the ensuing twelve months.		

#### Split between non-current and current portions

Non-current assets	<u>198</u>	<u>195</u>
--------------------	------------	------------

#### Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

The maximum exposure to credit risk is the gross carrying amount of the loan. The company does not hold collateral or other credit enhancements against Associate company loans receivable.

#### Fair value of Associate company loans receivable

The fair value of Associate company loans receivable approximates their carrying amounts.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling	2022	2021
<b>4. Deferred tax</b>		
<b>Deferred tax asset / (liability)</b>		
Tax losses available for set off against future taxable income	4,061	2,158
(Decrease) of deferred tax effect on revaluation of intangible assets	<u>(210,591)</u>	<u>(201,826)</u>
<b>Total deferred tax liability, net of deferred tax on revaluation of intangible assets recognised</b>	<b><u>(206,530)</u></b>	<b><u>(199,668)</u></b>
The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:		
Deferred tax liability	<u>(206,530)</u>	<u>(199,668)</u>
<b>Reconciliation of deferred tax asset / (liability)</b>		
At beginning of year	(199,668)	(216,102)
Increase in tax loss available for set off against future taxable income - gross of deferred tax effect on revaluation of intangible assets	1,903	423
Increases (decrease) in deferred tax on intangible asset revaluation	<u>(8,765)</u>	<u>16,011</u>
	<b><u>(206,530)</u></b>	<b><u>(199,668)</u></b>
<b>Recognition of deferred tax asset</b>		
An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:		
<ul style="list-style-type: none"><li>the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and</li><li>the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.</li></ul>		
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	10	63
Rehabilitation Guarantee funds paid directly to DMRE (see note 17)	<u>4,404</u>	<u>4,486</u>
	<b><u>4,414</u></b>	<b><u>4,549</u></b>
<b>6. Share capital</b>		
<b>Authorised</b>		
100,000 Common shares of no par value	<u>100,000</u>	<u>100,000</u>
<b>Reconciliation of number of shares issued:</b>		
Reported as at 1 March 2021	<u>10,000</u>	<u>10,000</u>
- unissued common shares are under the control of the director in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting. 3,723 common shares of the company are reserved for conversion of a loan account to equity for Neo Uranium Resources South Africa (Pty) Ltd in terms of the Share Sales and Subscription Agreement.		
<b>Issued</b>		
Common shares of no par value	<u>479</u>	<u>470</u>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

---

Figures in Pound Sterling	2022	2021
---------------------------	------	------

---

### 7. Foreign currency translation reserve

Translation reserve comprises exchange differences on conversion of balance sheet items from South African Rands to Pound Sterling at the date of this report.

Foreign currency translation Reserve	(66)	1,370
--------------------------------------	------	-------

### 8. Non-Distributable Reserves

In terms of the articles of association, the reserves are non-distributable.

Henkries Central and North Revaluation Reserve	938,149	901,010
Deferred tax effect of Henkries Central and North Revaluation Reserve	(208,603)	(201,826)
	<u>729,546</u>	<u>699,184</u>

### 9. Loans from shareholders

P D Hibberd	15,405	8,763
CIH Mining Investments (Pty) Ltd	5,392	2,162
Wavecrest Capital (Pty) Ltd	27,737	17,961
	<u>48,534</u>	<u>28,886</u>

The loans are unsecured, interest free and have no fixed terms of repayment within the ensuing twelve months.

### Fair value of shareholder loans payable

The fair value of loans from shareholders approximates their carrying amounts.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling 2022 2021

### 10. Financial liabilities at fair value

#### At fair value through profit (loss)

Other financial liability Neo Uranium Resources South Africa (Pty) Ltd	46,709	-
--	--------	---

The loan is unsecured, interest free and is repayable by conversion to equity by the purchase of 50.1% of the issued share capital of the company and the subscription to a further 3,723 common shares of the company all of which is formalised in a binding Share Sale and Subscription Agreement, taking into account and complying with the respective requirements of the Prospecting Right.

#### Split between non-current and current portions

Non-current liabilities	46,709	-
-------------------------	--------	---

#### Fair value disclosures

The fair value of financial liabilities approximates their carrying amounts.

### 11. Trade and other payables

#### Financial instruments:

Trade payables	15,596	7,227
----------------	--------	-------

#### Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	15,596	7,227
-------------------	--------	-------

#### Exposure to currency risk

The net carrying amounts, in Pound Sterling, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Pound Sterling by converting the foreign currency amount at the closing rate at the reporting date.

#### Pound Sterling Amount

Pound Sterling	15,596	7,227
----------------	--------	-------

#### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

### 12. Finance costs DMRE Kimberley

Interest paid DMRE Kimberley	355	-
------------------------------	-----	---

Total interest expense, calculated using the effective interest rate, on financial instruments at fair value through profit or loss amounted to £ 355 (2021: £-).

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling	2022	2021
<b>13. Taxation</b>		
<b>Major components of the tax income</b>		
<b>Deferred</b>		
Other deferred tax	(1,903)	(423)
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(7,562)	(1,510)
Tax at the applicable tax rate of 28% (2021: 28%)	(2,117)	(423)
<b>Tax effect of adjustments on taxable income</b>		
Tax losses carried forward	1,903	423
Other year to date correction	214	-
	<u>-</u>	<u>-</u>

No provision has been made for 2022 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is £ (14,502).

### 14. Other comprehensive income

#### Components of other comprehensive income - 2022

	Gross	Tax	Net
<b>Items that will not be reclassified to profit (loss)</b>			
<b>Movements on revaluation</b>			
Gains/(losses) on prospecting data revaluation	39,127	(8,765)	30,362
<b>Items that may be reclassified to profit (loss)</b>			
<b>Exchange differences on translating to foreign currency</b>			
Exchange rate differences arising at the year end	(66)	(1,370)	(1,436)
<b>Total</b>	<b>39,061</b>	<b>(10,135)</b>	<b>28,926</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling

2022

2021

### 14. Other comprehensive income (continued)

#### Components of other comprehensive income - 2021

	Gross	Tax	Net
<b>Items that will not be reclassified to profit (loss)</b>			
<b>Movements on revaluation</b>			
Gains/(losses) on prospecting data revaluation	(71,475)	16,011	(55,464)
<b>Items relating to foreign currency presentation that will not be reclassified to profit (loss)</b>			
<b>Exchange differences on translating to foreign currency</b>			
Exchange rate differences arising at the year end	1,370	(950)	420
<b>Total</b>	<b>(70,105)</b>	<b>15,061</b>	<b>(55,044)</b>

### 15. Cash generated from/(used in) operations

Loss before taxation		(7,562)	(1,510)
<b>Adjustments for:</b>			
Finance costs DMRE Kimberley		355	-
<b>Changes in working capital:</b>			
Trade and other payables		8,369	1,236
		<b>1,162</b>	<b>(274)</b>

### 16. Other non-cash item gain / (loss) on currency translation

<b>Foreign currency presentation translation effects</b>			
Non-cash item intangible asset revaluations		(2,445)	1,012
Non-cash item balance sheet items		1,050	(182)
		<b>(1,395)</b>	<b>830</b>

### 17. Contingencies

An unquantified contingent liability exists in respect of the rehabilitation guarantee part of which has been paid to the DMRE in respect of the two Henkries sites. The payment is currently reflected under cash and cash equivalents. (see note 5)

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling 2022 2021

### 18. Related parties

#### Relationships

Associates	NababEEP Copper Company (Pty) Ltd
Shareholder	Wavecrest Capital (Pty) Ltd
Shareholder	P D Hibberd
Shareholder	CIH Mining Investments (Pty) Ltd
Director	P M Major
Investor / Shareholder	Neo Uranium Resources South Africa (Pty) Ltd

#### Related party balances

##### Loan accounts - Owing (to) by related parties

Wavecrest Capital (Pty) Ltd	(27,737)	(17,961)
P D Hibberd	(15,405)	(8,763)
CIH Mining Investments (Pty) Ltd	(5,392)	(2,162)
NababEEP Copper Company (Pty) Ltd	198	195
Neo Uranium Resources South Africa (Pty) Ltd	(46,709)	-

The loans are unsecured, interest free and have no fixed terms of repayment within the ensuing twelve months except for the loan to Neo Uranium Resources South Africa (Pty) Ltd which is the subject of a Share Sale and Subscription Agreement wherein the above loan and future loans are convertible to equity.

### 19. Financial instruments and risk management

#### Categories of financial instruments

##### Categories of financial assets

#### 2022

	Note(s)	Amortised cost	Total	Fair value
Loans to Associate companies	3	198	198	198
Cash and cash equivalents	5	4,414	4,414	4,414
		<b>4,612</b>	<b>4,612</b>	<b>4,612</b>

#### 2021

	Note(s)	Amortised cost	Total	Fair value
Loans to Associate companies	3	195	195	195
Cash and cash equivalents	5	4,549	4,549	4,549
		<b>4,744</b>	<b>4,744</b>	<b>4,744</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling

2022

2021

### 19. Financial instruments and risk management (continued)

#### Categories of financial liabilities

#### 2022

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Trade and other payables	11	-	15,596	15,596	15,596
Loans from shareholders		-	48,534	48,534	48,534
Other financial liabilities at fair value	10	46,709	-	46,709	46,709
		<b>46,709</b>	<b>64,130</b>	<b>110,839</b>	<b>110,839</b>

#### 2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	7,227	7,227	7,227
Loans from shareholders		28,886	28,886	28,886
		<b>36,113</b>	<b>36,113</b>	<b>36,113</b>

#### Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Loans from shareholders	9	48,534	28,886
Financial liabilities at fair value	10	46,709	-
Trade and other payables	11	15,596	7,227
<b>Total borrowings</b>		<b>110,839</b>	<b>36,113</b>
Cash and cash equivalents	5	(4,414)	(4,549)
<b>Net borrowings</b>		<b>106,425</b>	<b>31,564</b>
Equity		718,150	694,874
Gearing ratio		15 %	5 %



# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling

2022

2021

### 19. Financial instruments and risk management (continued)

#### Financial risk management

##### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

##### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to Associate companies	3	198	-	198	195	-	195
Cash and cash equivalents	5	4,414	-	4,414	4,549	-	4,549
		<b>4,612</b>	<b>-</b>	<b>4,612</b>	<b>4,744</b>	<b>-</b>	<b>4,744</b>

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through OCI is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

##### Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2022

## Notes to the Financial Information

Figures in Pound Sterling

2022

2021

### 19. Financial instruments and risk management (continued)

#### 2022

		Less than 1 year	Total	Carrying amount
<b>Non-current liabilities</b>				
Financial liabilities at fair value	10	46,709	46,709	46,709
<b>Current liabilities</b>				
Trade and other payables		15,596	15,596	15,596
		<b>(62,305)</b>	<b>(62,305)</b>	<b>(62,305)</b>

#### 2021

		Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>				
Trade and other payables	11	7,227	7,227	7,227

### 20. Events after the reporting period

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

Desert Star Trading 130 Proprietary Limited  
(Registration number 2005/014743/07)  
Financial Information  
for the year ended 28 February 2023

W.K.H. Landgrebe C.A. (S.A.) & Co.  
Chartered Accountants (SA)  
Registered Auditors

Issued 03 July 2023

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## General Information

---

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	General Mining and Mineral Processing
<b>Director</b>	Peter Michael Major
<b>Registered office</b>	Suite 7, Denavo House 15 York Street Kensington B Randburg 2194
<b>Business address</b>	2 Leeukloof Drive Tamboerskloof Western Cape 8001
<b>Postal address</b>	P O Box 15773 Vlaeberg Western Cape 8018
<b>Bankers</b>	ABSA
<b>Practitioners</b>	W K H Landgrebe (C.A.) (S.A.) & Co Partner Suite 7, Denavo House 15 York Street Kensington B Randburg 2194 P O Box 3665 Randburg 2125
<b>Secretary</b>	Landgrebe Secretarial Services CC
<b>Company registration number</b>	2005/014743/07
<b>Tax reference number</b>	9022815154
<b>Issued</b>	03 July 2023

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Contents

---

	<b>Page</b>
Director's Responsibilities and Approval	3
Director's Report	4 - 5
Practitioner's Compilation Report	6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 15
Notes to the Financial Information	16 - 25

### **Level of assurance**

The financial information has not been audited or independently reviewed.

### **Published**

03 July 2023

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Director's Responsibilities and Approval

---

The director is required in terms of the Companies Act of South Africa to maintain adequate accounting records and is responsible for the content and integrity of the financial information and related financial information included in this report. It is his responsibility to ensure that the financial information fairly presents the state of affairs of the company as at the end of the year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The financial information is prepared in accordance with International Financial Reporting Standards and is based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial information. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 29 February 2024 and, in light of this review and the current financial position, he is satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The financial information set out on pages 7 to 25, which has been prepared on the going concern basis, was approved by the director on 03 July 2023 and was signed by:

---

**Peter Michael Major**

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Director's Report

---

The director has pleasure in submitting his report on the financial information of Desert Star Trading 130 Proprietary Limited for the year ended 28 February 2023.

### 1. Incorporation

The company was incorporated on 13 May 2005 and obtained its certificate to commence business on the same day.

### 2. Nature of business

Desert Star Trading 130 Proprietary Limited was incorporated in South Africa with interests in the Mining industry. The company operates in South Africa.

The principal activity of the company is to mine uranium and other minerals in the Namaqualand area. The operations of the company are currently in the prospecting phase.

### 3. Review of financial results and activities

The financial information has been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Full details of the financial position, results of operations and cash flows of the company are set out in this financial information.

### 4. Share capital

			2023	2022
<b>Authorised</b>			Number of shares	
Common shares of no par value			100,000	100,000
<b>Issued</b>	2023	2022	2023	2022
	£	£	Number of shares	
Common shares of no par value	423	479	10,000	10,000

There have been no changes to the authorised or issued share capital during the year under review.

### 5. Control over unissued shares

The unissued common shares are the subject of a general authority granted to the director in terms of section 38 of the Companies Act of South Africa. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued common shares, up to a maximum of 90% of the company's unissued share capital, under the control of the director until the next AGM. 3,723 common shares of the company are reserved for conversion of a loan account to equity for Neo Uranium Resources South Africa (Pty) Ltd in terms of the Share Sale and Subscription Agreement.

### 6. Directorate

The director in office at the date of this report is as follows:

#### Director

Peter Michael Major

### 7. Intangible Assets

There was no change in the nature of the prospecting data of the company or in the policy regarding their use.

At 28 February 2023 the company's investment in prospecting data amounted to £931,294, of which £6,856 was reduced in the current year through management revaluations and exchange rate translations.

There was no change in the nature of the intangible assets under development of the company or in the policy regarding their use.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Director's Report

---

### . Intangible Assets (continued)

At 28 February 2023 the company's investment in intangible assets under development amounted to £167,563, of which £74,806 was added in the current year through purchases and management revaluations and exchange rate translations.

### 8. Events after the reporting period

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

The director is not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 9. Going concern

The director has reviewed the budgets and cash flow forecasts for the next 12 months, as well as the current liquidity and solvency position of the company and does believe that the company has or has access to adequate financial resources to continue in operation for the foreseeable future. The financial information has accordingly been prepared on the going concern basis.

### 10. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

### 11. Secretary

The company secretary is Landgrebe Secretarial Services CC.

Postal address: P O Box 3665  
Randburg  
2125

Business address: Suite 7, Denavo House  
15 York Street  
Kensington B  
Randburg  
2194

### 12. Date of authorisation for issue of the financial information

The financial information has been authorised for issue by the director on 03 July 2023. No authority was given to anyone to amend the financial information after the date of issue.

The financial information set out on pages 7 to 25, which has been prepared on the going concern basis, was approved by the director on 03 July 2023, and was signed by:

---

**Peter Michael Major**

**03 July 2023**



**W.K.H. Landgrebe C.A. (S.A.) & Co.**  
**CHARTERED ACCOUNTANTS & AUDITORS**

---

SUITE 7  
DENA VO HOUSE  
15 YORK STREET (CNR. KING)  
KENSINGTON "B"  
RANDBURG

TEL. (011) 886-1238/9  
FAX (011) 787-6703  
E-MAIL: [wkhlantd@global.co.za](mailto:wkhlantd@global.co.za)

P.C  
RA  
211

## **Practitioner's Compilation Report**

---

### **To the Management of Desert Star Trading 130 Proprietary Limited**

We have compiled the financial information of Desert Star Trading 130 Proprietary Limited, as set out on pages 7 - 25, based on information you have provided. The financial information comprises the statement of financial position of Desert Star Trading 130 Proprietary Limited as at 28 February 2023, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial information in accordance with International Financial Reporting Standards. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

The financial information and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial information. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial information is prepared in accordance with International Financial Reporting Standards.

---

**W K H Landgrebe (C.A.) (S.A.) & Co**  
**W K H Landgrebe**  
**Partner**

**03 July 2023**  
**Randburg**  
**Suite 7, Denavo House**  
**15 York Street**  
**Kensington B**  
**Randburg**  
**2194**

---

**PARTNERS: W.K.H. LANDGREBE (B.COM) C.A. (S.A.) , W.P. McALEENAN (B.COMPT.) C.A. (S.A.) M.B.A**

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Statement of Financial Position as at 28 February 2023

Figures in Pounds	Note(s)	2023	2022
<b>Assets</b>			
Non-Current Assets			
Intangible assets	2	1,098,857	1,030,907
Loans to Associated companies	3	172	198
		<u>1,099,029</u>	<u>1,031,105</u>
Current Assets			
Cash and cash equivalents	5	4,321	4,414
<b>Total Assets</b>		<u>1,103,350</u>	<u>1,035,519</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	6	423	479
Non-Distributable Reserves	7	673,961	729,480
Accumulated loss		(14,394)	(11,810)
		<u>659,990</u>	<u>718,149</u>
<b>Liabilities</b>			
Non-Current Liabilities			
Loans from shareholders	8	162,666	95,243
Deferred tax	4	254,973	206,530
		<u>417,639</u>	<u>301,773</u>
Current Liabilities			
Trade and other payables	9	25,721	15,597
<b>Total Liabilities</b>		<u>443,360</u>	<u>317,370</u>
<b>Total Equity and Liabilities</b>		<u>1,103,350</u>	<u>1,035,519</u>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Pounds	Note(s)	2023	2022
Other operating expenses		(3,023)	(7,207)
<b>Operating loss</b>		<b>(3,023)</b>	<b>(7,207)</b>
Finance costs DMRE Kimberley	10	-	(355)
<b>Loss before taxation</b>		<b>(3,023)</b>	<b>(7,562)</b>
Taxation	12	438	1,903
<b>Loss for the year</b>		<b>(2,585)</b>	<b>(5,659)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains/(losses) on intangible asset revaluation		248,113	39,127
Deferred tax effect relating to items that will not be reclassified to profit or loss		(259,880)	(8,765)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(11,767)</b>	<b>30,362</b>
<b>Items relating to foreign currency presentation that will not be reclassified to profit or loss:</b>			
Exchange differences on translating foreign currencies		(43,752)	(66)
Income tax relating to items that may be reclassified		-	(1,370)
<b>Total items relating to foreign currency presentation that will not be reclassified to profit or loss</b>		<b>(43,752)</b>	<b>(1,436)</b>
<b>Other comprehensive income/(loss) for the year net of taxation</b>	13	<b>(55,519)</b>	<b>28,926</b>
<b>Total comprehensive (loss) income for the year</b>		<b>(58,104)</b>	<b>23,267</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Accumulated loss	Total equity
Figures in Pounds					
<b>Balance at 01 March 2021</b>	<b>470</b>	<b>1,370</b>	<b>699,184</b>	<b>(6,151)</b>	<b>694,873</b>
Loss for the year	-	-	-	(5,659)	(5,659)
Other comprehensive income (loss)	-	(1,436)	30,362	-	28,926
<b>Total comprehensive Income (Loss) for the year</b>	<b>-</b>	<b>(1,436)</b>	<b>30,362</b>	<b>(5,659)</b>	<b>23,267</b>
Currency revaluation of shares	9	-	-	-	9
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>
<b>Balance at 01 March 2022</b>	<b>479</b>	<b>(66)</b>	<b>729,546</b>	<b>(11,809)</b>	<b>718,150</b>
Loss for the year	-	-	-	(2,585)	(2,585)
Other comprehensive income (loss)	-	(43,752)	(11,767)	-	(55,519)
<b>Total comprehensive Income (Loss) for the year</b>	<b>-</b>	<b>(43,752)</b>	<b>(11,767)</b>	<b>(2,585)</b>	<b>(58,104)</b>
Currency revaluation of shares	(56)	-	-	-	(56)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>(56)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(56)</b>
<b>Balance at 28 February 2023</b>	<b>423</b>	<b>(43,818)</b>	<b>717,779</b>	<b>(14,394)</b>	<b>659,990</b>
Note(s)	6	7	7		

The accounting policies on pages 11 to 15 and the notes on pages 16 to 25 form an integral part of the financial information.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Statement of Cash Flows

Figures in Pounds	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	14	7,102	1,162
Finance costs DMRE Kimberley		-	(355)
Other non-cash item gain/(loss) on currency translation	16	13,681	(1,395)
<b>Net cash from operating activities</b>		<b>20,783</b>	<b>(588)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets under development	2	(87,637)	(65,868)
Movement in loans to Associated companies		26	(3)
<b>Net cash from investing activities</b>		<b>(87,611)</b>	<b>(65,871)</b>
<b>Cash flows from financing activities</b>			
Revaluation of share capital	6	(56)	9
Proceeds from shareholders loan		67,423	66,357
<b>Net cash from financing activities</b>		<b>67,367</b>	<b>66,366</b>
<b>Total cash movement for the year</b>		<b>539</b>	<b>(93)</b>
Cash at the beginning of the year		4,414	4,549
Effect of exchange rate movement on cash balances		(632)	(42)
<b>Total cash at end of the year</b>	5	<b>4,321</b>	<b>4,414</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Accounting Policies

---

### 1. Significant accounting policies

The principal accounting policies applied in the preparation of this financial information are set out below.

#### 1.1 Basis of preparation

The financial information has been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing this financial information and the Companies Act of South Africa of South Africa, as amended.

The financial information complies with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial information has been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pound Sterling for purposes of this financial information, while South African Rands is the company's functional currency.

#### 1.2 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale;
- there is an intention to complete and use or sell it;
- there is an ability to use or sell it;
- it will generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the asset; and
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at revalued amount, being fair value at the date of revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in the carrying amount of an intangible asset, as a result of a revaluation, is credited in other comprehensive income and accumulated in the revaluation reserve in equity. The increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Any decrease in the carrying amount of an intangible asset, as a result of a revaluation, is recognised in profit or loss in the current period. The decrease is debited to other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Accounting Policies

---

### 1.2 Intangible assets (continued)

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

---

Item	Depreciation method	Average useful life
Intangible assets under development	Straight line	To be determined on commencement of mining operations
Intangible asset prospecting data	Straight line	To be determined on commencement of mining operations

### 1.3 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Note 19 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Accounting Policies

---

### 1.3 Financial instruments (continued)

#### Borrowings and loans from related parties

##### Classification

Loans from Associated companies (note 3), loans from shareholders (note 9) and borrowings (note 10) are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs DMRE Kimberley (note 10.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

#### Trade and other payables

##### Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs DMRE Kimberley (note 10).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 19 for details of risk exposure and management thereof.

#### Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.



# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Accounting Policies

---

### 1.4 Tax

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

### 1.5 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Accounting Policies

---

### 1.5 Impairment of assets (continued)

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

### 1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

### 1.7 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 17.

### 1.8 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pound Sterling, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial information are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pounds by applying to the foreign currency amount the exchange rate between the Pounds and the foreign currency at the date of the cash flow.

## Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

### Notes to the Financial Information

Figures in Pounds

2023

2022

#### 2. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Intangible assets under development	167,563	-	167,563	92,757	-	92,757
Prospecting Data Henkries Central at revaluation	472,658	-	472,658	481,153	-	481,153
Prospecting Data Henkries North at revaluation	458,636	-	458,636	456,997	-	456,997
<b>Total</b>	<b>1,098,857</b>	<b>-</b>	<b>1,098,857</b>	<b>1,030,907</b>	<b>-</b>	<b>1,030,907</b>

#### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Revaluations	Foreign exchange movements	Total
Intangible assets under development	92,757	87,637	-	(12,831)	167,563
Prospecting Data Henkries Central at revaluation	481,153	-	68,400	(76,895)	472,658
Prospecting Data Henkries North at revaluation	456,997	-	64,966	(63,327)	458,636
	<b>1,030,907</b>	<b>87,637</b>	<b>133,366</b>	<b>(153,053)</b>	<b>1,098,857</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Revaluations	Foreign exchange movements	Total
Intangible assets under development	24,901	65,868	-	1,988	92,757
Prospecting Data Henkries Central at revaluation	462,104	-	10,166	8,883	481,153
Prospecting Data Henkries North at revaluation	438,906	-	9,654	8,437	456,997
	<b>925,911</b>	<b>65,868</b>	<b>19,820</b>	<b>19,308</b>	<b>1,030,907</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds	2023	2022
<b>2. Intangible assets (continued)</b>		
<b>Individually material intangible assets</b>		
Intangible Assets under development Prospecting expenses incurred and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.	167,563	92,757
Drilling and Assay Costs Henkries Central Prospecting Data costs estimated and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.	472,658	481,153
Drilling and Assay Costs Henkries North Prospecting Data costs estimated and revalued, the useful life of which will be determined on commencement of mining operations and re-assessed on an annual basis.	458,636	456,997
	<u>1,098,857</u>	<u>1,030,907</u>

On 6 February 2017, the company's application for a Prospecting Right was accepted by the DMRE. The Prospecting Right was granted on 1 February 2018. The Prospecting Right was registered on 14 September 2018 in the Minerals & Petroleum Titles Office under Potocol 1686/2018 and Prospecting Right NC 11918 PR.

The evaluation of the Prospecting Data at both Henkries sites was undertaken by the director based on estimates provided by Andrew Pedley, an Exploration Geologist and competent mining expert with more than 20 years expertise, who acquired quotes of the sonic and aircore drilling and assay and related costs in December 2021 on behalf of management for the prospecting activities conducted by previously interested third parties. Management has since retrospectively adopted this evaluation as it has ownership and use of the data and samples from the prior prospecting activities in order to expedite future mining activity without incurring the cost thereof.

The US Dollar based valuation has been adjusted to the exchange rates ruling at the date of this financial information.

The useful life of the Prospecting Data will be determined on commencement of mining operations at Henkries and such useful life will be reassessed by management on an annual basis.

### 3. Loans to group companies

#### Associates

Nababeep Copper Company (Pty) Ltd The loan is unsecured, interest free and has no fixed terms of repayment within the ensuing twelve months.	172	198
---	-----	-----

#### Split between non-current and current portions

Non-current assets	<u>172</u>	<u>198</u>
--------------------	------------	------------

#### Exposure to credit risk

Loans receivable inherently expose the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

The maximum exposure to credit risk is the gross carrying amount of the loan. The company does not hold collateral or other credit enhancements against group loans receivable.

#### Fair value of Associate company loans receivable

The fair value of group loans receivable approximates their carrying amounts.

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds 2023 2022

### 4. Deferred tax

#### Deferred tax asset / (liability)

Tax losses available for set off against future taxable income	4,907	4,061
Decrease of deferred tax effect on revaluation of intangible assets	<u>(259,880)</u>	<u>(210,591)</u>
<b>Total deferred tax liability, net of deferred tax on revaluation of intangible assets recognised</b>	<b><u>(254,973)</u></b>	<b><u>(206,530)</u></b>

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	<u>(254,973)</u>	<u>(206,530)</u>
------------------------	------------------	------------------

#### Reconciliation of deferred tax asset / (liability)

At beginning of year	(206,530)	(199,668)
Increases (decrease) in tax loss available for set off against future taxable income - gross of valuation allowance	6,120	1,903
Increases (decrease) in valuation allowance of deferred tax asset	<u>(54,563)</u>	<u>(8,765)</u>
	<b><u>(254,973)</u></b>	<b><u>(206,530)</u></b>

#### Recognition of deferred tax asset

An entity shall disclose the amount of a deferred tax asset and the nature of the evidence supporting its recognition, when:

- the utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences; and
- the entity has suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax asset relates.

### 5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	345	10
Rehabilitation Guarantee funds paid directly to DMRE (see note 17)	<u>3,976</u>	<u>4,404</u>
	<b><u>4,321</u></b>	<b><u>4,414</u></b>

### 6. Share capital

#### Authorised

100 000 Common shares of no par value	<u>100,000</u>	<u>100,000</u>
---------------------------------------	----------------	----------------

#### Reconciliation of number of shares issued:

Reported as at 01 March 2022	<u>10,000</u>	<u>10,000</u>
------------------------------	---------------	---------------

- unissued common shares are under the control of the director in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting. 3,723 common shares of the company are reserved for conversion of a loan account to equity for Neo Uranium Resources South Africa (Pty) Ltd in terms of the Share Sales and Subscription Agreement.

#### Issued

Common shares of no par value	<u>423</u>	<u>479</u>
-------------------------------	------------	------------

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds 2023 2022

### 7. Non-Distributable Reserves

In terms of the articles of association, the reserves are non-distributable.

Revaluation adjustment Henkries Central and North	940,137	901,010
Effect of Revaluation adjustment Henkries Central and North	(222,358)	(171,464)
Currency Translation Reserve	(43,818)	(66)
	<u>673,961</u>	<u>729,480</u>

### 8. Loans from shareholders

P D Hibberd	19,962	15,405
CIH Mining Investments (Pty) Ltd	7,171	5,392
Wavecrest Capital (Pty) Ltd	36,885	27,737
Neo Uranium Resources South Africa (Pty) Ltd	98,648	46,709
	<u>162,666</u>	<u>95,243</u>

The loans are unsecured, interest free and have no fixed terms of repayment within the ensuing twelve months except for the loan to Neo Uranium Resources South Africa (Pty) Ltd which is convertible to Equity on attaining the agreed upon expenditure funding values .

#### Fair value of shareholder loans payable

The fair value of loans from shareholders approximates their carrying amounts.

### 9. Trade and other payables

#### Financial instruments:

Trade payables	<u>25,721</u>	<u>15,597</u>
----------------	---------------	---------------

#### Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	<u>25,721</u>	<u>15,597</u>
-------------------	---------------	---------------

#### Exposure to currency risk

The net carrying amounts, in Pounds, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Pounds by converting the foreign currency amount at the closing rate at the reporting date.

#### Pounds Amount

Pounds	<u>25,721</u>	<u>15,597</u>
--------	---------------	---------------

#### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

### 10. Finance costs DMRE Kimberley

Interest paid DMRE Kimberley	<u>-</u>	<u>355</u>
------------------------------	----------	------------

Total interest expense, calculated using the effective interest rate, on financial instruments at fair value through profit or loss amounted to £ - (2022: £ 355).

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds	2023	2022
<b>11. Other non-operating gains (losses)</b>		
<b>12. Taxation</b>		
<b>Major components of the tax income</b>		
<b>Deferred</b>		
Other deferred tax	(438)	(1,903)
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(3,023)	(7,562)
Tax at the applicable tax rate of 28% (2022: 28%)	(846)	(2,117)
<b>Tax effect of adjustments on taxable income</b>		
Tax losses carried forward	846	2,117
	-	-

No provision has been made for 2023 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is £ (18,892).

### 13. Other comprehensive income

#### Components of other comprehensive income - 2023

	Gross	Tax	Net
<b>Items that will not be reclassified to profit (loss)</b>			
<b>Movements on revaluation</b>			
Losses on deferred tax effect on prospecting data revaluation	248,113	(259,880)	(11,767)
<b>Items that may be reclassified to profit (loss)</b>			
<b>Exchange differences on translating to foreign currency</b>			
Exchange rate differences arising at the year end	(43,752)	-	(43,752)
<b>Total</b>	<b>204,361</b>	<b>(259,880)</b>	<b>(55,519)</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds

2023

2022

### 13. Other comprehensive income (continued)

#### Components of other comprehensive income - 2022

	Gross	Tax	Net
<b>Items that will not be reclassified to profit (loss)</b>			
<b>Movements on revaluation</b>			
Losses on deferred tax effect on prospecting data revaluation	39,127	(8,765)	30,362
<b>Items relating to foreign currency presentation that will not be reclassified to profit (loss)</b>			
<b>Exchange differences on translating to foreign currency</b>			
Exchange rate differences arising at the year end	(66)	(1,370)	(1,436)
<b>Total</b>	<b>39,061</b>	<b>(10,135)</b>	<b>28,926</b>

### 14. Cash generated from operations

Loss before taxation		(3,023)	(7,562)
<b>Adjustments for:</b>			
Finance costs DMRE Kimberley		-	355
<b>Changes in working capital:</b>			
Trade and other payables		10,125	8,369
		<u>7,102</u>	<u>1,162</u>

### 15. Tax refunded

### 16. Other non-cash item gain / (loss) on currency translation

#### Heading

Non-cash item - Balance Sheet Currency Movements		<u>13,681</u>	<u>(1,395)</u>
--	--	---------------	----------------

### 17. Contingencies

An unquantified contingent liability exists in respect of the rehabilitation guarantee part of which has been paid to the DMRE in respect of the two Henkries sites. The payment is currently reflected under cash and cash equivalents. (see note 5)



# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds 2023 2022

### 18. Related parties

#### Relationships

Associates	Refer to note 3
Shareholder with significant influence	Wavecrest Capital (Proprietary) Limited
Shareholder with joint control	P D Hibberd

#### Related party balances

##### Loan accounts - Owing (to) by related parties

Wavecrest Capital (Proprietary) Limited	(36,885)	(27,737)
P D Hibberd	(19,962)	(15,405)
CIH Mining Investments (Proprietary) Limited	(7,171)	(5,392)
Nababoop Copper Company (Pty) Ltd	172	198
Neo Uranium Resources South Africa (Pty) Ltd	(98,648)	(46,709)

The loans are unsecured, interest free and have no fixed terms of repayment within the ensuing twelve months except for the loan to Neo Uranium Resources South Africa (Pty) Ltd which is the subject of a Share Sale and Subscription Agreement wherein the above loan and future loans are convertible to equity.

### 19. Financial instruments and risk management

#### Categories of financial instruments

##### Categories of financial assets

#### 2023

	Note(s)	Amortised cost	Total	Fair value
Loans to Associate companies	3	172	172	-
Cash and cash equivalents	5	4,321	4,321	4,321
		<b>4,493</b>	<b>4,493</b>	<b>4,321</b>

#### 2022

	Note(s)	Amortised cost	Total	Fair value
Loans to Associate companies	3	198	198	-
Cash and cash equivalents	5	4,414	4,414	4,414
		<b>4,612</b>	<b>4,612</b>	<b>4,414</b>

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds

2023

2022

### 19. Financial instruments and risk management (continued)

#### Categories of financial liabilities

#### 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	25,721	25,721	25,721
Loans from shareholders	8	162,666	162,666	162,666
		<b>188,387</b>	<b>188,387</b>	<b>188,387</b>

#### 2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	9	15,597	15,597	15,597
Loans from shareholders	8	95,243	95,243	95,243
		<b>110,840</b>	<b>110,840</b>	<b>110,840</b>

#### Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Loans from shareholders	8	162,666	95,243
Trade and other payables	9	15,597	7,227
<b>Total borrowings</b>		<b>178,263</b>	<b>102,470</b>
Cash and cash equivalents	5	(4,321)	(4,414)
<b>Net borrowings</b>		<b>173,942</b>	<b>98,056</b>
Equity		659,990	718,149
Gearing ratio		26 %	15 %

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds

2023

2022

### 19. Financial instruments and risk management (continued)

#### Financial risk management

##### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

##### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk exposure arising on cash and cash equivalents is managed by the company through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

The maximum exposure to credit risk is presented in the table below:

# Desert Star Trading 130 Proprietary Limited

(Registration number 2005/014743/07)

Financial Information for the year ended 28 February 2023

## Notes to the Financial Information

Figures in Pounds

2023

2022

### 19. Financial instruments and risk management (continued)

	Note(s)	2023			2022		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to Associate companies	3	172	-	172	198	-	198
Cash and cash equivalents	5	4,321	-	4,321	4,414	-	4,414
		<b>4,493</b>	<b>-</b>	<b>4,493</b>	<b>4,612</b>	<b>-</b>	<b>4,612</b>

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through OCI is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

#### Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

#### 2023

	Note(s)	Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>				
Trade and other payables	9	25,721	25,721	25,721

#### 2022

	Note	Less than 1 year	Total	Carrying amount
<b>Current liabilities</b>				
Trade and other payables	9	15,597	15,597	15,597

### 20. Events after the reporting period

The shareholders have concluded negotiations with Neo Uranium Resources South Africa (Pty) Ltd who is acquiring 50.1% of the shareholding in Desert Star Trading 130 Proprietary Limited. The negotiations are formalised in binding agreements.

Appendix II Competent Person's Report for Henkries Uranium Deposit

# Competent Persons Report (CPR)

## For the Henkries Uranium Project Northern Cape Province, South Africa

**Project Name:** Henkries Uranium Project

**Prepared For:** Prepared for Mayflower energy Metals Limited (MEML)

**Prepared By:** Minsearch Geological Consulting (Pty) Ltd.

**Report Date:** 22 September 2023



## The Client

Client/Issuers Name	<b>Prepared for Mayflower energy Metals Limited (MEML)</b>
Property Name	Henkries Uranium Project
Contact Person	Jason Brewer
Client Address	Eccleston Yards 25 Eccleston Place, London, SW1W 9NF

## Author and Reviewer Signatures

Author and Competent Person	Andrew Pedley, M.Sc., MGSSA, Pr. Sci. Nat.	Minsearch Geological Consulting (Pty) Ltd	
-----------------------------	---	---	--

## Certificate of Competent Person – Andrew Pedley

I Andrew Pedley, M.Sc., MGSSA, Pr. Sci. Nat. do hereby certify that:

1. I am a Consultant with Minsearch Geological Consulting (Pty) Limited.
2. The Report to which this certificate applies is titled “Competent Persons Report (CPR) for the Henkries Uranium Project, Northern Cape of South Africa” dated 22 September 2023.
3. I hold a BSc (Hons) degree in Geology from the University of Manchester (England) and a Master of Science degree in Mining Geology from the Cambourne School of Mines (England), and am a member in good standing of the Geological Society of South Africa and a registered Professional Natural Scientist (Pr. Sci. Nat.) with the South African Council for Natural Scientific Professions (SACNASP). My experience includes 22 continuous years in the exploration and mining industry. I have at least five years relevant experience in the estimation, assessment, and evaluation of the type of mineral deposit under consideration.
4. I have visited the project that is the subject of this Report.
5. I am responsible for all sections of this Report.
6. I am independent of the applicant, its directors, senior management and advisers and I am not remunerated by way of a fee that is linked to the admission or value of the applicant.
7. My prior involvement with the project is limited to a period during 2008 and 2009 when I was Exploration Manager for Niger Uranium and managed the exploration work at the project.
8. As of the effective date of the Competent Person Report, to the best of my knowledge, information and belief, the parts of the Competent Person Report that I am responsible for contain all scientific and technical information that is required to be disclosed to make the Competent Person Report not misleading.

