

October 12, 2026

SPECULATIVE BUY (initiation)

Stock code:	AEU AU
Price:	A\$0.355
12-month target price:	A\$0.80
Previous target price:	A\$N/A
Up/downside to target price:	125.4%
Dividend yield:	0.0%
12-month TSR*:	125.4%
Market cap:	A\$136m
Average daily turnover:	A\$0.38m
Index inclusion:	N/A

* Total stock return – Up/downside to target price + 12-month forward dividend yield.

Price performance

(%)	1M	3M	12M	3Y
Absolute	-26.0	-6.6	1.4	2435.7
Rel ASX/S&P200	-23.9	-5.6	4.3	2411.9



Source: Iress

Financial summary

	Dec-25A	Dec-26F	Dec-27F	Dec-28F
Revenue (A\$m)	0.0	0.0	0.0	0.0
EBITDA Norm (A\$m)	-13.1	-10.9	-11.2	-11.5
NPAT (A\$m)	-39.1	-10.9	-11.0	-11.3
EPS Norm (A\$)	-0.035	-0.027	-0.029	-0.029
EPS Growth Norm (%)	-27.5%	-21.0%	4.2%	2.8%
P/E Norm (x)	NA	NA	NA	NA
DPS (A\$)	0.000	0.000	0.000	0.000
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%
Franking (%)	NA	NA	NA	NA
EV/EBITDA (x)	-9.1	-11.4	-11.2	-11.2
Gearing (Net Debt/EBITDA)	1.48	1.09	1.00	0.64

Source: Company data, Morgans estimates

Chris Creech

+61 7 3334 4552

chris.creech@morgans.com.au

Analyst(s) own shares in the following stocks mentioned in this report:

– N/A

Atomic Eagle

Buy one, get one free

- We initiate coverage of Atomic Eagle (AEU) with a SPECULATIVE BUY recommendation and A\$0.80ps target price. AEU offers exposure to Muntanga, a simple, low-capex heap leach uranium project in Zambia, plus a 60% interest in the high-grade Madaouela project in Niger.
- **Buy Muntanga, get Madaouela for free.** AEU trades on just A\$2.1/lb EV/resource versus the peer average of A\$4.8/lb. In our view, the market is largely valuing Muntanga alone, with Madaouela's 116.5Mlb U₃O₈ foreign resource estimate contributing little to the current share price despite its scale, grade and strategic importance.
- Near-term catalysts include Madaouela JORC conversion (end-2026), Muntanga North drilling results (Q4 2026) and a Muntanga resource upgrade as AEU works toward its 100Mlb+ target.

Company overview

- AEU was formed in November 2025 through the reverse takeover of GoviEx Uranium by Tombador Iron. Its flagship is Muntanga, a feasibility-stage open pit heap leach project in southern Zambia with a 58.8Mlb resource. The 2025 Feasibility Study (FS) outlines 2.2Mlbpa over 12 years for pre-production capex of US\$282m and C1 costs of US\$32.2/lb.
- In September 2026, AEU executed a new Mining Convention with Niger, restoring a 60% interest in Madaouela (116.5Mlb at 1,282ppm, foreign estimate). AEU also holds an option over 100% of the Sitwe project in Zambia's Luangwa Valley.

Why do we like AEU for uranium exposure?

- Muntanga is a simple, capital-light project. Over 90% of the uranium is free and accessible, allowing a coarse crush and heap leach flowsheet with no fine grinding. Even with capex 20% above the FS, lower throughput and C1 costs up 36%, we derive a post-tax NPV₁₀₋₅ of US\$187m.
- AEU is drilling 30,000m in 2026 to build a district-scale resource capable of 4-5Mlbpa, and heap leach expansion should cost far less than the initial build. A board with a track record of building uranium companies (Boss Energy, Lotus Resources) adds to our confidence.

Valuation

- We derive our A\$0.80ps target price using a sum-of-the-parts valuation. Most of the value is currently derived from Muntanga via a discounted cash flow valuation with a 10.5% WACC, supplemented by risked value for undeveloped resources, AEU's interest in Madaouela and unpaid capital via current options. We believe the market is discounting Madaouela and resource growth potential, creating an attractive entry point for long-term investors.

Investment view

- AEU offers leveraged exposure to a strengthening uranium market through its flagship Muntanga Project in Zambia and the recently reacquired Madaouela Project in Niger. Muntanga's value is underpinned by conventional open pit mining, heap leach processing and a modest initial capital requirement. At the same time, we believe the market is largely valuing AEU on Muntanga alone, with limited recognition of the scale and strategic value embedded within Madaouela. Continued resource growth, project advancement and a tightening uranium market should support a re-rating as AEU progresses toward development. SPECULATIVE BUY; A\$0.80 target price.

Price catalysts

- Madaouela JORC conversion (end-2026), Muntanga North drilling results (Q4 2026), and a Muntanga resource upgrade incorporating Chisebuka infill drilling.
- Global uranium supply disruptions / utility contracting cycle accelerates.
- Material increase in long-term contracting price.

Risks

- Utility contracting cycle is materially delayed. Cooling enthusiasm for nuclear.
- Dilution risk – exercise of options in the near term.
- Niger sovereign risk.
- 2026 drilling program doesn't return results in line with expectations.

Atomic Eagle

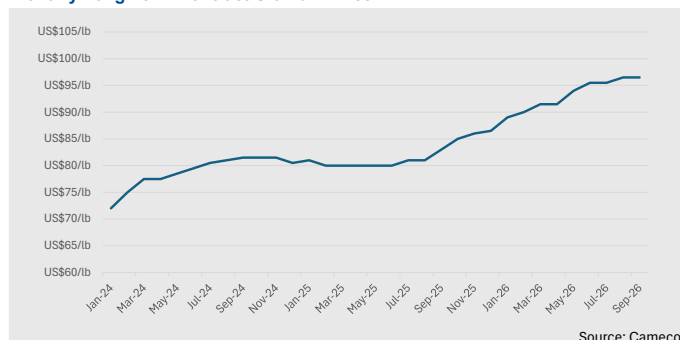
SPECULATIVE BUY

as at October 12, 2026

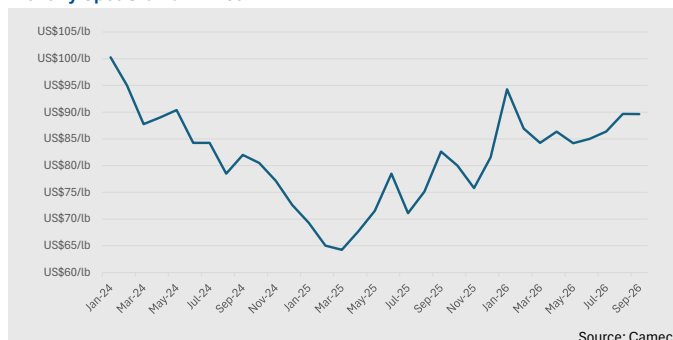
Price (A\$):	0.355	12-month target price (A\$):	0.80
Market cap (A\$m):	136	Up/downside to target price (%):	125.4
Free float (%):	70	Dividend yield (%):	0.0
Index inclusion:	N/A	12-month TSR (%):	125.4

Atomic Eagle (AEU) is building a multi-asset African uranium development platform. Its near-term focus is advancing Muntanga in Zambia, a 58.8Mlb open pit heap leach project, through resource growth and an updated feasibility study. The recently executed mining convention for Madaouela in Niger (60% interest) adds a high-grade, long-term growth option, with JORC conversion of the 116.5Mlb foreign estimate targeted by end-2026.