Dated this 22nd day of September 2023



Andrew Pedley

Senior Consultant

Minsearch Geological Consulting (Pty) Limited



# Table of Contents

1.	Summary .....	11
1.1	Location, access, and topography.....	11
1.2	Project ownership and Terms of Reference .....	11
1.3	Project Geology.....	11
1.4	Project History .....	12
1.5	Mineral Resource Estimate .....	13
1.6	Exploration Potential .....	14
1.7	Conclusions .....	15
2.	Introduction .....	15
3.	Reliance on Other Experts .....	16
4.	Property Description and Location .....	16
4.1	Project area.....	16
4.2	Mineral Tenure and the Issuers Interest.....	17
4.2.1	Mineral Tenure.....	17
4.2.2	Issuers Interest.....	18
4.3	Rights of access and to carry out exploration.....	19
5.	Item 5: Accessibility, Climate, Local Resources, Infrastructure and Physiography.....	20
5.1	Topography, elevation and vegetation.....	20
5.2	Access.....	21
5.3	Climate .....	22
5.4	Power and Water utilities .....	22
5.5	Communications .....	23
5.6	Skilled and unskilled labour force .....	23
6.	History.....	23
6.1	Anglo American work.....	23
6.1.1	AOL Feasibility Study.....	25
6.2	Exploration by NUL .....	25
6.2.1	Trenching at Henkries Central.....	25
6.2.2	'Radon X' radon Emanometry Work at Henkries South.....	27
6.3	Henkries North Exploration Target .....	29
6.4	Work by Niger Uranium Limited (NUL) .....	31
6.5	Previous Mineral Resource Estimates.....	32
6.5.1	1979 AOL 'geologic reserve estimate' (historical estimate) .....	32

6.5.2	The SRK 2008 and 2009 Mineral Resource Estimate .....	33
6.5.3	MSA Group - June 2009 Mineral Resource Estimate .....	34
7.	Geological Setting and Mineralization .....	36
7.1	Regional Geology .....	36
7.2	The Koa River paleo drainage .....	37
7.3	Controls on uranium Mineralisation .....	38
7.4	Geology of the Henkries Central Deposit.....	39
7.4.1	Main lithologies.....	39
7.4.2	Form and stratigraphy of Henkries Central deposit.....	40
7.4.3	Uranium mineralisation at Henkries Central .....	46
7.5	Geology of the Henkries North deposit .....	46
7.5.1	Form and stratigraphy of Henkries North deposit.....	46
7.5.2	Uranium mineralisation at Henkries North.....	47
7.6	Geology of Henkries South .....	48
7.7	Uranium mineralogy .....	49
8.	Deposit Types.....	50
9.	Exploration .....	50
10.	Drilling .....	50
10.1	AOL Drilling .....	51
10.1.1	Drilling at Henkries Central .....	51
10.1.2	Exploration drilling by AOL in the surrounding areas .....	52
10.1.3	Additional AOL Drilling in 1979 .....	53
10.2	Drilling by NUL.....	53
10.2.1	Drilling methods.....	53
10.3	NUL drilling campaigns.....	54
10.3.1	NUL drilling for verification AOL data .....	54
10.3.2	Drilling at Henkries Central .....	56
10.3.3	Drilling at Henkries North .....	56
10.3.4	Drilling at Henkries South .....	57
10.3.5	Interpretation of the drilling data .....	58
10.4	Surveying of NUL drill-hole collars .....	59
10.5	Transformation of AOL coordinate system.....	59
10.6	The results of the NUL verification drilling .....	61
11.	Sample Preparation, Analyses and Security.....	64

11.1	AOL sampling and analyses.....	64
11.2	NUL sampling .....	65
11.2.1	Analyses of NUL samples .....	67
11.2.2	Quality Assurance and Quality Control (QAQC).....	67
11.2.3	Use of portable XRF data for Henkries North .....	70
11.2.4	Significant Intersections.....	71
12.	Data Verification .....	71
13.	Mineral Processing and Metallurgical Testing .....	72
13.1	Introduction .....	72
13.2	Bulk samples for the test work .....	72
13.3	Bench-scale testing .....	72
13.3.1	Alkaline Leaching.....	72
13.3.2	Acid Leaching .....	73
13.3.3	Solid/Liquid Separation.....	73
13.3.4	Ion exchange recovery of uranium from pulp .....	73
13.4	Pilot plant test work.....	75
13.4.1	Acid leaching pilot work.....	75
13.4.2	Ore blend .....	75
13.4.3	Leaching .....	75
13.4.4	Uranium IX recovery .....	76
13.4.5	ADU precipitation.....	77
13.4.6	Overall pilot plant performance.....	77
13.5	Flowsheet.....	78
13.6	Comments relating to processing and opportunities .....	79
13.7	Recommendations for future work relating to process .....	79
14.	Mineral Resource Estimates .....	80
14.1	Henkries Central MRE .....	80
14.1.1	Data used for the MRE.....	80
14.1.2	Data validation and import .....	82
14.1.3	Creation of Wireframes for the mineralised envelope.....	82
14.1.4	Capping .....	85
14.1.5	Compositing .....	86
14.1.6	Estimation Methodology.....	88
14.2	Henkries North MRE .....	90

14.2.1	Data validation and import .....	90
14.2.2	Creation of Wireframes for the mineralised envelope .....	90
14.2.3	Compositing .....	90
14.2.4	Estimation Methodology.....	91
14.3	Validation of the MREs.....	92
14.4	Mineral Resource Classification .....	95
14.4.1	JORC Code Mineral Resource reporting terminology .....	95
14.4.2	Henkries Central MRE classification.....	96
14.4.3	Henkries North MRE classification .....	98
14.5	Minimum Cut-off grade and reasonable prospects for eventual economic extraction .....	98
14.6	Mineral Resource Statement .....	98
15.	Mineral Reserve Estimates .....	100
16.	Mining Methods.....	100
16.1	AAC 1979 feasibility study mining description .....	100
16.1.1	Comments on the AAC 1979 feasibility study mining work and other considerations ....	100
17	Recovery Methods .....	101
18	Project Infrastructure.....	101
19	Market Studies and Contracts.....	101
20	Environmental Studies, Permitting and Social or Community Impact.....	101
21	Capital and Operating Costs.....	101
22	Economic Analysis.....	101
23	Adjacent Properties .....	101
24	Other Relevant Data and Information .....	101
25	Interpretation and Conclusions .....	102
26	Risks, Opportunities and Recommendations.....	103
26.1	Risks .....	103
26.2	Opportunities.....	103
26.3	Recommendations .....	104
26.3.1	Pre-Feasibility Study related work .....	104
27	References .....	106
28	Glossary of Terms.....	107

## Table of Figures

Figure 4-1. Map of the Henkries Project over a satellite image (sourced from Bing) .....	17
Figure 4-2. Holding structure of the Project .....	19
Figure 5-1. Left: looking west from Henkries Central with the paleochannel in the fore to middle-ground. Right: surface massive and bedded surface calcrete (above the mineralized layer) with the basement gneiss exposed in the valley side in the background.....	20
Figure 5-2. Map showing the Henkries Central and Henkries North deposits, and the Henkries SW tributary .....	21
Figure 5-3. Location and access to the project area .....	22
Figure 6-1. Example of an AOL pit log showing U3O8 grades.....	24
Figure 6-2. Right: Trench at Henkries Central. Left: cone and quartering of channel samples prior to pulverising and (portable) XRF analysis.. .....	26
Figure 6-3. Map showing results of a 'radonX' orientation survey at Henkries Central.....	27
Figure 6-4. Map showing results of the 'radonX' survey at Henkries South.....	28
Figure 6-5. Henkries North showing NUL's drilling and mineralised zones. Sonic holes have blue collars and Infill air-core holes black. ....	31
Figure 6-6. Map showing Henkries Central AAC historical 'undiluted geologic reserve estimate' for Henkries Central showing zones (blocks) with 'reserves' above the base-case 225 ppm cut-off grade....	33
Figure 6-7. Cross-section through part of Henkries Central with the MSA 2009 MRE block model and drilling data shown. Note vertical exaggeration is 5 times.....	36
Figure 7-1. Geology of the project Area which is the black outline. The Koa paleo drainage is outlined in blue and drains northward into the Orange River.....	37
Figure 7-2. Map showing the 2022 MRE block model for Henkries Central and the 'blocks/zones' named by AOL for their 1979 'reserve estimate'. AOL drill-holes are the small black collars. NUL drill-holes are the larger blue collars. ....	40
Figure 7-3. Diatomaceous earth. Right: Carbonaceous earth to the same scale. These are the two most important host-rocks. ....	42
Figure 7-4. Left: aeolian 'red sand'. Right: fluvial 'green-sand' to the same scale .....	42
Figure 7-5. Left: massive calcrete. Right: clay to the same scale, with iron oxide .....	44
Figure 7-6. Core from 14900N-50W, laid out after cutting. ....	44
Figure 7-7. Cross-section through block 'D' at Henkries Central showing - section line on Figure 7-2. Note: 10x vertical exaggeration.....	45
Figure 7-8. Long section through Henkries Central from block 'D' to 'A' - shown by section line on Figure 7-2. Note: 20x vertical exaggeration.....	45
Figure 7-9. Long section through pod HN_2 at Henkries North. Note 5x vertical exaggeration. Uranium grades are indicated by the red (laboratory XRF) or pink (portable XRF) bars beside the drill-hole traces. ....	47
Figure 7-10. Cross-section through pod HN_2 at Henkries North. Note 5x vertical exaggeration. Uranium grades are indicated by the red (laboratory XRF) or pink (portable XRF) bars beside the drill-hole traces. ....	48
Figure 7-11. Thin carbonaceous silt and clay layer exposed in a pit at Henkries South .....	49
Figure 10-1. 3D view of Henkries Central looking northeast, showing the AOL and NUL drilling along the paleochannel with the basement granites forming outcrops on the north side of the channel. ....	52
Figure 10-2. Map of Henkries showing the location of the NUL verification drill-holes. ....	55

Figure 10-3. Boart Longyear Sonic rig drilling at Henkries Central. ....	56
Figure 10-4. Map of Henkries South showing radon X anomalous areas and drill-holes over satellite data (Bing) .....	58
Figure 10-5. Left: example of an AOL baseline peg at 12600N. Right: A 1970's AOL drill-hole peg. ....	60
Figure 10-6. A comparison of grade x thickness (ppm-metres) for NUL intersections and AOL intersections for twin-holes .....	61
Figure 10-7. Strip-log comparison of geology and grade in AOL and NUL boreholes at 14900N-50E.....	62
Figure 10-8. Final comparison of AOL grade x thickness (ppm-metres) and NUL twin-hole grade x thickness. The regression line of $y=0.9x$ supports the reliability of the AOL data.....	63
Figure 11-1. Example of AOL sample and geological log sheets.....	64
Figure 11-2. Sonic Core from Henkries Central. Clay with calcrete nodules with gradational contact over grey-black carbonaceous earth.....	65
Figure 11-3. An example of the 'skin' of fines on the surface of the sonic core. The totally undisturbed nature of the core material (carbonaceous earth) is evident.....	66
Figure 11-4. Niger Uranium's core-shed at the Henkries site. Core in the foreground is drying and workers in the background are sampling the core. ....	67
Figure 11-5. Plot of all CRMs inserted into NUL's batches for Henkries Central .....	68
Figure 11-6. Plot of all CRMs inserted into NUL's batches for Henkries North .....	69
Figure 11-7. Plot of field duplicates for Henkries Central and Henkries North. Logarithmic scale. ....	69
Figure 11-8. Chart showing comparison of uranium analyses by laboratory XRF versus by portable XRF	70
Figure 13-1. Equilibrium isotherm as determined during the test work vs conventional SBA resin (without Cl present).....	74
Figure 13-2. Process Flow-sheet that is most likely based on a review by Banonamix of work by AOL ....	78
Figure 14-1 Cross-section through Henkries Central showing the mineralised envelope and drilling data used. Density on the left of trace. U3O8 on right.....	83
Figure 14-2 3D view of the strings (red lines) and the wireframe for the mineralised envelope for part of Henkries Central.....	84
Figure 14-3 Boundary Analysis showing sample grade changes over the mineralised zone wireframes ..	85
Figure 14-4 Log probability plot for U3O8 for HC_D.....	85
Figure 14-5 Log probability plot for U3O8 for HC_B and HC_C .....	86
Figure 14-6 Histogram of Sample lengths for samples within the mineralised zone at Henkries Central .	87
Figure 14-7 Example of swath plots in the vertical (elevation) and north-south (northing) directions for Henkries Central.....	94
Figure 14-8. Section at Henkries Central showing the block model and drill-hole U3O8 grades.....	94
Figure 14-9. 3D slice at Henkries North showing the block model and drill-hole U3O8 grades. ....	95
Figure 14-10. Plan-view of the Henkries Central block model and extent of the Indicated and inferred MRE. Explanation in text.....	97

## List of Tables

Table 1. Mineral Resource Estimate for the Henkries Project using a 100 ppm U3O8 cut-off grade .....	13
Table 2. Positions of the outer corners of the Prospecting Right given in System WG 17°. Note there are no points I or O. ....	18

Table 3. Comparison between U3O8 grades intersected by AOL and NUL boreholes and NUL trenches at 14100-100E and 10750N-000. ....	26
Table 4. Range of tonnes, U3O8 grade and contained U3O8 for the 3 zones at Henkries North for which an Exploration Target has been defined. Note the totals are rounded.....	29
Table 5. Historical Estimates for Henkries Central using a 100 ppm U3O8 cut-off grade. All are on dry basis. ....	32
Table 6. MSA Group 2009 (historical non-compliant) MRE for Henkries Central.....	35
Table 7. Summary of all drilling carried out on the project.....	50
Table 8. Trig Beacons used for the positional survey. ....	59
Table 9. Summary statistics for G x T product for the AOL and NUL twin holes. ....	63
Table 10. Results of acid leach tests of various Henkries lithologies (AAC, 1979).....	73
Table 11. Resin loading capacities in various acid leach tests (Vol. II, p 54) (solids content 28.4%; 1.7 g/L Cl) .....	74
Table 12. Blending of lithotypes for pilot plant feed .....	75
Table 13. Summary of pilot plant leach campaign (AOL 1979).....	76
Table 14. Pilot plant RIL circuit performance.....	76
Table 15. Bulk density data for Henkries Central samples .....	81
Table 16 Summary of upper capping limit values for zones at Henkries Central .....	86
Table 17. Sample length statistics for Henkries Central .....	86
Table 18. Comparison of the sample (RAW) versus 0.5m composite grades within Henkries North mineralised envelope and the material outside of the mineralised envelope.....	87
Table 19 Comparison of the sample (RAW) versus 0.5m composite Density values within Henkries Central mineralised envelope and the material outside of the mineralised envelope. ....	87
Table 20 Henkries Central Protomodel.....	88
Table 21 Search parameters applied for Henkries Central .....	88
Table 22. Henkries Central Unestimated Blocks – U3O8 Grade .....	89
Table 23. Henkries Central Unestimated Blocks – Density .....	89
Table 24. Comparison of the sample (RAW) versus 0.5m composite grades within Henkries North mineralised envelope and the material outside of the mineralised envelope.....	90
Table 25. Comparison of the sample (RAW) versus 0.5m Density values within Henkries North mineralised envelope and the material outside of the mineralised envelope.....	91
Table 26. Henkries North Protomodel.....	91
Table 27. Search parameters applied for Henkries North .....	91
Table 28. Henkries North Unestimated Blocks – U3O8 Grade .....	92
Table 29. Henkries North Unestimated Blocks – density.....	92
Table 30. Henkries Central – comparison of drill-hole and block grades .....	92
Table 31. Henkries Central – comparison of drill-hole and block density .....	92
Table 32. Henkries North – comparison of drill-hole and block grades .....	93
Table 33. Henkries North – comparison of drill-hole and block density .....	93
Table 34. MRE for the Henkries Project on a gross and attributable basis, using 100 ppm and 200 ppm U3O8 cut-off grades.....	99

# 1. Summary

## 1.1 Location, access, and topography

The Henkries Uranium Project (the project) has an area of 742.87 square km and is in the Northern Cape Province, approximately 85 km north of Springbok. The project is immediately south of the Orange River, the international border between Namibia and South Africa. It is accessed by tar and gravel roads and is served by a 22kVA power-line and water from the Orange River. The nearest airport with a scheduled flight service is Upington which is 350km away. The project is within a desert region with thin grass or scrub cover or no vegetation. The deposit is within a flat to gently sloping valley at approximately 400 metres above sea-level (masl) with rocky hills on both sides of the valley up to 700masl.

## 1.2 Project ownership and Terms of Reference

The project is held under Prospecting Right (PR) issued to Desert Star Trading 130 (Pty) Ltd (Desert Star) and was valid until 31/01/2023. MEML have advised that they have applied for a 3 year extension for the PR and that this application has been received. Minsearch have not independently verified this. The PR includes the following minerals and commodities: uranium, kieselguhr (diatomite), cobalt, copper, molybdenum, lead, tin, antimony, zinc. The CPR was prepared for MEML who has the right to acquire up to 70% in the project. The Issuer plans to Re-List on the LSE via a Reverse Take Over (RTO) of Stranger Holdings plc and requires a Competent Persons Report (CPR) for the project for this listing. The Issuer then intends to raise funds to be used for the completion of a feasibility study on the project. Anglo American have a 10 % interest in the project in return for the provision of their historical database to Desert Star. This is free carry is up until the point of an investment decision. This can be converted to a 2% Net Smelter Return (NSR). The CP has not reviewed the agreement with Anglo.

This report is the CPR. The updated MRE was prepared and is reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). The report itself is laid out in the format of a Canadian Securities Administrators National Instrument 43-101 (NI 43-101) technical report, except that the term 'Competent Person' replaces 'Qualified Person'. Mr. Andrew Pedley M.Sc., MGSSA, Pr. Sci. Nat. is the Competent Person.

## 1.3 Project Geology

The Henkries deposit is a surficial uranium deposit of the lacustrine sediment hosted type, occurring within young (potentially as little as 40,000 year-old) un lithified soft sediments within the Koa paleo-drainage. The channel experiences only ephemeral stream flowing along some sections during flash flood events but is thought to be an active unconstrained shallow aquifer for brackish groundwater flow being a topographical and paleo topographical geomorphic feature. The paleo-drainage overlies ~2000 Ma basement gneissic rocks of the Goodhouse Suite. The Okiep Copper District is centred approximately 65km to the southwest of the project area.



The uranium mineralisation is best developed within diatomaceous earth and carbonaceous earth but is also found in clay and in some areas in fluvial silt or sand. At Henkries Central the mineralisation forms a continuous sheet 3,600m long and up to 1,100 m wide. Two additional smaller sheets occur south of this. At its thickest it is 7-8 m thick but is typically 2-3m thick. Most of the deposit is within 8m of surface and it is almost entirely within 16m of surface. Henkries North occurs just downstream of a 'nick-point' separating it from Henkries Central and after which the paleo-channel gradient is slightly steeper. The uranium mineralisation at Henkries North is within 6 zones the largest being 1km in length. The host is generally clay and grades are lower than at Henkries Central but the mineralisation is up to 10 m thick and in some areas a second 'deeper' mineralised layer is present up to 30 m below surface.

## 1.4 Project History

The deposit was discovered in 1976 by Anglo American Corporation of South Africa (AAC) after following up an airborne radiometric anomaly. Work was carried out by their subsidiary Anglo Operations Limited (AOL). AOL drilled approximately 7,600m of cored holes at the main deposit now referred to as Henkries Central. In 1979 they completed an estimate termed a 'geologic reserve estimate' of 4.40 Mt (dry tonnes) at an average grade of 372 ppm U<sub>3</sub>O<sub>8</sub>, containing 3.76 Mlbs of U<sub>3</sub>O<sub>8</sub>. This was used as the basis of a feasibility study which their New Mining Division completed and dated March 1979. The feasibility study included a large amount of metallurgical test work and process design including a pilot-scale program. AAC's final flowsheet was an acid leach then Resin-In-Pulp (RIP) recovery and established an expected recovery of 85%. It is possible that higher recovery could be achieved by applying gains made since the 1980's in uranium processing technology.

AOL also carried out approximately 2,080m of core-drilling at the area immediately north (downstream) and south (upstream) of Henkries Central, referred to as Henkries North and Henkries South respectively. AAC did not develop the project possibly largely due to a marked and abrupt fall in the uranium price in 1979 following the Three-Mile-Island incident in the USA. No work is reported to have been carried until 2008 when UK-listed Niger Uranium Limited (NUL) carried out exploration as part of a deal that was to see them acquire a 74% interest. NUL pulled out of the project in 2009 but prior to that carried out infill and expansion drilling at Henkries Central and exploration drilling at Henkries North, totalling 7.155m. They also carried out a radon emanometry survey and 1403m of exploration drilling at the Henkries South target area.

The MSA Group (MSA) of South Africa prepared an MRE for Henkries Central for NUL in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC Code). It was announced by NUL in June 2009. This estimate is now considered historical. The Measured and Indicated portion was 2.7 Mt (dry tonnes) with an average grade of 501 ppm U<sub>3</sub>O<sub>8</sub> containing 2.97 Mlbs of U<sub>3</sub>O<sub>8</sub>. Inferred MRE was an additional 2.36 Mt grading 294 ppm U<sub>3</sub>O<sub>8</sub> containing 1.53 Mlbs of U<sub>3</sub>O<sub>8</sub>. This is now replaced by the current MRE with effective date 3 March 2022 prepared by Minsearch.

## 1.5 Mineral Resource Estimate

As part of their work, Minsearch completed an updated and current MRE for the Henkries Central deposit and for 3 of the 6 zones at Henkries North, with effective date 3 February 2022. This updated and current MRE is provided in Table 1. Interpretation of the mineralised domain was carried out in Micromine © software by Minsearch who utilised Quantify Mine (Pty) Ltd. (Quantify Mine) to carry out the modelling and estimation using Leapfrog Geo (v 2021.1) and Datamine Studio RM 1.6 software.

The Mineral Resource for the Henkries project is tabulated below using the minimum 100ppm U3O8 cut-off grade and a 200 ppm U3O8 cut-off grade. The MRE was prepared and is reported in accordance with the JORC Code. The total MRE is 5.34 Mt with an average grade of 399 ppm U3O8, containing 4.70 Mlbs of U3O8. Within this the Indicated MRE is 1.97 Mt with an average grade of 635 ppm U3O8, containing 2.75 Mlbs of U3O8. The Inferred MRE is 3.38 Mt with an average grade of 262 ppm U3O8, containing 1.95 Mlbs of U3O8.

Table 1. Mineral Resource Estimate for the Henkries Project using a 100 ppm and 200 ppm U3O8 cut-off grade

<b>100 ppm U3O8 cut-off grade</b>		<b>Gross</b>				<b>Net Attributable to 70% interest</b>			
	Category	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained
Henkries Central	Indicated	1.97	635	1.08	2.75	1.38	635	1.08	1.93
	Inferred	1.74	211	1.38	0.81	1.22	211	1.38	0.57
	Indicated + Inferred	3.71	436	1.22	3.57	2.60	436	1.22	2.50
Henkries North	Indicated	-	-	-	-	-	-	-	-
	Inferred	1.63	315	1.13	1.14	1.14	315	1.13	0.79
	Indicated + Inferred	1.63	315	1.13	1.14	1.14	315	1.13	0.79
<b>Total both deposits</b>	Indicated	1.97	635	1.08	2.75	1.38	635	1.08	1.93
	Inferred	3.38	262	1.26	1.95	2.36	262	1.26	1.36
	Indicated + Inferred	5.34	399	1.19	4.70	3.74	399	1.19	3.29
<b>200 ppm U3O8 cut-off grade</b>		<b>Gross</b>				<b>Net Attributable to 70% interest</b>			
	Category	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained
Henkries Central	Indicated	1.66	723	1.06	2.64	1.16	723	1.06	1.85
	Inferred	0.40	491	1.32	0.43	0.28	491	1.32	0.30
	Indicated + Inferred	2.06	678	1.11	3.07	1.44	678	1.11	2.15
Henkries North	Indicated	-	-	-	-	-	-	-	-
	Inferred	1.15	391	1.09	0.99	0.80	391	1.09	0.69
	Indicated + Inferred	1.15	391	1.09	0.99	0.80	391	1.09	0.69
<b>Total both deposits</b>	Indicated	1.66	723	1.06	2.64	1.16	723	1.06	1.85
	Inferred	1.54	416	1.15	1.42	1.08	416	1.15	0.99
	Indicated + Inferred	3.20	575	1.10	4.06	2.24	575	1.10	2.84

- The effective date of the Mineral Resource Estimate is 3 February 2022

- *The MRE using a 200 ppm U3O8 cut-off grade is not in addition to the MRE stated using a 100 ppm cut-off grade but is part of it.*
- *Rounding errors may be evident when combining totals in the table but are immaterial.*
- *Tonnes are 'dry tonnes'.*
- *The Competent Person is Andrew Pedley M.Sc., MGSSA, Pr. Sci. Nat.*
- *The Mineral Resource Estimate is reported in accordance with JORC 2012.*
- *Mineral Resources are not Mineral Reserves and have no demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.*
- *The MRE was not reported within a pit-shell. Being within 20 m of surface and 'free-dig' and 85% uranium recovery has been demonstrated - it is assumed that it has reasonable prospects for eventual economic extraction.*

For the 3 other zones at Henkries North for which an MRE was not prepared, Minsearch completed an Exploration Target. Note: An Exploration Target is not a Mineral Resource Estimate; the potential quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource.

## 1.6 Exploration Potential

The Exploration Target expressed as a potential range (minimum and maximum) of tonnes, grade and contained U3O8 is 2.1 to 2.9 Mt with a grade of 230 to 315 ppm U3O8 and with contained 1.1 to 2.0 Mlbs U3O8. This is in addition to the MRE for Henkries North and Henkries Central.

There are opportunities to expand Henkries North and limited potential to expand Henkries Central. Henkries South accounts for approximately 25 km of the 37 km of the paleochannel on the project area but only 35 holes have been drilled there. Though these holes did not intersect uranium mineralisation long sections of the drainage are untested. In addition, a tributary to the main drainage is identified joining Henkries Central at its northern end. This area referred to as Henkries SW contains some thin low to moderate grade shallow mineralisation drilled in its lower reaches but remains largely untested further 'upstream'.

Minsearch makes recommendations for drilling aimed at expansion of the deposits and drilling to test the potential discovery of new areas of mineralisation. A priority will be drilling aimed at converting the highest grading areas of the Inferred MRE to Indicated and drilling to potentially define resources at the areas at Henkries North for which an Exploration Target has been prepared.

Exploration drilling is recommended within sections of the paleo-drainage that have not been well-tested, in particular Henkries South where very little drilling has taken place and drilling to test the deeper mineralised layer/s at Henkries North. There is potential to increase the MRE if these drilling programs are successful.

There are some base-metal occurrences on the project area that may be of interest. In the south of the project the basement gneisses are mostly of the Aggeneys Subgroup. Rocks of this Subgroup hosts the important Cu-Pb-Zn deposits of Black Mountain and Gamsberg (approximately 30km to the southeast of the project area).

## 1.7 Conclusions

The Henkries Uranium Project hosts two surficial uranium deposits along a 12km section of a paleo-drainage within the Northern Cape of South Africa. The deposits are mostly within 8m of surface and almost entirely within 16m of surface and hosted with soft lacustrine sediments and lesser fluvial layers. It was discovered in 1976 by AAC who completed a feasibility study for the project in 1979. The feasibility study included pilot-scale metallurgical test work which established an expected recovery of 85% using acid leaching and RIP to produce yellow-cake. Development did not take place, possibly due to 'collapse' of the uranium price in 1979. In 2008 and 2009 UK-listed NUL carried out exploration and resource drilling and an updated MRE was completed for one of the deposits. The 2009 MRE is now considered a historic estimate.

MEML and Neo Uranium Resources South Africa Limited (NURSA) will have a 50.1% stake upon completion of the RTO which will rise to 70% via an "earn in" investment in project exploration. Minsearch was appointed by the Issuer to prepare a CPR for the project. As part of this Minsearch completed an updated and current MRE with effective date 3 February 2022. The MRE was prepared and is reported in accordance with the JORC Code. The total MRE is 5.34 Mt with an average grade of 399 ppm U<sub>3</sub>O<sub>8</sub>, containing 4.70Mlbs of U<sub>3</sub>O<sub>8</sub>. Within this the Indicated MRE is 1.97Mt with an average grade of 635 ppm U<sub>3</sub>O<sub>8</sub>, containing 2.75Mlbs of U<sub>3</sub>O<sub>8</sub> all at the Henkries Central deposit. The Inferred MRE is 3.38Mt with an average grade of 262 ppm U<sub>3</sub>O<sub>8</sub>, containing 1.95 Mlbs of U<sub>3</sub>O<sub>8</sub> and is hosted by both Henkries Central and Henkries North deposits. Henkries North does not host an Indicated MRE.

In addition to the MRE, Minsearch has defined an Exploration Target at Henkries North of 2.1 to 2.9 Mt with a grade of 230 to 315 ppm U<sub>3</sub>O<sub>8</sub> and with contained 1.1 to 2.0 Mlbs U<sub>3</sub>O<sub>8</sub>.

Minsearch makes recommendations for additional work to support a PFS including a drilling program and MRE work aimed at increasing the Indicated MRE, by potentially achieving the following:

- increasing the confidence in the Henkries North Inferred MRE
- expansion of Henkries North and/or Henkries Central MRE
- discovery of 'new' uranium mineralised zones

## 2. Introduction

This report has been prepared for The Issuer to fulfil their requirement to submit a Competent Persons Report (CPR) for their re- listing on the London Stock Exchange (LSE). Minsearch prepared the CPR and the Competent Person is Mr. Andrew Pedley.

The Issuer provided Minsearch with a dataroom containing exploration data for the project, including surface and drilling data. Reports for previous work by AAC and NUL were included in the dataroom. Reports ranged from geological to those concerning metallurgical test-work.

A historic MRE dating 30 June 2009 and supporting files was made available to Minsearch but was not successfully validated. Minsearch has prepared an updated 'current' MRE for the Henkries Central and some of the Henkries North deposit with effective date 3 February 2022. An Exploration Target for other areas at Henkries North has also been prepared. Mr. Rohwer of Quantify Mine assisted with the preparation of the MRE's.

Mr. Pedley worked as Exploration Manager for NUL during 2008 and 2009 and carried out site visits at that time. Mr Pedley established and observed the drilling, sampling, Quality Control-Quality Assurance (QAQC) procedures for NUL at that time.

### 3. Reliance on Other Experts

The interpretations and conclusions reached in this Report are based on current scientific understanding and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty

Minsearch has not independently verified the status or legal standing of the Prospecting Rights for the project area though was provided with a copy of the Prospecting Right as described in section 4.2.1. In terms of 'good standing', Mr. Peter Hibberd of Desert Star provided assurance that there are no issues that impact on security of tenure and that there are no reasons that exploration and feasibility work may not proceed. The details and structure of Project Ownership and the Issuers interest described in section 4.2.2 was provided by the Issuer and the CP has not reviewed agreements supporting this text. The Competent Person disclaims responsibility should the information provided be incorrect.

When describing mineral processing and metallurgical test work in Sections 13 Minsearch relies on a report by Banonamix (Pty) Ltd (Banonamix, 2022) which was written in January 2022 to describe previous process test work and make recommendations for further test work.

For the Mineral Resource estimation, Minsearch has relied on Michael Rohwer of Quantify Mine. Mr. Rohwer carried out the Mineral Resource estimation except for the interpretation of the mineralised zone which was carried out by Minsearch on cross-sections which were then used to generate 3d wireframes by Mr, Rohwer. Mr. Pedley of Minsearch provided some input and guidance for the Mineral Resource estimation work.

### 4. Property Description and Location

#### 4.1 Project area

The project area has an area of 742.87 square km (Figure 4-1) and is within the Northern Cape Province of South Africa (Figure 5-3). The project is centred on East 227370, South 6780530 (UTM zone 34S). It is comprised of remainder and portion of the farm Steinkopf No. 22, a portion remainder of the farm Goodhouse No. 23, remainder and portion 1 and 2 of farm Koisabes No. 47, farm Wolftoen No. 48, remainder and a portion of farm Heiorigas No. 49 and remainder and a portion of farm Kabin No. 50.

## 4.2 Mineral Tenure and the Issuers Interest

### 4.2.1 Mineral Tenure

The mineral tenure for the project is held under a Prospecting Right (PR) issued by the Department of Mineral Resources and Energy (DMRE) of South Africa. The PR was issued to Desert Star Trading 130 (Pty) Ltd with registration No. 2005/014743/07. The PR has reference No. NC30/5/1/1/2/11918PR and was issued on the 1st of February 2018 and was valid until 31/01/2023. MEML have advised that they have applied for a 3 year extension for the PR and that this application has been received. Minsearch have not independently verified this. The PR includes the following minerals and commodities: uranium, kieselguhr (diatomite), cobalt, copper, molybdenum, lead, tin, antimony, zinc.

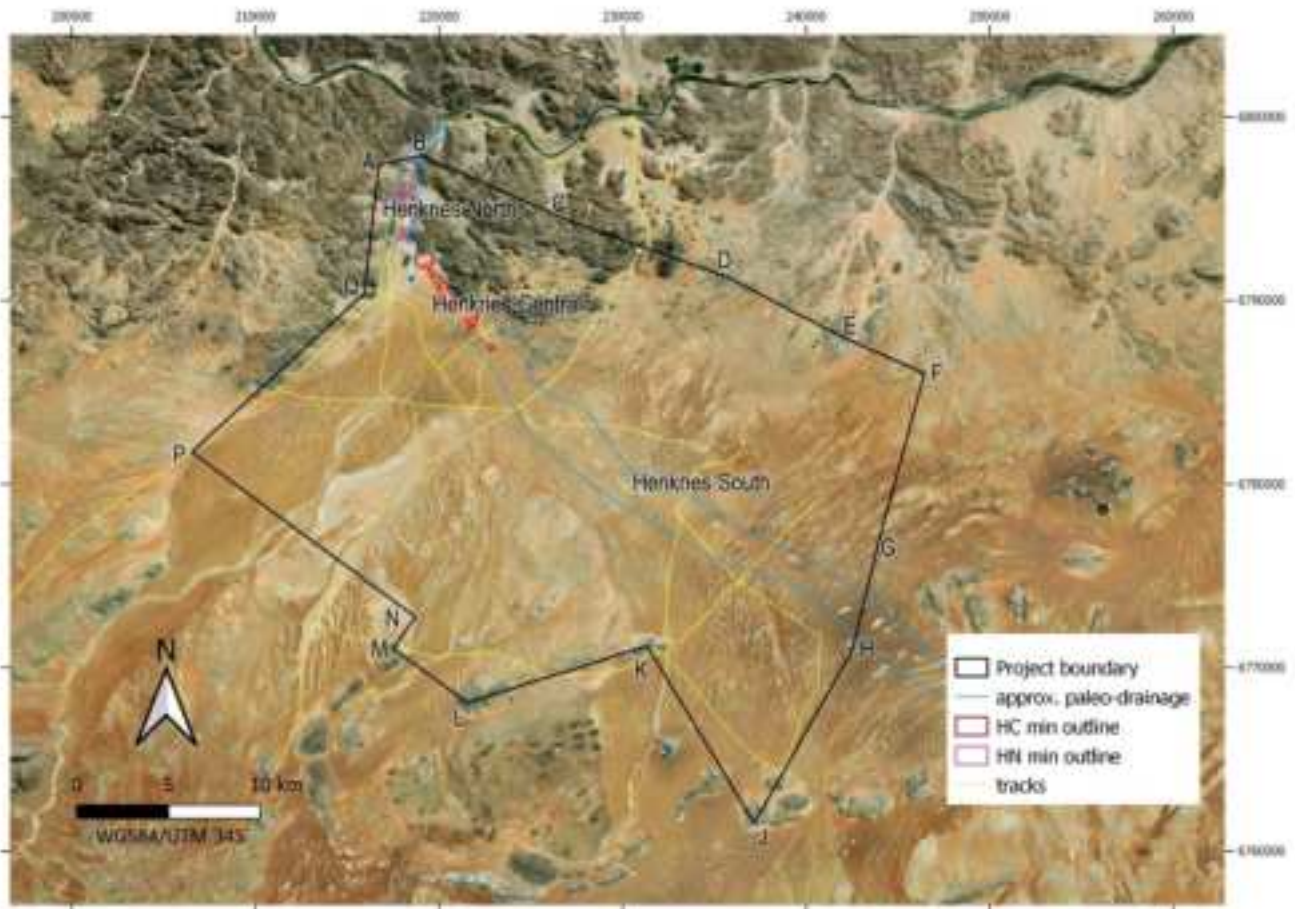


Figure 4-1. Map of the Henkries Project over a satellite image (sourced from Bing)



Table 2. Positions of the outer corners of the Prospecting Right given in System WG 17°. Note there are no points I or O.

Point	Y	X
A	88,306.10	3,200,749.24
B	85,998.74	3,200,285.36
C	77,901.30	3,203,523.90
D	69,280.80	3,206,966.10
E	63,063.40	3,210,434.50
F	58,801.20	3,212,596.00
G	61,186.39	3,221,125.00
H	62,975.79	3,227,514.42
J	68,456.25	3,236,838.99
K	74,122.59	3,227,093.57
L	83,953.25	3,230,001.19
M	87,963.06	3,226,992.65
N	86,925.91	3,225,264.28
P	98,752.47	3,216,217.74
Q	89,219.14	3,207,742.83

#### 4.2.2 Issuers Interest

Figure 4.2 summarises the Issuers Interest in the Project before and after the Conclusion of the Reverse Take Over. Mayflower Energy Metals Limited (MEML) and Neo Uranium Resources South Africa Limited (NURSA) are Special Purpose Vehicles (SPVs) created to house Mayflower Capital Investments (Mayflower) interests with respect to this transaction. MEML via its subsidiary NURSA has secured the rights to acquire up to 70% of the share capital of Desert Star Trading 130 Pty Limited (DST) from its current shareholders Wavecrest Capital Pty Ltd, Peter Dennis Hibberd and CIH Mining Investments Pty Ltd. Agreement has been reached for stranger Holdings to acquire 100% of the share capital of MEML and its rights and obligations with respect to DST. Mayflower Capital and other shareholders and related parties will receive shares in Stranger Holdings as consideration for his share of its position in MEML and its rights to acquire interests in DST. Mayflower Capital will further appoint the majority of the Stranger holdings Board of directors and the Executive Managing director. Stranger Holdings will be renamed Neo energy Metals plc on completion of the transaction which will see it hold a 50.1% stake in DST which will rise to 70% upon further development of the Henkries project.

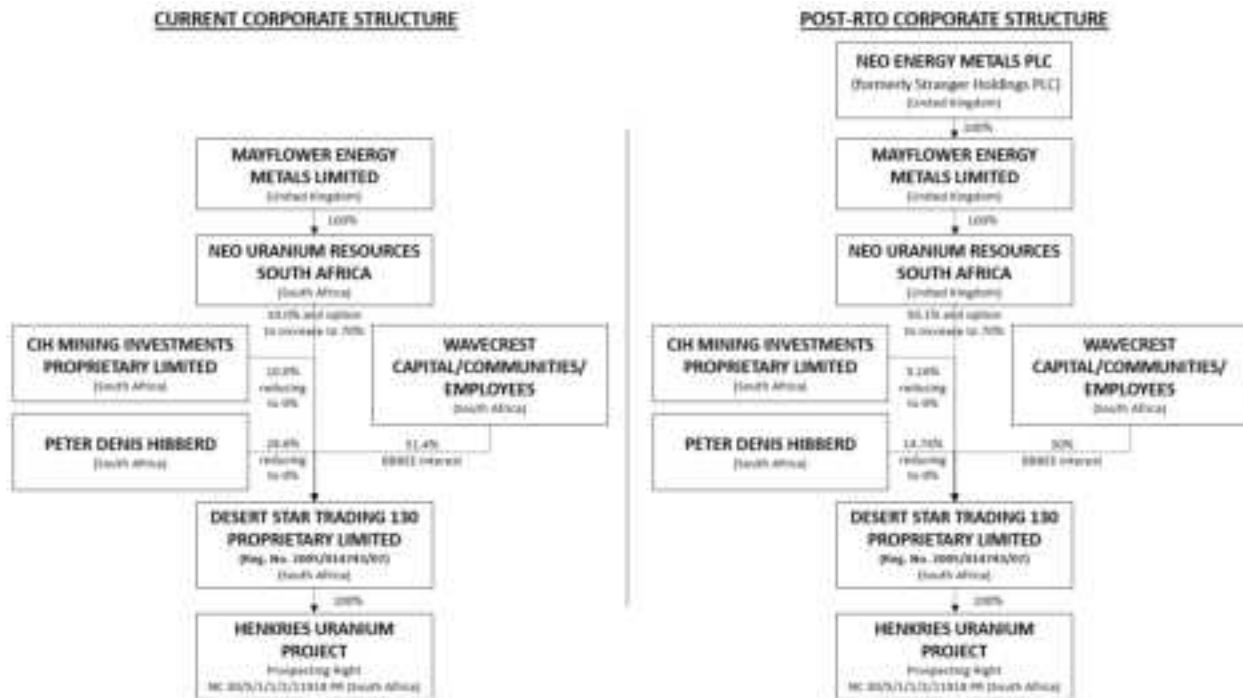


Figure 4-2. Holding structure of the Project

### 4.3 Rights of access and to carry out exploration

Granting of the PR confers right of access and ability to conduct the prospecting programme. No separate rights are required for the Desert Star to be able to carry out exploration. Desert Star has obligations to pay standard DMRE fees, carry out annual and other compliance reporting and complete the prospecting work programme provided to the DMRE as part of its original application for the PR. The author was informed that there are no environmental liabilities affecting the project.