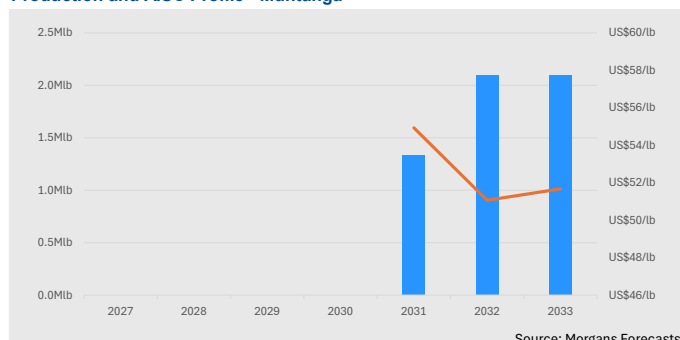
Monthly Long Term Contract Uranium Price



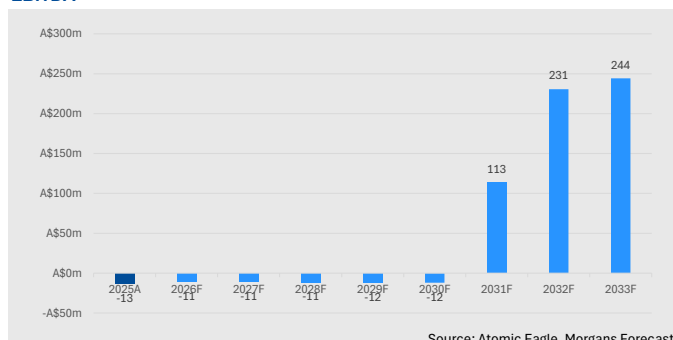
Monthly Spot Uranium Price



Production and AISC Profile - Muntanga



EBITDA



Bull Points

Leverage to structurally tighter uranium market: AEU is a pure-play uranium developer with zero hedging, providing strong torque to improving uranium fundamentals driven by reactor restarts, new build programs, and tightening term contracting.

Significant resource growth potential: The current resource base may not represent the full scale of AEU's uranium inventory, with both Muntanga and Madaouela offering opportunities for future resource expansion and mine-life extensions.

Defined development pathway: The independently reviewed Muntanga Feasibility Study outlines a ~12-year open pit heap leach operation. This study is a basecase with AEU targetting a 4-5Mlbs pa project with resource expansion the target with the 2026 drilling program.



Bear Points

Jurisdiction: Niger's military government revoked GoviEx's Madaouela permit after the 2023 coup and has since lifted the state's stake to 40%. The recent convention restores AEU's operating interest, but fiscal stability, permitting and the risk of further state intervention remain key risks.

Commodity price: Earnings and valuation are highly sensitive to uranium prices; any softening in term pricing, utility contracting delays, or sentiment reversal would disproportionately impact cash flow and equity value.

Capital discipline and dilution risk: Future development pathway could ultimately require additional capital, raising dilution risk.



Figure 1: Financial summary

Profit and Loss	2024A	2025A	2026F	2027F	2028F
Revenue	0	0	0	0	0
EBITDA	(19)	(13)	(11)	(11)	(11)
D&A	(0)	(0)	(0)	(0)	(0)
Net Interest	1	0	0	0	0
Underlying PBT	(18)	(13)	(11)	(11)	(11)
Writedowns, Impairments	(99)	(25)	(0)	0	0
Statutory PBT	(118)	(38)	(11)	(11)	(11)
Tax	0	(1)	0	0	0
Reported NPAT	(118)	(39)	(11)	(11)	(11)

Cash Flow Statement	2024A	2025A	2026F	2027F	2028F
EBITDA	(19)	(13)	(11)	(11)	(11)
Cash Flow from Operations	(18)	(13)	(11)	(11)	(11)
Capex	(0)	(0)	(1)	(1)	(7)
Cash Flow from Investing	0	11	(8)	(1)	(7)
Incr/(decr) in equity	0	22	11	12	15
Incr/(decr) in debt	0	0	0	0	0
Cash Flow from Financing	0	20	11	11	14
Incr/(decr) cash	(17)	19	(7)	(1)	(4)

Balance Sheet	2024A	2025A	2026F	2027F	2028F
Cash & deposits	2	19	12	11	7
Fixed assets	2	2	11	13	20
Total assets	4	24	25	26	30
Interest bearing debt	0	0	0	0	0
Total liabilities	3	2	2	2	2
Share capital	380	430	442	454	469
Retained earnings	(370)	(379)	(390)	(401)	(412)
Total equity	1	22	23	24	28

Source: Morgans estimates, company data

Price Target **\$0.80**

Valuation Summary	Unrisked	Risky		
	USD\$m	USD\$m	AUD\$m	AUD\$ps
Muntanga	187	187	272	0.58
Muntanga Resource	19	15	21	0.05
Madaouela Resource	194	54	79	0.17
Total Operations	401	256	371	0.80
1H26 Net (debt) / cash			14	0.03
Unpaid Capital			12	0.03
Corporate			(20)	(0.05)
Total Valuation	401	256	378	0.80
Premium / (Discount)				0%
Target Share Price				0.80
WACC				10.5%

Per Share Data	2025A	2026F	2027F	2028F
No. Shares	391	383	383	383
EPS (normalised) (cps)	-0.03	-0.03	-0.03	-0.03

Key Assumptions	2025A	2026F	2027F	2028F
USD / AUD	0.67	0.71	0.72	0.72
Uranium Price (\$USD/lb)	74.0	85.0	95.0	95.0

Contents

Reasons to Buy.....	5
Valuation.....	6
Risks.....	7
Catalysts.....	8
Peer comparison.....	8
Market context.....	9
Company history.....	10
Muntanga.....	11
Madaouela.....	24
Sitwe.....	26
Zambian jurisdictional risk.....	28
Financials.....	28
Share register.....	29
Management and Board.....	29

Initiate on AEU with a SPECULATIVE BUY at A\$0.80ps target price

Reasons to Buy

- **Significant resource growth potential is not reflected in the current valuation** - AEU's current resource inventory continues to grow through drilling at Chisebuka, Namakande and Muntanga North. AEU's objective is to build a substantially larger uranium district capable of supporting production beyond the current feasibility study profile. We believe ongoing exploration success presents a clear pathway to extending mine life, increasing production and improving project economics, yet much of this upside remains unpriced by the market.
- **Madaouela provides a world-class growth asset for little apparent value** - The return of Madaouela adds a 116.5Mlb U_3O_8 foreign resource estimate grading .128%, four times higher than Muntanga. While the market continues to apply a significant sovereign risk discount to assets in Niger, we believe AEU's valuation materially understates the potential contribution for one of the larger and higher-grade undeveloped uranium projects held by an ASX-listed company. Successful JORC conversion, study optimisation and further project advancement could unlock substantial value over time. Importantly, recent developments elsewhere in Niger demonstrate that quality uranium assets continue to attract international capital, with Global Atomic securing conditional approval for a US\$414m debt from the U.S. International Development Finance Corporation for its Dasa Project. As uranium markets tighten and utilities increasingly seek long-term security of supply, we believe large-scale, high-grade development assets such as Madaouela will become increasingly strategic and valuable sources of future uranium supply.
- **Trades at a steep discount to uranium development peers** - On an EV/resource basis, AEU trades well below comparable uranium developers despite comparable or higher grades to many peers and a completed feasibility study. As financing, resource growth and permitting milestones are achieved, we see a clear pathway for this valuation gap to narrow.
- **Simple, capital-light project that holds up under conservative assumptions** - Muntanga is a shallow, sandstone-hosted deposit where more than 90% of the uranium is free and accessible. That allows a coarse crush (~25mm) and heap leach flowsheet with no fine grinding, mined by conventional truck-and-shovel. The FS outlines pre-production capex of US\$282m and C1 costs of US\$32.2/lb. We have deliberately stress-tested the project, with capex up 20% to US\$338m, peak throughput of 3.3Mtpa against 3.5Mtpa nameplate, and C1 costs up 28%. On those settings Muntanga still delivers a post-tax NPV_{10.5} of US\$185m. We think the balance of risk sits to the upside of our base case.
- **Board with a track record of building uranium companies** - Chairman Grant Davey founded both Boss Energy and Lotus Resources. Non-Executive Director Keith Bowes was instrumental in the acquisition and redevelopment of Honeymoon and served as Managing Director of Lotus. Their experience is relevant to taking Muntanga through financing and construction.
- **Uncontracted pounds into a structural deficit** - With first production modelled for 2031, Muntanga's output arrives as utilities' uncovered requirements become most acute and secondary supply is largely exhausted. All of AEU's future production is currently uncontracted. That leaves AEU free to sign offtakes as term prices strengthen and gives investors high leverage to the uranium price.

Valuation

We value AEU using a sum-of-the-parts methodology. Muntanga is valued using a life-of-mine DCF based on the Feasibility Study mine plan, discounted at a WACC of 10.5%. This rate carries a premium to the rate of our Australian and Namibian uranium developers to reflect AEU's pre-financing status and African jurisdictional exposure. We also ascribe value to resources outside the current mine plan, including the recently defined Chisebuka deposit and AEU's 60% attributable interest in Madaouela, which we risk reflecting their earlier stage of development and, for Madaouela, the sovereign risk in Niger. Our SOTP NAV per share forms the basis of our 12-month price target.

Figure 2: Valuation summary

Valuation Summary	Unrisked	Risky		
	USD\$m	USD\$m	AUD\$m	AUD\$ps
Muntanga	187	187	272	0.58
Muntanga Resource	19	15	21	0.05
Madaouela Resource	194	54	79	0.17
Total Operations	401	256	371	0.80
1H26 Net (debt) / cash			14	0.03
Unpaid Capital			12	0.03
Corporate			(20)	(0.05)
Total Valuation	401	256	378	0.80
Premium / (Discount)				0%
Target Share Price				0.80
WACC				10.5%

Source: Morgans estimates

AEU currently has 383.4m ordinary shares on issue. For valuation purposes, we have adopted a modelled diluted share count of 465.6m shares. This includes all outstanding options that we expect are likely to be exercised based on our long-term valuation assumptions and excludes the December 2026 options exercisable at A\$1.69 and A\$0.97 per share, which we do not expect to finish in-the-money. While the company's fully diluted share count is 487.6m shares, we believe our modelled diluted share count provides a more realistic basis for target price and valuation calculations.

Figure 3: AEU ordinary shares and modelled diluted share count

Description		On Issue
AEU	Ordinary Shares	383.4
Unquoted Securities		
AEUAA	Ordinary Shares - Restricted	10.0
AEUAF	Option Expiring 5-Nov-26 Ex \$0.31	0.3
AUEAG	Option Expiring 1-Dec-26 Ex \$1.69	0.1
AEUAH	Option Expiring 22-Dec-26 Ex \$0.97	21.9
AEUAI	Option Expiring 5-May-27 Ex \$0.31	52.0
AEUAJ	Option Expiring 15-Aug-27 Ex \$0.50	3.4
AEUAK	Option Expiring 27-Sept-27 Ex \$0.97	3.2
AEUAM	Option Expiring 31-Dec-27 Ex \$0.28	3.7
AEUAN	Option Expiring 31-Dec-28 Ex Nil	2.5
AEUAL	Option Expiring 20-Aug-29 Ex \$0.22	3.3
AEUAO	Option Expiring 31-Dec-30 Ex Nil	3.9
Fully Diluted		487.6
Modelled Diluted		465.6

Source: Morgans estimates, company data

Risks

- **Financing and funding risk** - While Muntanga's capital intensity is modest relative to many uranium developments, AEU remains pre-development and will require substantial funding to construct the project. Equity issuance, project debt, strategic investors, offtake financing or a combination thereof will likely be required. Delays or adverse financing terms could impact project returns and shareholder dilution.
- **Niger sovereign risk** - Madaouela was withdrawn from GoviEx in 2024 by Niger's post-coup military government. The new Mining Convention restores AEU's position, but the episode shows how quickly tenure can change in Niger. Security across the region, logistics and the government's 25% contributing interest all bring additional uncertainty. The 116.5Mlb estimate is also not yet JORC compliant, and conversion could change its size or grade.
- **Exploration risk** - The district-scale strategy depends on drilling success, and greenfield results have been mixed. Muntanga North Targets 1 to 3 returned no anomalous uranium and Target 4 does not justify follow-up. Namakande 2 has the best grades in the program, but its lenses are thin and stacked, which limits tonnage and adds dilution. Chisebuka's 220ppm grade is also below the core deposits, so resource growth may come at the expense of average head grade.
- **Uranium price risk** - As a developer with no production or contracted revenue, AEU's valuation and financing prospects are highly sensitive to the uranium price and sentiment. A prolonged pullback in spot or term prices would weigh on the share price. It could also delay offtake contracting and make it harder to secure project financing on acceptable terms.
- **Study risk** - AEU has adopted GoviEx's 2025 FS, re-stated after independent review, rather than re-running it. Its larger development case will need a new study, and there's no guarantee that study will match the existing economics. Capex and operating costs could rise with industry inflation, and a bigger operation will need more infrastructure than the current 3.5Mtpa design assumes. Bringing in lower-grade material from deposits such as Chisebuka (220ppm) could also lower the average head grade and test the FS's ~90% recovery assumption. Any delay to the updated study would push back financing and the development timeline, along with the re-rating catalysts linked to them.

Catalysts

- **Madaouela JORC conversion (end-2026)** - AEU is targeting a JORC-compliant Mineral Resource for Madaouela by the end of 2026. Converting the 116.5Mlb foreign estimate at 1,282ppm would formally add a high-grade resource to the group's inventory. It would also make it harder for the market to overlook Madaouela in peer valuation metrics. The inclusion of AEU's attributable 60% would cut the group's EV/resource significantly from current levels, leaving the discount to peers harder to justify.
- **Muntanga North drilling results (Q4 2026)** - First pass drilling at Muntanga North is due to finish in Q4 2026. Follow-up holes are testing the open extensions of Target 5, and surveys and drilling continue at Targets 6, 7 and 8, which AEU describes as large-scale. A new discovery here would open a new front in the district-scale strategy, given the area sits between existing deposits on the Muntanga mining licence.
- **Muntanga resource upgrade** - Infill drilling at Chisebuka is tightening the grid so more of the mineralisation can be brought into the resource. Drilling to date has shown continuity between the south-west zone and the defined resource area. An updated Muntanga MRE that adds Chisebuka tonnes and Namakande or Muntanga North results would show progress toward AEU's 100Mlb+ target. That is the key step in justifying a larger operation than the 3.5Mtpa FS case.
- **Uranium term price and utility contracting** - Stronger term prices and more utility contracting would lift sentiment across uncontracted developers like AEU. Sustained term prices above the incentive level for new supply would also make project financing easier and support peer re-ratings, which AEU's discounted multiple leaves it well placed to capture.
- **Funding pathway and strategic partnerships** - The biggest re-rating catalyst for a pre-financing developer is a credible funding route. Progress here could include offtake agreements with utilities, a strategic equity partner, or engagement with development finance institutions. The DFC's conditional support for Global Atomic's Dasa project shows US government-backed financing is available for African uranium supply, which could benefit both Muntanga and Madaouela.

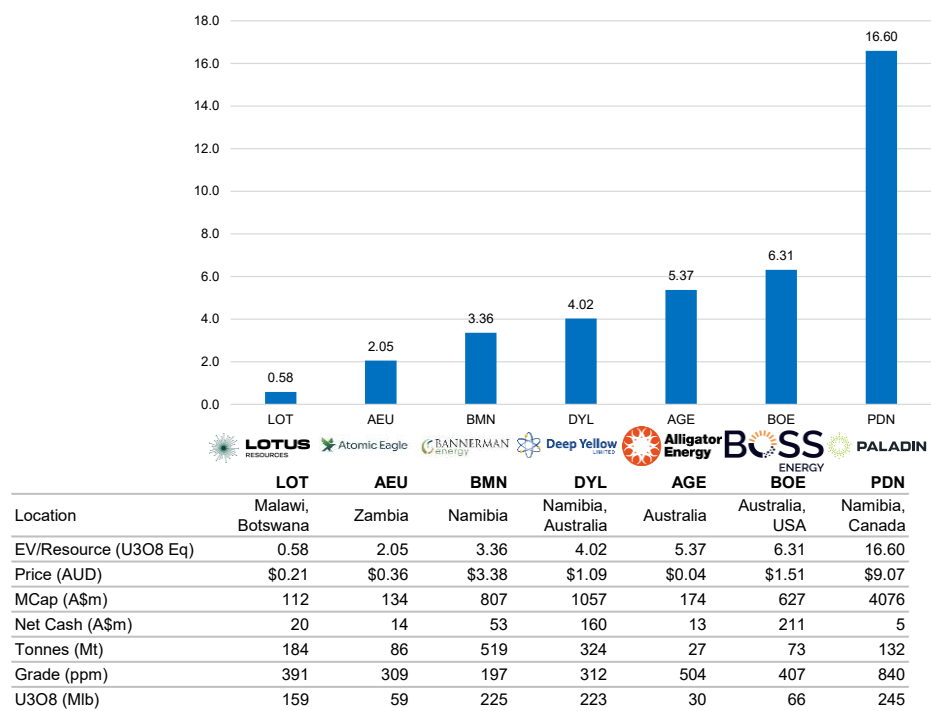
Peer comparison

On an EV/resource basis, AEU trades at A\$2.1/lb U₃O₈, a notable discount to developer peers Bannerman (BMN, A\$3.4/lb), Deep Yellow (DYL, A\$4.0/lb) and Alligator Energy (AGE, A\$5.4/lb), and at less than half the A\$4.8/lb average of BMN, DYL, AGE and Boss Energy (BOE). AEU has the second-lowest multiple in the peer group, ahead of only Lotus Resources (LOT, A\$0.6/lb). We believe this discount is difficult to justify on resource quality alone. Muntanga's average grade of 309ppm compares favourably with the Namibian open-pit development projects of BMN (197ppm) and DYL (137ppm), despite those companies trading at 1.6x and 1.9x AEU's EV/resource multiple, respectively.