## 5. Item 5: Accessibility, Climate, Local Resources, Infrastructure and Physiography

### 5.1 Topography, elevation and vegetation

The area is flat or gently sloping sandy plains bounded by steep-sided rocky hills (Figure 5-1). The paleo-drainage slopes steadily northwards towards the Orange River. Some sections of Henkries North are broken by incised calcrete layers forming small cliffs up to 6 m in height (Figure 5-1). The lowest elevation is at Henkries North within the paleo-drainage and is 260m above sea-level (masl). At Henkries Central the surface elevation is between 390 and 450masl. Figure 5-2 shows the desert and mountainous terrain in the immediate vicinity of the deposits. The rocky hills to the east of the paleochannel have a peak with elevation of 710 masl. The vegetation is sparse and comprised of low scrub, grass and succulents. Some areas have almost no vegetation cover at all such as the pans and some sand-dunes in the south of the project area.



*Figure 5-1. Left: looking west from Henkries Central with the paleochannel in the fore to middle-ground. Right: surface massive and bedded surface calcrete (above the mineralized layer) with the basement gneiss exposed in the valley side in the background*



Figure 5-2. Map showing the Henkries Central and Henkries North deposits, and the Henkries SW tributary

## 5.2 Access

The project Area is in the Northern Cape Province, immediately south of the Orange River, which forms the international border between Namibia and South Africa (Figure 5-3). The nearest towns are those of Steinkopf, located 50km southwest and the regional centre of Springbok, 85km to the south.

Access to the Henkries Uranium Project is via a maintained gravel road from Steinkopf, located approximately 50km away on the sealed National N7 Highway between Springbok and Vioolsdrif. The nearest railroad access is the railhead at Bitterfontein approximately 250km to the south, from where the rail line runs southwards to Cape Town; or the Sishen-Saldanha railway line, which runs south-westwards to Saldanha Bay which is the closest harbour. The nearest commercial airport is located at Upington (350km away), which handles daily flights (SA Express) from Johannesburg and Cape Town. Presently a charter plane would be needed to fly in and out of Springbok. A small airstrip is located at Jakkalswater some 25km away from the project site (AAC, 1979) although the condition of this is unknown.

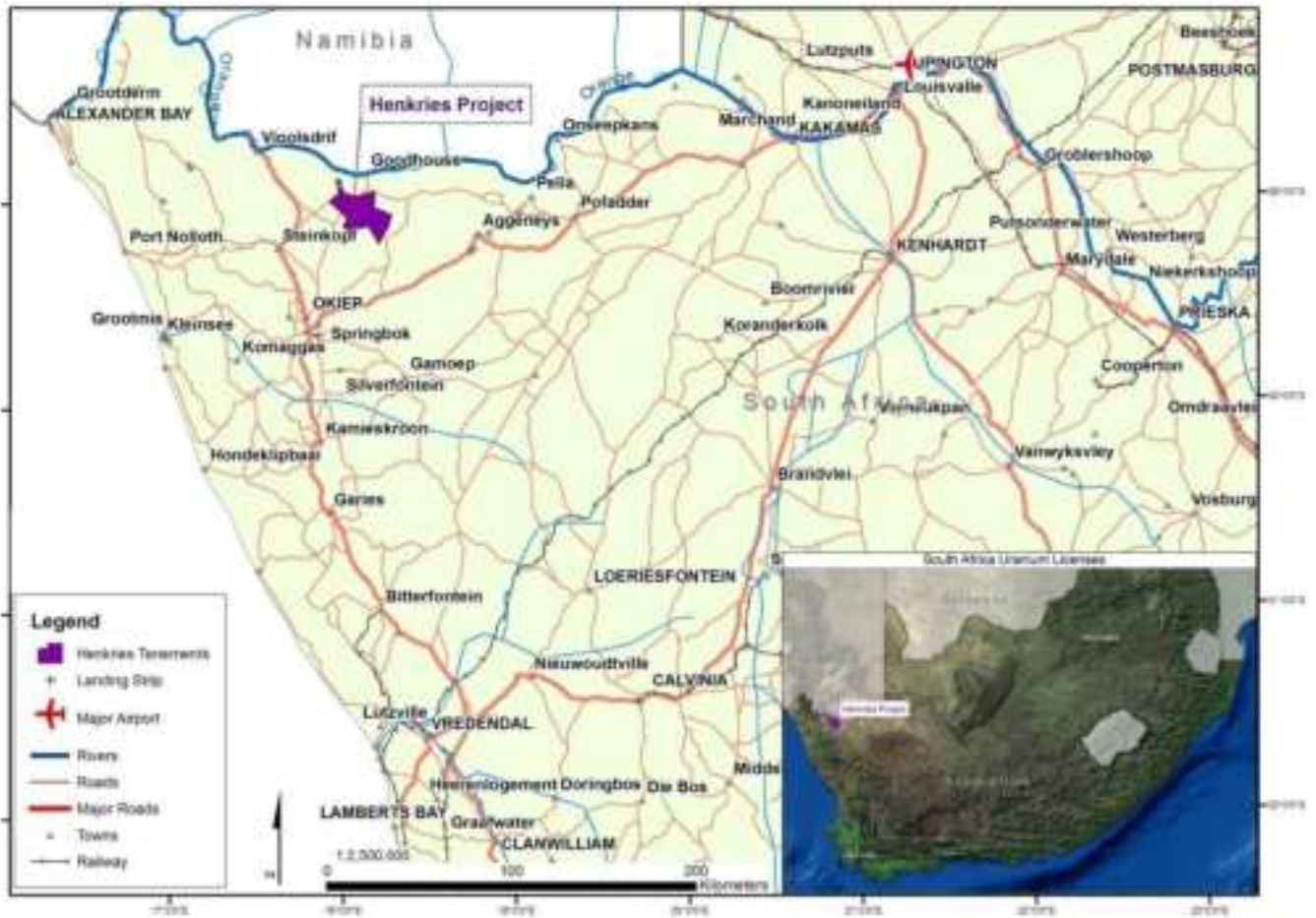


Figure 5-3. Location and access to the project area

### 5.3 Climate

The area can be described as desert with extreme variations in temperature throughout the year. Rainfall in the area is low (mean of 72mm per annum, between January and May), although heavy localised falls can occur (as much as 78mm in 3 hours) resulting in flash floods.

### 5.4 Power and Water utilities

Eskom provides a high tension 22kVA line to the Department of Water Affairs (DWA), which operates an extraction point at the Henkries River mouth as well as a purification works located approximately 1km away from the main project site. Water is pumped via pipeline to Springbok. It is not known whether the DWA facilities are located within the Prospecting Right area. In 1979, DWA was confident that it could meet the anticipated water demand required for the mine workings and associated infrastructure (AAC, 1979). A very short 22 kVA line extension would be required from the existing Eskom substation located at the DWA pump and purification station (AAC, 1979).



## 5.5 Communications

Telkom has a fixed line from the DWAF pump station to Springbok. There is currently no cellular telephone network coverage in the area until sufficiently close to Steinkopf that the signal from the tower there is received.

## 5.6 Skilled and unskilled labour force

Although no labour is available within the immediate vicinity of the project Area, the nearby town of Springbok contains a pool of relevant skilled and unskilled labour. The wider area was a major copper producing area until the 1990's and continues to be an alluvial and marine diamond producing area. Mining is undergoing a revival in the region. Orion Minerals are at an advanced stage in re-commissioning the Prieska Copper Mine and Vedanta Resources are producing base metals at their Black Mountain Mining Complex. It is likely that all except highly skilled and senior positions could be occupied successfully by local people.

# 6. History

## 6.1 Anglo American work

Following the discovery of surficial uranium in Namibia (Langer Heinrich for example) during the early 1970s, exploration efforts moved south to South Africa, where activity reached a peak in the mid 1970'. The Bushmanland Plateau was identified as having potential to host surficial uranium deposits (Venter 2008). Between 1975 and 1979 AOL (a subsidiary of AAC) under the Anglo Exploration and Base Metals Division carried out a large amount of exploration and fieldwork for their feasibility work as summarised below.

In 1975 an airborne radiometric survey was carried out, covering 2100 sq. km of Namaqualand. The survey revealed a uranium anomaly within a pan in the sediment-filled Koa River Valley. This became known as 'Discovery Pan' and is 'block A' at Henkries Central. Follow-up exploration included geological mapping, alpha-particle detection, soil sampling, and pitting (Anglo, 1979) culminating in the delineation of well-defined target areas within the Koa channel. AOL pegged a series of claims over the entire area covering an extent of some 10 km<sup>2</sup>.

Available records indicate that two campaigns of pitting were carried out in 1976. The first was 61 exploration pits, all at Henkries Central. Average grade over a mineralised thickness was reported and are visible on scanned maps made available to the author. A second campaign of systematic pitting was carried out on 10m spacing totalling 211 pits. These were on north-south and east-west lines forming three 'crosses' at Henkries Central to a depth of up to 5.0 metres. In each pit the sidewalls were 'mapped' and the north and south walls were sampled and analysed for uranium by XRF. The pits were to establish continuity of the mineralisation which was achieved though grade was reported as being variable (AOL, undated). Data for only 4 pits was available to Minsearch and so they were not used for the Mineral Resource Estimate.

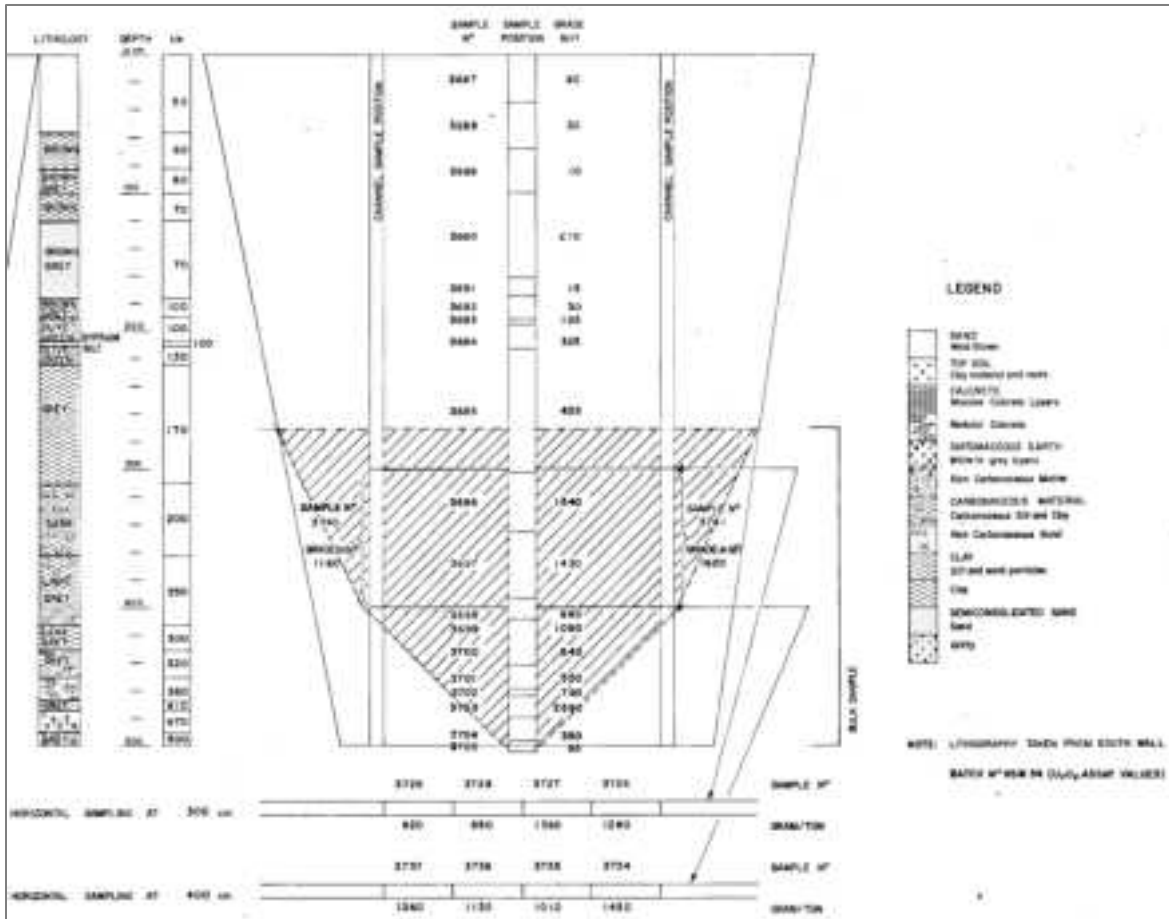


Figure 6-1. Example of an AOL pit log showing U3O8 grades

Drilling on the Henkries Prospect commenced in July 1976 was carried out in two separate phases; a 'Pre-evaluation phase' completed during 1976 and included some 1 m spaced holes for provision of material for metallurgical testing. 'Phase 1 drilling' or 'Evaluation drilling' was then added to Henkries Central, starting March 1978 to support 'reserve' estimation.

Also in 1976, 51 rotary percussion 'Regional' drillholes were added on a wide spacing to test the surrounding area and this work identified the Henkries North area.

At this time other work included hydrological drilling, testing of various surface geophysical methods and bulk sampling.

In December 1976 AOL completed their first 'geologic reserve estimate' for Henkries Main, the area now known as Henkries Central. The estimate was termed an 'undiluted ore inventory' and was updated following the Phase 1 evaluation drilling.

### 6.1.1 AOL Feasibility Study

Initiating in May 1976, AOL carried out mineralogical and metallurgical test work at Anglo American Research Laboratories, using the bulk samples collected in the field, with the objective of determining the mode of occurrence of the uranium and deriving a process for extraction (Anglo, 1979). Problems were experienced with the utilisation of conventional acid/alkaline extraction methods and the variability of the ore material further complicated the processing. In 1977 a new process approach was initiated using ammonium carbonate leaching and the Atomic Energy Board (AEB) was asked to carry out tests using ion exchange. The AEB were awarded a contract to build a pilot plant which would inform the full feasibility study which was completed in 1979. The feasibility considered all aspects of the mining and uranium production and written up as 3 volumes dated March 1979. Volume I is the Summary and Financial Evaluation. Volume II is a 280-page Report describing the reserve estimate, mining, process, infrastructure, operating and capital costs and schedule. The study included recommendations for further geochemical sampling, additional drilling and bulk sampling.

## 6.2 Exploration by NUL

NUL commenced exploration early in 2009. Their work began with the verification drilling described in section X then the work described below was carried out.

### 6.2.1 Trenching at Henkries Central

Trenches were excavated with origin at the drill-hole collars of holes HC10750N-00 and HC14100N-100E to provide exposure of lithologies in the AOL and NUL drill-holes at these locations and to investigate the cause of the differential between the AOL and the NUL borehole grades at these two sites. Trenches were located to intersect the original AOL hole and the NUL hole and are approximately 6 metres in length (Figure 6-2). Vertical channel samples were collected at 1-metre intervals along the trench wall. Samples were collected from the same depths as those in the original AOL borehole. Samples were analysed using the portable XRF device.



Figure 6-2. Right: Trench at Henkries Central. Left: cone and quartering of channel samples prior to pulverising and (portable) XRF analysis..

Table 10 and 11 compare the grades for the AOL borehole, the NUL twin-hole and the average trench grade for the same depth intervals. At HC14100-100E the trench intersection of 1.52 metres with average grade of 508 ppm U3O8 supports that of the AOL hole (1.52 metres with average grade of 553 ppm U3O8). The intersections in the trench at 10750N-00 are significantly lower than the same AOL borehole interval, being closer to that of the NUL hole. Inspection of the diatomaceous earth in this hole revealed the presence of minor aggregations of organic material which may have caused a nugget effect in the holes at this location.

Table 3. Comparison between U3O8 grades intersected by AOL and NUL boreholes and NUL trenches at 14100-100E and 10750N-000.

Comparison of AOL borehol, NUL hole and trench results at HC14100-100E														
AOL borehole XRF					NUL borehole XRF					Trench HH XRF				
From	To	Thickness	U3O8	G x T	From	To	Thickness	U3O8	G x T	From	To	Thickness	U3O8	G x T
0	0.44	0.44	399	176	0.00	0.44	0.44	375	163	0.00	0.44	0.44	435	151
0.44	1.22	0.78	758	591	0.44	1.22	0.78	431	352	0.44	1.22	0.78	668	321
1.22	1.52	0.3	245	74	1.22	1.52	0.3	49	15	1.22	1.52	0.3	201	60
1.52 metres @ 553 ppm Total GxT (ppm-metres): 840					1.52 metres @ 350 ppm Total GxT (ppm-metres): 531					1.52 metres @ 308 ppm Total GxT (ppm-metres): 772				

Comparison of AOL borehol, NUL hole and trench results at HC10750N-000														
AOL borehole XRF					NUL borehole XRF					Trench HH XRF				
From	To	Thickness	U3O8	G x T	From	To	Thickness	U3O8	G x T	From	To	Thickness	U3O8	G x T
0	0.38	0.38	1633	821	0.00	0.50	0.50	568	284	0.00	0.50	0.50	406	154
0.38	0.76	0.38	2934	1113	0.50	1.14	0.64	876	562	0.50	1.14	0.64	568	216
0.76	1.52	0.76	592	450	1.14	1.52	0.38	685	260	1.14	1.52	0.38	700	232
1.52 metres @ 1438 ppm Total GxT (ppm-metres): 2285					1.52 metres @ 728 ppm Total GxT (ppm-metres): 1106					1.52 metres @ 593 ppm Total GxT (ppm-metres): 902				

### 6.2.2 'Radon X' radon Emanometry Work at Henkries South

NUL commissioned Remote Exploration Services (Pty) Ltd (RES) of Cape Town to carry out an orientation survey to test the effectiveness of radon emanometry in detecting known concealed uranium mineralisation at Henkries Central. RES used a radon cup method named 'Radon X' which is a refined version of the Radon-on-Activated-Charcoal (ROAC) technique developed by the South African Atomic Energy Corporation in the 1970s. The technique focuses on detection of uranium mineralization at depth by measuring gamma radiation from daughter products ( $^{214}\text{Bi}$  and  $^{214}\text{Pb}$ ) of radon gas, which is released from naturally occurring uranium and migrates upwards through permeable cover sediments. Radon gas is adsorbed onto activated charcoal contained within a cartridge fitted into the base of an inverted cup that is buried in the ground. Gamma radiation from the daughter products of the adsorbed radon is then measured using a field scintillometer. Background effects are reduced and corrected for by a lead castle. A weather station is routinely used to monitor different weather elements during the 10-day cup burial period. Of importance, rainfall (i.e., moisture) and temperature are known to affect the ability of charcoal to adsorb radon. Therefore, where necessary, this information is used to further interpret the RadonX data and provide a means of qualitatively normalizing data to any subsequent Radon X surveys where different weather conditions may prevail.

The orientation survey was carried out in December 2008. The positive results from the orientation survey provided NUL with sufficient encouragement to implement Radon X surveys over other areas of the paleo drainage, focusing on Henkries South. Figure 6-3 shows the anomalous radon measured over Henkries Central from the orientation data.

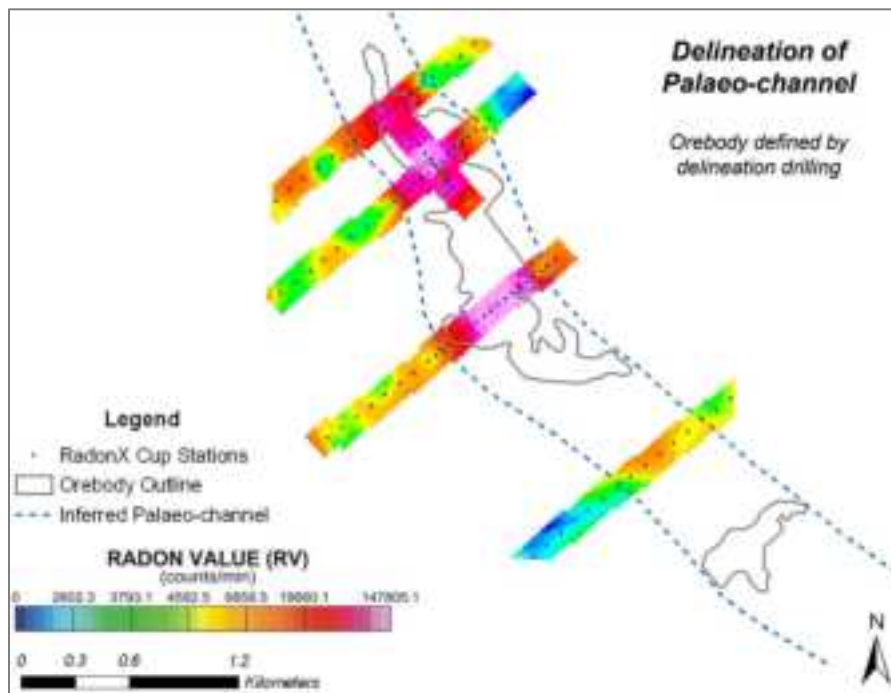


Figure 6-3. Map showing results of a 'radonX' orientation survey at Henkries Central



The full survey was completed during June 2009. A total of 794 cups were deployed over 3 areas of which Henkries South used 683 cups. Figure 6-4 shows the results at Henkries South. The anomalous radon within the paleo-drainage is evident and these anomalies defined obvious drill-targets for NUL. Drill-holes are shown on Figure 10-4 and discussed in 10.3.4. Weakly anomalous radon values were also noted over The Henkries SW tributary which may suggest some exploration potential there.

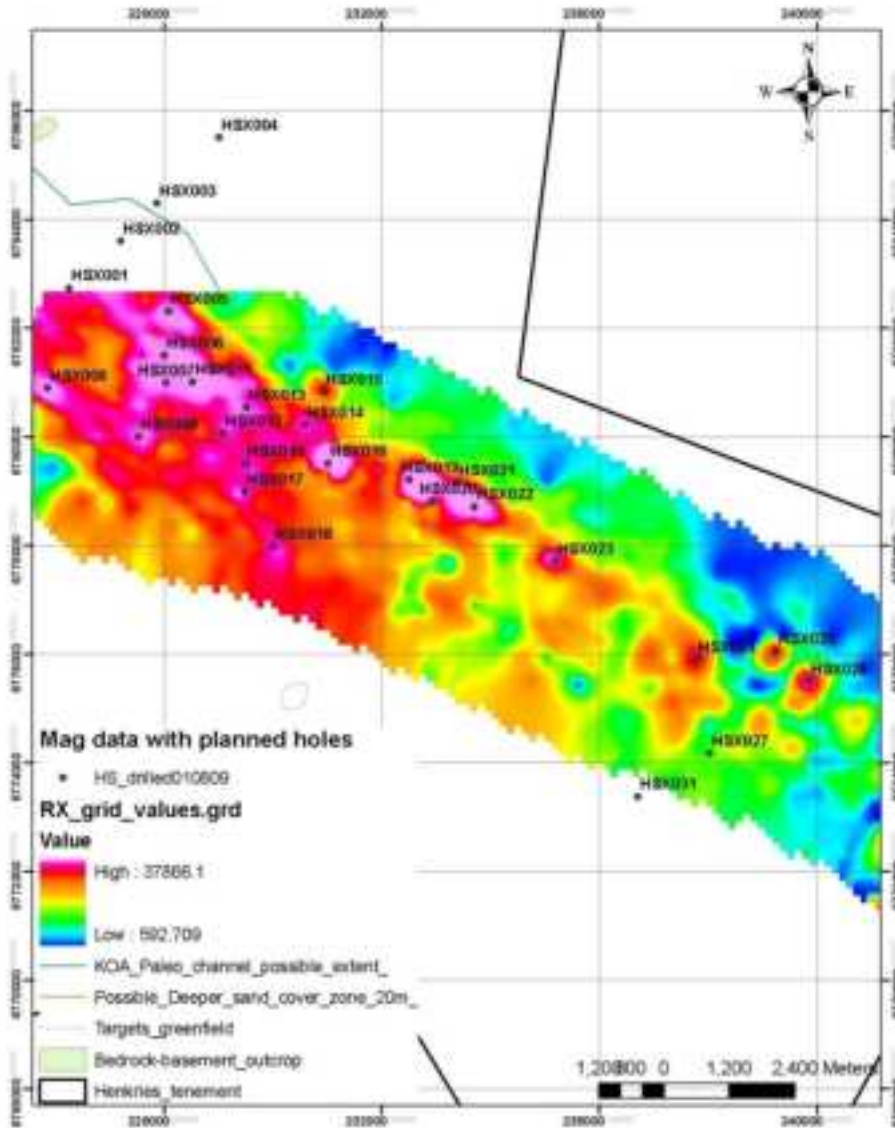


Figure 6-4. Map showing results of the 'radonX' survey at Henkries South

### 6.3 Henkries North Exploration Target

As described in section 10, AOL and NUL carried out drilling at Henkries North. As is described in section 14 an MRE has been prepared for zones HN\_2, HN\_3 and HN\_6. There is insufficient data or too little confidence in the data to produce MRE's for the other zones HN\_1, HN\_4, HN\_5 but an Exploration Target is presented below. These zones are shown on Figure 6-5. On Figure 6-5 blue and green outlines are those with an Exploration target. Those with black outlines are those for which an MRE was completed.

It should be noted that an Exploration Target is not a Mineral Resource Estimate; the potential quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target for zones HN\_1, HN\_4, HN\_5 is provided in Table 4, expressed as a potential range (minimum and maximum) of tonnes, grade and contained U3O8.

*Table 4. Range of tonnes, U3O8 grade and contained U3O8 for the 3 zones at Henkries North for which an Exploration Target has been defined. Note the totals are rounded.*

Zone	area m2	average thickness (m)	Mt minimum	Mt Maximum	grade minimum (ppm U3O8)	grade maximum (ppm U3O8)	contained U3O8 Mlbs minimum	contained U3O8 Mlbs maximum
HN_1 upper	165,281	3.7	0.6	0.8	201	272	0.3	0.5
HN_1 lower	88,116	1.8	0.2	0.2	482	652	0.2	0.3
HN_4 lower	134,089	1.5	0.2	0.3	253	342	0.1	0.2
HN_4 upper	57,726	2.9	0.2	0.2	162	219	0.1	0.1
HN_5 lower	191,361	3.1	0.5	0.7	247	335	0.3	0.5
HN_5 upper	52,870	8.5	0.4	0.6	184	249	0.2	0.3
<b>Totals and weighted averages</b>	<b>689,443</b>	<b>3.2</b>	<b>2.1</b>	<b>2.9</b>	<b>230</b>	<b>315</b>	<b>1.1</b>	<b>2.0</b>

The AOL drilling for Henkries North was not used for the Exploration Target as the UTM position of these holes has not been reliably established. The NUL drilling data was used. The U3O8 grade of intersections is based on a mixture of laboratory XRF analyses and pXRF data. As is described in 11.2.3 some validity work by NUL was supportive of the pXRF data.

All zones have an upper and lower mineralised layer. The top of the mineralisation ranges from surface to 35 m depth. The zones for which the Exploration Targets were prepared are supported by a minimum of two adjacent intersections. The Exploration Targets were determined for each zone by simply multiplying the extent of each layer by the length weighted grade and thickness of the drill-hole intersections supporting it and then multiplying by density. Subdivision of each zone by an area of influence was not deemed necessary.

There is no density data for Henkries North and so dry bulk density was assigned to each lithological interval based on lithology, using the density data for Henkries Central. The interval length-weighted average dry bulk density was then determined for each intersection. The average dry bulk density for the Henkries North mineralised material is 1.15 as it is dominated by clay (which has a mean of 1.16 t/m<sup>3</sup>)

For the three zones at Henkries North for which an Exploration Target was prepared, the combined Exploration Target is 2.1 to 2.9Mt with a grade of between 232 and 314 ppm U<sub>3</sub>O<sub>8</sub> with contained U<sub>3</sub>O<sub>8</sub> of 1.1 to 2.0 Mlbs. The MRE presented in Section 14 for zones HN\_2, HN\_3, HN\_6 at Henkries North is in addition to this.

The Exploration Target estimate highlights further opportunities and required work. More drilling is needed to test the lower mineralised zone at HN\_1. At HN\_4 drilling may expand the upper layer around HNN143 which intersected 9 m with an average grade of 195 ppm U<sub>3</sub>O<sub>8</sub> (by pXRF) and similarly at HN\_5 where HNN149 intersected 16 m with an average grade of 217 ppm U<sub>3</sub>O<sub>8</sub> (by pXRF). If an MRE is to be prepared for zones HN\_1, HN\_4 and HN\_5 in future the intersections should be sampled and sent for laboratory analysis, if the core is in good condition. If the core is not in good condition new holes will need to be drilled. Density determinations are needed for Henkries North for a range of host and waste lithologies.

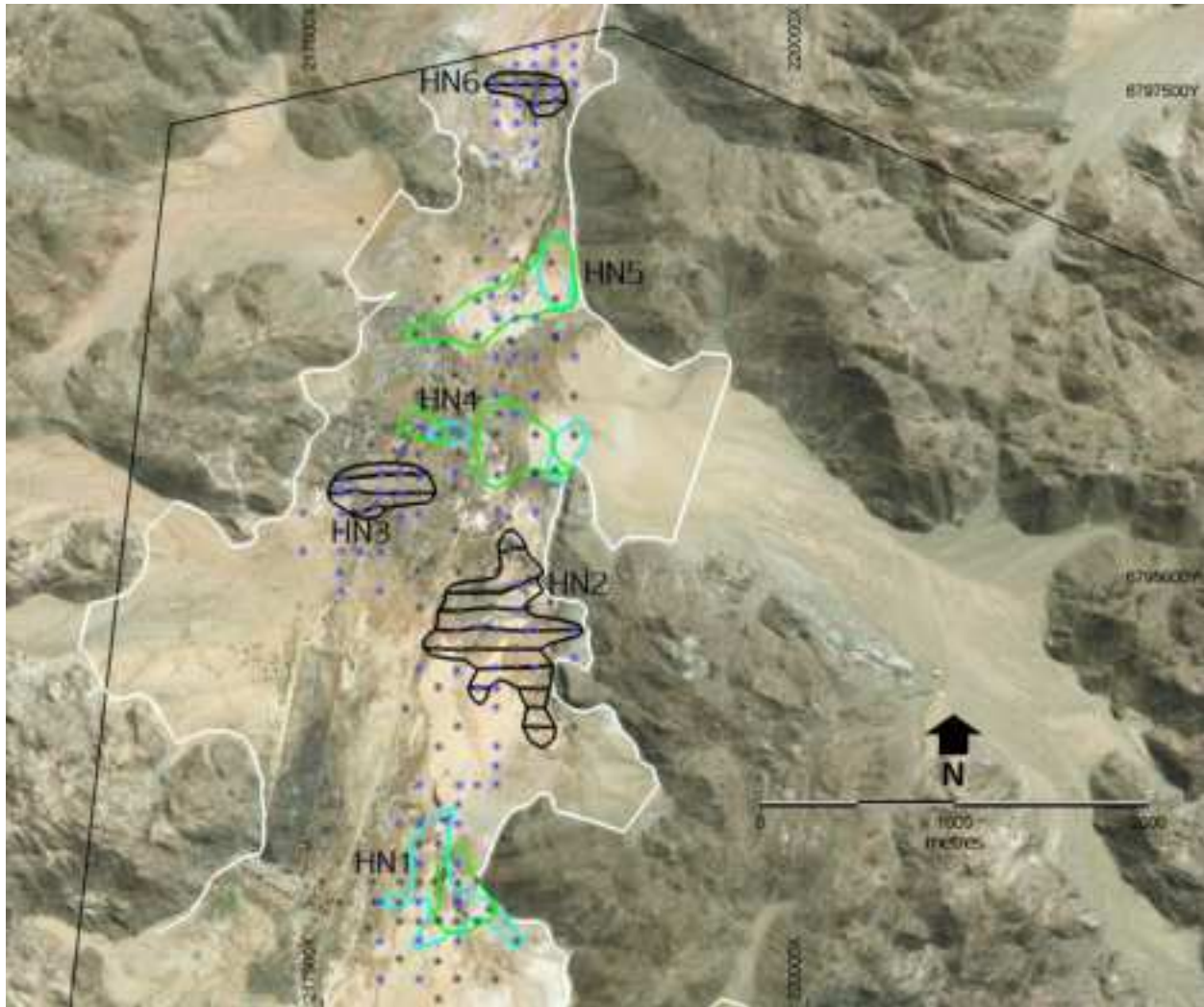


Figure 6-5. Henkries North showing NUL's drilling and mineralised zones. Sonic holes have blue collars and Infill air-core holes black.

#### 6.4 Work by Niger Uranium Limited (NUL)

In September 2008, a UK listed exploration company Niger Uranium signed a share purchase agreement which would have given them a 74 percent interest in Namakwa Uranium (Proprietary) Limited, the holding company of Project at that time. A requirement for the transaction was the approval of the change in shareholding by the Department of Minerals and Energy as required by Section 11 of the Mineral and Petroleum Resources Development Act, 2002 (MPRDA). The submission was made on 31 October 2008 but after over a year was not concluded and NUL pulled out of the project mid-2009. During the period prior to NUL pulling out NUL carried out the following work:

- Digitizing the AOL drilling database
- Drilling of 25 'twin' holes to verify the AOL drilling data
- Completion of 2 trenches to support the above

- Drilling of 110 infill and ‘exploration’ holes at Henkries Central
- Drilling of 208 exploration and ‘resource’ holes at Henkries North
- Completion of a ‘radon X’ radon emanometry survey at Henkries South
- Completion of an updated MRE for Henkries Central (prepared by the MSA Group)
- Drilling of 35 holes to test the ‘radon X’ anomalies at Henkries South

## 6.5 Previous Mineral Resource Estimates

All estimates described under this section are considered as non-current non ‘compliant’ MRE’s. They are considered as historical estimates only.

Table 5. Historical Estimates for Henkries Central using a 100 ppm U3O8 cut-off grade. All are on dry basis.

Estimate	Terminology/category	Million Tonnes (dry)	Average Grade U3O8 ppm	U3O8 million lbs
AAC 1979	geologic insitu ore inventory <sup>1</sup>	4.402	387	3.76
SRK 2009	No classification	4.50	341	3.38
MSA 2009	Measured + Indicated + Inferred*	5.06	404	4.50

\*See Table 6 for subdivision into these categories

### 6.5.1 1979 AOL ‘geologic reserve estimate’ (historical estimate)

In December 1976 AOL completed their first ‘reserve estimate’ for the area now known as Henkries Central. The estimate was termed an ‘undiluted ore inventory’ and a ‘geologic ore reserve estimate’ and was updated following the Phase 1 evaluation drilling. AOL utilised a computer program to calculate ore inventories using block-modelling, then named ‘borehole-centred unit cell principle’ estimation. They subdivided the deposit into 7 ore blocks (A-G) in plan-view. Figure 6-6 is a plan view of the full extent of the deposits and grades.

AOL carried out variography to understand the variation within the deposit – variograms were completed in E-W and N-S directions. Due to erratic grade, variograms reaching an ‘flat’ sill could not be achieved and AOL concluded that correlations between adjacent grade values is less than 25 metres and that the grade in the drill holes is effectively independent of each other.

The estimate was finalised in March 1977 and is provided below using 100 ppm and 225 ppm cut-off grades. The estimates are on a ‘dry’ basis with an average dry density of 1.15 g/cm<sup>3</sup> and an average moisture content of 22% (at the 100 ppm U3O8 cut-off grade). The stripping ratio reported was 1:1.61 at this cut-off grade. Due to the low density of the host material and its high porosity the density increases significantly if it is wet, and grade is lower accordingly.

At a cut-off grade of 100 ppm U3O8, AOL calculated a ‘diluted insitu geologic reserve’ of 4.402 Mt with an average grade of 387 ppm U3O8 with contained U3O8 of 3.77 Mlb.



For the feasibility study AOL preferred to work with a 'base-case' cut-off grade of 225 ppm U3O8. Using this cut-off grade, they calculated a diluted geologic reserve of 2.3 Mt @ 628g/t U3O8 for 3.1 Mlb U3O8 (Anglo, 1979).

Distribution of ore types based on lithotype was as follows: Carbonaceous material – 61%, Diatomaceous earth – 31%, Sand – 8%. AOL's geostatistical evaluation showed that additional drilling would not improve confidence in the estimated ore reserve estimates and that trial mining should take place to confirm and establish relationships between drill indicated and actual ore reserves, actual dilution, variation etc. This was stated to be due to high degree of short-range variability of grade.

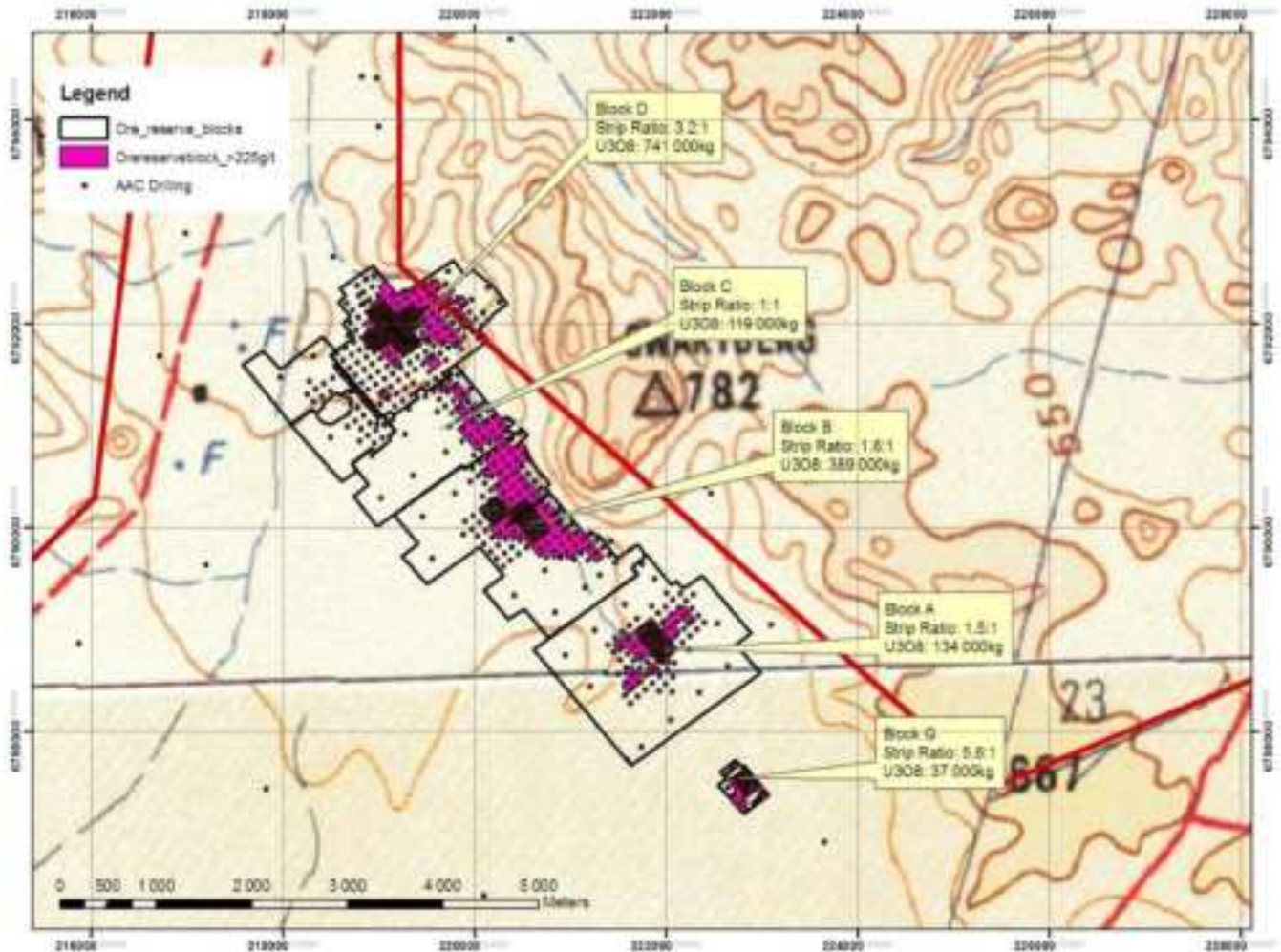


Figure 6-6. Map showing Henkries Central AAC historical 'undiluted geologic reserve estimate' for Henkries Central showing zones (blocks) with 'reserves' above the base-case 225 ppm cut-off grade

## 6.5.2 The SRK 2008 and 2009 Mineral Resource Estimate

No report is available for SRK's estimate, the information provided here was extracted from a review by the MSA Group (Hall, 2009) of the SRK estimate.

The SRK estimates were based on a 50ppm U3O8 grade envelope and separated into domains of differing drilling density. An average density was applied to the entire resource envelope. No assay quality-control or quality assurance data was available to SRK and for this and other reasons relating to data reliability no resource estimation was publicly reported. Using a 100 ppm U3O8 cut-off grade SRK determined a resource of 4.497 Mt with an average grade of 341 ppm U3O8 and contained 3.381 M lbs U3O8. These were without any discount for geological losses. In their review of the SRK estimate MSA refer to the SRK model as using a search radii of 100m x 100m. No mention of density was provided in the MSA review document.

### 6.5.3 MSA Group - June 2009 Mineral Resource Estimate

NUL announced a SAMREC-compliant MRE for Henkries Central on the 30<sup>th</sup> June 2009, now considered a non-compliant historic estimate replaced with the MRE reported in Section 14.6. The estimate was completed by the Johannesburg office of the MSA Group (MSA). The estimate was based upon laboratory XRF data from a combined total of 11,930 metres of core drilling for 856 boreholes, of which 722 were drilled by AOL. Of the 145 holes drilled by NUL at Henkries Central 134 were used for MSA's MRE. From these holes, 9380 m of assayed intervals were available.

MSA modelled 3 geological domains based on the dominant lithologies within each. The domains were Carbonaceous Earth, Diatomaceous Earth and Clay and 3D wireframes were created for each. No estimate was made for the southern-most mineralised zone 'block HC\_G'. Estimation into a block model was then carried out using Inverse Distance Weighting Squared (IDW2). There is no mention of compositing. Classification was as follows:

**Measured:** Those areas estimated in the first search radius of 25m

**Indicated:** Those areas between 25 and 50m from borehole intersections being estimated in the second estimation pass

**Inferred:** The areas beyond 50m but within the wireframes from drillholes.

Table 6 provides the MRE at various cut-off grades, all on a dry basis. The undiluted MRE was reported as 2.97 million lbs U3O8 in the Measured and Indicated categories at an average grade of 501 ppm U3O8, and an additional undiluted 1.5 million lbs U3O8 in the Inferred category at an average grade of 294 ppm U3O8 using a cut-off grade of 100 ppm U3O8. All of the resource was within 20 metres of surface (using the 100 ppm U3O8 cut-off).

Table 6. MSA Group 2009 (historical non-compliant) MRE for Henkries Central

<b>Measured</b>			
U3O8 cut-off grade ppm	Million Tonnes	Average Grade U3O8 ppm	U3O8 million lbs
50	0.93	466	0.95
100	0.68	610	0.91
150	0.58	696	0.89
200	0.5	773	0.86
250	0.44	847	0.83
<b>Indicated</b>			
U3O8 cut-off grade ppm	Million Tonnes	Average Grade U3O8 ppm	U3O8 million lbs
50	3.23	316	2.25
100	2.02	464	2.06
150	1.54	569	1.93
200	1.36	622	1.86
250	1.16	691	1.76
<b>Inferred</b>			
U3O8 cut-off grade ppm	Million Tonnes	Average Grade U3O8 ppm	U3O8 million lbs
50	4.26	194	1.81
100	2.36	294	1.53
150	1.67	365	1.35
200	1.32	416	1.21
250	1.07	463	1.09

A review of the MSA estimate by Minsearch shows that the average density of the MRE was 1.31 t/m<sup>3</sup> which is considerably higher than the density of the AAC (and the current estimate). It is also noted that the estimation seems to have been largely unconstrained as the enclosing wireframe was based on lithology rather than grade, with the effect that blocks with grade are present relatively far from supporting assay data in the vertical and lateral sense as illustrated in Figure 6-7. In some areas the block grade is poorly validated visually, as in Figure 6-7 there are blocks with over 300 ppm U3O8 where the drill-hole data is <50 ppm.



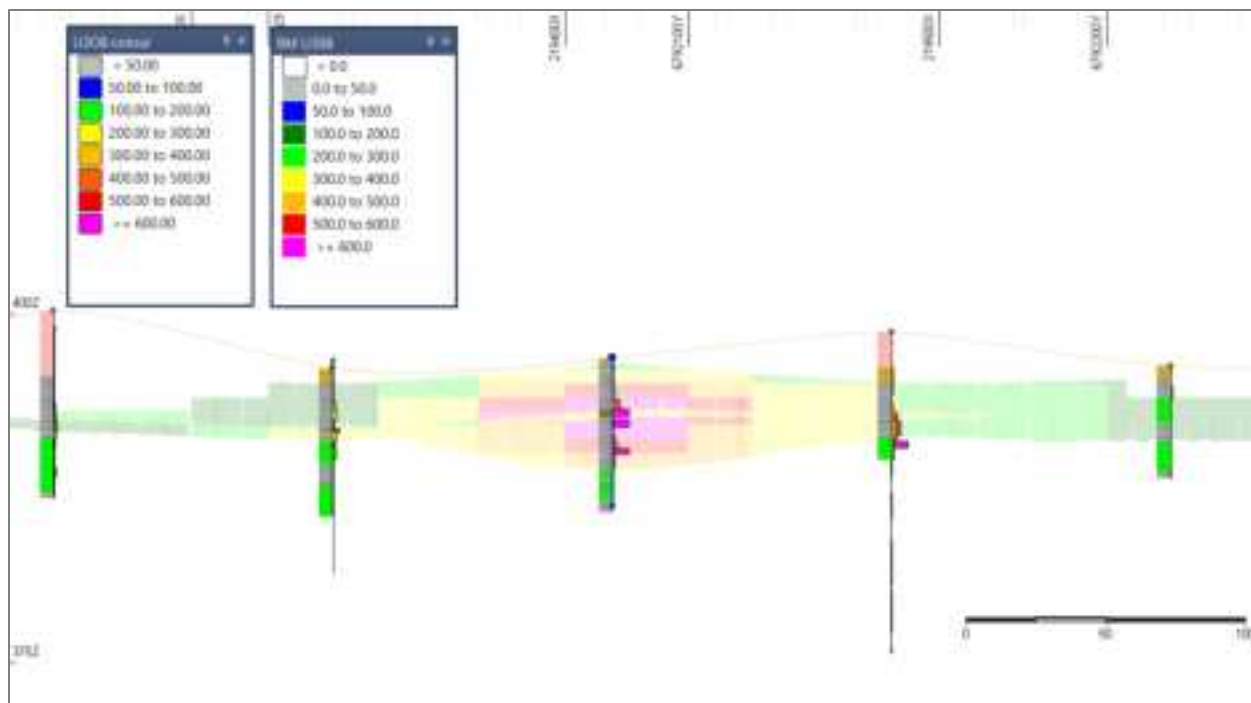


Figure 6-7. Cross-section through part of Henkries Central with the MSA 2009 MRE block model and drilling data shown. Note vertical exaggeration is 5 times.

## 7. Geological Setting and Mineralization

### 7.1 Regional Geology

The deposit is hosted by surficial sediments of the Koa River paleo drainage which overly basement rocks of Richtersveld Sub-province, part of the Namaqua portion of the Namaqua-Natal Metamorphic Province. The rocks of the Richtersveld Sub-province are ~2000 Ma low-to-medium-grade supracrustal rocks and intrusions (Johnson et al, 2006). In the north of the project Area the basement rocks are of the Goodhouse Suite (orange colour on Figure 7-1) which are part of the Vioolsdrif Suite. These granodiorites and tonalites form the steep rocky slopes and walls bounding the paleo-drainage. In the south of the project the gneisses are mostly of the Aggeneys Subgroup which comprises schist, amphibolite, gneiss and quartzite. The Aggeneys Formation hosts the important Cu-Pb-Zn deposits of Black Mountain and Gamsberg which are approximately 30km to the southeast of the project area. Gamsberg is one of the largest zinc deposits in the world and is being developed by Vedanta Resources as part of the Black Mountain mining complex.

The Okiep Copper District is centred approximately 65km to the southwest of the project area. This area was a globally significant copper producing area between 1950 and the 1990's. During the 1960's and early to mid-1970's between 30 and 40 thousand tonnes of copper per annum were produced. The copper is hosted within 1070 +/-20 Ma basic intrusives intruding older rocks of the Namaqua Province (Lombard, 1986). ASX listed Orion Minerals is well-advanced to bringing the Prieska deposit back into production.

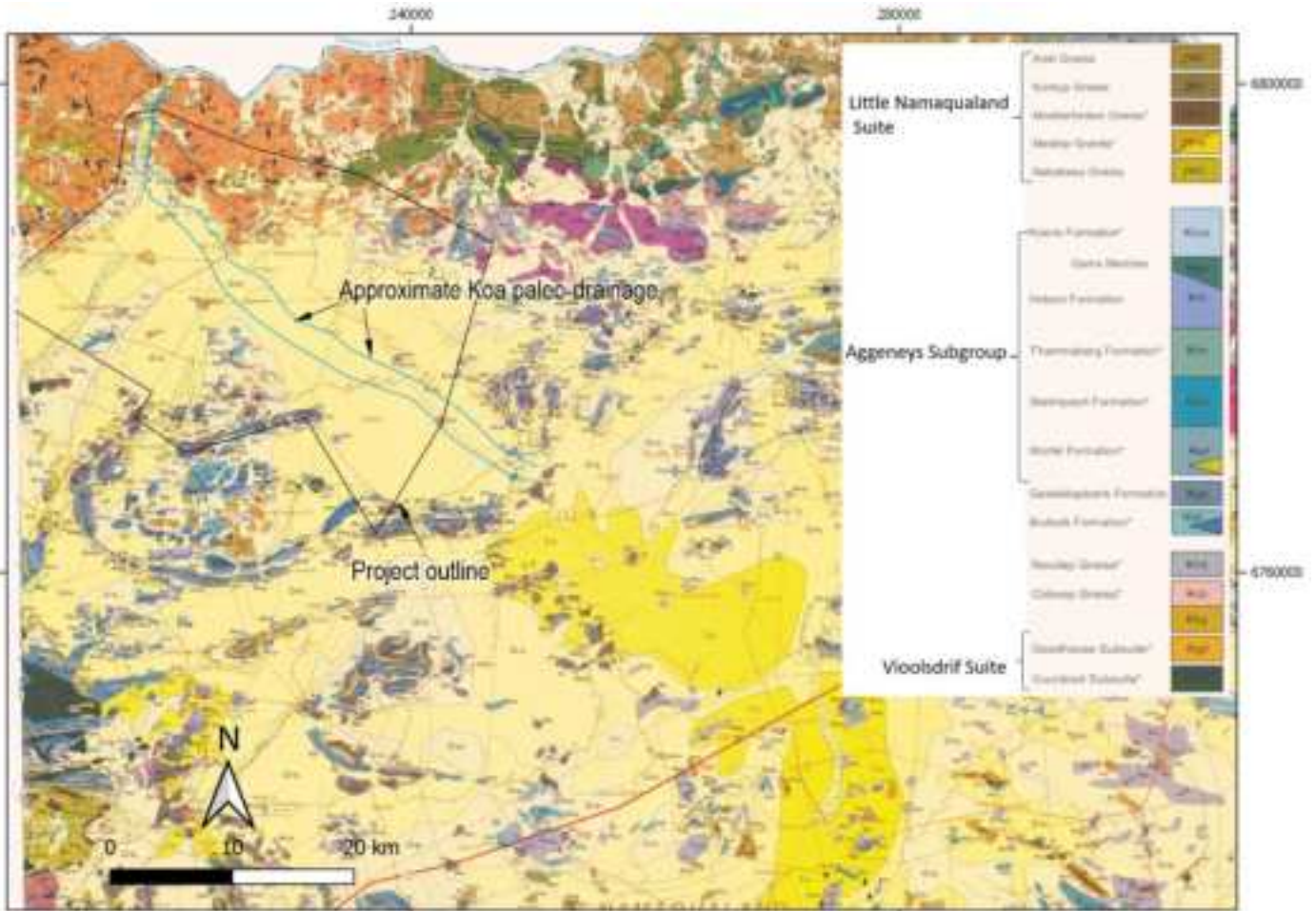


Figure 7-1. Geology of the project Area which is the black outline. The Koa paleo drainage is outlined in blue and drains northward into the Orange River.

## 7.2 The Koa River paleo drainage

The project area includes 37km of the lower reaches of the Koa River paleo drainage. The Henkries Central and Henkries South deposits occupy the 'lower' 12 km of this, the southern 25 km forms the Henkries South target (Figure 4-1). The Koa River was a major 200-300 km long tributary flowing in a north-westerly direction into to the Orange River, carved into the metamorphic basement during the early to mid-Miocene (Johnson et al, 2006) and is one of 2-3 large paleo-drainages in the region. Within these drainages the surficial material overlies the basement rocks. Sediments are varied, depending on the depositional setting at any given location at the time of deposition. They are generally valley-fill sediments of fluvatile, aeolian (Hambleton-Jones, 1984) or lacustrine origin deposited during the mid-Miocene (5.3 to 23 Ma). Work by AAC gave a contradicting age of only 40,000 years for the sediments based on Th:U ratios (AAC, 1979) placing them within the late Quaternary.

Gradients were generally low and as a result the sedimentary fill thickness is typically less than a few meters except closer to discharge points into the Orange River. During the Tertiary deep gorges with increasingly steeper gradients developed closer to the Orange River (Hambleton-Jones, 1984) presumably in response to uplift at that time. Along these sections of the drainages the fill may be significantly thickened such as at Henkries where it is up to 60 m thick.

Basal sediments are gravels and sands and there is a general fining of sediments upwards. Following aggradation of the river it became unconfined and more meandering in character (probably with very slow-moving sections in lower gradient sections. By the late Miocene progressive desiccation led to the formation of a series of disconnected saline lakes and encroachment of fans (Johnson et al, 2006) and eventually it became 'defunct' and was partially covered by aeolian sands. Based on fossil evidence the environment in the Middle Miocene was a woodland or forest supporting a rich fauna and source of organic material.

The Koa paleo valley is dry and mostly sand covered, experiencing ephemeral stream flowing along some sections during flash flood events but thought to be an active unconstrained shallow aquifer for brackish groundwater flow being a topographical and paleo topographical geomorphic feature.

### 7.3 Controls on uranium Mineralisation

The lacustrine sediments are generally anomalous with respect to uranium, the higher grades are preferentially, but not exclusively, concentrated within lithologies having the following characteristics (AAC, 1979).

- Low bulk density
- High carbonaceous or diatomaceous content
- Higher moisture content relative to the enclosing layers.

These characteristics are related i.e., carbonaceous or diatomaceous has a low density.

Factors that control the presence of the carbonaceous or diatomaceous sediments are therefore important. These are:

- Axis of the paleochannel as these sediments tend to be best developed along the axis
- Presence of barriers in the drainage which caused ponding of water and thicker development of these sediments
- It is possible that sands and silts eroded the lacustrine sediments and so the absence of these as overlying lithology may be important. In some areas it is also possible that the aeolian sands eroded the lacustrine sediments where they are immediately below them.
- There is an indication that calcrete development is a negative control, possibly by reducing porosity of the sediments.

## 7.4 Geology of the Henkries Central Deposit

The deposit is found within fluvial and lacustrine sediments which form a central 'ribbon' within a wider valley fill, bound to the north by outcropping basement gneiss. At Henkries Central a 'blanket' of aeolian sand covers most of the deposit up to several metres thick except within small pans (best developed is the pan at block HC\_A) and where the sand has been washed away/prevented from accumulating in areas of occasional sheet-wash flow.

### 7.4.1 Main lithologies

#### *Carbonaceous Earth*

The most important host rock is carbonaceous earth which is typically a dark grey to black and has a blackish streak when dry and is soft and friable. It has a low density especially when pure. It is comprised mostly of organic material and is similar to peat. It does not react to acid unless it has some calcrete content. It may contain fragments of diatomaceous earth and clay, grading into a clay with carbonaceous earth. It may contain visible pieces of plant and woody material.

#### *Diatomite/diatomaceous earth*

An important host within some parts of the deposit, diatomite is a whitish or greyish white material. It is soft, friable, earthy, and typically very fine-grained and may seem chalky. It has a low density especially when pure. It does not react to acid unless it has some calcrete content. Though not visible, it is comprised of the siliceous remains of minute freshwater diatoms (microscopic single-cell aquatic plants)

#### *Clay*

Clay is very fine grained and when pure is plastic. It is pale grey to greenish in colour. It is darker if it contains some carbonaceous earth. It grades into silt in some drill-holes. Clay is the most widespread lithology and occurs as a component to other lithologies. It may contain iron oxide or jarosite formed by the oxidation within spaces left by organic material.

#### *Green-sand and silt*

An unconsolidated sand considered fluvial in origin and has a greenish colour which distinguishes it from the aeolian sand which is orange in colour. If not green in colour it is logged simply as sand. The sand grades into silt in some holes which is also considered fluvial in origin and is typically pale in colour. Sand and silt may contain lithic fragments of the basement rocks or feldspar crystals especially deeper in the sediments close to the bed-rock.

#### *Calcrete*

Calcrete is whitish or cream coloured and is of variable form from nodular, powdery, pasty or massive and may form a small component of the rock such as calcrete nodules in clay, or massive or layered beds up to several metres in thickness. Calcrete always reacts strongly to dilute hydrochloric acid. Calcretes are interpreted as pan calcretes and lesser pedogenic types and are interpreted as reflecting drier periods.



#### 7.4.2 Form and stratigraphy of Henkries Central deposit

The Henkries Central deposit is hosted by sediments whose extent and distribution are controlled by the Koa paleochannel which has a northwest orientation. AOL gave names 'A' to 'G' for blocks they identified, and which were used in their 'reserve' estimation. The deposit has a length of 6900 m including the two 'outlying' blocks A and G. Blocks B, C, D form a continuous 3600 m long zone of mineralisation with a maximum width of approximately 1100m using a 100 ppm minimum U<sub>3</sub>O<sub>8</sub> grade. At its thickest, within block D, it is 7-8 m thick. Elsewhere it is typically 2-3 m thick. The deepest mineralisation at Henkries Central is 15 m at block D and it is shallower elsewhere. The area now referred to as 'Henkries SW' (Figure 5-2) hosts an 'embayment' of shallow thin lower grade mineralisation extending 1km 'upstream' into a possible tributary to the main channel. The topographic low controlled by the junction may have permitted the greater 'sideways' development of the lacustrine facies of HC\_D in this direction.

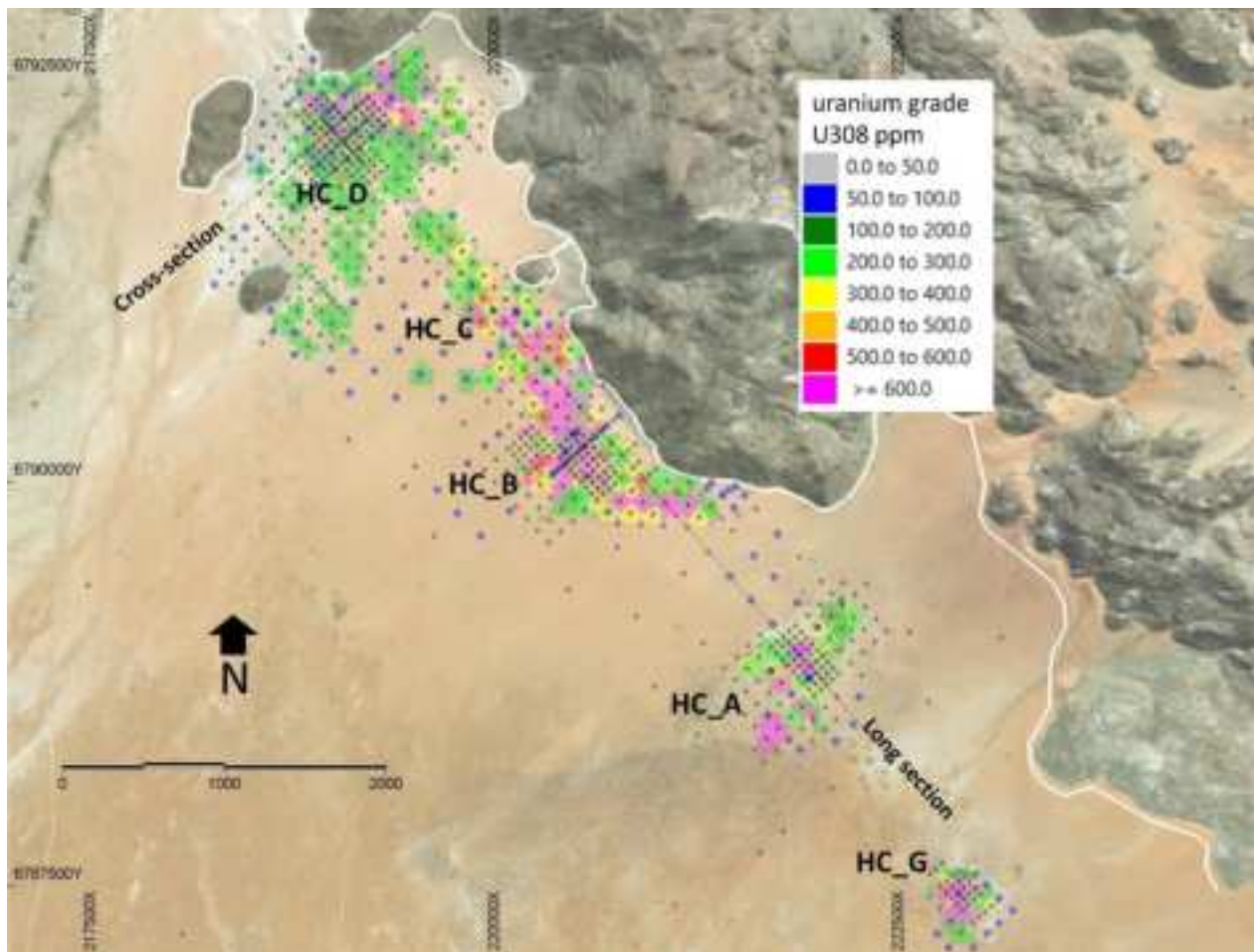


Figure 7-2. Map showing the 2022 MRE block model for Henkries Central and the 'blocks/zones' named by AOL for their 1979 'reserve estimate'. AOL drill-holes are the small black collars. NUL drill-holes are the larger blue collars.

At Henkries Central, the north-eastern edge of the paleo-drainage is defined by the steep valley side outcropping gneisses (as marked by the white line on Figure 7-2). The southern boundary of the mineralised layer is not visible on surface but is likely to thin steadily to the southwest, possibly controlled by extent of sand-dunes lateral to the channel sediments and/or areas of bedrock. The paleo-drainage is at least 1400 m wide based on drilling data and possibly up to 2000 m wide. It appears to narrow to less than 300 m at a channel 'constriction' which marks the northern end of block D. Beyond this is Henkries North. Figure 7-7 shows a typical cross-section through the northern end of Henkries Central (block 'D'). Figure 7-3 to Figure 7-5 are images of the main lithologies observed. The stratigraphy of Henkries Central has three main 'members' as follows from base upwards.

- a) A 15-20 m thick lower member mostly comprising fluvial 'green-sand'. The lateral encroachment of aeolian sand and calcrete layers into the mid-part of the green-sand interval suggests a period of partial desiccation of the drainage. Very few holes at Henkries Central were drilled to basement but it is expected to be at least 50 m below surface along the centre of the channel. It is likely that coarse sands and gravels are present within the deeper parts of the channel reflecting the initial high energy erosive phase, as is reported elsewhere on the Koa. A 1- to 5-metre-thick nodular calcrete layer is present at mid-levels of the green-sand at approximately 25 m depth. This calcrete is typically overlain by silt marking a new fluvial-to-lacustrine cycle.
- b) A Central to upper Clay dominated member, presumably reflecting a prolonged period of steady low energy flow. In the north this clay unit is 10-12 m thick. It is within the lower part of this member that the main uranium mineralised layer is found. At block 'D' this is closely associated with a lens of carbonaceous earth and clay with high carbonaceous content, up to 8 m thick and referred to as member b1. A green-sand layer between 0.3 to 3.m thick is present mid-way within the clay member in many holes at block 'D' forming a barren or low-grade parting within the mineralised zone. Towards the south, at blocks 'A' and 'G' the uranium is within the sediments immediately below the upper aeolian sand member (c) within a 0.5 to 2.0 m thick interval of clay, diatomaceous earth or greensand.
- c) An upper/surface layer of red-windblown sand forms a 'blanket' over the full length of the deposit (Figure 7-8) but is thickest at block 'D' and block 'A' where it is up to 7 m thick and appears to be 'fossil' dune. These sands are soft and completely un-consolidated. A 1-5 m thick calcrete layer occurs immediately beneath the aeolian sand at the northern and southern ends of Henkries Central, best developed at 'block A' and south of 'block D'. At the latter the overlying aeolian sand is absent so that the calcretes are outcropping. They are interpreted as pan calcretes with lesser pedogenic types and are interpreted as reflecting drier periods during otherwise lacustrine conditions

Figure 7-6 shows a typical core intersection through the deposit. The top of the hole is at the left of the picture. Red-sand occurs in the first 4 sleeves, then clay-dominated lacustrine sediments from 5.3 to 10.6 metres depth (dark grey material), below which fluvial green-sand is present to the end-of-hole (pale green-grey material).



Figure 7-3. Diatomaceous earth. Right: Carbonaceous earth to the same scale. These are the two most important host-rocks.

As is illustrated in the long section in Figure 7-8, the members 1-3 thicken southward, forming a 'wedge' in long-section, which terminates in proximity to a basement ridge which was presumably a 'barrier' to flow and over which thick calcrete 'cap' formed. North of this is Henkries North which is described in section 7.5.

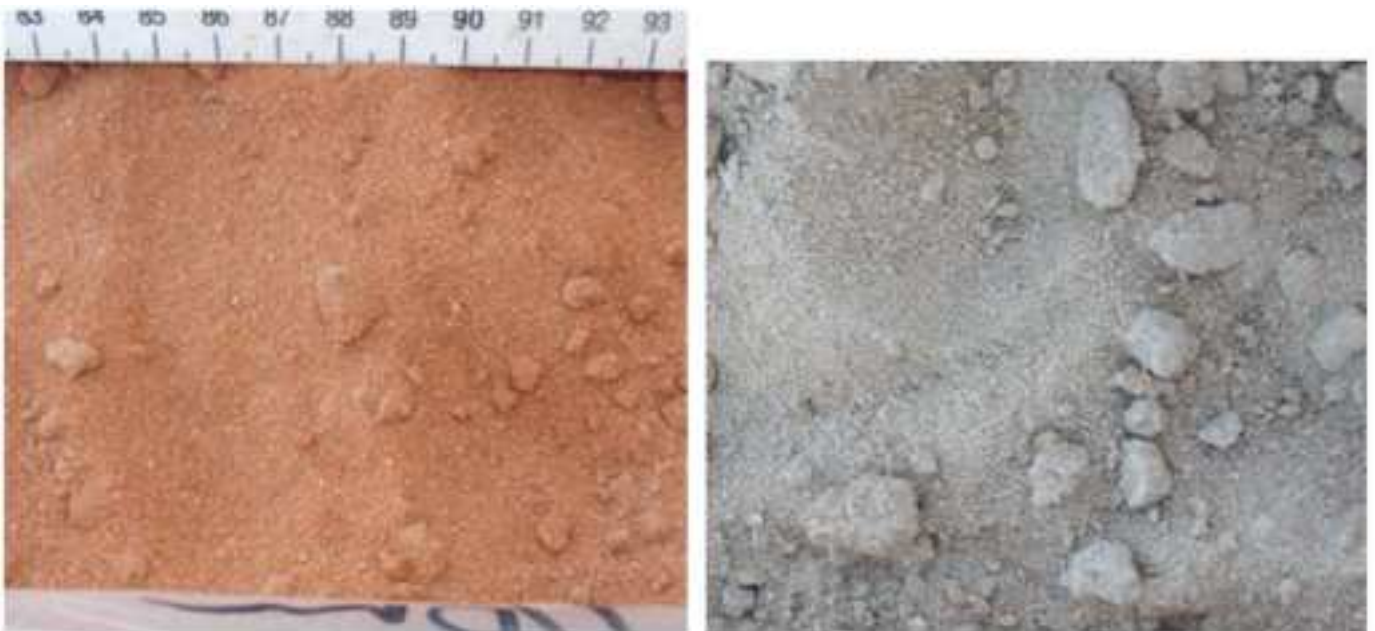


Figure 7-4. Left: aeolian 'red sand'. Right: fluvial 'green-sand' to the same scale

The thickening of the host layers at block 'D' is an important control on uranium mineralisation – this is where the lacustrine members are thickest has the bulk of the thick high-grade intersections, particularly within a massive lens of carbonaceous earth (b1 on Figure 7-7 and Figure 7-8). Elsewhere the uranium is within clay within thinner layers of carbonaceous clay or within discontinuous accumulations and 'banks' of diatomaceous earth. The latter is particularly well preserved within block 'A' (Figure 7-8) which may reflect a water body or trap site that promoted the accumulation and preservation of diatomite – given the extremely low density of this type of material very low flow conditions would have been necessary. Even today there is a pan at block 'A' which forms a depression and is without windblown sand cover (Figure 7-8). It is noted that the gradient at block 'A' is slightly less which possibly played a role in the development of these specific lacustrine conditions at this location. Similar conditions may have existed at block 'D' behind the 'rock barrier' though here diatomaceous earth is rare or absent. There is a strong possibility that the carbonaceous earth of the north is the stratigraphic equivalent of the diatomaceous earth in the south (AOL, 1979), both relying on low-energy lacustrine conditions.

Some of the close-spaced drilling by NUL suggests that some small-scale variation is a result of the variable erosion of the host carbonaceous or diatomaceous earth by overlying silt layers, the latter possibly forming during short-lived periods of braided channelised sedimentation. This is illustrated in Figure 10-7.





Figure 7-5. Left: massive calcrete. Right: clay to the same scale, with iron oxide



Figure 7-6. Core from 14900N-50W, laid out after cutting.

In the south the original organic material is well preserved possibly as they have remained below water table and so in reducing conditions. In the south, leaf, root and stem casts are 'oxidised' being haloed by jarosite (iron-hydroxy sulphate) and observed with a fill of bassenite and gypsum (AOL, 1979).

The dip of the layers at Henkries Central is approximately 0.8 degrees to the northwest (downstream), approximately parallel with the present-day land surface. Areas of thicker red-sand cover are the main control on the topography of the current land surface at Henkries Central.

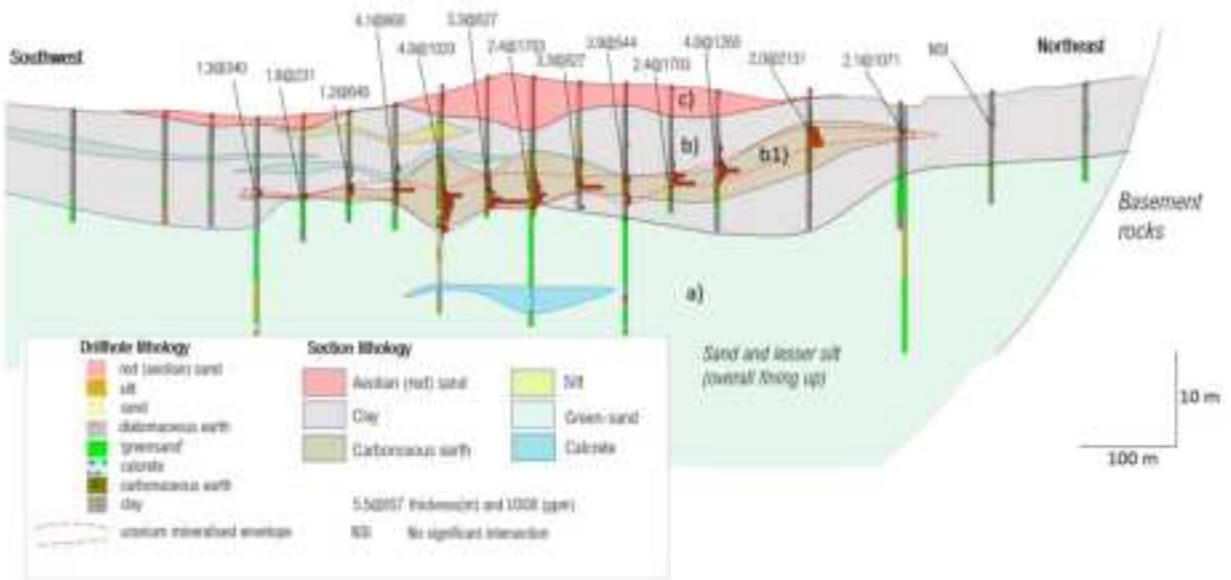


Figure 7-7. Cross-section through block 'D' at Henkries Central showing - section line on Figure 7-2. Note: 10x vertical exaggeration.

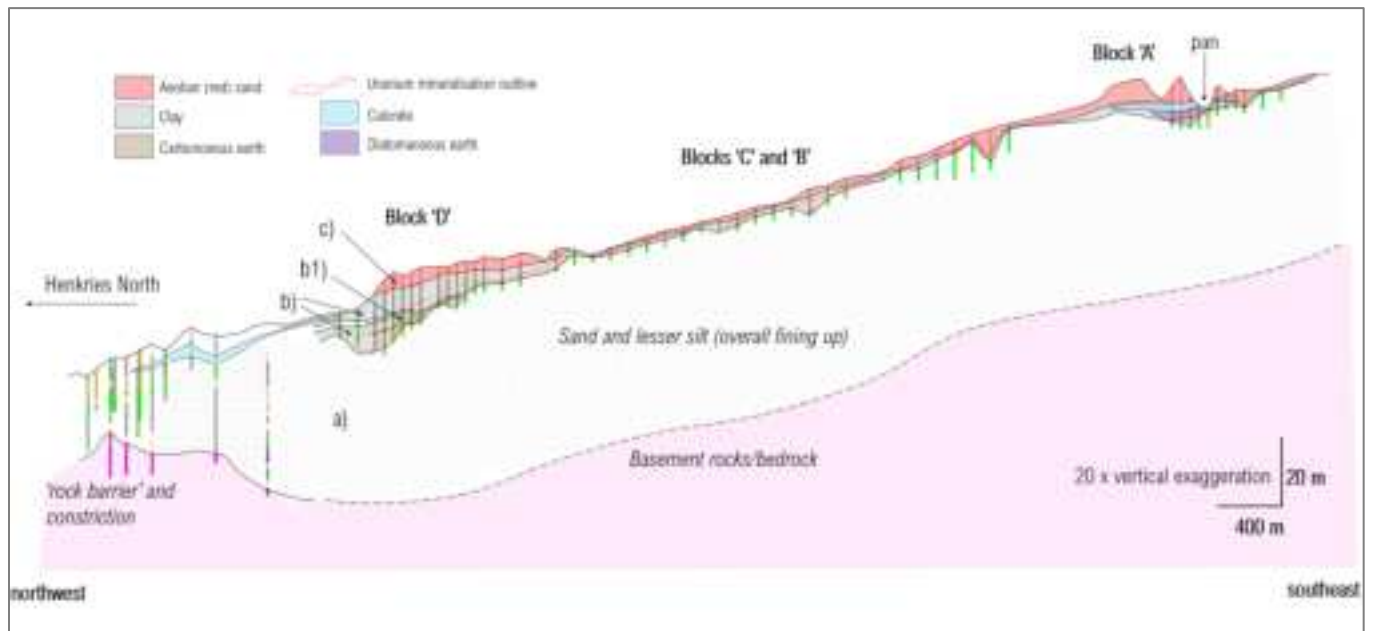


Figure 7-8. Long section through Henkries Central from block 'D' to 'A' - shown by section line on Figure 7-2. Note: 20x vertical exaggeration.

### 7.4.3 Uranium mineralisation at Henkries Central

As described above the uranium mineralisation is mostly within a single layer - within member b) (referred to as b1). The mineralisation may be up to 8 m thick and with peak grades of up to 6000 ppm U308. Figure 7-7 shows the thickness and grade of the intersections on that section. The thickness and grade of the mineralisation typically decreases laterally away from the axis of the channel until it is very thin and low grade.

One and sometimes two green-sand horizons have been recognised and are generally barren forming a 1-3 m thick 'partings' with an approximate 300x200m extent at HC\_D at northern end of Henkries Central. It is likely the green-sand formed during a period of higher energy flow and a temporary change to fluvial conditions. These form a barren internal layer at the NW part of HC\_D.

## 7.5 Geology of the Henkries North deposit

### 7.5.1 Form and stratigraphy of Henkries North deposit

Henkries North deposit is comprised of 6 'zones' (HN\_1 to HN\_6) distributed along the paleochannel north of Henkries Central, the first pod is located 700 m north of block 'D' of Henkries Central (Figure 5-2) on the downstream side of the 'rock barrier' feature which is likely to be a constriction in the channel. The surface and sediments have a slightly steeper dip than at Henkries Central being approximately 1.4 degrees and the orientation of the axis of the channel is almost south-north (azimuth is 5 degrees). The individual zones are up to 1 km in length and 800 m wide and up to 10 m thick and in some holes 2-3 mineralised intervals are present. These differences are thought to reflect a slightly different sedimentary setting compared to Henkries Central.

At Henkries North there is an upper interval of lacustrine sediments comprised mostly of clay and diatomaceous earth with well-developed mineralisation and probably the stratigraphic equivalent of the lacustrine sediments of member b) hosting the mineralisation at Henkries Central. Variably developed calcrete layers up to 8 m thick may occur in this interval and are generally barren or low-grade and are difficult to correlate hole-to-hole (Figure 7-9). The lower part of the fill is comprised of fluvial sediments green-sand or silt and presumably the equivalent of member a) at Henkries Central. Aeolian sand is largely absent at Henkries North, found only in surface pockets where it may be 2-3 m thick. The basement gneiss is found at variable depth, typically deeper on the east side of the; at zones HN\_4 and HN\_5 it is within 15-20 m from surface in some holes and in other areas it is over 50 m below surface.

## 7.5.2 Uranium mineralisation at Henkries North

The mineralisation is less continuous than at Henkries Central and grades are lower being rarely above 1000 ppm U<sub>3</sub>O<sub>8</sub>. Thickness is variable and may occur at slightly different levels i.e., it is not as planar as the mineralised layer at Henkries Central. Some of the pods appear to have a long-axis perpendicular to the channel axis, possibly relating to the development of lacustrine facies behind partial barriers with that orientation. As described the best developed mineralised layer is within very shallow lacustrine sediments and begins from surface in some holes. It appears that areas of thick calcrete development limit the extent of the mineralised zones in some sections.

In some areas there is a second discontinuous mineralised layer within a narrow clay-rich interval within the upper part of the green-sand member (Figure 7-9 and Figure 7-10). At the HN\_2 pod in some of the deeper holes a third layer is present within a 10 m thick 'lower clay layer' such as that in hole HNN136 (5.0m @ 506 ppm U<sub>3</sub>O<sub>8</sub>). Most holes stopped short of this depth; additional drilling may better define this layer.