Importantly, these comparisons should be viewed as indicative only. Enterprise values are based on the most recently reported audited cash positions, assume 100% ownership of the underlying resource base and do not capture every uranium resource held by each company. For example, PDN's resource base includes only Langer Heinrich and Patterson Lake South, while excluding its Australian uranium resource and other Canadian resource holdings. Similarly, AEU's valuation is based solely on Muntanga's 59Mlb JORC resource and assigns no value to its interest in Madaouela.

In our view, a portion of AEU's discount reflects its smaller scale, pre-financing status and African development exposure. However, we see several pathways for this valuation gap to narrow over time, including continued resource growth at Muntanga towards AEU's 100Mlb+ target, JORC conversion of Madaouela and further progress toward project financing and development.

Figure 4: Peer comparison (priced 6 October 2026)



Source: Morgans estimates, company data, Iress

Market context

Markets with a Half-Life: A Uranium Guidebook

Investors seeking a deeper understanding of the uranium market should refer to our recent sector initiation report, [Time for Some Yellowcake on Your Plate](#). The report examines the evolution of the uranium market from the Cold War era through to today, including the impact of the Megatons-to-Megawatts program, the 2006-07 bull market, Fukushima, and the subsequent decade of underinvestment. Importantly, it outlines why we believe the current uranium cycle is fundamentally different from those that came before, underpinned by a structural supply deficit, accelerating global reactor construction, energy security concerns, and the emergence of AI-driven power demand.

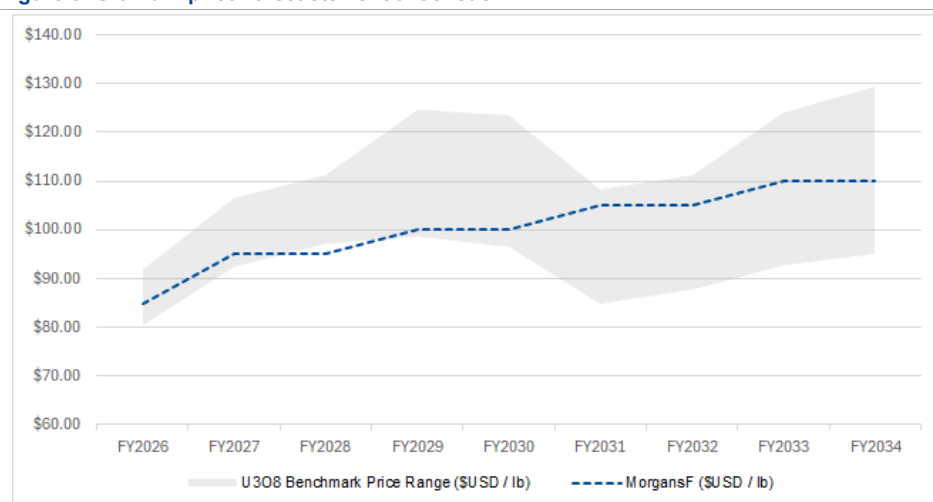
Commodity price assumptions

We remain constructive on uranium and see a particularly compelling medium- to long-term setup. Our positive view is anchored in the widening structural gap between supply and demand for U₃O₈: primary mine supply continues to fall short of reactor requirements, while secondary supply sources that historically bridged this deficit are depleting. Against this backdrop, demand is accelerating. The global reactor fleet is expanding at its fastest pace in decades, driven by energy security policy pivots across Europe and Asia, a rapid nuclear buildout in China, and growing interest from hyperscalers and AI infrastructure operators in nuclear as a source of zero-carbon baseload capable of powering data centres at scale. Utility contracting activity, subdued for much of the prior decade, is now recovering sharply as buyers seek to cover uncovered requirements ahead of a structurally undersupplied market. We see this supply and demand delta continuing to widen throughout the decade, providing durable price support and multiple re-rating catalysts for AEU.

Our U₃O₈ price forecasts reflect this conviction. We forecast the spot price recovering from current levels to around US\$100/lb by FY2029, climbing through US\$105–110/lb across FY2031-FY2034 as the supply-demand deficit deepens and utility uncovered requirements become increasingly acute. Beyond this period,

we forecast prices to trend higher from US\$115/lb in FY2035, reaching our long-term assumption of US\$130/lb by FY2041. As the chart below illustrates, our forecasts track broadly in line, but on the low side of consensus through the near term before diverging modestly to the upside from FY2031 onwards, a reflection of our view that the market is underpricing the structural tightness that emerges with accelerating reactor demand. We see limited downside to the long-term price, outside of black swan events or the near-term price dislocations typical of thinly traded commodity markets, with the structural floor underpinned by the simple economics of supply incentivisation: at sub-US\$80/lb, a meaningful proportion of prospective new mine supply becomes uneconomic, curtailing the production needed to close the deficit and creating a self-correcting price mechanism that supports the long-run floor.

Figure 5: Uranium price forecasts vs. consensus



Source: Morgans estimates, Visible Alpha

Company history

Atomic Eagle Limited (AEU) was formed in November 2025 following the reverse takeover by ASX-listed Tombador Iron Ltd of TSXV-listed Canadian uranium developer GoviEx Uranium Inc. The combined entity was renamed Atomic Eagle Limited on 19 November 2025, with the merged company beginning trading on the ASX on 24 November 2025.

GoviEx, founded in 2006, acquired its original flagship project, Madaouela in Niger in 2007. GoviEx drilled more than 600,000m there between 2008 and 2013, completing a prefeasibility study in 2013 (updated 2015 and 2021). GoviEx expanded its African uranium footprint materially in 2016, acquiring Denison Mines' African uranium interests. That deal brought in what is now the Muntanga project in Zambia, with a Preliminary Economic Assessment completed in 2017. Between 2021 and 2023, GoviEx drilled over 33,000m at Muntanga's Dibbi East deposit, upgrading the Inferred resource to Indicated and underpinning an updated technical report, released in August 2023.

Madaouela, meanwhile, became a source of sovereign risk rather than production. Following Niger's July 2023 coup, the new military government withdrew GoviEx's mining rights to the project in 2024. GoviEx pursued international arbitration in response, with both sides agreeing to pause proceedings from January 2025 while negotiating a commercial resolution.

Against this backdrop, GoviEx pursued an ASX listing as a cleaner path to funding its Zambian development. The reverse takeover was announced on 18 August 2025. An Australian public listing gave GoviEx a new capital structure, a refreshed

board and access to substantial new shareholders to advance Muntanga, with GoviEx subsequently exiting its TSX listing.