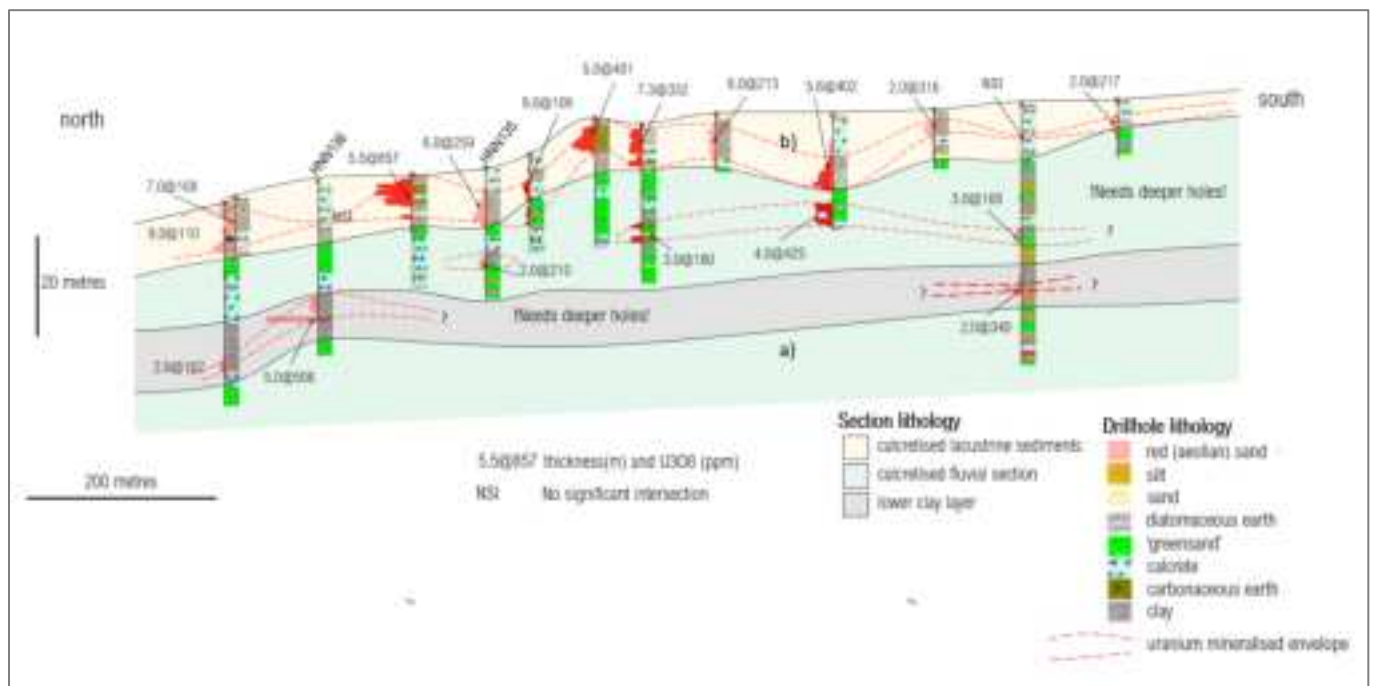


Figure 7-9. Long section through pod HN\_2 at Henkries North. Note 5x vertical exaggeration. Uranium grades are indicated by the red (laboratory XRF) or pink (portable XRF) bars beside the drill-hole traces.

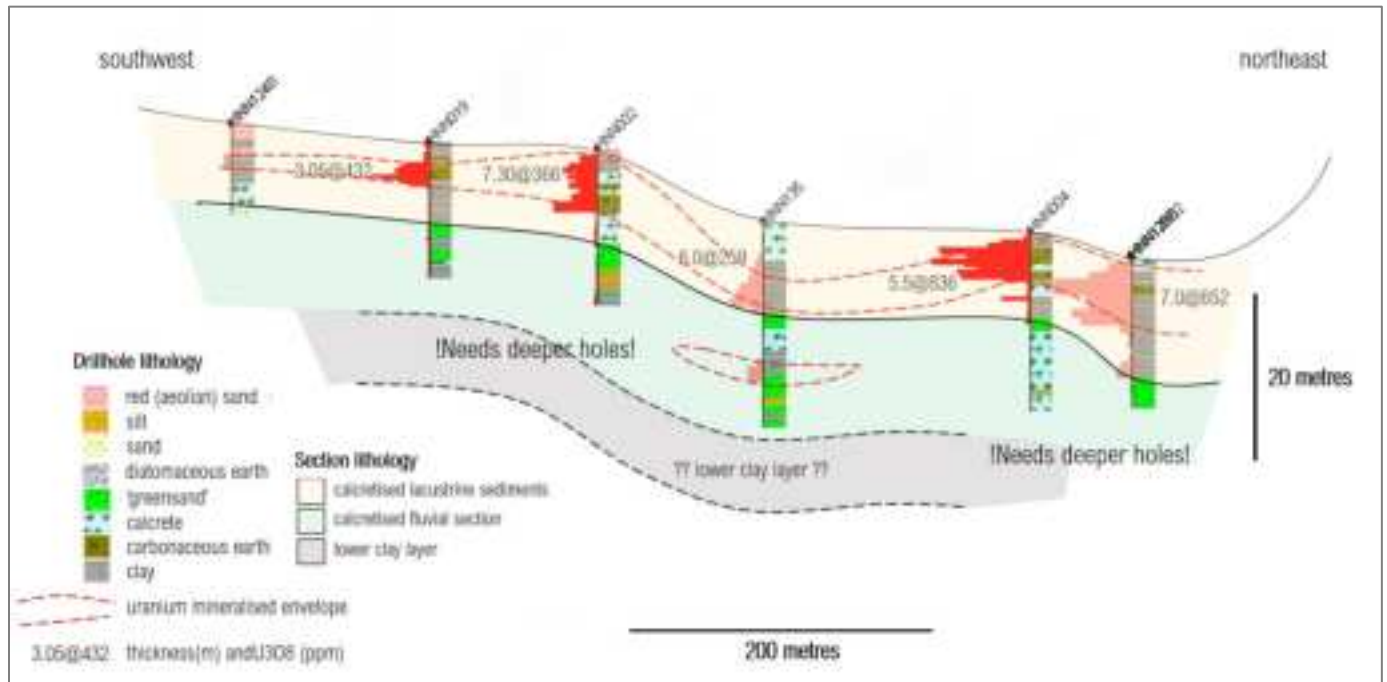


Figure 7-10. Cross-section through pod HN\_2 at Henkries North. Note 5x vertical exaggeration. Uranium grades are indicated by the red (laboratory XRF) or pink (portable XRF) bars beside the drill-hole traces.

## 7.6 Geology of Henkries South

Less is known about the paleochannel form or the lithologies at Henkries South as there has been far less work carried out here. The lithologies intersected in the NUL air-core holes are generally red aeolian sands overlying silty green-sand underlain by pebbly to gravel sands. The lacustrine sediments found at Henkries Central and Henkries North are poorly developed in holes drilled to date. Thin intervals of carbonaceous earth are present in holes HSX0002, HSX0005 and HSX0006 and observed in some pits (Figure 7-11). No diatomaceous earth was encountered.





Figure 7-11. Thin carbonaceous silt and clay layer exposed in a pit at Henkries South

## 7.7 Uranium mineralogy

The source of the uranium is thought to be the rocks of the basement within the upstream areas of the Koa River where it was leached and transported by surface water in the uranyl state until it reached the reduced conditions at Henkries (AOL, 1979). Here it was precipitated by two processes as proposed by AOL (1979):

1. During the decomposition under anaerobic conditions  $H_2S$ ,  $H_2$  and  $CH_4$  are produced which precipitate the uranium as discrete minerals such as boltwoodite ( $HK(UO_2)(SiO_4) \cdot 1.5(H_2O)$ ), carnotite  $K_2(UO_2)_2(VO_4)_2 \cdot 3H_2O$ , and zippeite ( $K_4(UO_2)_6(SO_4)_3(OH)10.4H_2O$ ) but in no way account for the total uranium present.
2. Humic acids, fluvic acids and humins acted as a precipitant for the uranyl ions and in this case no discrete uranium minerals were formed – the uranium is simply weakly held uranyl ions on carbonaceous material or attached to clay minerals and the frustules of diatoms. This accounts for the bulk of the uranium present.

## 8. Deposit Types

The Henkries Central and North uranium deposits are within the broad class termed uraniumiferous surficial deposits (Toens, Hambleton-Jones, 1984). This term is applied to uraniumiferous sediments and soils that have not been subject to deep burial and may be partly or wholly uncemented. These are then subdivided into fluvial, lacustrine/playa and pedogenic. Henkries is within a fluvial-lacustrine sequence with the lacustrine being most important for the uranium and so the lacustrine classification of surficial deposits is most relevant. Toens and Hambleton-Jones (1984) further subdivide lacustrine depending on whether they are drainage controlled or topographically controlled. The Henkries deposits are within reducing sediments in a paleo-drainage controlled setting. The drainage itself is strongly controlled by topography; the fluvial and lacustrine sediments are best developed along the axis of the drainage and in some sections the steep outcrops bound deposit, particularly on the northeast side.

The lacustrine setting had a strong control on the form of the deposit, it is horizontally stratified and has a high aspect ratio – the deposits are wide and long but relatively thin, having a ‘pancake’ like form, particularly Henries Central.

## 9. Exploration

No exploration has been carried out by the Issuer. All exploration on the project is described under section 6.

## 10. Drilling

Approximately 18,250 m of drilling has been completed on the project of which approximately 9693m was completed by AOL and 8,559m by NUL. Table 7 provides a summary of the drilling carried out on the project. The exact amount drilled by AOL is unknown as records of their ‘regional’ and Henkries North drilling are incomplete but is expected to be ‘close’ to the figures provided.

All holes by NUL and AOL were drilled vertically, and no survey was deemed necessary as holes are too short for any significant deviation to have occurred or be of material impact on the interpretations. Given the horizontal nature of the mineralised layers and sedimentary units, drill-hole intersected thickness can be assumed to be the same as true thickness.

*Table 7. Summary of all drilling carried out on the project*

<b>Company</b>	<b>Year</b>	<b>Area</b>	<b>Method</b>	<b>Purpose/comments</b>	<b>No. holes</b>	<b>No. metres</b>
----------------	-------------	-------------	---------------	-------------------------	------------------	-------------------

AOL	1976	Henkries Central	direct push	Pre-evaluation phase' 200x200m grid	208	3447
AOL	1976	surrounding area including Henkries North	direct push	regional holes to test surrounds	51	estimate 1020
AOL	1978-1979	Henkries Central	direct push	Phase 1 Evaluation drilling' on a 100x100m and some 50x50m grids	500	4166
AOL	1979, uncertain	Henkries North	unknown	Infill-drilling.	~53	estimate 1060
NUL	2009	Henkries Central	Sonic	twin holes to validate AOL data, includes some repeat holes	25	432
NUL	2009	Henkries Central	Sonic	infill and extension holes	110	2063.25
NUL	Feb to June 2009	Henkries North	Sonic	exploration, ending HNN106	107	2031.85
NUL	Aug 2021	Henkries North	Aircore	Infill ending HNN198, not assayed	101	2629
NUL	27 Jul to 3 Aug 2009	Henkries South	Aircore	exploration holes to test Radon X anomalies	35	1402.5

## 10.1 AOL Drilling

AOL drilled a total of approximately 9,693 m between 1976 and 1979 (Table 7). Of this, 708 holes for 7,613m was drilled at Henkries Central Figure 10-1 and this data provides the bulk of the data for the MRE. AOL completed approximately 2,080m of drilling at Henkries North and Henkries South.

### 10.1.1 Drilling at Henkries Central

AOLs' drilling commenced July 1976 was carried out in two separate phases; a 'Pre-evaluation phase' completed during 1976 totalled 3,447 m (208 holes) covering the prospective areas focussing on what is now referred as Henkries Central, on a 200x200m grid and included some 1m-spaced holes for provision of material for metallurgical testing. Later 'Phase 1 drilling' (also referred to as 'Evaluation drilling') was then added to Henkries Central, starting March 1978 comprising 4,166 m (500 holes) to reduce the spacing to 100x100m interval or less over most of the deposit to support 'reserve' estimation. Most of the important zones of HC\_A, HC\_B and HC\_D were drilled to a 50x50 m spacing. At HC\_D there are two lines with 25m spaced holes.



AOL used a 'direct push' method involving the pushing of core barrels into the ground using a top hammer. This method was used to recover samples of 66 mm diameter. Not all holes were drilled to basement, possibly due to the inability of the 'direct push' method advance through harder layers such as calcrete and layers with coarse rock fragments.

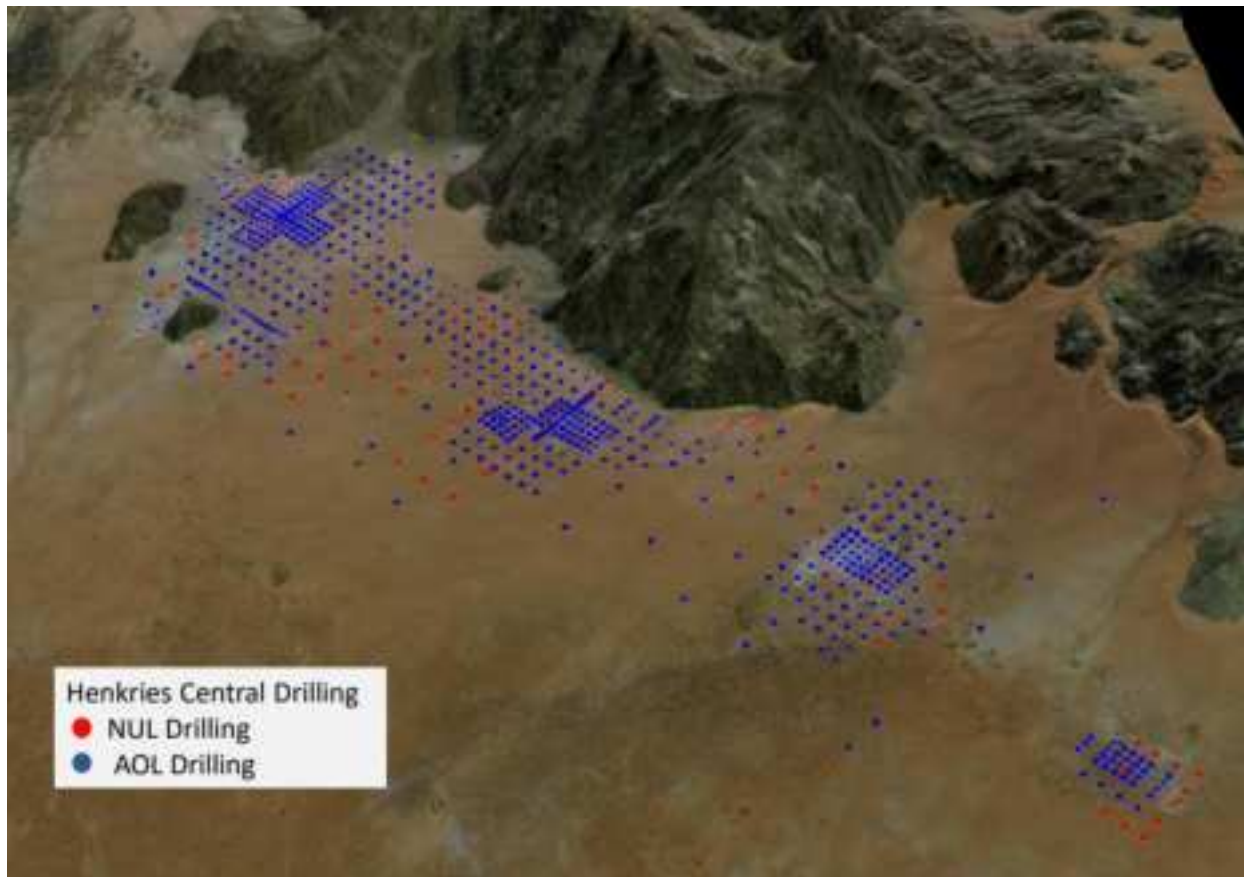


Figure 10-1. 3D view of Henkries Central looking northeast, showing the AOL and NUL drilling along the paleochannel with the basement granites forming outcrops on the north side of the channel.

### 10.1.2 Exploration drilling by AOL in the surrounding areas

In 1976, 51 rotary percussion 'regional' drillholes were added on a wide spacing to test the surrounding area and this work identified the Henkries North area referred to by AOL as the Henkries River area. This was followed up in 1979 with the addition of 53 drill-holes at Henkries North and the extensive Henkries South area. The drilling at the Henkries North returned some positive results, several holes intersected significant uranium grades. Drilling at Henkries South yielded poorer results, only a single hole displaying 112 g/t U<sub>3</sub>O<sub>8</sub> over 1.0m (Figure 10-4) though it should be noted that AOL did not drill any holes in the southern 15-20 km of the paleo-drainage and that most were drilled to a depth of 15 m only. There are no UTM coordinates for AOL's Henkries North holes only local grid positions. There has been no attempt to convert the AOL's regional or Henkries North to UTM position to date.

### 10.1.3 Additional AOL Drilling in 1979

This drilling programme was carried out over a period of several months in 1979 and focused on follow-up and infill drilling over two specific areas; the Henkries River target (now referred to as Henkries North) and at Henkries South. The results of the Henkries North drilling were encouraging.

## 10.2 Drilling by NUL

A total of 8,558.6 m was drilled by NUL of which 2,495.3 was at Henkries Central, 4,660.9 was at Henkries North and 1,402.5 at Henkries South. Drilling was by sonic and aircore methods and are described below.

### 10.2.1 Drilling methods

Sonic drilling is a method specifically developed for the recovery of soft and/or poorly consolidated sediments. It uses high frequency vibration of the drilling rods to effectively 'liquify' the sediment at the face of the cutting edge of the bit therefore allowing rapid advance through the sediments without loss.

The drilling contractor for the sonic drilling was the sonic division of Boart Longyear. All core was 104mm diameter. Water is only used in drilling process where required to avoid disintegration of the samples or movement of clays or other fines. Core was vibrated out of the core barrel into a plastic sleeve which is just wide enough to fit over the barrel. The bag was twisted around the core as it comes out to maintain rigidity and avoid loose pieces dropping to the bottom of the bag. Figure 7-6 is an example of core drilled by the sonic method. Any water encountered was carefully poured out as this may make the core 'mushy'. Where carbonaceous material is encountered the decant was kept in a bucket or bag and checked for possible uranium content. The core was immediately turned into a horizontal position as it comes out of the barrel, to avoid displacement or contamination. Core was received in wooden core boxes from the drill rig, carefully packed with the plastic sleeve being tucked under the core at the open end to maintain core integrity. Core runs vary between 3.05 and 6.10 m depending on ground conditions as decided by the geologist and drill foreman. A rig log per run was recorded at the rig to record recovery, weight, wetness, general geology and grade indication using a pXRF or gamma-ray scintillometer.

Aircore drilling was used later in 2009 by NUL as it was found to be considerably less costly than sonic drilling and to be sufficiently effective in terms of drilling and sample reliability. The Aircore method is a hollow-tube drilling method developed to provide intact samples of soft poorly consolidated formations at low cost and achieve favourable recovery. Aircore drilling uses a vacuum at the face of the bit to lift the sample into the bit then the airstream takes it to surface. The length of each section of core varies depending at what point it lifts off the bottom. The drilling Contractor used was Wallis Drilling and the rig was a small aircore rig mounted onto the back of a Landcruiser single cab pick-up truck.

## 10.3 NUL drilling campaigns

### 10.3.1 NUL drilling for verification AOL data

The first drilling by NUL in 2009 was to check the reliability of the AOL assay and geological data at Henkries Central. 22 AOL boreholes were 'twinned' in January 2009. At some sites additional holes were drilled as third holes as described below. A total of 432m was drilled by NUL for validation using the sonic drilling method. The location of these holes is shown in Figure 10-2. The drilling included two 'fence lines' at 14900 North and 12600 North to assist with confirmation the stratigraphy defined by AOL. At each location the position of the original AOL hole was located to within 2-3 metres by finding the local grid position and in most cases the local grid peg and tag. In most cases the original hole itself could not be found due to the collapse of the hole and movement of wind-blown sand over the last 30 years. The NUL verification boreholes were drilled within 1-2 metres from the local grid position; probably within 2-3 metres of the original AOL borehole, close enough to be considered twin-holes.

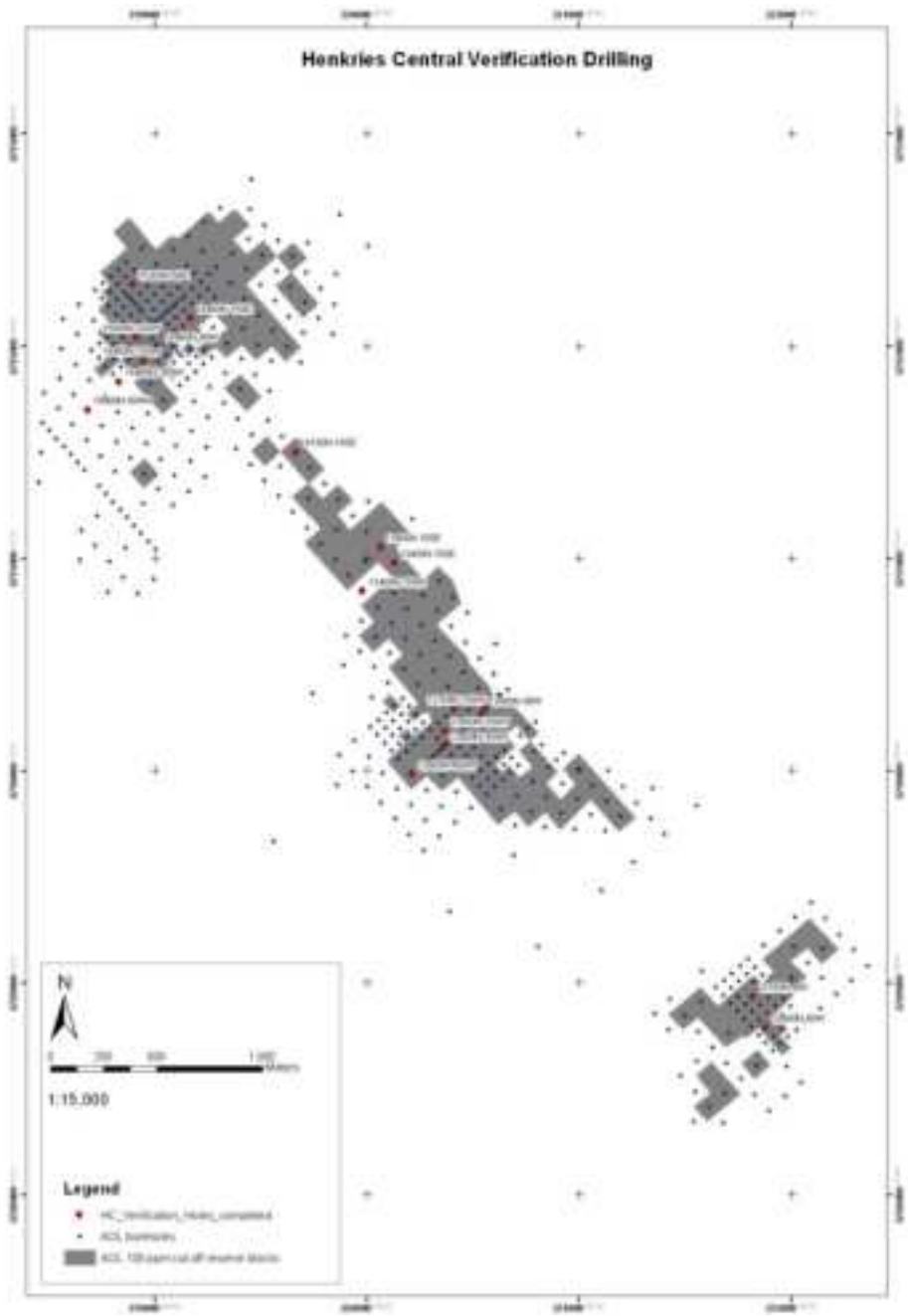


Figure 10-2. Map of Henkries showing the location of the NUL verification drill-holes.

### 10.3.2 Drilling at Henkries Central

In 2009 NUL drilled 110 holes for 2,063.25 m at Henkries Central to infill in certain areas and to test potential extensions to the deposit. All of this drilling was by sonic drilling by Boart Longyear (Figure 10-3) and was completed during January and February 2009. The position of these holes is shown in Figure 10-1 and Figure 7-2, including the verification drillholes. The holes ranged from 5.5 to 51 metres deep. The average depth was 18.75 m. It is noted by the author that there is insufficient drilling in the southern area of Henkries Central, between block HC\_A and block HC\_G, and south of block HC\_G there is a 2.7 km section of the paleo-drainage with only 1 drill-hole – these represent opportunities for expansion of the deposit.



*Figure 10-3. Boart Longyear Sonic rig drilling at Henkries Central.*

### 10.3.3 Drilling at Henkries North

NUL drilled two campaigns at Henkries North, both in 2009:

The first was exploration drilling to test the targets defined by the 1979 AOL drilling. NUL holes HNN001 to HNN107 were drilled by sonic drilling by Boart Longyear between February and June 2007. This campaign totalled 2,031.85 m. Holes ranged from 11.5 to 32.7 m in depth and the average depth was 19.0 m.

The second campaign referred as 'infill B' was holes HNN107 to HNN179, drilled between the 3<sup>rd</sup> and 15<sup>th</sup> August 2009 using aircore method by Wallis drilling. This campaign totalled 2,629 m. Holes ranged from 6 to 54 m in depth and the average depth was 26.0 m. These holes are shown on Figure 6-5. Samples for these holes were not submitted for analysis by NUL as the program ended as this was at the time they 'pulled-out' of the project.

The NUL drilling has achieved a drill-hole spacing of between 100 by 100 m and 200 by 200 m. The drilling is not on perfectly regular grid but this is not a problem.

#### 10.3.4 Drilling at Henkries South

Henkries South accounts for approximately 25 km of the 37 km of the paleochannel on the project Area. NUL drilled 1402.5 metres for 35 holes at Henkries South between 27 July and 8 August 2009. All holes were drilled by aircore by Wallis Drilling. Holes were between 25 and 50 m deep and the average depth was 40 m. Holes were 'scattered' to test the 'Radon X' anomalies (Figure 10-4). Spacing between holes was variable but typically between 500m and 1km. The samples from the drilling were not analysed, partly as it was at the time NUL ceased their involvement on the project but possibly also a reflection of the poor indications from the gamma-ray scintillometer which returned values of less than 100 counts per second (cps) for all holes. Lithologies recorded by NUL are mostly coarse-grained sand and pebbly sand and abundant calcrete layers and nodules; no lacustrine sediments were recorded which may have been discouraging.

It is noted by the Competent Person that the 'Radon X' anomalies are mostly centred on the present-day pans – the pans are the only areas of the paleochannel which are without aeolian sand cover. It is possible that the 'Radon X' survey 'missed' areas of uranium mineralisation concealed beneath the aeolian sand. The drill-hole spacing was wide, there is potential that the drilling missed areas with lacustrine sediments and mineralisation particularly in the south of the area; only 9 holes were drilled along a 10km section of the paleochannel.

The Competent Person also cautions against the reliance on a gamma-ray scintillometer to indicate uranium mineralisation as it was well-established by AOL that the uranium mineralisation at Henkries Central is in strong radiometric disequilibrium. The author recommends that additional work is carried out, possibly beginning with surveys to establish the extent and form of the paleochannel and if lacustrine sections of the channel are present.



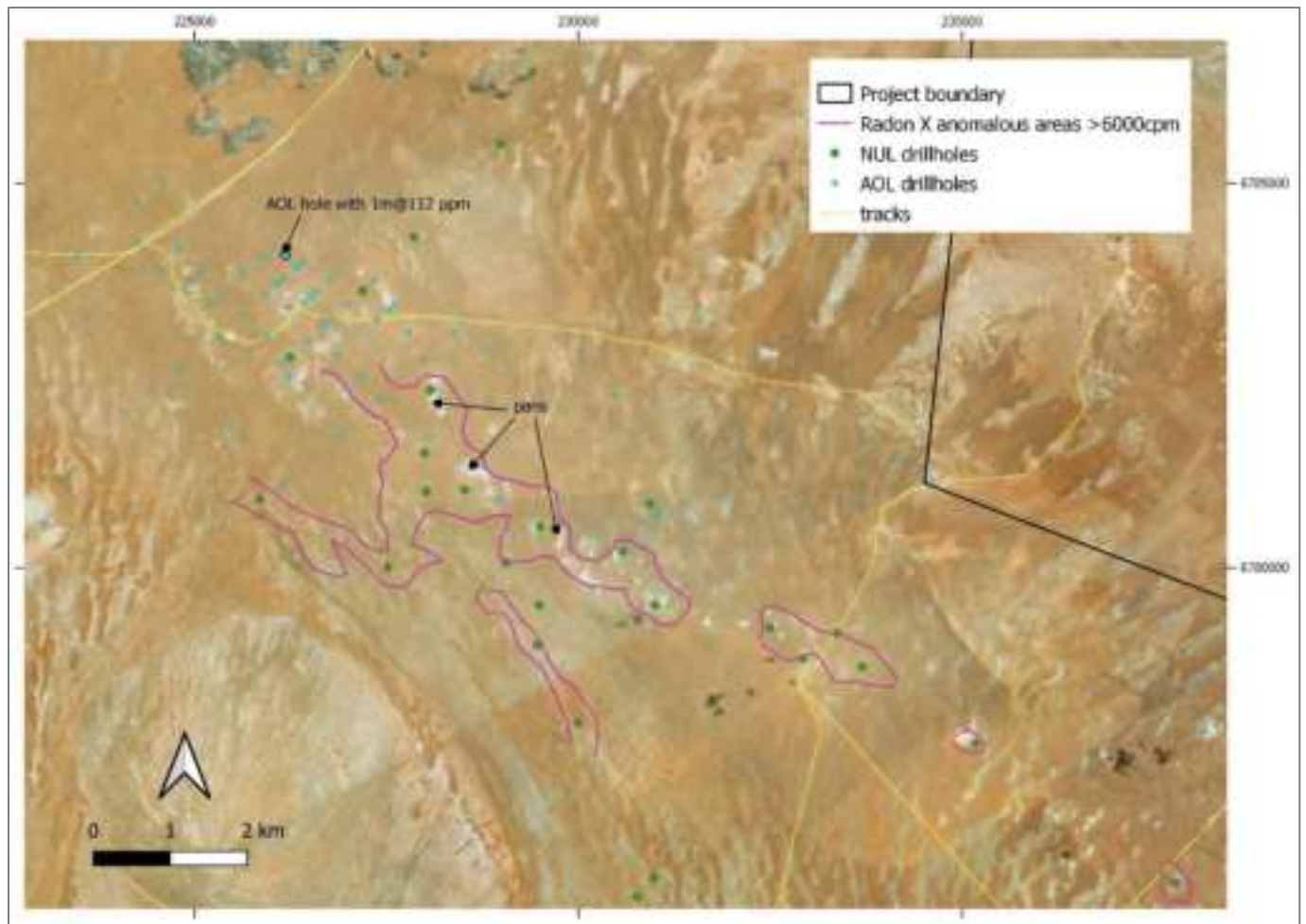


Figure 10-4. Map of Henkries South showing radon X anomalous areas and drill-holes over satellite data (Bing)

### 10.3.5 Interpretation of the drilling data

Based on the lithologies recorded in the drilling logs it has been possible to interpret the geology of the Henkries Central and Henkries North deposits. As is described in 7.4.2 the mineralisation at Henkries Central is best developed along the axis of the paleo-drainage within zones where lacustrine conditions led to the accumulation of organic or diatomaceous bearing sediments; carbonaceous earth and diatomaceous earth respectively. A lithology-based model was created for Henkries Central by NUL and this provided the basis for the 3D sub-domaining of the deposit for MSA's 2009 MRE. At Henkries North a stratigraphic control has been established using the lithology data as described in 7.5 but further work is required to model these in 3D.

## 10.4 Surveying of NUL drill-hole collars

All NUL boreholes were capped with concrete and metal peg to provide a stable and accurate point for surveying. The collars were surveyed by a professional land surveyor using a Leica DGPS system to provide accuracy of X, Y and Z to within 100 millimetres. The following beacons were used to reference the survey.

Table 8. Trig Beacons used for the positional survey.

Lo19 wgs84			
Station Name	Easting	Northing	Elevation
No.33 Henkries	3206932.7	83179.44	728.9
No.82 Bontkop	3203142.49	93687.49	775.2
No.91 Doornhoek	319874.54	86491.31	627.9

## 10.5 Transformation of AOL coordinate system

The AOL drillholes were positioned using the LO19 system. A professional land surveyor, Mr. Carel Venter (B.Landm Pret. Pr. L) was appointed by Niger Uranium to provide UTM coordinates for all boreholes. The process involved the following steps (Pedley et al, 2009).

1. A simple conversion of the local positions to coordinates in LO19 system with Cape datum.
2. 'Model Maker' software was then used to perform a Helmert transformation to bring the coordinates into LO19 with WGS84 datum.
3. Geotran 98 was then used to convert these coordinates into UTM zone 34 south (WGS84 datum). In total, UTM Easting and Northing coordinates for 574 AOL boreholes were determined in this manner.
4. The elevation data was captured as is appeared on the AOL borehole sheets (masl) as in Figure 11-1. It was confirmed by the Survey General that the elevation for the trig beacons in this area were increased by 2.2 metres in 1979. This post-dates the AOL work. 2.2 metres was added to all elevation data.
5. These coordinates and elevations were captured into the NUL database, as used for all resource estimation work.



To check the accuracy of the conversion, 19 baseline and 13 borehole points across the deposit were surveyed by Mr. Venter. Examples of AOL baseline and borehole pegs are shown in Figure 10-5. At each of the borehole positions, the peg could be found but the holes themselves could not be found. The borehole pegs are rarely concreted and often the pegs were found lying on the ground. As a result, the surveyed position of the boreholes should be assumed to be up to 1-2 metres away from the actual position. The baseline pegs are concreted and use a thick steel rod and so the exact position surveyed by AOL can be established with confidence.



Figure 10-5. Left: example of an AOL baseline peg at 12600N. Right: A 1970's AOL drill-hole peg.

#### ***The results of the baseline coordinate transformation***

The transformed Easting and Northing for baseline points are all within 1.0 metre of the surveyed coordinate. Elevations are all within 0.24 metres, except for one position with a 1.34 metre difference. The reason for the error in the point at 17000N-00 is likely due to a chaining error in the baseline north of 16000N; all boreholes in the database are south of 16000N so this error does not pose a problem.

#### ***The results of the drill-hole collar coordinate transformation***

The differences between the AOL and the new survey position for the boreholes is up to 4.5 metres but generally less than 2 metres for the Easting and Northing. This is likely to reflect the fact that the actual borehole could not be found, just the peg which may have been a metre or so from the hole. Elevation data are nearly all within 0.5 metres, averaging 0.31 metres difference. The hole at 12600N-400W (0.94 metres difference for elevation) lies on a dune and the movement of the sand over the last 30 years is likely to have caused the lowering of the surface here.

## 10.6 The results of the NUL verification drilling

The grade and thicknesses are similar at 14 of the 22 sites. At 2 sites (13400N-100W and 15200N-50E) the NUL grade and thickness was considerably more than the AOL reported interval. At 6 sites the AOL grade and thickness is greater than the NUL twin-hole data. The correlation between the two datasets is poor (R2 of 0.32) and overall, the NUL grade x thickness (GxT) expressed as ppm-metres, are slightly lower than the AOL data. The mean GT for the AOL data is 1316 versus 1106 for the NUL data, a 15% difference.

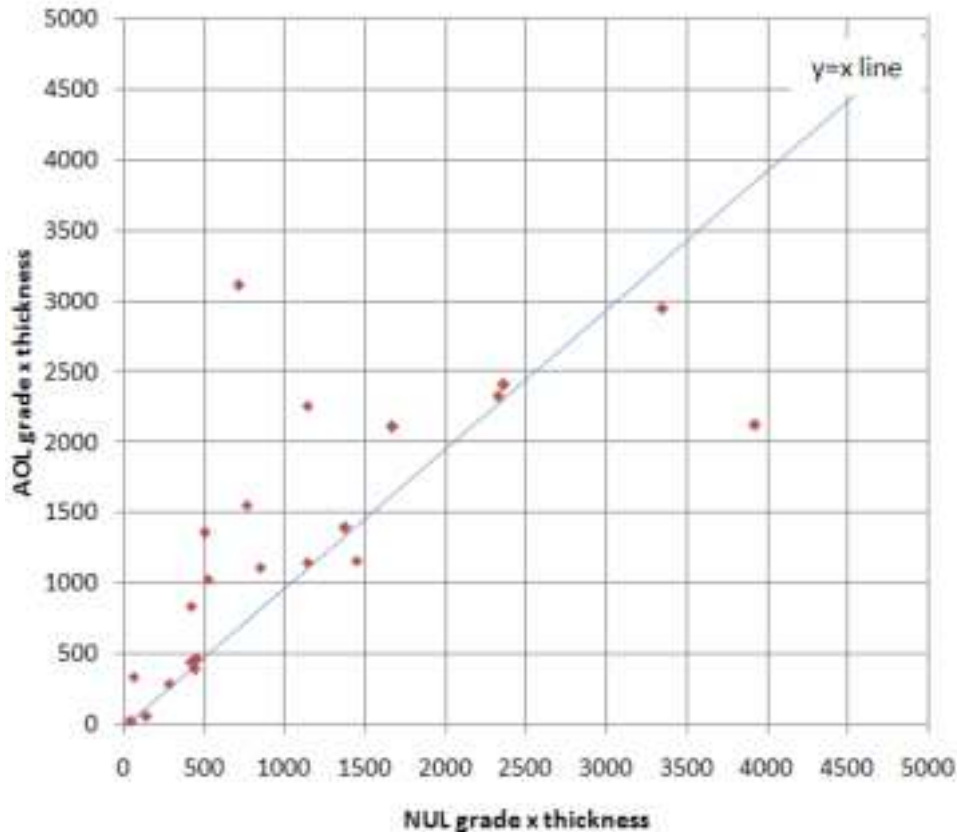


Figure 10-6. A comparison of grade x thickness (ppm-metres) for NUL intersections and AOL intersections for twin-holes

The cause of the variation was suspected to be a result of 'nugget effect' which is common in uranium deposits, especially those where mineralisation is largely controlled by the presence of organic material which can be variable on a small-scale. In addition, facies variability on a medium to small scale is suspected to play a role. Lacustrine depositional environments are typified by localised development of pools, vegetated areas, channelised areas and bars. To test this, a second NUL hole was drilled at three of the other sites where the first NUL twin hole gave lower grade-thicknesses than expected; 12650N-250W, 13500N-100E and 10600N-50W. In each case these holes were drilled 2 metres to the west of the first NUL borehole.

An example of geological variability is provided by the comparison between data for boreholes at 14900N-50E. The original AOL borehole reported 4.63 m @ 301 ppm U<sub>3</sub>O<sub>8</sub> but the first NUL twin hole drilled only 2 metres away returned 1.90 metres at 93 ppm U<sub>3</sub>O<sub>8</sub>. To investigate this further, a second NUL hole was drilled at the same site and gave an intersection of 3.04 metres @ 453 ppm U<sub>3</sub>O<sub>8</sub> (i.e., better than the AOL intersection). This is illustrated in Figure 10-7. It is evident that the red sand is much thicker in the 14900N-50E-A borehole. A silty layer is present at the base of the red-sand suggestive of a fluvial event, presumably sufficiently erosive to have removed the main mineralised peak, and then subsequently filled in by red-sand. Only the 'lower marker' peak is present in this hole. The absence of significant mineralisation in 14900N-50E is effectively explained by these observations so the 14900N-50E -B hole data was used in the GxT comparisons.

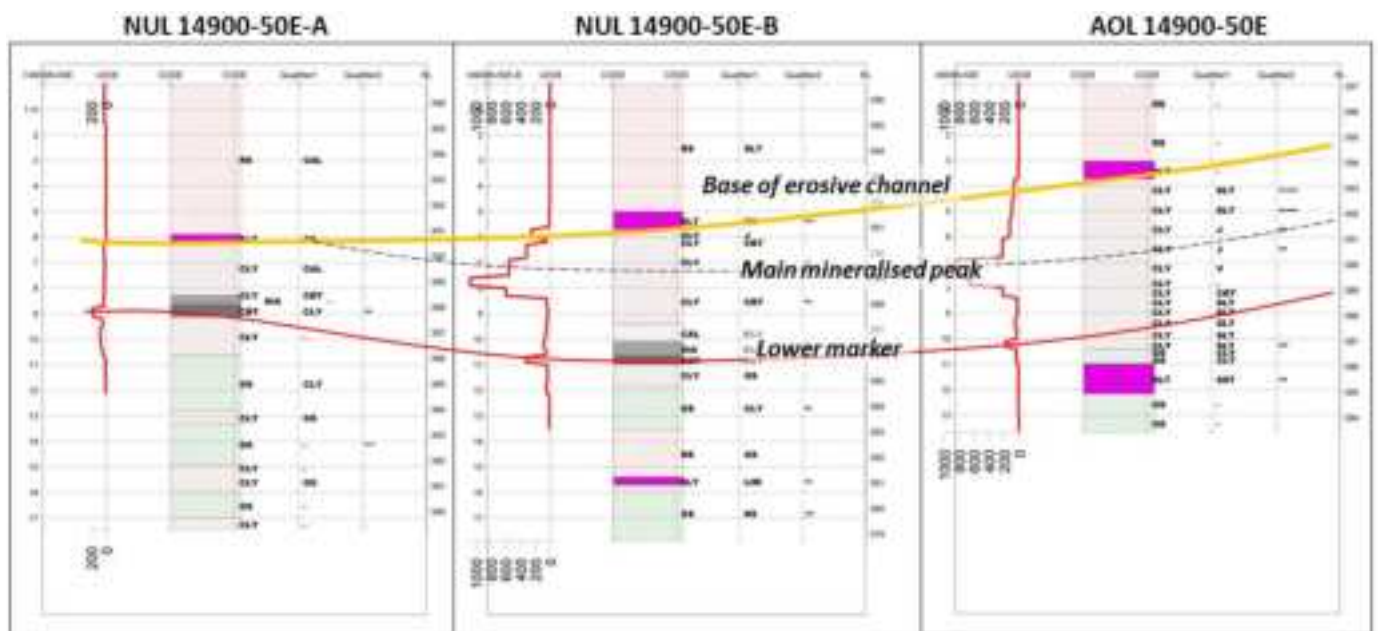


Figure 10-7. Strip-log comparison of geology and grade in AOL and NUL boreholes at 14900N-50E

The re-drilled validation holes were used to update the GxT comparisons which is shown in Figure 10-8 and summarised in Table 9. The Competent Person considers the results to have sufficiently validated the use of the AOL drilling data and that it can be used for mineral resource estimation.

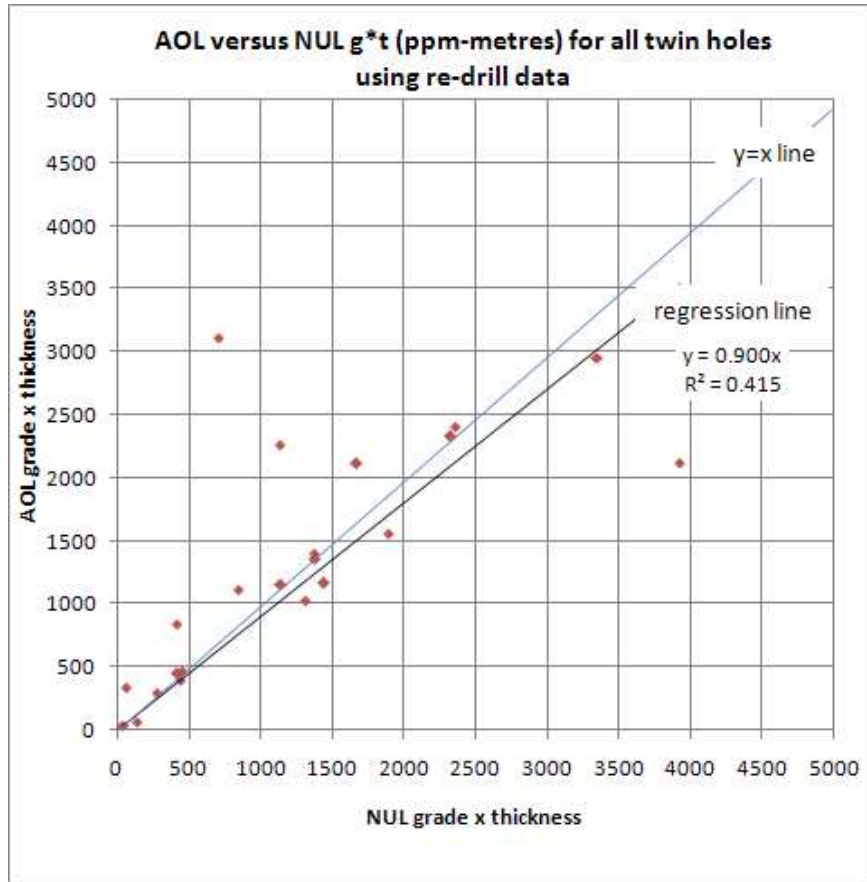


Figure 10-8. Final comparison of AOL grade x thickness (ppm-metres) and NUL twin-hole grade x thickness. The regression line of  $y=0.9x$  supports the reliability of the AOL data.

The correlation is moderate ( $R^2 = 0.42$ ) reflecting the high variability (nugget-effect). However, a regression line can be drawn and all except 3 points fall close to this line. A relationship very close to  $Y = X$  is evident i.e., the NUL data supports the AOL data. The mean and median values for the two data sets are also very similar.

Table 9. Summary statistics for  $G \times T$  product for the AOL and NUL twin holes.

	AOL hole	NUL hole
<b>Mean</b>	1316	1234
<b>Median</b>	1158	1141
<b>Variance</b>	872970	1086983
<b>Maximum</b>	3115	3926
<b>Standard Deviation</b>	934	1043
<b>Kurtosis</b>	-0.91	1.01

# 11. Sample Preparation, Analyses and Security

## 11.1 AOL sampling and analyses

No detailed description of AOLs procedures for sampling, analyses, QAQC or security is available. It is evident when reviewing the AOL logs, cross-sections and maps that their work was of a high standard. Despite this it was deemed necessary by NUL (and the Competent Person who was leading the work at that time) to carry out a thorough validation of the AOL data by twin hole drilling, as described in 10.3.1.

Samples were taken from surface and collected from the drilled core according to lithological contacts and vary from 0.02m to 1.85 m in length, with a very small number of longer samples in barren zones. For each sample the following was recorded: recovery, colour, lithology, moisture content (Figure 11-1).

Figure 11-1. Example of AOL sample and geological log sheets.

AOL determined early in the exploration work that radiometric disequilibrium is very high. A suite of 21 samples was tested by the Atomic Energy Board (AEB), which found that the state of equilibrium ranged from 0 - 16. As a result, no reliance could be placed on utilising radiometric methods to estimate grades and therefore all drillhole samples were analysed using XRF.



## 11.2 NUL sampling

As described in section 10.3.2 NUL holes at Henkries Central were drilled with sonic drilling. Following each run (3.05 or 6.10 metres depending on the ground conditions) the core (104 millimetre diameter) was vibrated out of the barrel into a plastic sleeve bag. The bag was then twisted around the core to maintain rigidity and avoid loose pieces falling to the bottom of the bag. Core compaction and very minor loss did occur but rarely exceeds 10%. Where recovery did fall below 90% within critical formations, a second hole was drilled to obtain a sample with over 90% recovery. The geologist at the rig recorded recovery, weight, moisture, general geology and an indication of grade using a scintillometer. Core was then carefully packed into wooden trays and the depth to the top and bottom of each run marked on the plastic sleeve. The core was kept horizontal at all times to avoid movement of loose material. Figure 11-2 shows core from Henkries Central.



*Figure 11-2. Sonic Core from Henkries Central. Clay with calcrete nodules with gradational contact over grey-black carbonaceous earth.*

All samples sent to the laboratory were half-core. While still wet, core was split in half using a knife. No more than 50cm of core was cut at a time before the blade was cleaned to avoid contamination. Shorter intervals are cut in important grade bearing lithologies to avoid contamination. Care was taken again to not move core around unnecessarily. NUL geologists captured a detailed geological log on wet/moist cut core. A primary lithology and two qualifiers were recorded; using the same names/lithotypes as AOL.

Due to the soft and porous nature of the material, some compression does occur during drilling. For example a core run that should be exactly 3.05 metres in length may measure 2.80 metres in length. Observation of the unbroken nature and continuity of the lithologies in the core indicates that this shortening does not result from loss of material but is caused by compression of the material and expulsion of air or water from pore spaces rather than a recovery issue. When marking the depth to contacts and sample intervals, the depths were corrected slightly to take into account the compression where it occurred. In all cases, NUL was confident that an accuracy of 0.2 metres (+/- 10 centimetres) was maintained.

In places, a layer of fines formed a skin around the core up to 5 millimetres thick. An example of this is shown in Figure 11-3. This potential source of contamination results from the movement of fines in water which then settle out on the surface of the core. To remove the possibility of contamination, this 'skin' was removed carefully with a knife and the material discarded.



*Figure 11-3. An example of the 'skin' of fines on the surface of the sonic core. The totally undisturbed nature of the core material (carbonaceous earth) is evident*

Sample lengths were chosen based on lithological contacts. Sample lengths range from 0.05 to 0.8 metres in length (up to 4 kilograms). Samples were stored inside the NUL core shed at all times. Batches were kept to a maximum of 100 samples. Ten individual samples are packed together in a labelled poly-weave bag which is cable tie sealed to avoid tampering and sent via DHL to SGS in Johannesburg. 1900 samples from Henkries North were bagged and QAQC samples inserted ready for dispatch in 2009 by NUL but were not sent to the laboratory.



*Figure 11-4. Niger Uranium's core-shed at the Henkries site. Core in the foreground is drying and workers in the background are sampling the core.*

### 11.2.1 Analyses of NUL samples

All analyses were carried out at SGS South Africa (Pty) Ltd (SGS) in Johannesburg. Samples were weighed then dried, split. Analysis was by X-Ray Fluorescence (XRF). SGS is a global laboratory and has ISO accreditation for XRF analyses.

### 11.2.2 Quality Assurance and Quality Control (QAQC)

NUL implemented industry best-practice QAQC procedures involving the insertion of blanks, certified reference material (CRM) and field duplicates ('other' half of the core) in every batch. These samples comprised 20% of the total number of samples i.e., 1 in every 5 samples was a QAQC sample of one of the aforementioned types. CRMs were all uranium CRMs produced and certified by African Mineral Standards (AMIS). Four CRMs were selected to reflect low to high grades. QAQC data was assessed as each batch was reported by the laboratory and a QAQC report prepared.



Figure 11-5 and Figure 11-6 provide a summary chart of all CRMs inserted into NUL's Henkries Central and Henkries North samples. Blanks are not plotted as all returned 0 ppm U3O8. It is apparent that the small number of outlying data points are mostly sample swaps i.e., instead of AMIS086 the CRM AMIS097 was inserted and visa versa. Figure 11-7 shows the field duplicate data for Henkries Central and Henkries North which shows an acceptable level of variance between duplicate pairs. Overall the author finds the QAQC for Henkries Central and Henkries North to be acceptable and that the laboratory U3O8 data may be used unreservedly for Mineral Resource Estimation. The data for NUL's verification holes is included in this QAQC data which supports NUL's data validating AOL's data for Henkries Central as described in section 10.6.

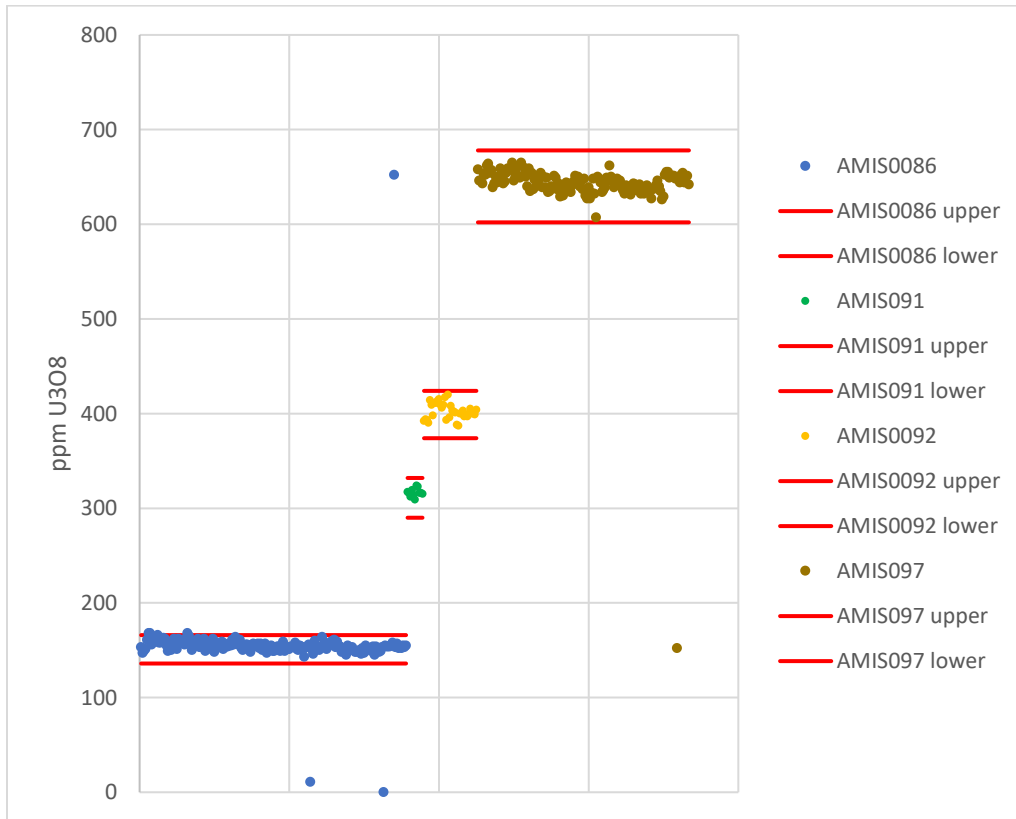


Figure 11-5. Plot of all CRMs inserted into NUL's batches for Henkries Central

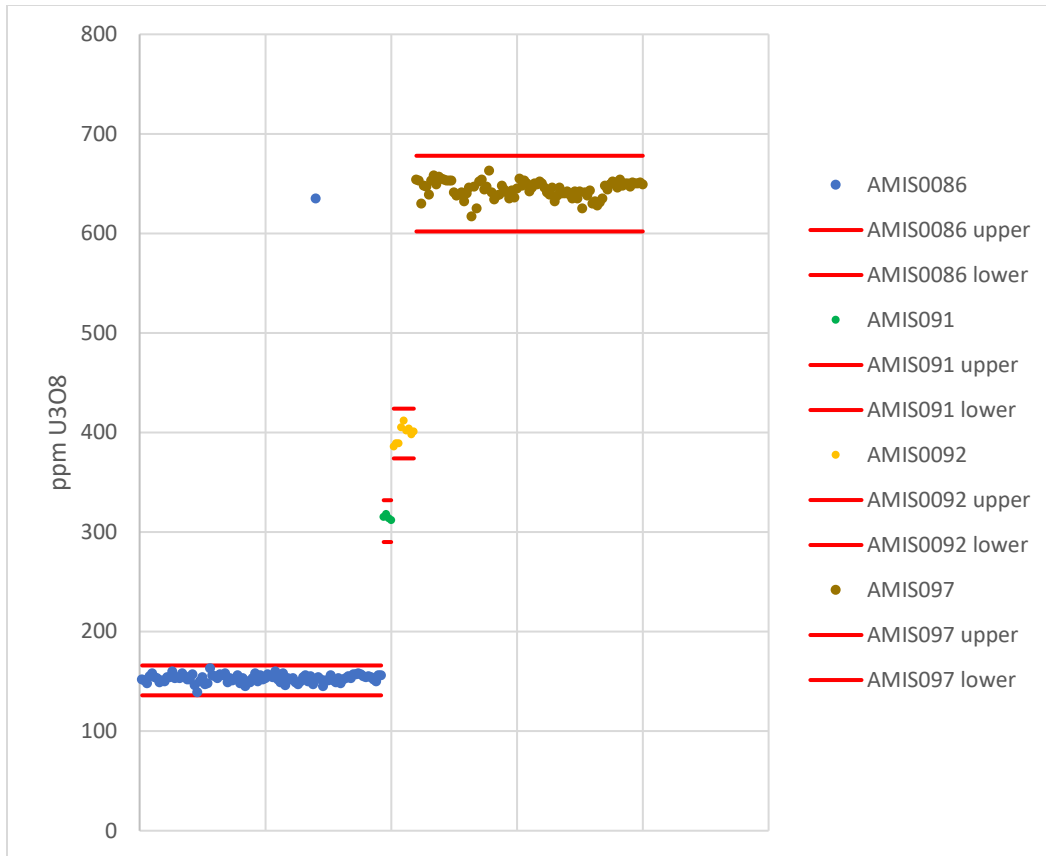


Figure 11-6. Plot of all CRMs inserted into NUL's batches for Henkries North

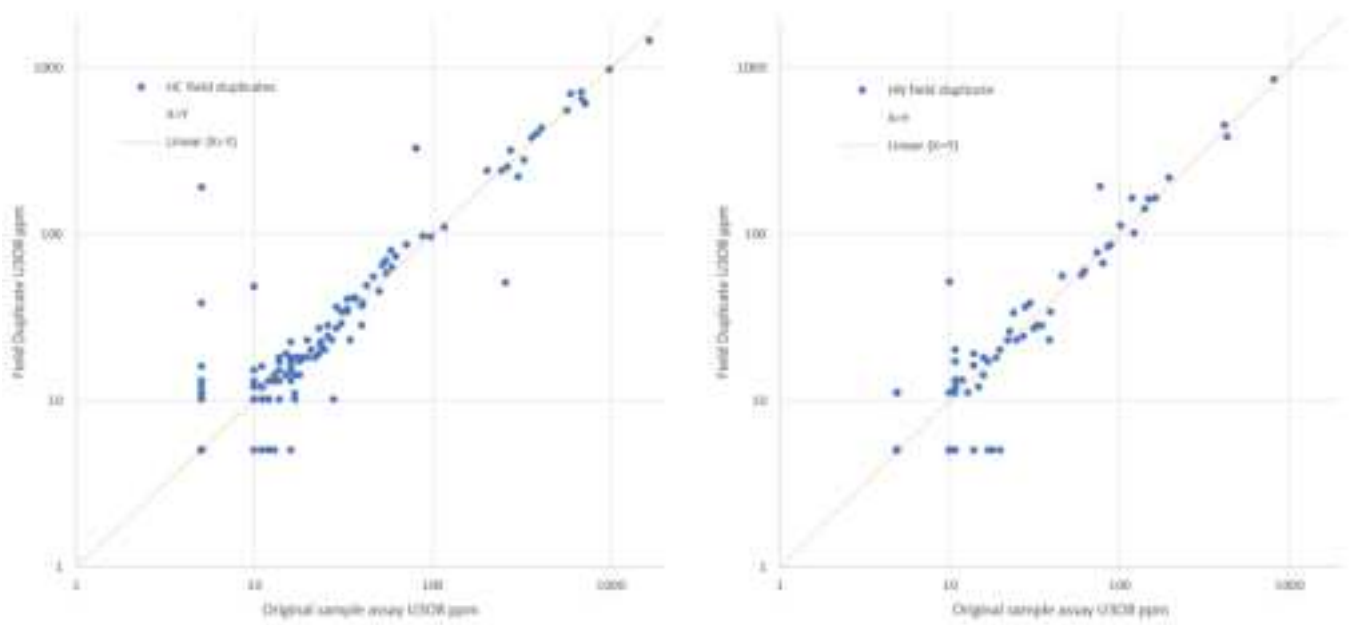


Figure 11-7. Plot of field duplicates for Henkries Central and Henkries North. Logarithmic scale.

### 11.2.3 Use of portable XRF data for Henkries North

Some of the pods at Henkries North have uranium data for drill-holes mostly collected with a portable XRF device. These are the holes that were drilled by air-core, as shown on Figure 6-5. Work by NUL supports the accuracy of the method. Part of the reason for the effectiveness of the pXRF is the very fine nature of the uranium and the thorough preparation methods used by NUL for samples analysed using the pXRF – core was cone-and-quartered then pulverised using a mortar and pestle to obtain a homogenous sample.

The Competent Person does not find it appropriate to rely on pXRF uranium data for Mineral Resource Estimation as there is insufficient quality control data for it, and for material with under approximately 80 ppm U<sub>308</sub> it has significant inaccuracy. The Competent Person is satisfied that the pods HN\_2, HN\_3 and HN\_6 have sufficient laboratory analytical data that an MRE could be completed for these pods.

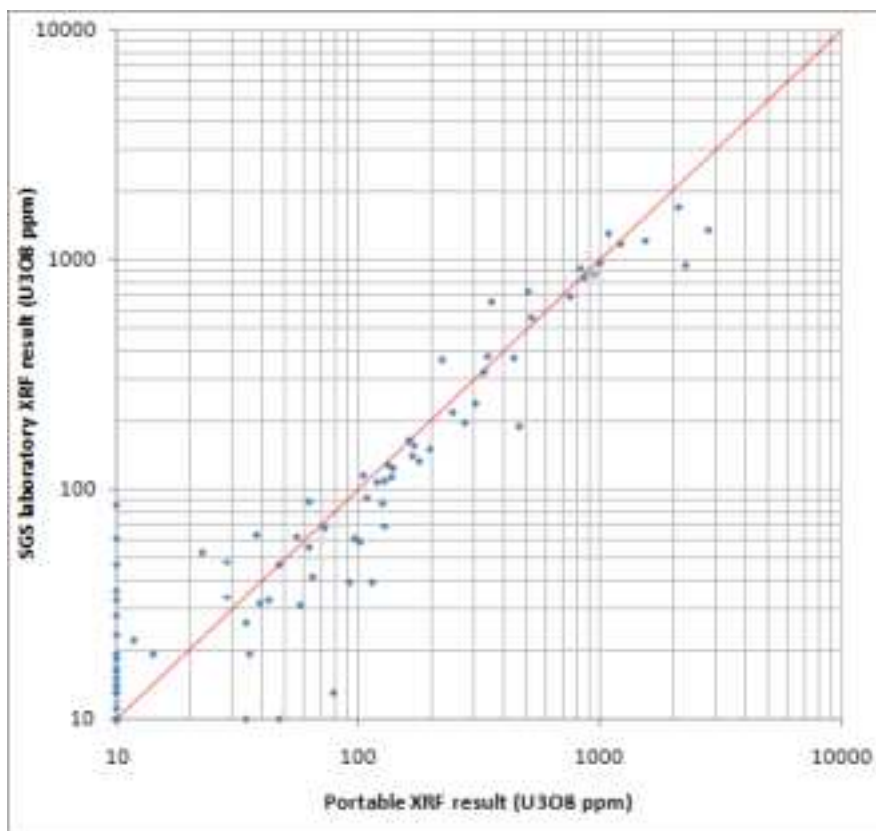


Figure 11-8. Chart showing comparison of uranium analyses by laboratory XRF versus by portable XRF

#### 11.2.4 Significant Intersections

Figure 7-7, Figure 7-9 and Figure 7-10 provide examples of typical intersections at Henkries Central and Henkries North.

## 12. Data Verification

In 2009 the Competent Person was Exploration Manager for NUL and as part of this role established and monitored the drilling and sampling procedures and assessed the QAQC. No material problems with the NUL data collection were noted. The sonic and air-core drilling methods provided NUL with core of high quality and recovery to allow a thorough understanding of the geology and lithology to be gained and provide samples with effectively 100% recovery for laboratory analysis. QAQC results were found to be acceptable by the Competent Person at that time.

The bulk of the data for Henkries Central was collected by AOL but there is no record of their QAQC program. It was considered important to complete a thorough exercise of validating the AOL data so that it could be used with sufficient confidence for Mineral Resource Estimation. As part of the program the Competent Person designed and interpreted the data validation work described in section 10.6 which supports the reliability of the data in terms of position, geology and uranium grade. Having been involved with this program the Competent Person is satisfied that the AOL data for Henkries Central is sufficiently reliable for use in Mineral Resource Estimation. Further historical validation of the AOL drilling data is provided by the results of the AOL pits. The Competent Person made a comparison of the drilling versus pit grades at the same location and found the pit data to be supportive of the drilling data.

At the Henkries North, the author was involved with establishing and monitoring the quality of the drilling, sampling, analyses and QAQC and is satisfied that for the Inferred classification of the MRE assigned that the data may be used without validation. At Henkries North many of intersections were determined using a portable XRF (pXRF) machine. While this has shown to provide accuracy above approximately 80 ppm U3O8 (Section X), the Competent Person does not consider this sufficiently reliable to rely on this data, due to the absence of QAQC and calibration records and uncertain operating procedures. In the Competent Persons opinion, only zones HN\_2, HN\_3 and HN\_6 have sufficient laboratory U3O8 data to support an MRE. The holes in the other zones should be sampled and analysed at the laboratory. The Competent Person recommends that some of the collar positions at Henkries North are checked as there is no record of the survey detail; this was considered when classifying the Henkries North MRE.

## 13. Mineral Processing and Metallurgical Testing

### 13.1 Introduction

A large amount of test work was carried out as part of AAC's 1979 feasibility study. The scoping tests were carried out by the Anglo American Research Laboratory (AARL) and some pilot plant work at Mintek. A summary of the findings is provided in volume I and II of the feasibility study (AAC, 1979). South African process consultants Banonamix provided Minsearch with a review of the AARL and Mintek work (Banonamix, 2022) which was used as a basis for the following text. The test work determined that an alkaline leach was not suitable for this ore type, but an acid leach and RIP may achieved 85% recovery with reasonable levels of reagent consumption, notably the acid consumption. Since 1979, gains have been made in optimisation of uranium leaching, the recovery and purification of dissolved U as well as the technology and equipment required for uranium processing; these gains along with some additional considerations and test work may support further improvement of the uranium recovery.

Note: the use of the word 'ore' in the text refers the historical usage of the word by AAC, it does not imply that current Mineral Reserves have been estimated.

### 13.2 Bulk samples for the test work

Mineralogical examination of various ore types commenced May 1976 then following pitting and collection of bulk samples test work was carried out at AARL from July 1976. Initially tests were on the following 'ore types'

- low-grade carbonaceous earth (LGCO)
- high-grade carbonaceous ore (HGCO)
- low-grade diatomaceous earth (LGDE)
- medium-grade diatomaceous earth (MGDE)
- high-grade diatomaceous earth (HGDE)

### 13.3 Bench-scale testing

#### 13.3.1 Alkaline Leaching

Effort was initially focussed on alkaline leaching. Although acceptable leach efficiencies were obtained from the LGCO, HGCO and LGDE samples the HGDE leach efficiency was low. 50-60 kg/t  $\text{Na}_2\text{CO}_3$  addition was required at 30°C for 6 hrs in order to obtain +80% leach efficiency from the low-grade carbonaceous ores (LGCO). Pilot plant work at NIM (National Institute of Metallurgy, now MINTEK) achieved 90% leach efficiency on LGCO and HGCO samples with a reagent addition of 76 kg/t  $\text{Na}_2\text{CO}_3$  at 50°C but were much lower for diatomaceous earth ore types. Alkaline leaching test work was stopped, and attention shifted to acid leaching.

### 13.3.2 Acid Leaching

Relatively high leach efficiencies, on average 84%, were obtained at an average solids content of 27% solids, with a reasonable acid consumption of 19 kg/t. These results were obtained on the various HG and LG carbonaceous and diatomaceous earth samples (Table 10).

Table 10. Results of acid leach tests of various Henkries lithologies (AAC, 1979)

Ore type	Pulp solids, %	Reagent addition, kg/t		Pregnant solution composition, g/L				H <sub>2</sub> SO <sub>4</sub> consumption, kg/t	Head grade, g/t	U <sub>3</sub> O <sub>8</sub> extraction efficiency, %
		H <sub>2</sub> SO <sub>4</sub>	Fe <sup>3+</sup>	H <sub>2</sub> SO <sub>4</sub>	Fe <sup>3+</sup>	Cl	U <sub>3</sub> O <sub>8</sub> , mg/L			
HG diatomaceous	26	31.7	5	1.33	0.38	4.0	450	28	1809	83
HG diatomaceous	25	54.1	5	10.0	1.7	2.2	200	22	621	84
Green sands	27	9.4	5	2.4	1.7	0.05	150	3	406	94
HG carbonaceous	25	12.8	5	1.9	0.84	5.5	280	7	1047	79
LG carbonaceous	27	32.8	5	5.3	1.9	0.68	110	17	400	81
LG carbonaceous	28	33.1	0	4.9	0.38	0.73	115	21	400	78
LG carbonaceous <sup>1</sup>	28	33.1	0	5.4	0.52	0.69	114	19	400	79
Average	27	29.1				1.8		19		84

### 13.3.3 Solid/Liquid Separation

Effective flocculation is important if reagent recycle is required, to minimise the operating costs, slimes dam requirements, and maximise water recovery and recycling. However, the AARL test work showed that solid/liquid (S/L) separation after leaching was problematic as the pulp was thixotropic. Various approaches were tried to improve this, including:

- Calcining the ore, which improved the S/L separation somewhat, but would be a major cost
- Acid pugging was unsuccessful to improve S/L separation issues
- Flocculation: Limited flocculation test work was carried out on 5% solids in the feed. Various highly anionic flocculants were effective to achieve 25% settled solids content. With Superfloc N100, a non-ionic flocculant, at an addition rate of 100-150 g/t, relative densities of 1.3 or 30% solids was achieved by AARL.

### 13.3.4 Ion exchange recovery of uranium from pulp

Due to the problems with S/L separation it was decided to evaluate ion exchange (IX) resins for the recovery of uranium directly from the pulp. At that time a 'heavy' resin, Senbrix, was produced in South Africa and was used to evaluate resin contact with the pulp in a continuous counter-current fluidised bed column. Standard strong base anion exchangers were also evaluated.

Resin-in-pulp (RIP) test were carried out on a pulp containing 28.4% solids using the Dow 21K coarse bead uranium resin, which was used at the Rössing Uranium Mine in Namibia at the time. Residual acid content of the leach was 4.7 g/L, a pH value of approximately 1.5. This was considered a sufficiently low acid content that would prevent it from lowering the U<sub>3</sub>O<sub>8</sub> loading capacity on the resin. The U<sub>3</sub>O<sub>8</sub> content in the leach liquor was 171.3 mg/L. Table 11 shows the resin loading capacities achieved with different solution volumes and resin volumes using a solids content 28.4% and at 1.7 g/L Cl in the liquor.

Table 11. Resin loading capacities in various acid leach tests (Vol. II, p 54) (solids content 28.4%; 1.7 g/L Cl)

Test no.	Solution vol, L	Resin volume used, mL	Final U <sub>3</sub> O <sub>8</sub> conc., mg/L	Final Cl conc, g/L	U <sub>3</sub> O <sub>8</sub> loading, g/L	Cl loading, g/L
A	0.90	30	20.3	1.5	4.5	8.1
B	1.20	20	41.0	1.5	7.8	12.6
C1	1.13	10	75.3	1.7	10.8	4.5
C2	1.13	10	75.3	1.6	10.8	13.5
D	0.81	5	87.5	1.7	13.6	11.4
E1	1.06	5	99.3	1.6	15.3	25.4
E2	1.06	5	105	1.7	14.0	12.7
F	1.69	5	120	1.6	17.4	37.3
G	3.53	5	145	1.6	18.6	91.7

These results were plotted on an equilibrium adsorption profile in comparison with results achieved with a more modern conventional strong base anion (SBA) resin in order to get an idea of the negative impact of the Cl concentration on the uranium loading capacity. At 1.5-2 g/L Cl in the leach liquor the depression of the uranium loading would be expected to be minor. Test work results reported for 15.3% solids, 0.74 g/L Cl, and pH 1.8 were also plotted in Figure 13-1, and these results corresponded well with the behaviour expected i.e. that increase Cl reduces the resin loading. The uranium loading results obtained during the test work at 28.4% solids is also provided but the resin loading was unexpectedly low, which might have been due to poor resin agitation/mixing in the viscous pulp (Bananamix, 2022).

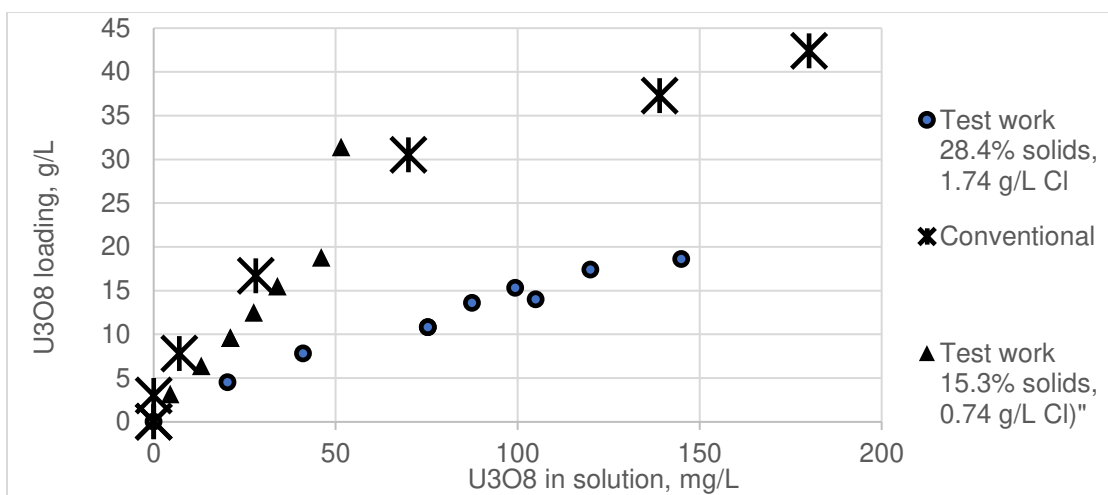


Figure 13-1. Equilibrium isotherm as determined during the test work vs conventional SBA resin (without Cl present)

The resins tested during the Henkries feasibility study were primarily Type 1 SBA (strong base anion) resins. Due to the impact of Cl on the performance of this resin type, a Type 2 SBA resin was also tested. From these results it might have been deduced that a Type 2 SBA resin would be selected for uranium adsorption when there are chlorides present in the leach liquor. However, uranium stripping from this resin type is highly inefficient, and hence has not been implemented commercially.

## 13.4 Pilot plant test work

The results given above were bench-scale tests and informed the pilot plant test-work that AARL carried out in 1978 and 1979. An alkaline pilot plant was tested but results were discouraging. Carbonaceous ore type achieved an average  $U_3O_8$  extraction of 75% during pilot plant campaign over 3.5 months. Focus was then on acid leaching as described below.

### 13.4.1 Acid leaching pilot work

For this campaign a 7-stage air-agitated RIP pilot plant was constructed and installed. The Dowex 21K conventional SBA resin and a blended feed were used, although the plant was commissioned on diatomaceous ore. Leach extraction was satisfactory at 80% with 50 kg/t  $H_2SO_4$  addition.

### 13.4.2 Ore blend

An ore blend ratio representing that of the deposit was used. The average grade was 488 g/t  $U_3O_8$ . At the start of the campaign, a cut-off grade of 100 g/t was targeted, but then a higher cut-off grade of 225 g/t was also tested (Table 12).

Table 12. Blending of lithotypes for pilot plant feed

Avg grade $U_3O_8$	387 ppm		628 ppm	
Cut-off grade $U_3O_8$	100 ppm		225 ppm	
	Drums	Dry mass %	Drums	Dry mass %
Carbonaceous	3	70	2.25	54
Diatomaceous	0.5	10	1.25	25
Sand	0.5	20	0.5	21

### 13.4.3 Leaching

A total of 201 batch leach tests were completed giving an average uranium recovery of 83%. Only acid addition, the sample blend, and the head grade seemed to have a marked effect on the overall performance of the leach. A critical component of leaching was that although 0.3 g/L  $Fe^{3+}$  and 0.03 g/L  $Fe^{2+}$  were added to the leach for oxidation of any  $U^{4+}$  to  $U^{6+}$ , no ferric was consumed. This indicated that there was no oxidation of uranium required, so all the uranium leached were present in the  $U^{6+}$  oxidation state.

Leach residence time was 6 hrs. Average gangue acid consumption (GAC) for all samples was 35.5 kg/t. Most leaches were done at a residual acid concentration of about 5 g/L, so at a 25% solids content in the leach, the total acid consumption was 50.5 kg/t. Leach acid consumption and uranium extraction efficiencies for the duration of the pilot plant are given in Table 13.



Table 13. Summary of pilot plant leach campaign (AOL 1979)

1978 Week starting date	Head grade U <sub>3</sub> O <sub>8</sub> , g/t	Leach residue U <sub>3</sub> O <sub>8</sub> , g/t	Extraction %	Washed sands, U <sub>3</sub> O <sub>8</sub> , g/t	H <sub>2</sub> SO <sub>4</sub> addition, kg/t	Residual H <sub>2</sub> SO <sub>4</sub> , g/L
18/9 <sup>1</sup>	948	222	77	205	50	1.1
25/9	774	116	85	56	50	6.0
2/10	582	76	87	54	50	7.6
9/10	368	41	89	24	50	7.4
16/10	369	55	85	27	50	6.2
23/10	379	61	84	25	50	6.4
30/10	583	92	84	42	50	5.9
6/11	344	71	79	34	40	4.5
13/11	539	76	86	34	40	4.5
20/11	426	90	79	46	40	4.6
27/11	407	82	80	44	40	3.1
4/12	449	87	81	57	60	4.6
11/12	539	76	86	59	60	4.7
	516	88	83	54		5.1

1 – diatomaceous earth alone

It was proposed that sands be screened out prior to the RIP circuit, as only the fines associated with the sands primarily contains the 'recoverable' uranium, and this may be recovered by attrition scrubbing with the fines going to the leach, and the barren sand being rejected to the tails. This approach was included in AAC's final full-scale plant flowsheet.

- The benefits of removing the sand prior to leaching were identified as follows:
- Size classification equipment does not need to be acid proofed
- Soluble loss of uranium associated with sands is minimised if attrition scrubbing is included in flowsheet
- The waste material is primarily siliceous

#### 13.4.4 Uranium IX recovery

The pilot plant consisted of 7 adsorption stage, with 6 in actual operation and the 7<sup>th</sup> stage offline for the removal of the resin for elution. The performance of the RIL circuit for the duration of the pilot plant is given in Table 14.

Table 14. Pilot plant RIL circuit performance

1978 Week starting date	Feed U <sub>3</sub> O <sub>8</sub> , mg/L	Barren U <sub>3</sub> O <sub>8</sub> , 12mg/L	RIP Extraction, %	Chloride, g/L	pH	Loaded resin U <sub>3</sub> O <sub>8</sub> , g/L	Eluted resin U <sub>3</sub> O <sub>8</sub> , g/L
----------------------------------	---	---	-------------------------	------------------	----	--	---

18/9	167	12	93	2.8	2.0	13.6	4.3
25/9	182	21	89	2.2	1.4	12.9	4.0
2/10	144	20	86	1.7	1.8	9.4	3.0
9/10	94	24	75	1.1	1.7	10.8	4.0
16/10	88	17	84	1.2	1.5	11.1	3.3
23/10	101	15	85	1.3	1.5	10.4	3.2
30/10	127	13	90	0.8	1.5	13.0	1.3
6/11 <sup>1</sup>	115	11	90	0.9	1.3	18.7	0.5
13/11	144	5.6	96	1.0	1.5	19.5	0.9
20/11	101	5.4	95	1.5	1.4	13.4	0.4
27/11	107	4.3	96	2.1	1.6	9.6	0.7
4/12	134	6.6	95	1.9	1.5	13.2	1.1
11/12	138	7.8	94	1.0	1.6	16.5	1.4

1 – introduction of NO<sub>3</sub> elution; from 6/11 the elution was done at 40°C

The leach efficiency then improved to 85% with 50 kg/t acid addition, but an issue of recycling poorly stripped resin and concomitant high barren concentrations remained. Using this eluant mixture of a 0.4 M HNO<sub>3</sub> and 0.6M NH<sub>4</sub>NO<sub>3</sub>, the residual U<sub>3</sub>O<sub>8</sub> concentration on the eluted resin was improved to <1g/l, and the loading of the resin improved to 15-20 g/L U<sub>3</sub>O<sub>8</sub> at a feed content of 90-110 mg/L.