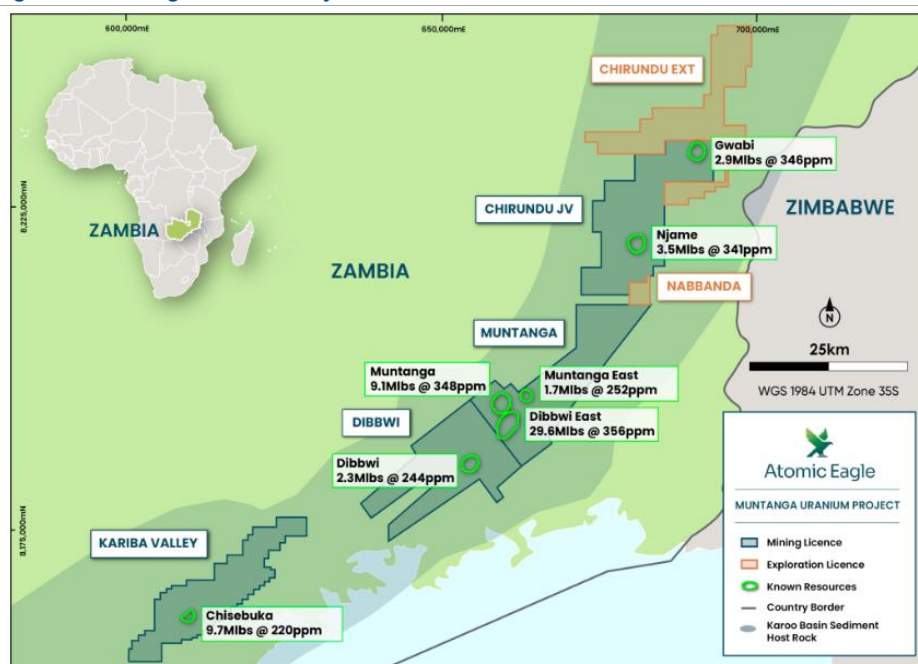
Since listing, AEU has moved quickly on both assets. A 100-hole shallow drilling program at Muntanga was completed shortly after listing, with assays flagged for early 2026, and AEU subsequently secured a binding option over 100% of the Sitwe uranium project in Zambia's Luangwa Valley. On 24 August 2026, AEU announced a negotiated resolution with the Niger government that restores its position at Madaouela. AEU now holds 60% of the project through a new Nigerien subsidiary (MAMICO), with the government retaining the remaining 40% (15% free carried interest, 25% contributing interest). The agreement brings a second, high-grade uranium asset (Madaouela carries a foreign estimate of 96.9Mlb U_3O_8 at 1,275ppm in the Measured and Indicated category and 19.6Mlb U_3O_8 at 1,330ppm Inferred) back into the group alongside Muntanga.

Muntanga

Project description

The Muntanga Uranium Project is AEU's flagship asset, comprising a feasibility-stage open-pit, heap leach uranium development project located in southern Zambia, 200km south of Lusaka and north of Lake Kariba. The project hosts a collection of shallow uranium deposits distributed along a 100km mineralised corridor within the Zambezi Rift Valley. From north to south, these include the Gwabi and Njame deposits on the Chirundu licence near the Zimbabwean border, the Muntanga, Muntanga East and Dibbwi East deposits on the Muntanga licence, and the Dibbwi deposit on the Dibbwi licence. More recently, AEU has added the Chisebuka deposit, located further south, providing additional resource growth and development optionality. The following sections examine GoviEx's 2025 Feasibility Study (FS) in detail. AEU has adopted the FS as it stands and has not yet updated or re-run the study. AEU's intention is to expand the Muntanga resource base and ultimately develop a project capable of producing more than 4Mlbpa of U_3O_8 . While future studies may outline a larger development pathway, we believe the foundation of any future project will remain the feasibility study completed by GoviEx. As such, we have reviewed the study and its assumptions in detail to form the basis of our valuation for AEU.

Figure 6: Muntanga Uranium Project - Location



Source: Atomic Eagle

Resources & Reserves

The GoviEx FS evaluated five deposits (exclusive of Chisebuka and Muntanga East) to a feasibility level before ultimately concentrating the development case on the two largest deposits, Muntanga and Dibbwi East. Located in close proximity, these deposits contain ~80% of the Measured and Indicated Resource and offered the most capital-efficient path to development. While the satellite deposits of Dibbwi, Gwabi and Njame were demonstrated to be value accretive, they did not satisfy the required economic return thresholds as standalone mining pits, primarily due to the need for additional mining fleets, ore sorting facilities and supporting infrastructure at each location. We expect AEU to revisit these satellite deposits in a future Feasibility Study.

The 2025 Feasibility Study reported a Mineral Resource of 63.2Mt at 340ppm U_3O_8 for 47.4Mlb of contained U_3O_8 across the Muntanga Project. Importantly, the resource estimate is constrained by an optimised open-pit shell based on a uranium price assumption of US\$100/lb, meaning it reflects mineralisation considered potentially economic for mining.

Figure 7: Muntanga Mineral Resource

Category	U_3O_8 cut-off [ppm]	Deposit	Tonnes [MT]	U_3O_8 Grade [ppm]	U_3O_8 Metal [Mlb]
Measured	110	Gwabi	1.1	254	0.6
	90	Njame	2.5	358	2.0
Indicated	90	Muntanga	8.6	369	7.0
	90	Dibbwi	3.2	253	1.8
	90	Dibbwi East	31.3	372	25.7
	110	Gwabi	2.7	374	2.2
	90	Njame	1.0	306	0.7
Total M&I			50.4	359	40.0
Inferred	90	Muntanga	3.4	278	2.1
	90	Dibbwi	1.0	213	0.5
	90	Dibbwi East	7.1	252	3.9
	110	Gwabi	0.2	272	0.1
Total inferred			1.1	329	0.8
Total inferred			12.8	263	7.4

Source: GoviEx

2026 JORC Resource Update

In March 2026, AEU updated its resource for the Muntanga Uranium Project, increasing its size by 24%, adding Chisebuka (19.9Mt at 220ppm for 9.7Mlb of U₃O₈) and Muntanga East (3.1Mt at 252ppm for 1.7Mlb of U₃O₈).

Figure 8: Muntanga Mineral Resource – March 2026

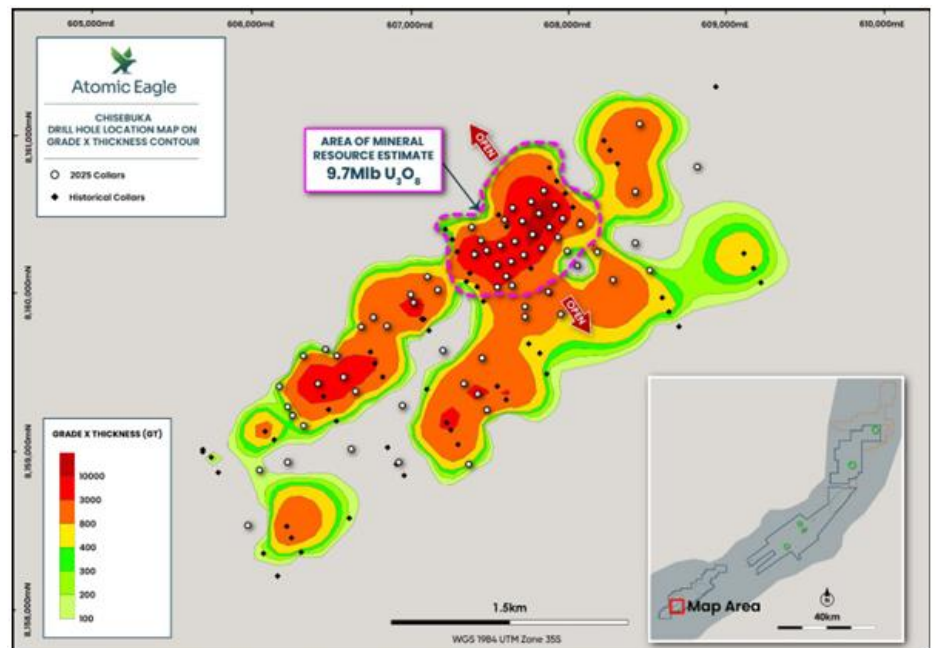
CATEGORY	U ₃ O ₈ CUT- OFF	DEPOSIT	TONNES	U ₃ O ₈ GRADE	U ₃ O ₈ METAL
	[ppm]		[Mt]	[ppm]	[Mlb]
Measured	110	Gwabi	1.1	254	0.6
	90	Njame	2.5	358	2
Indicated	90	Muntanga	8.6	369	7
	90	Dibbwi	3.2	253	1.8
	90	Dibbwi East	31.3	372	25.7
	110	Gwabi	2.7	374	2.2
	90	Njame	1.0	306	0.7
Total M&I			50.4	359	40.0
Inferred	90	Muntanga	3.4	278	2.1
	90	Dibbwi	1.0	213	0.5
	90	Dibbwi East	7.1	252	3.9
	110	Gwabi	0.2	272	0.1
	90	Njame	1.1	329	0.8
	90	Chisebuka	19.9	220	9.7
	90	Muntanga East	3.1	252	1.7
Total Inferred			35.8	238	18.8
TOTAL			86.2	309	58.8

Source: Atomic Eagle

Chisebuka

Chisebuka lies in the Kariba Valley mining licence, some distance from the central Muntanga and Dibbwi East pits. African Energy Resources first identified it in 2007 through mapping, soil sampling and ground radiometric surveys. They followed up with 73 widely spaced holes on a 400 m by 100 m grid. The drilling intersected mineralisation that was open in all directions, but no further work was completed. Atomic Eagle has since completed a 69-hole infill program, first tightening the grid to 200 m by 100 m across the full 3.5 km by 1.5 km target. It then drilled a shallower, higher-grade zone more closely at 100 m by 100 m. The maiden resource covers only the closely drilled higher-grade area, informed by 42 holes.