HNO<sub>3</sub> consumption was 2 kg/t of ore: 0.48 kg/t to the resin loading NO<sub>3</sub><sup>-</sup>, 0.71 kg/t to dilution (might be reduced by careful design), and 0.85 kg/t to the Ammonium diuranate (NH<sub>4</sub>)<sub>2</sub>U<sub>2</sub>O<sub>7</sub> (ADU) precipitation circuit.

#### 13.4.5 ADU precipitation

ADU was precipitated directly from the eluate. A 2-stage precipitation was done. The pH was raised from about 1 to 3.5 using lime or limestone, with little difference in the behaviour. This was filtered out. About 12.9% of the U<sub>3</sub>O<sub>8</sub> in the eluate reported to the gypsum precipitation cake, and this would be recycled to the leach. Lime consumption was 7.8 kg/m<sup>3</sup> of eluate. Then ammonia was added to a pH of 7.2, and the ADU was filtered out.

#### 13.4.6 Overall pilot plant performance

The overall acid-leaching pilot plant performance over a period of 3 months can be summarised as follows under optimised conditions:

- Leach U<sub>3</sub>O<sub>8</sub> average recovery of 85%
- Head grade of 628 g/t U<sub>3</sub>O<sub>8</sub> for the blended ore
- 25% solids content in the leach
- 60 kg/t of H<sub>2</sub>SO<sub>4</sub> addition
- Screening out of oversized material
- RIP to recovery the leached uranium

- Recovery of  $U_3O_8$  in the RIL circuit with eluted resin containing  $< 1\text{g/L } U_3O_8$  was 95%, with the tails containing  $6\text{ mg/L } U_3O_8$
- The average resin loading using a large bead SBA resin was  $14\text{ g/L } U_3O_8$
- Elution of the loaded resin with  $HNO_3/NH_4NO_3$  produced an eluate containing  $2.4\text{ g/L } U_3O_8$
- Eluate was subjected to a 2-stage precipitation; lime was used for neutralisation up to a pH of 3.2, and after solid/liquid separation, the liquor was further treated with ammonia to a pH of 7.5.
- The ADU/yellow cake produced was 87.5% pure, with gypsum and silica the major impurities

### 13.5 Flowsheet

The following flowsheet is envisaged, based on a modern interpretation of the historical test work by Banonamix, (Banonamix, 2022) relying on acid leaching and Resin-In-Leach.

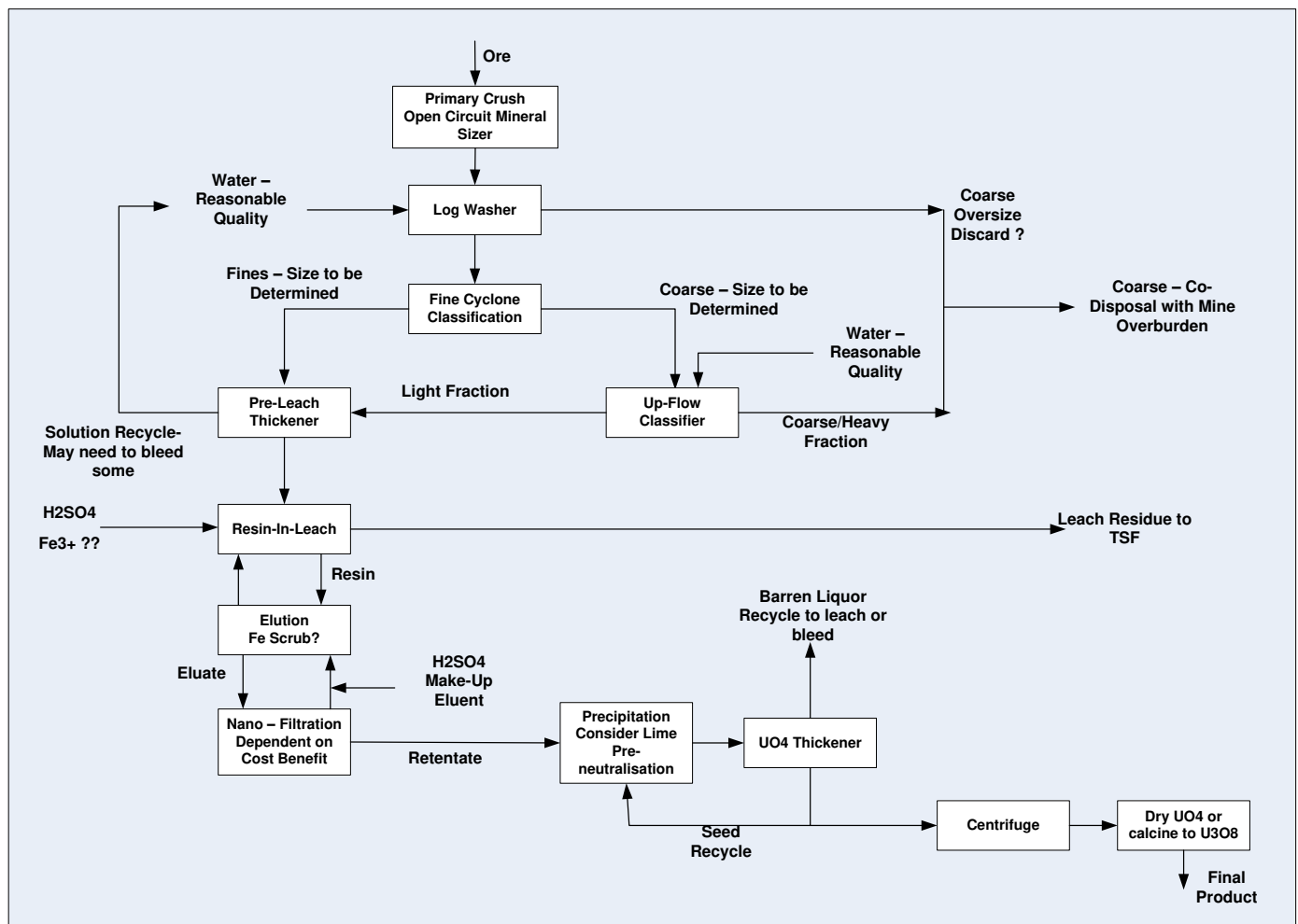


Figure 13-2. Process Flow-sheet that is most likely based on a review by Banonamix of work by AOL

## 13.6 Comments relating to processing and opportunities

The final acid concentration is the primary driver of the leach efficiency, and hence if a higher solids content can be achieved in the leach, the acid consumption may be further improved.

The chloride content of an ore will be critical for selection of the most efficient ion exchange resin (IXR). Cl content also has an important bearing on the construction material selection for the plant. Hence, it will be important to evaluate the Cl content of the ore blends according to the mining plan and to include any considerations of water recycling.

The gangue acid consumption (GAC) is critical if an acid leach process is adopted. The GAC varied significantly depending primarily on the calcrete content of the ore. It will be important to develop a mining plan with a stable acid demand, which will require thorough understanding of calcrete distribution to inform effective blending.

There are potential benefits of upgrading ore by beneficiation based on a knowledge of uranium deportment. Two possibilities exist i.e., beneficiation by sizing of attritioned pulp and further recovery by gravimetric means on the reject (coarser) fraction. The latter would maximise recovery of uranium associated with carbonaceous matter.

An issue with the carbonaceous ores is that relatively high leach pH's can give rise to the possibility of re-adsorption of leached uranium onto the natural carbon, termed 'preg-robbing'. It is recommended that the concept of resin-in-leach (RIL) processing be investigated as an integral part of the Scoping programme.

In an IX system it will be important to minimise the mass flow of acidic eluate routed to downstream uranium precipitation since. The latter unit operation will consume acid and, equally importantly, will require alkali addition for neutralisation. Hence maximisation of the eluate uranium tenor (minimising the eluate flowrate) will reduce acid and caustic soda consumption. This can be achieved by optimising the elution process itself and, if necessary, by interposing Nanofiltration between the IX and precipitation unit operations, or alternatively use the CleanTeQ scrubbing and elution column, where the U can be built up to similar concentration as achievable in NF, whilst minimising any potential issues with SiO<sub>2</sub>. This technology will also allow for the production on a cleaner concentrated liquor for uranium precipitation.

## 13.7 Recommendations for future work relating to process

The following is a list of some aspects that should be investigated as part of future test-work and process study.

### *Mineralogy by Ore Type*

Gain further understanding of uranium composition and possible valance state.

Gather data on other minerals and elements present in the ores

Collect data on liberation of uranium before determining the necessity or otherwise for milling the beneficiated product

#### ***Beneficiation by Ore Type***

Derive a base case flowsheet and preliminary mass balance aimed at upgrading the ore ahead of leaching and recovery

#### ***Composite Beneficiation Test***

Derive mass balance data and provide sufficient sample for the Leach/RIL tests

#### ***Acid Leaching Tests***

Establish the leach conditions that maximise uranium recovery and minimise the consumption of sulphuric acid and provide data for evaluating the best recovery mode i.e., RIL, RIP, or S/L separation (more modern techniques may be possible) followed by NIMCIX. Recovery of the RIP/RIL circuit to be evaluated for water recovery.

#### ***Resin Loading and Elution Tests***

Provide an initial comparison of resin types with respect to their loading capacity, selectivity over chloride and iron and adsorption kinetics.

Generate data for an initial determination of the number of adsorption stages, the rate of loading hence resin concentrations and the elution volumetric flows, and a model of uranium stripping, upgrading from the respective vendors.

## 14. Mineral Resource Estimates

### 14.1 Henkries Central MRE

#### 14.1.1 Data used for the MRE

##### ***Drill-hole data***

Asay and geological data was used for a total of 724 AOL holes and 135 NUL holes

Some minor issues were resolved as follows:

Collar elevation for the following holes appeared to be incorrect and were adjusted to the DTM elevations indicated:

12400N-400W collar elevation shifted to 425m

12600N-225W collar elevation shifted to 420m

15050N-00 collar elevation shifted to 395m

And the following edits made:

Was no collar position for 13300N-200E so used position for the NUL twin hole at the same position

Was no collar position for 12450N-50W so calculated collar from the grid and DTM.

**Elevation data**

A digital terrain model (DTM) was available for Henkries Central except for block G and a small part of block A. No DTM was available for Henkries North. For the MRE work DTM's were created from drill-hole collar elevation data.

**Density Data**

AOL measured density on 13,493 samples from Henkries Central on core samples. Density measurements were made by coating samples in paraffin wax then weighting in air and then in water and calculating using the formula:

$$\text{Weight in Air} / (\text{Weight in air} - \text{Weight in Water}) = \text{Bulk Density}$$

Table 15 provides the average dry bulk densities (DBD) of those samples that can be assigned as being of a specific lithology based on them having greater than 50% of that lithology. It is clear that the density of all lithologies is low, particularly Carbonaceous Earth and Diatomaceous Earth which have average densities of 0.84 tonnes/m<sup>3</sup>. The density of Diatomaceous Earth can be as low as 0.6 g/cm<sup>3</sup> if it is pure. Sand has an average density of almost double that of the average for Carbonaceous Earth and Diatomaceous Earth. For the MRE, all density values of less than 0.5 and over 2.5 were removed as they are considered erroneous.

*Table 15. Bulk density data for Henkries Central samples*

Primary lithology	Number of samples with >50% content	Mean DBD (tonnes/m <sup>3</sup> )	Median DBD (tonnes/m <sup>3</sup> )	Minimum DBD	Maxumim DBD	Standard Deviation
Clay	1682	1.17	1.16	0.6	2.02	0.22
Carbonaceous Earth	99	0.84	0.83	0.47	1.46	0.13
Diatomaceous Earth	146	0.84	0.81	0.5	1.49	0.2
Calcrete	50	1.29	1.23	0.9	1.8	0.25
Sand	1622	1.67	1.68	0.84	2.16	0.15
Silt	258	1.37	1.39	0.78	1.89	0.23

That the main host lithologies have low density and the sand/silt-dominated sediments above and below have higher density is evident in Figure 14-1 which shows the mineralised envelope and density for drill-hole samples on a cross-section through Henkries Central. The mineralised envelope closely follows the lower density interval.

For 3832 of the AOL samples there was no density data despite there being lithological data. These samples are largely sand and silt above or below the mineralised layer and it is possible that they were too unconsolidated to carry out density work on. For the MRE a density was estimated for these samples based on the proportions of each logged lithology, using the average densities provided in table X above.

#### 14.1.2 Data validation and import

Collar, assay, density as well as several other downhole interval sample datas were received by Quantify Mine for both the Henkries Central and North deposits separately. These data were received in Microsoft excel or csv table formats.

Upon import of this drilling data to Leapfrog Geo, several automated validation tests were performed by the application. These highlighted a small number of issue which were resolved by either correcting the data directly within the associated input files and re-importing these, or through the selection of corrective actions directly to the generated drillhole file within the application.

The desurvey (data import) processes within most geological modelling and/or estimation software, require at least a single downhole survey value indicating orientation and inclination of the drillholes. Considering that all the drillholes were drilled vertically and that deviation is irrelevant at such shallow drill depths, a survey file with associated orientation for each drillhole listed in the collar files was generated for both Henkries Central and Henkries North.

#### 14.1.3 Creation of Wireframes for the mineralised envelope

Strings were created in Micromine © software by Minsearch on cross-sections 50 or 100 m apart to enclose the mineralised zone (Figure 14-1 and Figure 14-2), closely resembling member b1) as described in 7.4.2. An approximate 100 ppm U3O8 threshold was used to define the contacts of the mineralised envelope. In areas of high grade, an adjacent low-grade sample even if over 100 ppm U3O8 may have been excluded to avoid unnecessary dilution during estimation.

Lithological data was also used to guide the correlation of the mineralised intervals between drill-holes. The greensand of member a) below the mineralised envelope provides a useful framework for the interpretation (Figure 14-1). Density data was helpful as low-density correlates well with the mineralisation. In Figure 14-1 the density data is shown on the left of the drill-hole traces. Lithology is central and U3O8 ppm is shown on the right of the trace. Most of the deposit is comprised of a single layer except for a small area at the north end of the deposit as shown on Figure 14-1, where two minor internal barren lenses are interpreted associated with a discontinuous greensand layer as described in section 7.4.2.

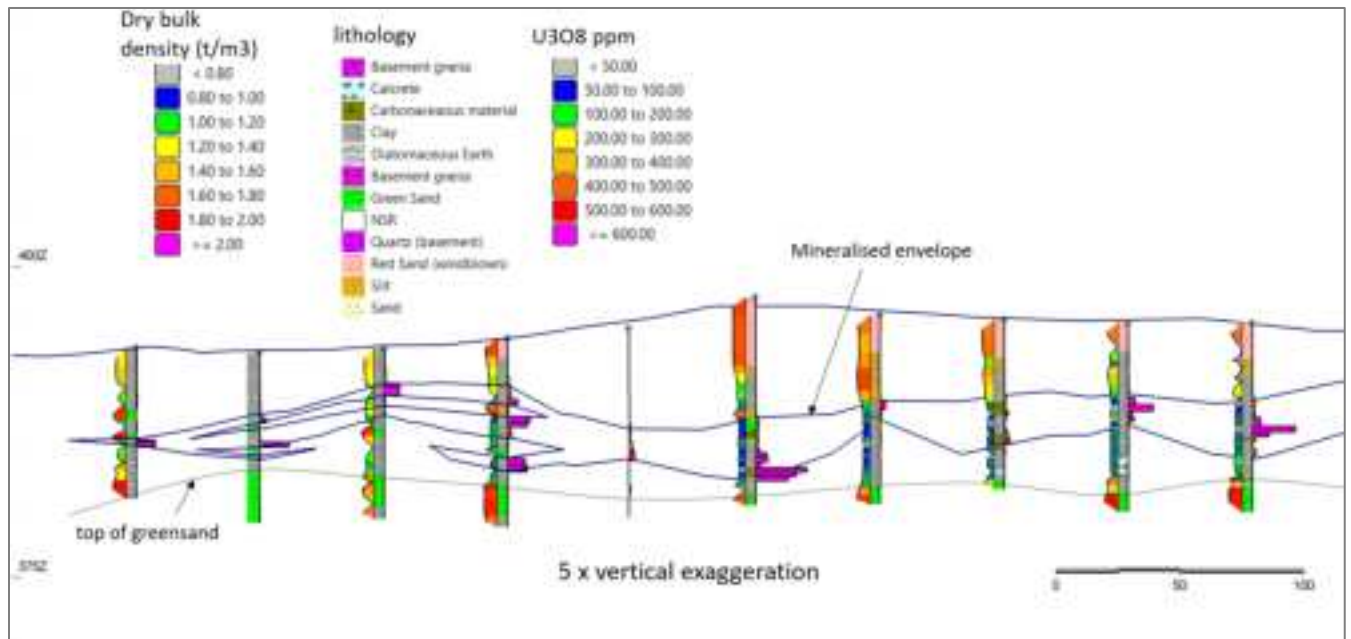


Figure 14-1 Cross-section through Henkries Central showing the mineralised envelope and drilling data used. Density on the left of trace. U3O8 on right.

The strings were imported into Leapfrog Geo by Quantify Mine and used to create a wireframe for the deposit, as illustrated in Figure 14-2. The wireframe was cut by a polyline for the maximum extent of the paleo-drainage.

Unlike the MSA 2009 historical estimate, no sub-domaining by lithology was carried out as it is observed that discrete lithologies are generally difficult to domain spatially; there is a tendency for lithology to grade laterally into another lithology or a mixed lithology, suggesting lateral facies variation. Future estimates may revisit sub-domaining the deposit into lithological domains for MRE work particularly with the benefit of infill drilling.



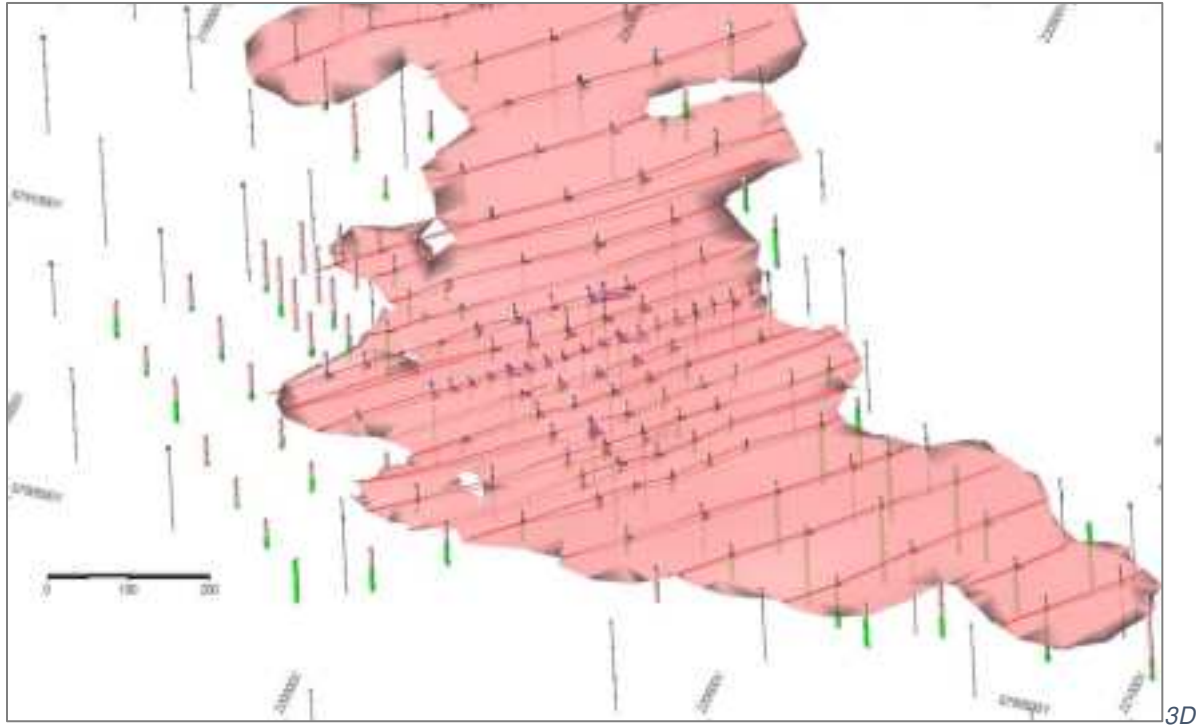


Figure 14-2 3D view of the strings (red lines) and the wireframe for the mineralised envelope for part of Henkries Central

A Boundary Analysis over the mineralised zone wireframe indicates an effective separation of samples above a considered threshold of around 100ppm (inside) from those below (outside). The inclusion of only 14% of samples of below 100ppm (153 out of 1106) within this wireframe suggests a sound interpretation of the mineralised zone. Although 27% of the samples excluded from the mineralised zone are above 100ppm, these are somewhat disseminated and more difficult to include within an interpreted continuous zone of mineralisation. These samples were included within estimation of the surrounding volume as lower grade inferred material.

For the following steps, the Henkries Central mineralised envelope was split into 4 zones. Referring to Figure 7-2 these are: HC\_D, HC\_B&C (combined), HC\_A and HC\_G from northwest to southeast.

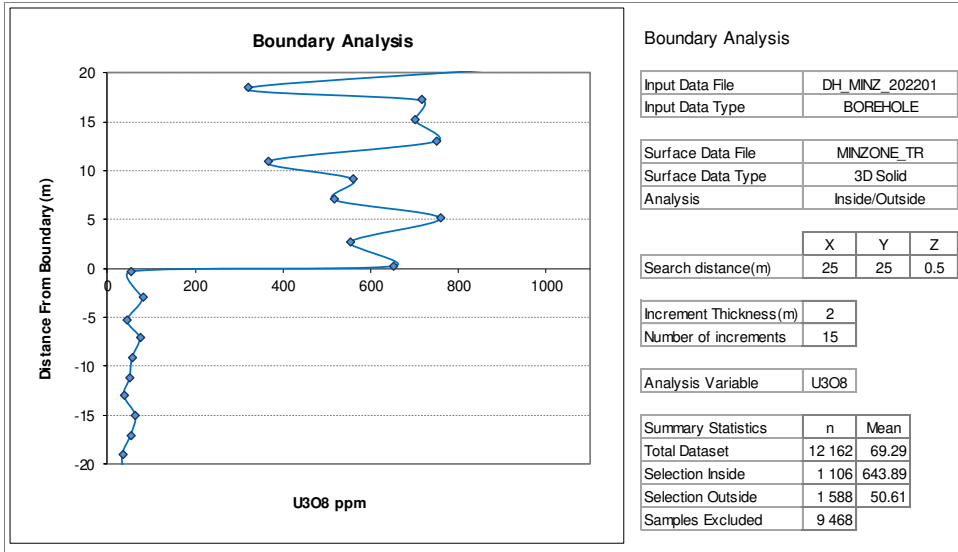


Figure 14-3 Boundary Analysis showing sample grade changes over the mineralised zone wireframes

#### 14.1.4 Capping

Based on statistical analysis and examination of sample distributions, top caps were applied to prevent localized over-estimation in areas where disproportionately high grades may skew the resulting estimates. The log-probability plots of the larger of mineralised zones HC\_D and HC\_B&C, suggest inflection points in their sample distributions at or near 4000ppm.

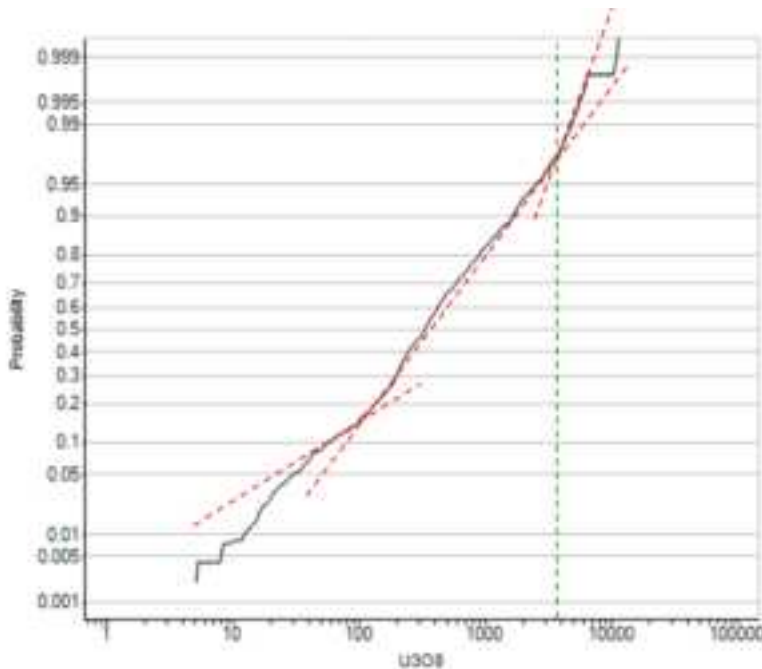


Figure 14-4 Log probability plot for U3O8 for HC\_D

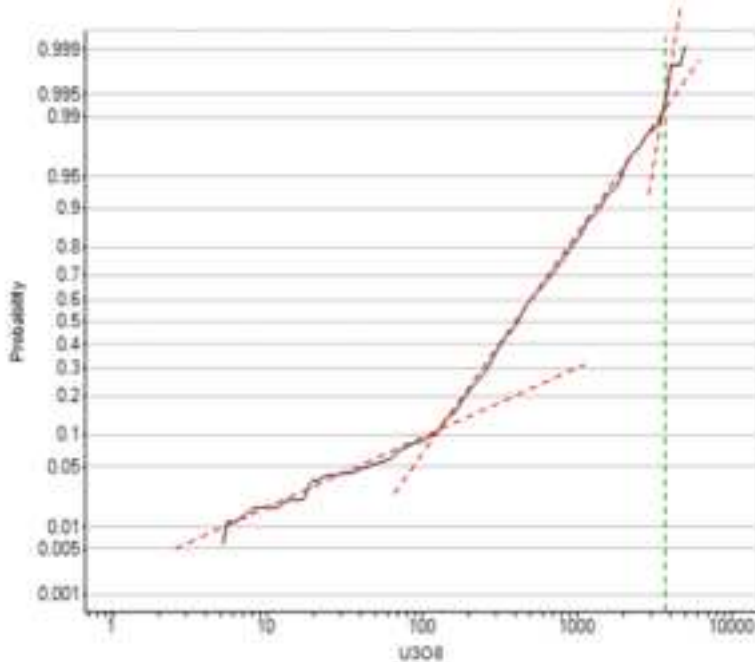


Figure 14-5 Log probability plot for U3O8 for HC\_B and HC\_C

Applying a top-cap to each of the mineralised zones by replacing samples above a grade of 4000ppm with 4000ppm, resulted in an acceptable lowering of the mean grades of the mineralised zones.

Table 16 Summary of upper capping limit values for zones at Henkries Central

ZONE	No. Capped	% Capped	Mean before (ppm)	CV before	Mean after (ppm)	CV after	% Difference Mean	% Difference CV
HC_D	18	2.40%	658.74	1.49	631.14	1.29	-4%	-13%
HC_B&C	1	0.30%	609.59	1.05	607.6	1.03	0%	-2%
HC_A	1	0.70%	588.95	1.45	556.64	1.07	-5%	-26%
HC_G	0	0.00%	844.65	1.09	844.65	1.09	0	0

#### 14.1.5 Compositing

Compositing of samples was based on sample length statistics and considered the sheet-like character of the lithologies with the eventual estimation search orientation and extents. With the majority of samples having a length of less than, but close to 0.5 m (Figure 14-6), this was selected as the suitable composite length to try to retain particularly vertical grade variability within the mineralised zone.

Table 17. Sample length statistics for Henkries Central

	No.	Neg Values	Min	Max	Mean	Variance	CV
All Samples	13047	0	0	30	0.73	0.59	1.05
Mineralised	1339	0	0.01	6.33	0.5	0.14	0.75

Outside Minzone	11708	0	0	30	0.75	0.64	1.06
-----------------	-------	---	---	----	------	------	------

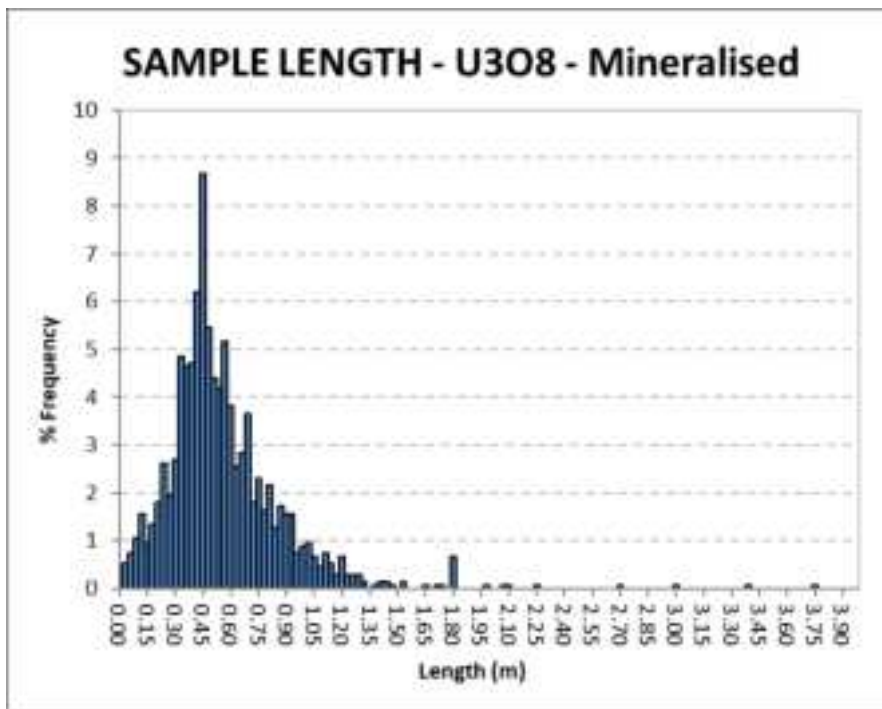


Figure 14-6 Histogram of Sample lengths for samples within the mineralised zone at Henkries Central

U3O8 grade and Density data were composited as separate files and the results compared to the raw (capped) sample file in terms of the sum of the metal accumulation (ppm x m) and length as shown in the table below. Compositing to 0.5 m results in an acceptably low change to associated variable accumulations and/or lengths.

Table 18. Comparison of the sample (RAW) versus 0.5m composite grades within Henkries North mineralised envelope and the material outside of the mineralised envelope.

DOMAIN	RAW			COMPOSITED			% DIFFERENCE		
	METAL	LENGTH	U3O8	METAL	LENGTH	U3O8	METAL	LENGTH	GRADE
Min envelope	381 620	670	569	366 009	647	566	-4.09%	-3.52%	-0.59%
Outside min envelope	150 276	8 807	17	147 875	8 726	17	-1.60%	-0.92%	-0.68%

Table 19 Comparison of the sample (RAW) versus 0.5m composite Density values within Henkries Central mineralised envelope and the material outside of the mineralised envelope.

DOMAIN	RAW			COMPOSITED			% DIFFERENCE		
	Variable Accumulation	LENGTH	SG	Variable Accumulation	LENGTH	SG	Variable Accumulation	LENGTH	GRADE
Min envelope	544	540	1.01	522	520	1	-3.90%	-3.67%	-0.24%
Outside min envelope	10 138	9 124	1.11	10 034	9 066	1.11	-1.02%	-0.64%	-0.39%

### 14.1.6 Estimation Methodology

#### Block model Parameters

A parent block size of 50 x 50 x 0.5m was used for estimation of both U3O8 grade and Density variables and at both Henkries Central as well as North. 50m in the XY is consistent with the smallest spacing between drillholes while a vertically thin block size was used to try to retain vertical grade variability evident from drillholes.

Table 20 Henkries Central Protomodel

	X	Y	Z
Origin	218 000	6 787 000	330
Cell Size	50	50	0.5
No Blocks	105	116	500
End	223 250	6 792 800	580

Inverse Distance Weighting Squared (IDW2) was used to estimate both U3O8 grade and Density. Considering the flat, lensoid geometry of the mineralisation-hosting lithologies as well as that of the interpreted mineralised envelope, IDW2 was deemed no less suitable than alternatives and the likelihood of achieving any robust variography was deemed so low that it was not attempted.

#### Search Parameters

Initial estimation parameters and orientations were gauged by nature of the deposit, a thin lacustrine deposit-type hosted by sheets or lenses, drawn out in x and y. Thus, the resultant search ellipse largely resembles a “pancake”. However, the estimation searches were oriented along the direction of main continuity of the deposits, the channel axes, and angled to the overall inclination of the gentle sedimentary dip. Each of the 4 zones at Henkries Central were estimated using slightly differing search criteria as deemed appropriate based on the geostatistical analysis of each.

Table 21 Search parameters applied for Henkries Central

ZONE	SDIST1	SDIST2	SDIST3	SANGLE1	SANGLE2	SANGLE3	SAXIS1	SAXIS2	SAXIS3	MIN #1	MAX #1	SVOLFAC2	MIN #2	MAX #2	SVOLFAC3	MIN #3	MAX #3	MAXKEY
HC_D	25	25	0.5	322	1.5	0	3	1	3	1	4	2	1	2	3	1	2	2
HC_B&C	25	25	0.5	322	0.5	0	3	1	3	1	4	2	1	2	3	1	2	2
HC_A	25	25	0.5	322	0.5	0	3	1	3	1	4	2	1	2	3	1	2	2
HC_G	25	25	0.5	322	1	0	3	1	3	1	4	2	1	2	3	1	2	2
Outside Minzone	25	25	0.5	322	1	0	3	1	3	1	4	2	1	2	3	1	2	2

Blocks estimates needed to reflect the considerable vertical grade variances evident from the drilling samples. As such, vertical searches were restricted to a maximum of two samples from a single drillhole, but also through the application of a 0.5 m vertical search – thus, a maximum of two samples would be available to inform any block of 0.5m.

By restricting the vertical search, the search in was “encouraged” but in turn smearing over long distances was restricted by keeping the maximum number of considered samples low. 2 further search expansions were applied to compensate for relatively long distances between holes. However, expanded searches were again restricted largely by maximum sample numbers such that estimates derived through the third search volumes for example are most often only incorporating a single sample, simply to provide some form of estimate from the nearest sample.

Several sensitivity analyses were run to gauge the effect of various changes in search parameters. Increasing of includes samples both in the vertical and in XY had little effect on overall grades and tonnages but smoothed/smeared grades without any significant benefit of decreasing the amount of unestimated blocks.

### *Un-estimated blocks*

Subsequent to the estimation of grade as well as density, some blocks did not receive an estimate, either as a result of not having enough informative samples or due to these samples being out of search range. Such “empty” blocks are commonly afforded a default value equivalent to the mean of the input samples as given in Table 22.

In the case of the Henkries Central U3O8 and Density estimates, a very small % of the total 2 269 023 m<sup>3</sup> mineralised volumes remained unestimated.

*Table 22. Henkries Central Unestimated Blocks – U3O8 Grade*

<b>UNEST</b>	<b>VOLUME</b>	<b>TONNES</b>	<b>% Unestimated</b>	<b>Default Value Applied</b>
HC_D	18 469	18 099	1.56%	626.08
HC_B&C	8 520	9 457	1.05%	606.51
HC_A	1 070	1 135	0.45%	557.22
HC_G	418	493	1.21%	885.48
Total	28 477	29 184	1.26%	

*Table 23. Henkries Central Unestimated Blocks – Density*

<b>UNEST</b>	<b>VOLUME</b>	<b>TONNES</b>	<b>% Unestimated</b>	<b>Default Value Applied</b>
HC_D	20 934	20 515	1.77%	0.96
HC_B&C	14 371	15 952	1.77%	1.11
HC_A	2 480	2 629	1.04%	1.05
HC_G	1 133	1 337	3.28%	1.18
Total	38 918	40 433	1.72%	

## 14.2 Henkries North MRE

As stated, an MRE was completed for 3 of the 6 mineralised zones at Henkries North, zones HN\_2, HN\_3 and HN\_6 (Figure 6-5). Grade and geological data was used for a total of 208 NUL holes though only 40 of these are within the HN\_2, HN\_3 and HN\_6 mineralised zones. A DTM was created from the drill-hole collar elevations.

Density data was not available for Henkries North. To overcome this a density was assigned to each lithology interval in the drill-hole database using on the average dry density for the same lithologies at Henkries Central. It is noted that the average density at Henkries North is higher than at Henkries Central as there is considerably less of the very low density lithologies, diatomaceous earth and carbonaceous earth.

### 14.2.1 Data validation and import

Data input and validations for the Henkries North drilling data were conducted in the same way as for Henkries Central – through corresponded confirmation of input files rather than editing of data subsequent to import.

### 14.2.2 Creation of Wireframes for the mineralised envelope

As for Henkries Central strings were created by Minsearch on cross-sections between 80 and 100 m apart, to enclose the 3 mineralised zones. An approximate 100 ppm U3O8 threshold was used to define the contacts of the mineralised envelope. The strings were imported into Leapfrog by Quantify Mine and used to create a wireframe for the mineralised zones. Figure 14-9 provides an example of a 'slice' through the mineralised envelope.

### 14.2.3 Compositing

As for Henkries Central compositing of the drill-hole data was carried and the effect on the raw grade and density data is shown in Table 24 and Table 25. No top-capping was deemed necessary for Henkries North as there were no exceptionally high grades.

*Table 24. Comparison of the sample (RAW) versus 0.5m composite grades within Henkries North mineralised envelope and the material outside of the mineralised envelope.*

DOMAIN	RAW			COMPOSITED			% DIFFERENCE		
	METAL	LENGTH	U3O8	METAL	LENGTH	U3O8	METAL	LENGTH	GRADE
Min envelope	43 683	153	286	43 454	152	287	-0.52%	-0.69%	0.17%
Outside min envelope	29 153	1 494	20	29 095	1 490	20	-0.20%	-0.28%	0.08%

Table 25. Comparison of the sample (RAW) versus 0.5m Density values within Henkries North mineralised envelope and the material outside of the mineralised envelope.

DOMAIN	RAW			COMPOSITED			% DIFFERENCE		
	Variable Accumulation	LENGTH	SG	Variable Accumulation	LENGTH	SG	Variable Accumulation	LENGTH	GRADE
Min envelope	180	157	1.14	178	156	1.14	-0.96%	-0.99%	0.02%
Outside min envelope	3 042	2 298	1.32	3 033	2 292	1.32	-0.29%	-0.26%	-0.03%

#### 14.2.4 Estimation Methodology

Each of the 3 zones at Henkries North were estimated using the same parameters. Given that Henkries Central has far more data points than Henkries North, the parameters and methodology used at Henkries Central were adopted at Henkries North. Table 26 and Table 27 provide the details of the block model and search parameters used for Henkries North.

Table 26. Henkries North Protomodel

	X	Y	Z
Origin	217250	6793600	200
Cell Size	50	50	0.5
No Blocks	40	90	400
End	219 250	6 798 100	400

Table 27. Search parameters applied for Henkries North

ZONE	SDIST1	SDIST2	SDIST3	SANGLE1	SANGLE2	SANGLE3	SAXIS1	SAXIS2	SAXIS3	MIN #1	MAX #1	SVOLFAC2	MIN #2	MAX #2	SVOLFAC3	MIN #3	MAX #3	MAXKEY
HN_2	25	25	0.5	0	1.5	0	3	1	3	1	4	2	1	2	3	1	2	2
HN_3	25	25	0.5	0	1.5	0	3	1	3	1	4	2	1	2	3	1	2	2
HN_6	25	25	0.5	0	1.5	0	3	1	3	1	4	2	1	2	3	1	2	2
Outside Minzd	25	25	0.5	0	1.5	0	3	1	3	1	4	2	1	2	3	1	2	2

#### Un-estimated blocks

In the case of Henkries North the volumes of unestimated blocks is significant largely due to the paucity of samples and is a factor in the classification as Inferred.

In total the unestimated blocks represent in the region of 30% of the total 1 670 867 m<sup>3</sup> mineralised volumes in the case of both the U3O8 grade and density estimations. As per Henkries Central the default value was assigned based on the mean value of the drilling data within each zone.