Figure 9: Chisebuka MRE outline

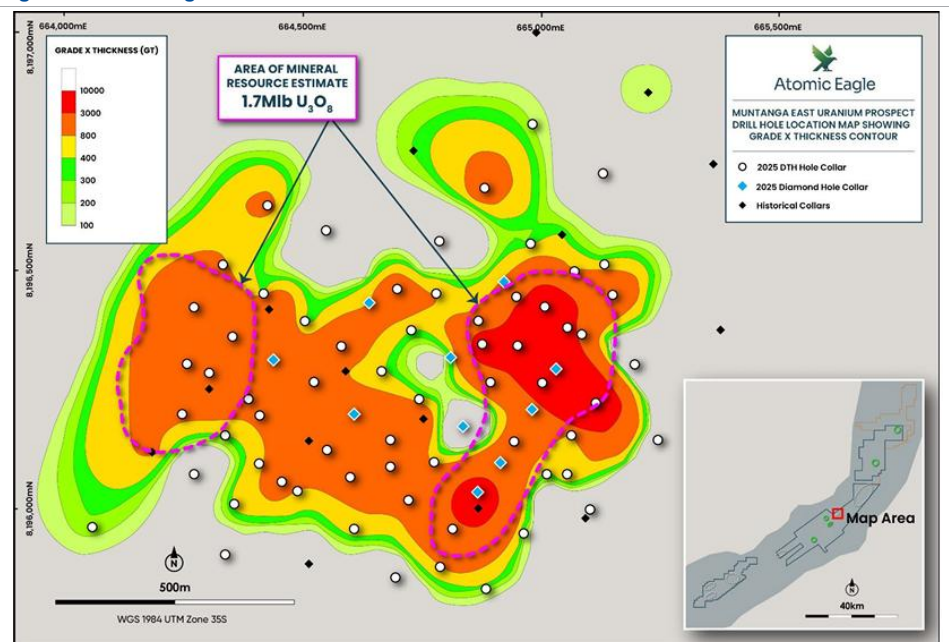


Source: Atomic Eagle

Muntanga East

Muntanga East lies close to planned infrastructure and sits on the Muntanga mining licence, 5km northeast of the Muntanga deposit and 8km northeast of Dibbwi East. Denison Mines first found it as a radiometric anomaly and drilled 16 holes between 2008 and 2012. AEU's infill drill program of 75 holes confirmed a flat-lying zone of shallow mineralisation, mostly within 50m of surface and up to 20m thick.

Figure 10: Muntanga East MRE outline

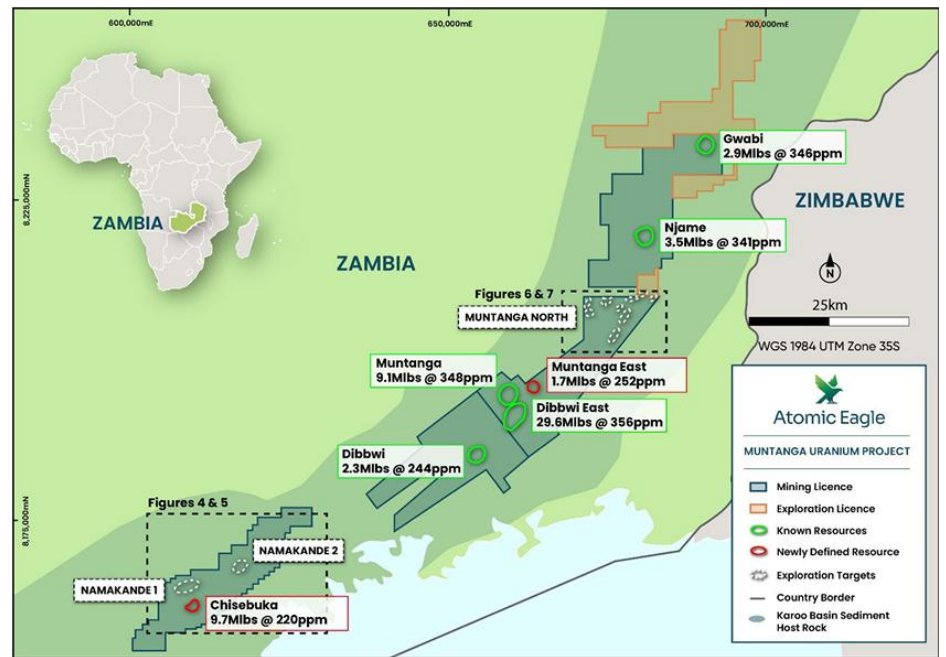


Source: Atomic Eagle

2026 drilling program

In April 2026, AEU announced a 30,000m drilling program. The stated goal of the program is a resource large enough to support a "district-scale" mine, meaning a bigger operation than the 3.5 Mtpa, 12-year plan in the 2025 feasibility study. The program covers three targets, Chisebuka, Namakande and Muntanga North.

Figure 11: Drill program locations



Source: Atomic Eagle

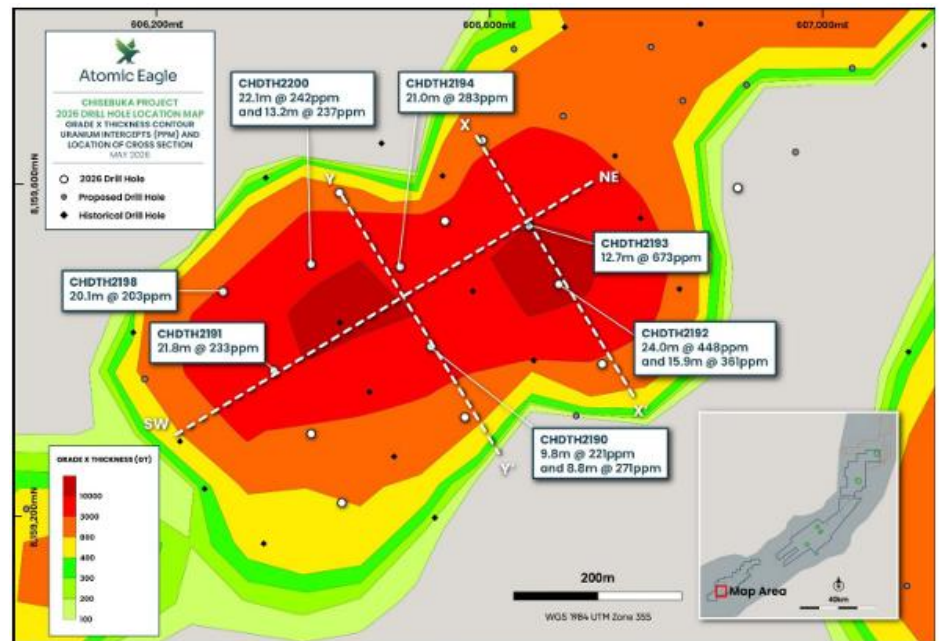
Chisebuka is the most advanced target, and the 2026 infill drilling will tighten the grid across the remaining mineralisation so that more of it can be brought into the resource. In May 2026, AEU announced that 13 of the first 15 holes had intersected uranium mineralisation consisting of a series of stacked lenses that extend from surface to depths of 150m. Drilling details are shown in Figure 12. A further market update was provided in June 2026, when 29 holes had been drilled, taking the total metres drilled in 2026 to 4,209m. The drilling had two aims: test whether the higher-grade south-west zone connects to the existing resource area and probe the resource margins and southern extensions.

The results were encouraging on both counts:

- Northern higher-grade zone - It now measures 900 m by 600 m in plan. Mineralisation runs from surface in the north-west to more than 100 m depth in the south-east and is up to 80 m thick in the core of the deposit.
- South-west zone - It now measures 830 m by 400 m, starting near surface and plunging below 100 m depth to the south-east, with up to 60 m of thickness at its core.
- Continuity between the zones - Drilling has shown mineralisation continuing between the south-west zone and the defined resource area, which points to one larger mineralised system rather than separate pods.

The grades were consistent with the existing resource, and the thick intervals support the view that Chisebuka is a bulk, open-pit-style deposit.

Figure 12: Chisebuka drilling results – May 2026



Source: Atomic Eagle

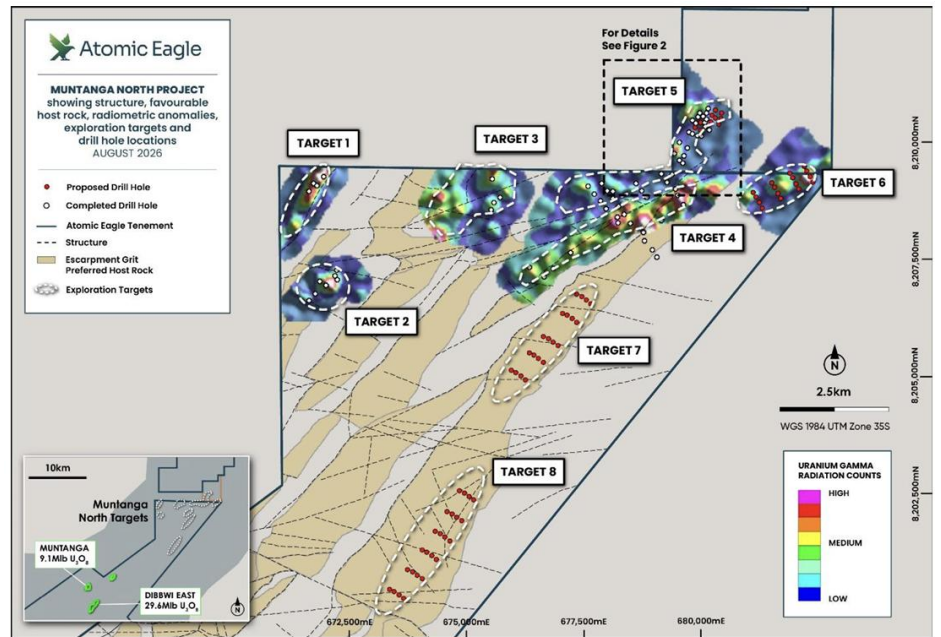
Muntanga North covers about 80 km² of the Muntanga mining licence, between the Njame deposit to the north and the central Muntanga and Dibbwi East deposits to the south. Before 2026 it was essentially undrilled. The only previous hole, drilled in 2022, returned 1.95 m at 295 ppm U₃O₈. The drilling program at Muntanga North covered eight targets.

Ground radiometric surveys over Targets 1 to 5 broadly confirmed the airborne anomalies. AEU has since completed 64 holes for 5,995 m across those five targets. The results have narrowed the focus:

- Targets 1 to 3: no anomalous uranium. The surface radiometric signal is now interpreted as near-surface uranium enrichment from weathering, not a buried deposit.
- Target 4: one discrete anomalous intercept (1.25 m at 147 ppm eU₃O₈). It is not enough to justify immediate follow-up.
- Target 5: a zone of about 600 m by 200 m has been identified. The mineralisation runs broadly parallel to bedding. Its lens-like shape suggests faulting may control it. The zone remains open along strike and down dip to the east.

Follow-up drilling will test the open extensions of Target 5. Surveys and first-pass drilling continue at Targets 6, 7 and 8, which AEU describes as large-scale. Muntanga North drilling is due to finish in Q4 2026.

Figure 13: Muntanga North drilling targets



Source: Atomic Eagle

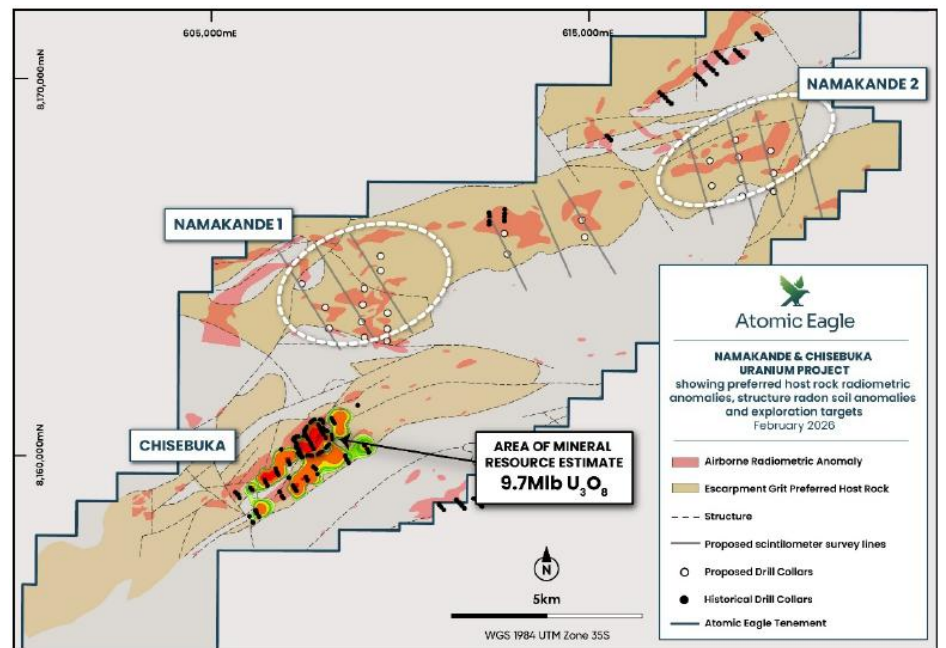
Namakande 1 and 2 are on the same licence as Chisebuka. The targets were chosen where radiometric anomalies coincide with outcrops, nearby faults and a bend in the rock layering. Those are features that can trap uranium.

Surveys and first-pass drilling are now complete, with 60 holes for 6,832 m:

- Target 1: anomalous uranium in several holes, but generally less than 3 m thick and discontinuous. The best result was 2.05 m at 341 ppm.
- Target 2: a broad, continuous zone of about 1,000 m by 400 m of shallow-dipping mineralisation that follows the bedding. Grades are the best found in the greenfield program, and hole NADTH2357 intersected several stacked higher-grade lenses: 1.50 m at 1,342 ppm, 1.55 m at 916 ppm and 1.15 m at 767 ppm. Most intercepts are thin, however, generally less than 2 m.

Namakande's challenge is the reverse of Muntanga North's. The grades are encouraging, but the thin layers limit the tonnes per square metre. Grade matters less than grade multiplied by thickness when judging whether a zone could support an open pit. Thin, stacked lenses would also bring more waste into the ore once mined, which dilutes the grade. The results will now be combined with the geological, radiometric and geochemical data to decide the next steps.

Figure 14: Namakande 1 & 2 – proposed drill locations



Source: Atomic Eagle

Geology

The Muntanga Uranium Project is a sandstone-hosted uranium deposit, belonging to the same broad family of uranium deposits that account for a significant portion of global uranium production. The project is considered a close geological analogue to Lotus Resources' Kayelekera Project in Malawi.

How the uranium got there - 200 to 300 million years ago, as the supercontinent Gondwana began to fragment, a series of rift basins formed across southern Africa. One of these basins was the Zambezi Rift Valley, which subsequently filled with river and floodplain sediments that today form part of the Karoo Supergroup. The uranium was sourced from the surrounding granite and gneissic basement rocks, with weathering processes releasing uranium into groundwater. As groundwater migrated through the porous sandstone units, it eventually encountered chemically reducing environments, typically associated with carbonaceous material or organic matter. These conditions caused the dissolved uranium to precipitate from solution and concentrate within the sandstone sequence, forming the deposits observed today.

Benefits of the mineralogy - Importantly, the uranium mineralisation was introduced after the sandstone had been deposited. Rather than being locked within individual quartz grains, the uranium occurs as coatings on the sand grains and within the pore spaces between them. As a result, more than 90% of uranium-bearing particles are considered free and accessible. This geological characteristic underpins Muntanga's proposed processing route, as the uranium can be effectively recovered through coarse crushing and heap leaching without the need for fine grinding, reducing both processing complexity and capital intensity.

Mining method and sequencing

Mining at Muntanga is currently planned as a conventional open-pit truck-and-shovel operation, reflecting the shallow nature of the orebody. The relatively flat geometry supports wide mining benches and a modest-sized mining fleet, helping to minimise operating complexity.