Table 28. Henkries North Unestimated Blocks – U3O8 Grade

UNEST	VOLUME	% Unestimated	Default Value Applied
2	453 023	32.20%	340.97
3	16 168	13.04%	148.46
6	8 391	5.99%	139.18
Total	477 582	28.58%	

Table 29. Henkries North Unestimated Blocks – density

UNEST	VOLUME	% Unestimated	Default Value Applied
2	480 301	34.14%	1.32
3	47 559	38.35%	1.12
6	8 793	6.28%	1.14
Total	536 652	32.12%	

### 14.3 Validation of the MREs

Mean grade comparisons of the input sample data versus the resultant block estimates were assessed and found to be acceptable for grade and density, for Henkries Central and Henkries North. Table 30 to Table 33 provide the comparisons of the drill-hole versus block model grade and density. The significantly higher block grade at HC\_G is likely a result of the smaller number of data points within this zone and given that the zone is a very small percentage of the MRE it is not considered problematic.

Table 30. Henkries Central – comparison of drill-hole and block grades

ZONE	Drillholes				Blocks				% Difference
	No. Samples	Min	Max	Mean	Volume	Min	Max	Mean	
HC_D	734	5	4000	626	1 185 563	5	4000	662	5.80%
HC_B&C	345	5	3797	607	810 102	5	3797	576	-5.10%
HC_A	130	5	2881	557	238 824	5	2881	552	-1.00%
HC_G	24	52	2786	885	34 535	52	2786	982	10.90%

Table 31. Henkries Central – comparison of drill-hole and block density

ZONE	Drillholes				Blocks				% Difference
	No. Samples	Min	Max	Mean	Volume	Min	Max	Mean	
HC_D	654	0.55	2.1	0.96	1 185 563	0.55	2.1	0.99	2%
HC_B&C	291	0.54	1.76	1.11	810 102	0.54	1.76	1.14	3%
HC_A	107	0.51	2	1.05	238 824	0.51	2	1.08	2%
HC_G	21	0.71	1.88	1.18	34 535	0.71	1.88	1.21	3%

Table 32. Henkries North – comparison of drill-hole and block grades

HN_ZONE	Drillholes				Blocks				% Difference
	No Samples	Min	Max	Mean	Volume	Min	Max	Mean	
2	230	0	1282	340.99	1 406 762	0	1282	328.35	-4%
3	27	40	450	145.06	124 027	40	450	133.5	-8%
6	37	57	365.14	139.35	140 078	57	365.14	133.24	-4%

Table 33. Henkries North – comparison of drill-hole and block density

HN_ZONE	Drillholes				Blocks				% Difference
	No Samples	Min	Max	Mean	Volume	Min	Max	Mean	
2	248	0.84	1.67	1.14	926 461	0.84	1.67	1.09	-4%
3	22	0.84	1.67	1.33	124 027	0.84	1.67	1.32	0%
6	41	0.84	1.16	1.12	140 078	0.84	1.16	1.12	0%

Swath plots were used to compare composite grades with block grades, in the vertical (elevation) east-west and north-south directions. Examples are provided in Figure 14-7. Visual validation of the block models was undertaken by viewing them in section and comparing it with the drill-hole U3O8 data as shown by example in Figure 14-8 and Figure 14-9. Visual comparison was also carried out for density data. The Competent Person is satisfied that the block model U3O8 grade and the block density is a good reflection of the drill-hole data and that the estimation of grade and density (and therefore contained U3O8) is not likely to be materially over or understated.

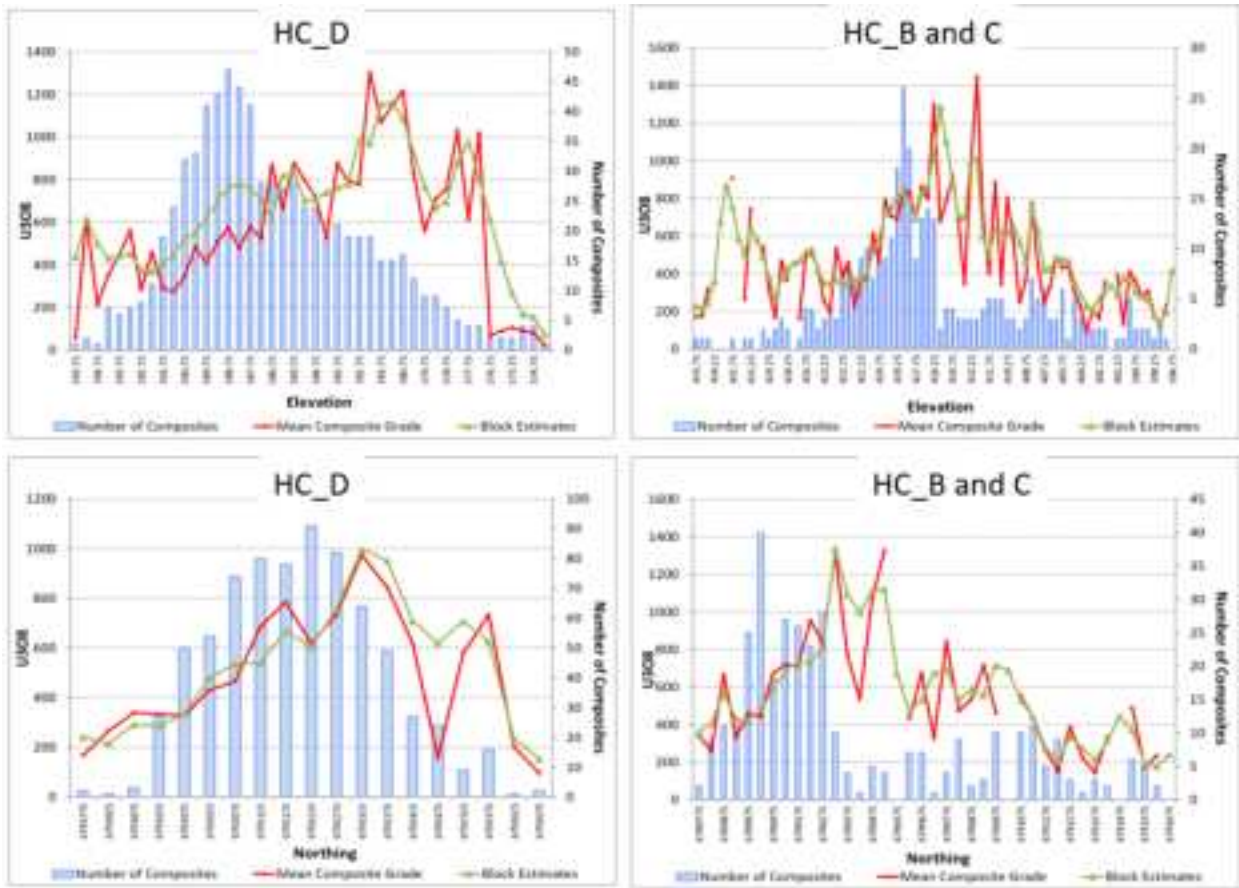


Figure 14-7 Example of swath plots in the vertical (elevation) and north-south (northing) directions for Henkries Central

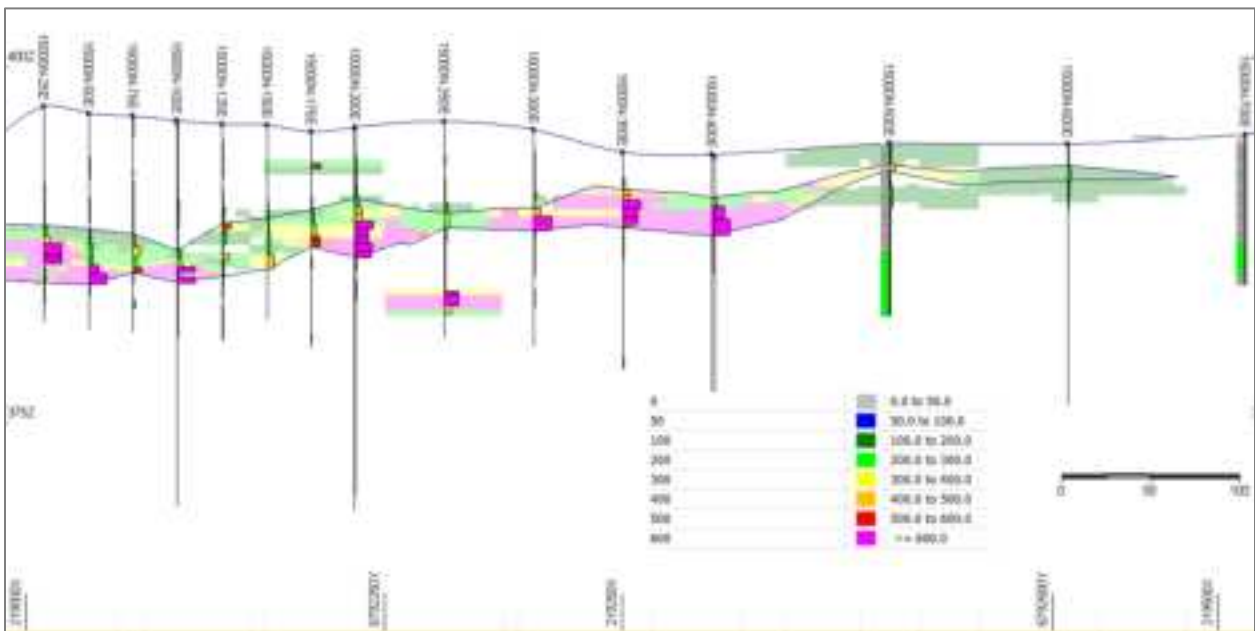


Figure 14-8. Section at Henkries Central showing the block model and drill-hole U3O8 grades.

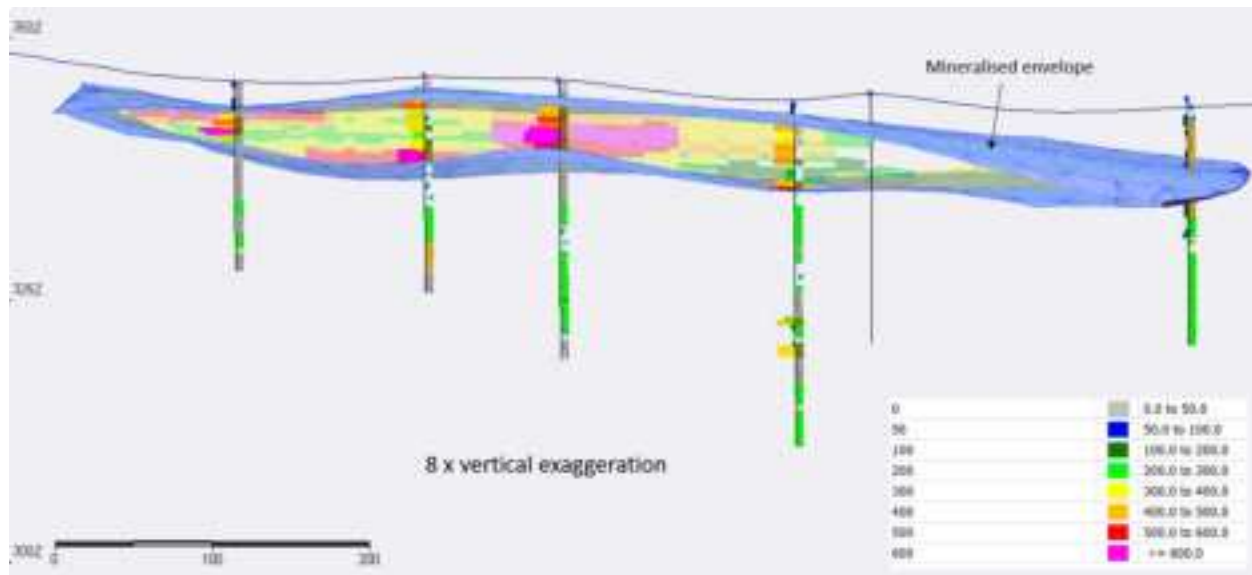


Figure 14-9. 3D slice at Henkries North showing the block model and drill-hole U3O8 grades.

## 14.4 Mineral Resource Classification

### 14.4.1 JORC Code Mineral Resource reporting terminology

The JORC Code was used to guide the classification by the Competent Person.

The JORC Code defines a Mineral Resources as:

*“A ‘Mineral Resource’ is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories”.*

The JORC Code defines an Inferred Mineral Resource as:

*“An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.”*

The JORC Code defines an Indicated Mineral Resource as:

*“An ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve”.*

In classifying the Henkries Central and Henkries North deposits the following criteria were considered:

- Data quality
- Geological and grade continuity
- Confidence in the estimate.

#### 14.4.2 Henkries Central MRE classification

Based on the above criteria, the block model was classified as either Indicated or Inferred.

Lithological continuity is moderate due lateral variation in lithology. However, by using grade and density in addition to lithology the Competent Person assigns reasonable level of geological continuity to areas of the deposit within the mineralised envelope wireframe. Though grade varies hole-to-hole the continuity of the mineralised envelope can be assumed between drill-holes and there are sufficient data points within the mineralised envelope wireframe to contribute to the estimation; reflected in the very small number of un-estimated blocks.

In the Competent Persons opinion there is sufficient level of confidence in the estimation inside of the mineralised envelope. Within this wireframe the deposit has a simple form being comprised of a single flat layer. The validation was supportive of the estimation. The Competent Person believes that the data is of sufficient reliability for Indicated classification for most areas of the deposit. Inferred is considered appropriate for areas further away from drill-holes and above-cut-off material outside of the mineralised envelope. No part of the MRE is classified as a Measured Mineral Resource as there is a significant degree of grade variation between holes in some areas which does not allow the grade continuity to be ‘confirmed’. This may be addressed with additional drilling.

#### *Indicated MRE*

The extent of the Indicated classification is shown in Figure 14-10. Only blocks within the modelled mineralised envelope wireframe were considered for Indicated. Of these blocks, only those within a plan-view ‘Indicated outline’ are Indicated.

The ‘Indicated outline’ was defined by:

- a 50 m radius around drill-holes (which is half the maximum drillhole spacing within the Indicated classified area)
- it was only drawn around a drill-hole if the hole is supported by 2 other intersections of the same layer within approximately 100 m.

On figure 14-10, on the left image, all blocks within the mineralised envelope wireframe are shown but some are outside of the 'Indicated outline' and so are assigned as Inferred.

### *Inferred MRE*

- Blocks within the mineralised envelope wireframe but outside of the 'Indicated outline' as labelled on the left image in Figure 14-10.
- Blocks outside of the mineralised envelope wireframe were assigned Inferred but only those blocks that the Competent Person selected as being sufficiently well supported by the drilling data. These are shown on the right image in Figure 14-10. Some blocks are above or below the mineralised envelope wireframe. Blocks that were not sufficiently supported by drilling data were deleted.

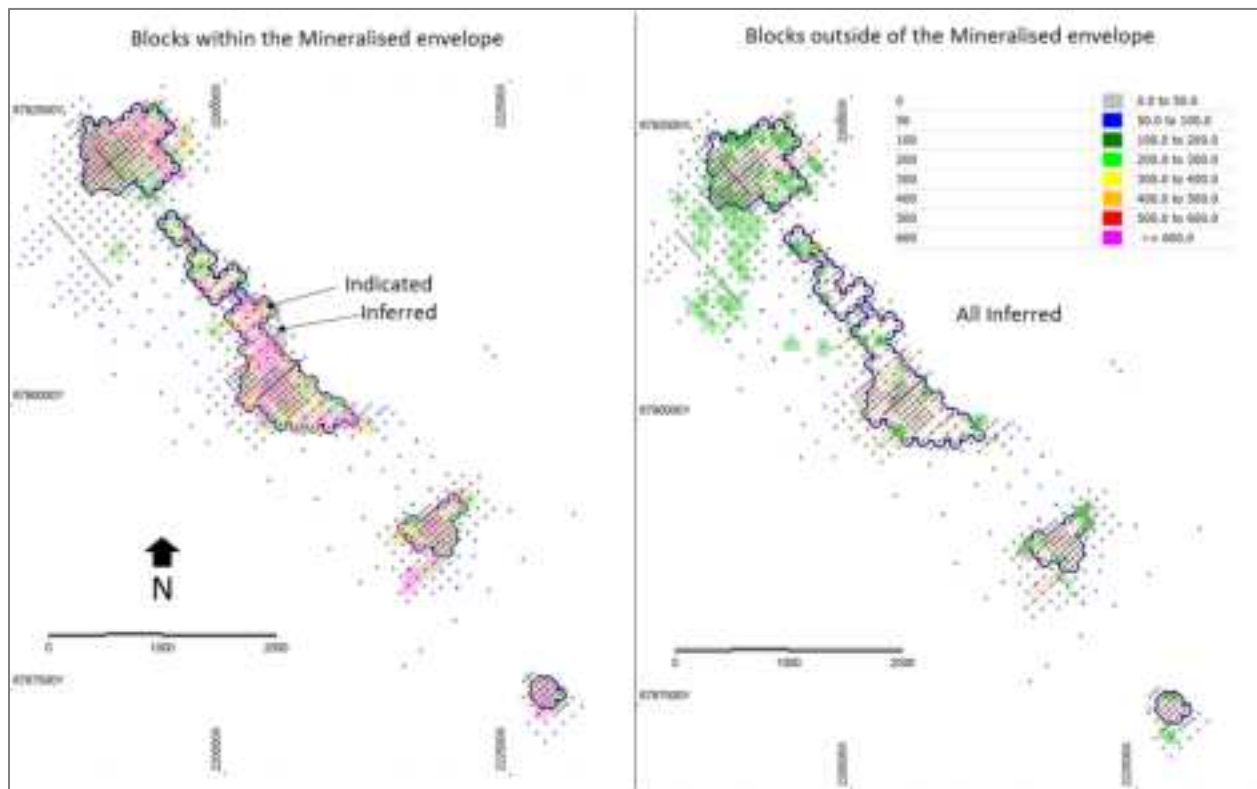


Figure 14-10. Plan-view of the Henkries Central block model and extent of the Indicated and inferred MRE. Explanation in text.

### 14.4.3 Henkries North MRE classification

All of the zones for which an MRE was estimated at Henkries North are classified as Inferred for the following reasons:

- The drill-hole spacing is partially greater than 100 by 100 m which is considered too far for high confidence correlation between drill-holes given the higher degree of grade and geological variation at Henkries North.
- Some of HN\_2 zone the uranium analyses were by pXRF. While the Competent Person considers the NUL methodology and validation of pXRF data to be good, there remains a risk associated with sample preparation and there is no QAQC data.
- There is insufficient documentation on the surveying of the drill-hole collars.
- When carrying out the estimation
- An average of 32% of the blocks within the modelled mineralised envelope wireframe were un-estimated due to sample support. This is too high for the MRE to be considered Indicated.

### 14.5 Minimum Cut-off grade and reasonable prospects for eventual economic extraction

The Competent Person believes a 100 ppm is appropriate for a minimum U3O8 cut-off grade, given the likely very low mining costs due to the soft nature of the overburden and mineralised material are soft (free-diggable) and very shallow. The viability of material of this grade and higher, is further supported by the good recovery figures for the uranium based on the AOL pilot-scale test-work.

A 'pit-shell' is sometimes created to establish if blocks have reasonable prospects for eventual economic extraction (RPEEE). For example, parts of the block model for some deposits may be too deep or low grade to have RPEEE and so those parts cannot be declared as being part of an MRE. At Henkries Central and North all parts of the deposit are sufficiently close to surface and the overburden and mineralised material are free-diggable and so it was deemed unnecessary to generate a pit shell. The Competent Person considers all blocks above the 100-ppm cut-off grade to have RPEEE and therefore be part of the MRE.

### 14.6 Mineral Resource Statement

The Mineral Resource for the Henkries project is tabulated below using the minimum 100 U3O8 cut-off grade, and a 200 ppm U3O8 cut-off grade. The MRE was prepared and is reported in accordance with the JORC Code.

The total Gross MRE at a 100 ppm U3O8 cut-off is 5.34 Mt with an average grade of 399 ppm U3O8, containing 4.70Mlbs of U3O8. Within this the Indicated MRE is 1.97Mt with an average grade of 635 ppm U3O8, containing 2.75Mlbs of U3O8.



Table 34. MRE for the Henkries Project on a gross and attributable basis, using 100 ppm and 200 ppm U3O8 cut-off grades

100 ppm U3O8 cut-off grade		Gross				Net Attributable to 70% interest			
	Category	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained
Henkries Central	Indicated	1.97	635	1.08	2.75	1.38	635	1.08	1.93
	Inferred	1.74	211	1.38	0.81	1.22	211	1.38	0.57
	Indicated + Inferred	3.71	436	1.22	3.57	2.60	436	1.22	2.50
Henkries North	Indicated	-	-	-	-	-	-	-	-
	Inferred	1.63	315	1.13	1.14	1.14	315	1.13	0.79
	Indicated + Inferred	1.63	315	1.13	1.14	1.14	315	1.13	0.79
Total both deposits	Indicated	1.97	635	1.08	2.75	1.38	635	1.08	1.93
	Inferred	3.38	262	1.26	1.95	2.36	262	1.26	1.36
	Indicated + Inferred	5.34	399	1.19	4.70	3.74	399	1.19	3.29
200 ppm U3O8 cut-off grade		Gross				Net Attributable to 70% interest			
	Category	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained	Mt	Average grade U3O8 (ppm)	Average dry density (t/m3)	Million lbs U3O8 contained
Henkries Central	Indicated	1.66	723	1.06	2.64	1.16	723	1.06	1.85
	Inferred	0.40	491	1.32	0.43	0.28	491	1.32	0.30
	Indicated + Inferred	2.06	678	1.11	3.07	1.44	678	1.11	2.15
Henkries North	Indicated	-	-	-	-	-	-	-	-
	Inferred	1.15	391	1.09	0.99	0.80	391	1.09	0.69
	Indicated + Inferred	1.15	391	1.09	0.99	0.80	391	1.09	0.69
Total both deposits	Indicated	1.66	723	1.06	2.64	1.16	723	1.06	1.85
	Inferred	1.54	416	1.15	1.42	1.08	416	1.15	0.99
	Indicated + Inferred	3.20	575	1.10	4.06	2.24	575	1.10	2.84

- The effective date of the Mineral Resource Estimate is 3 February 2022
- The MRE using a 200 ppm U3O8 cut-off grade is not in addition to the MRE stated using a 100 ppm cut-off grade but is part of it.
- Rounding errors may be evident when combining totals in the table but are immaterial.
- Tonnes are 'dry tonnes'.
- The Competent Person is. Andrew Pedley M.Sc., MGSSA, Pr. Sci. Nat.
- The Mineral Resource is reported in accordance with JORC 2012.
- Mineral Resources are not Mineral Reserves and have no demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.
- The MRE was not reported within a pit-shell. Being within 20 m of surface and 'free-dig' and 85% uranium recovery has been demonstrated - it is assumed that it reasonable prospects for eventual economic extraction.



## 15. Ore Reserve Estimates

No Ore Reserves have been Estimated

## 16. Mining Methods

No recent assessment of mining has been carried out and no Mineral Reserve Estimates exist. A description of the outcomes of AAC's 1979 feasibility study are provided below. The reader is cautioned that methods findings of AAC's work may change should a new study be completed. The use of the word 'ore' relates to the historic use of this term or potential future use - current Mineral Reserves have not been estimated.

### 16.1 AAC 1979 feasibility study mining description

The five 'blocks' defined by AAC at Henkries Central form a semi-continuous mining area 6.7kms long and up to 900m wide. The thickness of the deposit is typically 2-3 m but with a minimum of <1m and maximum of approximately 10m, mostly within 8 m of surface almost entirely within 16 m from surface.

Given the soft nature of the ore it is all readily mineable by 'free-digging' without the need for any blasting. Various operating options were considered by AAC before adopting a scraping equipment for waste removal and excavators and trucks for ore mining.

Plans were developed to mine from several faces at the same time to be able to blend ore types to produce a reasonably uniform plant feed. Mining operations were designed to move an average of 2000m<sup>3</sup> of waste and 840m<sup>3</sup> of ore daily during a single day shift. The overall strip ratio was calculated as 2.35:1 (waste:ore). These volumes were planned to provide average 260,000t ore annually and, allowing for ramp-up a nine-year life of mine producing 151tpa of yellowcake (ADU), containing 132t U<sub>3</sub>O<sub>8</sub> annually.

#### 16.1.1 Comments on the AAC 1979 feasibility study mining work and other considerations

As part of a new mining study the following is noted, assuming Mineral Reserves are defined.

- The optimal equipment types for the nature of the deposit should be reviewed taking into consideration improvements and changes in technology of earth-moving equipment. It should be possible to mine to a high resolution in terms of the depth of the upper and lower contacts of the mineralisation at any given cut-off grade.
- Grade control and ore-type control will be important. The process test-work to date indicates that it will be important to stockpile and manage the different types of ore. The main host-lithology types are visually distinct, and it should be possible to mine and stockpile them separately based on visual 'spotting' coupled with near-term mine plans as discussed below. Mixed/gradational lithology types may require more attention.
- Infill drilling immediately prior to drilling will allow accurate near-term mine plans to be developed to understand local changes in grade and lithology. Air-core or auger drilling would be suitable and are rapid and low-cost drilling methods.

- Trial mining is recommended in advance of plant commissioning to allow comparison of potential reserves and mined grade and lithology. This will also provide water ingress and operational statistics as well other important chemical aspects such as gangue acid consumption and chloride content.
- Consideration of how the material from Henkries North would impact on the mining production, schedule should be assessed.

## 17 Recovery Methods

Section 13 provides a summary of the completed Metallurgical test work to date

## 18 Project Infrastructure

A discussion of Project Infrastructure is not within the scope of this Report.

## 19 Market Studies and Contracts

A discussion of Market Studies and Contracts is not within the scope of this Report.

## 20 Environmental Studies, Permitting and Social or Community Impact

A discussion of Environmental Studies, Permitting and Social or Community Impact is not within the scope of this Report.

## 21 Capital and Operating Costs

A discussion of Capital and Operating Costs is not within the scope of this Report.

## 22 Economic Analysis

A discussion of Economic Analysis is not within the scope of this Report.

## 23 Adjacent Properties

A discussion of adjacent properties is not provided in this Report

## 24 Other Relevant Data and Information

Groundwater levels appear to be elevated towards the northern parts of the defined resource area. More work is required to better understand the groundwater. Here standing water levels 4.5m below surface were observed. Pumping tests completed over two boreholes showed that dewatering of these northern areas from drainage holes would be required (MSA, 2009)

A Department of Water Affairs water pipe runs from the Orange River to Springbok passing through the Henkries North deposit so would need to be moved should mining at Henkries North take place.

## 25 Interpretation and Conclusions

The Henkries Uranium Project hosts two surficial uranium deposits along a 12km section of a paleo-drainage within the Northern Cape of South Africa. The deposits are mostly within 8m of surface and almost entirely within 16m of surface and hosted with soft lacustrine sediments and lesser fluvial layers. It was discovered in 1976 by AAC who completed a feasibility study for the project in 1979. The feasibility study included pilot-scale metallurgical test work which established an expected recovery of 85% using acid leaching and RIP to produce yellow-cake. Development did not take place, possibly due to 'collapse' of the uranium price in 1979. In 2008 and 2009 UK-listed NUL carried out exploration and resource drilling and an updated MRE was completed for one of the deposits. The 2009 MRE is now considered a historic estimate.

The issuer will have a 50.1% interest in the Project on completion of the Reverse Take Over (RTO) and this will rise to 70% with the completion of the proposed additional drilling and development work on the Project. Anglo American holds a 10% interest in the project which can be converted into a 2% NSR. Minsearch was appointed by the Issuer to prepare a CPR for the project. As part of this Minsearch completed an updated and current MRE with effective date 3 February 2022. The MRE was prepared and is reported in accordance with the JORC Code.

The total MRE is 5.34 Mt with an average grade of 399 ppm U<sub>3</sub>O<sub>8</sub>, containing 4.70Mlbs of U<sub>3</sub>O<sub>8</sub>. Within this the Indicated MRE is 1.97Mt with an average grade of 635 ppm U<sub>3</sub>O<sub>8</sub>, containing 2.75Mlbs of U<sub>3</sub>O<sub>8</sub> all at the Henkries Central deposit. The Inferred MRE is 3.38Mt with an average grade of 262 ppm U<sub>3</sub>O<sub>8</sub>, containing 1.95 Mlbs of U<sub>3</sub>O<sub>8</sub> and is hosted by both Henkries Central and Henkries North deposits. Henkries North does not host an Indicated MRE.

In addition to the MRE Minsearch has defined an Exploration Target at Henkries North of 2.1 to 2.9 Mt with a grade of 230 to 315 ppm U<sub>3</sub>O<sub>8</sub> and with contained 1.1 to 2.0 Mlbs U<sub>3</sub>O<sub>8</sub>. Minsearch has also highlighted areas with potential for moderate expansion of the MRE and areas with potential for 'new' uranium mineralised zones.

Minsearch makes recommendations for additional work including infill drilling and drilling aimed at expansion of the deposits. Exploration drilling is recommended within sections of the paleo-drainage that have not been adequately tested - in particular Henkries South. The use of surface geophysics may be helpful in guiding future drilling programs. Collection of density data, surface geological mapping, drill-hole collar surveys and an elevation survey is recommended for Henkries North.

## 26 Risks, Opportunities and Recommendations

### 26.1 Risks

Risks identified by the Competent Person are as follows:

- As with any Mineral Resource Estimation there is a risk of some under or over statement of the grade and/or tonnes and therefore contained U<sub>3</sub>O<sub>8</sub>. The classification of the deposits took this into consideration; Indicated Mineral Resources being unlikely to be more than moderately overstated or understated. The Inferred Mineral Resources are more likely to be overstated or understated.
- AOL U<sub>3</sub>O<sub>8</sub> grades are inaccurate and absence of QAQC data. This is considered a low risk as their work appears to be of a high standard and the verification work by NUL is supportive.
- Collar survey position inaccuracy. Small collar position errors (up to 2-3 metres) may be possible as a result of inaccuracy of the original surveys by AOL and errors introduced as part of the conversion to UTM by NUL. A small shift in hole position would have very minor impact on the MRE.
- AAC state that some of the uranium is loosely held. There may be potential for migration of uranium over time. It is probable that loss of uranium would be balanced by introduction of uranium but this remains a risk that requires some assessment.
- Due to the absence of density data for Henkries North the density for the MRE was assigned based on lithology and so may be inaccurate. This is reflected in the Inferred Classification of Henkries North.

### 26.2 Opportunities

Opportunities identified by the Competent Person are as follows

- Conversion of Inferred to Indicated Mineral Resources and Indicated to Measured Mineral Resources should be achievable by infill drilling
- Lateral expansion of the deposits. There is potential for limited lateral expansion of Henkries Central and Henkries North which can be tested by additional drilling.
- Delineation of the deeper mineralised layer/s at Henkries North may support an increase of the MRE there. Some infill drilling with deeper holes would be required to test this.
- Henkries South remains under-explored; only a small portion of the paleo-drainage has been drill-tested and the drilling as focussed on radon anomalies. It is possible that uranium mineralisation is present at Henkries South but has not been discovered to date. An exploration program at Henkries South will be required to test this.
- There are some base metal occurrences in the south of the project area within rocks of the Aggeneys Group which is known to host significant base metal deposits in the region.

## 26.3 Recommendations

### 26.3.1 Pre-Feasibility Study related work

The following geology and MRE related work is recommended to support a PFS and is provided in the approximate sequence that they would be carried out. The objective of the fieldwork is to provide data to support an Indicated MRE of increased size which would be the basis for a PFS.

#### 26.3.1.1 *Drilling plan*

Design a drilling program that optimally targets the objective of increasing the Indicated MRE. The increased Indicated MRE may be achieved by:

- Infill drilling areas of Inferred MRE to potentially 'convert' them to Indicated, beginning with the areas of better grade and/or those that are shallowest. This will include areas of Henkries Central and Henkries North.
- Drilling of areas in proximity to the existing deposits which have potential to host moderate extensions to the deposits. For example, drilling is recommended to test the extension of zones HN\_1, HN\_2 and HN\_4 at Henkries North. At the southern area of Henkries Central, between block HC\_A and block HC\_G additional holes are required.
- As part of the above, drilling further test the deeper mineralised layer/s at Henkries North. If the mineralisation and has potential to be of sufficient grade and quantity and is not considered too deep, these areas would then be drilled to a spacing to support Indicated MRE.
- Drilling aimed at defining 'new' areas of mineralisation. If the mineralisation is discovered and has potential to be of sufficient grade and quantity, these areas would then be drilled to a spacing to potentially support Indicated MRE. An exploration program at Henkries South and the smaller target area named Henkries SW is recommended as there are sections of the paleo-drainage with very little or no drilling. Surface geophysics may be helpful in defining prospective areas of the paleochannel.
- Prior to any drilling it will be important to develop standard operating procedures (SOPs) for all aspects of the work including drilling and sampling, geological logging, QAQC samples and monitoring, health and safety and drill-site rehabilitation.

#### 26.3.1.2 *Fieldwork*

- Identify a drilling contractor with proven capability for air-core drilling, develop a drilling contract then mobilise rig and crew.

- Locate and identify the Henkries North samples that were prepared for holes HNN107 onwards but not sent for laboratory analysis. If the samples are in acceptable condition submit them for analysis. If they cannot be located those holes that are within the mineralised zones will need to be re-drilled.
- In readiness for the drilling activities, prepare infrastructure and staffing for the fieldwork program, including core storage and logging areas and source equipment.
- Implement the drilling program. It is anticipated that between 4000 and 6000 metres of drilling would be required to complete program described, depending on the results as the work progresses and the hole depths. This would be approximately 40-60 days of drilling but would be phased to allow for periods of sample analysis and interpretation to guide the program.
- Spatial delineation of the ore-types to provide an accurate basis for process test-work and plant design. For PFS level work this can be achieved with the existing data for Henkries Central. The planned additional drilling at Henkries North will be required to model the ore-types there. The designation of each ore-type will be guided by the characteristics considered relevant to the processing, such as calcrete abundance or Cl content.
- Carry out wet and dry density measurements on all new drilling samples. At Henkries North this is a necessity for a range of host and waste lithologies. This would include determination of moisture content.
- Carry out work to model the groundwater level and hydrogeological testing which will likely be necessary for dewatering and mine-planning. This would likely include flow-meter work and pump-testing.

### **26.3.1.3 Additional work**

- Bring all drilling and surface data into a dedicated database, ideally using a mining databasing software.
- Mineral Resource Estimation using the new drilling data and additional density, DTM, collar-survey, pit data. It will be important to attempt to model the main lithological types or to assign lithology to the block model so that their distribution can be used to guide plant and mine design.
- Carry out surface geological mapping to identify zones of calcrete, aeolian sand, lacustrine sediments and other lithologies at surface. This may be particularly helpful at Henkries North and guide the exploration and the ore-type delineation.
- Create a model for the base-of-drainage topography, using the drilling data and the known outcrop positions of the basement gneiss. This may help interpret channel morphological controls on the sedimentation and mineralisation, particularly at Henkries North.
- Attempt to locate all AOL pit data for Henkries Central, this would provide additional geology and assay data for further MRE work.

- Check approximately 5% of collar positions for Henkries North and Central using a professional land surveyor.
- Laboratory analysis of the drilling samples from Henkries South; to date only radiometric gamma-ray and spectral ray testing has been carried out. Given the known very high disequilibrium there is a possibility that uranium is present in these samples.

## 27 References

Anglo American Corporation (AAC) of South Africa Limited, 1979. Henkries Uranium Feasibility Study Volumes I and II. Internal Report, AOL

AOL, undated. Collection of scanned maps and other technical images, with dates ranging from 1976 to 1979

Banonamix (2022). Two unpublished reports titled 'Review of the Henkries Process Work to Date' and 'High Level Process Review of Henkries' provided by Banonamix.

De Wit, M. C. J. (1999). Post-Gondwana Drainage and the Development of Diamond Placers in Western South Africa. *Economic Geology* Vol. 94, 1999, pp. 721-740.

Hall, M. (2009). Unpublished report titled 'Henkries Main Project - A Review of the SRK Resource Estimation at Henkries Main - Prepared by MSA Geoservices (Pty) Ltd on behalf of: Niger Uranium'

Hambleton-Jones, B.B. (1984) Surficial Uranium Deposits in South Africa. In IAEATECDOC-322 Surficial Uranium Deposits. Report of the working group on uranium geology organised by the IAEA, 251 pp.

Lombard, A.F. The Copper Deposits of the Okiep District, Namaqualand, in *The Mineral Deposits of Southern Africa*

Venter, M., 2008. Niger Uranium Limited Henkries Technical Review Technical Review of Henkries Uranium Project Prepared by MSA Geoservices (Pty) Ltd on behalf of: Niger Uranium Limited. Project J1003

Venter, M., 2009. Unpublished report titled 'Technical Review of Henkries Uranium Project' Prepared by MSA Geoservices (Pty) Ltd on behalf of: Niger Uranium Limited

Johnson, M.R., Anhaeuser, C.R. and Thomas, R.J. (Eds) (2006). Volume II. *The Geology of South Africa*. Geological Society of South Africa.

Pedley, A.F. (2009). Unpublished report for Niger Uranium Limited titled 'Memorandum for the verification of Anglo American Operations (AOL) geology and U3O8 data'.

Pedley, A.F., Walker, D. Mafurutu, L. (2009) Unpublished report for Niger Uranium Limited titled 'Memorandum on the conversion and verification of AOL borehole coordinates.

## 28 Glossary of Terms

basement	bedrock below the paleochannel sediments and other surficial sediments
block model	3D blocks of given dimension into which grade, density and other attributes are estimated based on drilling data and the geological model.
carbonaceous earth	A lithology comprised mostly of organic material and is similar to peat.
collar	The top of a drill-hole where it is at surface
compositing/composites	the conversion of sample data of variable length to uniform lengths (composites) so that the estimation uses intervals of equal length.
cross-section	A vertical 'slice' through the earth (in this case the deposits) in a direction considered to cross the feature of interest
cut-off grade	Cut-Off grade is the grade that is selected as the minimum grade that is considered economic to mine
deposit	Refers to a potentially economic concentration of solid material of economic interest. A deposit is not a Mineral Resource unless declared as such.
diatomite/diatomaceous earth/kieselguhr	A lithology comprised of the siliceous remains of minute freshwater diatoms (microscopic single-cell aquatic plants)
domain (when used in mineral resource estimation)	A volume that is created typically using a 3D 'wireframe' or 'shell' to enclose a volume of rock so that only data within that volume is used for mineral resource estimation
emanometry	A method of measuring the release of gas emanating from the ground
ephemeral (stream)	temporary stream that only flows for a brief period as a direct result of heavy precipitation.
Exploration Target	An estimate of the potential range of tonnes and grade of a commodity, where data is insufficient to use for an MRE
facies	refers to different sedimentary settings that may be present at the same time due to variable conditions, giving rise to different sediment types potentially adjacent to each other
feasibility study	A detailed study assessing all aspects of a mining project from Mineral Resource Estimation to project economics
fluvial or fluvatile	refers to processes and sediments taking place in a stream or river channel setting
free-diggable	Material that can be excavated without the use of explosives or mechanical breaking
gneiss	a crystalline metamorphic rock with a banded appearance
grade	the concentration of the commodity in situ expressed as parts per million (by weight) in the case of uranium
Inverse Distance Squared	the estimation of the value at each location (point x) is the mean of nearby data points weighted by the distance they are from point x
lacustrine	refers to processes and sediments taking place in a lake setting
leach	the extraction of uranium by the percolation (leaching) of a liquid (leachate) through it
long-section	A vertical 'slice' through the earth (in this case the deposits) in a direction considered to be along the long-axis of the feature of interest



Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
Mineral Resource Estimate (MRE)	The estimate of a Mineral Resource, typically reported as tonnes and grade, and contained metal
mineralisation	an enrichment of an economic commodity below the earths surface
modelling (when used in mineral resource estimation)	the process of using 'strings' and 'wireframes' to define the shape of a deposit or part of it
nick-point	A marked change in gradient in a drainage
paleo channel	As above but refers specifically to the channelised portions of the drainage
paleo drainage	A drainage course that is no longer active
surficial	refers to sediments at or very near surface
U3O8	Tri-uranium octoxide (U3O8) is a compound of uranium
variography	a statistical method of understanding the inter-relationships between different samples (in the same or other drill-holes)
wireframe	a 'shell' created in mining software to enclose a certain part of the deposit
yellow-cake	solid form of mixed uranium oxide, which is produced from uranium ore in the uranium recovery process.