The FS envisages ore and waste movement using a fleet of seven to eight Caterpillar 395 excavators, loading a fleet of more than 45 Caterpillar 745 articulated dump trucks. The selection of articulated haul trucks is well suited to the local ground conditions, which can be soft and seasonally wet, providing greater mobility and operating flexibility than conventional rigid-frame haul trucks. Given the project's scale and low strip ratio, larger mining equipment is not required, supporting a capital-efficient mining approach aligned with the deposit's size and geometry.

From our perspective, the proposed mining method represents a relatively low-risk development strategy. The equipment is widely used across the global mining industry, requires no specialised mining techniques, and is well suited to the nature of the Muntanga deposits. This should help reduce execution risk and support a straightforward transition from development into operations.

Figure 15: Caterpillar 395 Excavator



Source: Caterpillar

Figure 16: Caterpillar 745 Articulated Truck

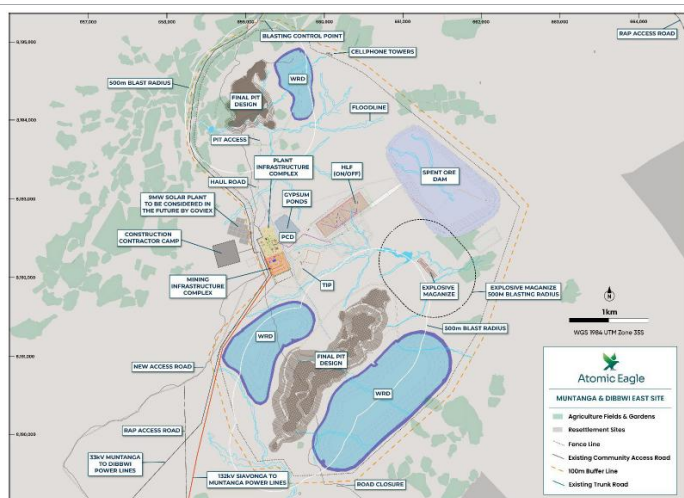


Source: Caterpillar

The mine plan outlined in the FS prioritises mining at Muntanga, where the low strip ratio of 1.2x provides rapid access to ore and supports early cash flow generation. Development of Dibbwi East commences in parallel from Year 2, however its larger scale and substantially higher strip ratio of 4.3x results in a more gradual ramp-up profile. As a result, Muntanga provides the majority of plant feed in the early years of operation while waste stripping and pit development activities are accelerated at Dibbwi East. Dibbwi East's 4.3x strip ratio treats Inferred material inside the pit as waste. If future infill drilling upgrades this material and later studies include it as ore, the strip ratio would fall.

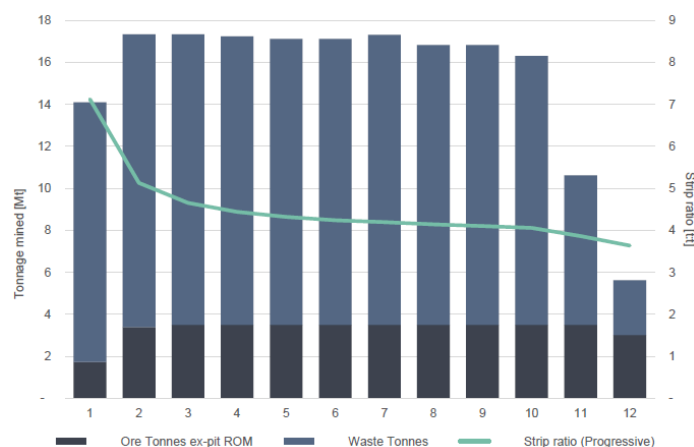
Dibbwi East will be developed through three pushbacks. This staged approach ensures sufficient ore exposure is available as mining at Muntanga winds down, allowing Dibbwi East to progressively assume a larger share of plant feed before becoming the sole ore source following depletion of Muntanga in Years 5 to 6. The sequencing smooths the transition between deposits, maintains consistent feed and reduces operational disruption as the project moves from its initial low-strip mining phase into the longer-life Dibbwi East operation. Over the current 12-year mine life, 183.8Mt of material is scheduled to be mined, comprising 39.6Mt of ore at an average grade of 320ppm and 144.2Mt of waste.

Figure 17: Muntanga mine layout



Source: Atomic Eagle

Figure 18: Life-of-mine schedule



Source: GoviEx

Processing

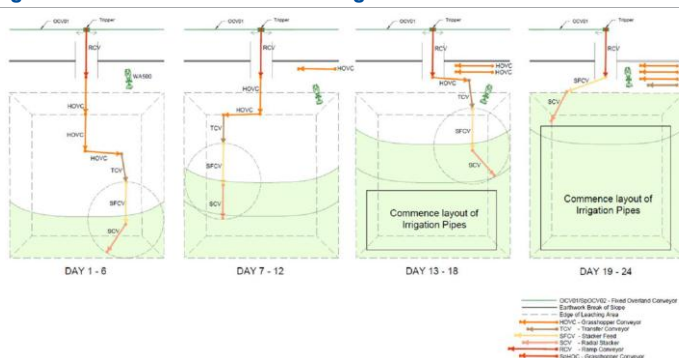
As discussed previously, the geology of the Muntanga deposits supports a relatively simple and capital-efficient processing flowsheet compared to many other uranium development projects. Because the uranium was introduced after deposition and occurs primarily as coatings around sandstone and siltstone grains, rather than being locked within the quartz itself, the mineralisation is readily accessible to leaching solutions. This allows AEU to utilise a modest-sized Central Processing Plant (CPP) and a conventional heap leach circuit, avoiding the need for complex beneficiation or energy-intensive fine grinding. The CPP is currently designed to process 3.5Mtpa of ore and convert mined material into a saleable U_3O_8 concentrate through three key stages:

1. **Ore preparation** - Ore is passed through a three-stage crushing circuit. Material is initially reduced to 250mm, followed by secondary crushing to 75mm and a final crush size of around 25mm. Unlike many hard-rock mining operations, no fine grinding is required. This is a direct consequence of Muntanga's sandstone-hosted mineralisation. As a result, leach solutions can effectively access the uranium in relatively coarse material, reducing both processing complexity and energy consumption. Following crushing, the ore undergoes agglomeration to improve permeability and ensure uniform acid distribution across the heap during the leaching process.
2. **Heap Leach** - The agglomerated ore is carried on a fixed conveyor to the dynamic heap leach facility and stacked by a chain of mobile "grasshopper" conveyors and a radial stacker. There are four side-by-side pads, each with a 150m by 140m footprint. Each load is about 234,000t, stacked 10m high. Stacking retreats across the pad so that the equipment never drives on freshly placed ore. Once a pad is full, diluted acid is sprayed over the top. The solution percolates down through the ore for ~25 days, dissolving the uranium. At the base, perforated pipes collect the solution and drain it to a collection pond at each pad. The uranium-rich liquid, called pregnant leach solution (PLS), is then sent to the PLS pond and pumped to the recovery plant. The heap is then rinsed for 25 days with water to wash out any remaining uranium and acid, after which the spent ore is dug off and loaded onto mobile conveyors to carry it to the spent ore dump. The process then starts again on the heap pad. The four pads rotate on a staggered 25-day sequence. At any one time, one pad is being stacked, one leached, one rinsed and one reclaimed.

Each pad completes a full cycle every ~100 days, handling 875ktpa; together, the four pads provide the plant's 3.5Mtpa capacity.

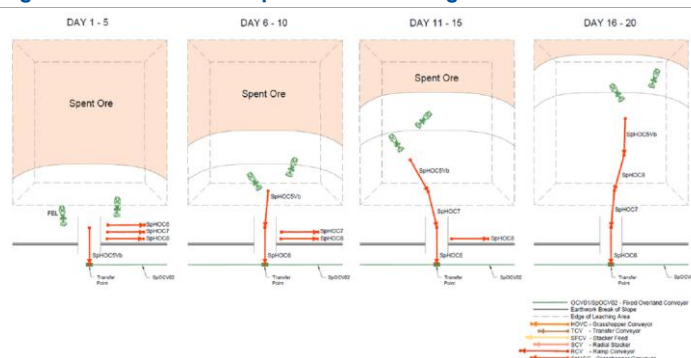
3. **Uranium recovery and purification** - The PLS is then pumped through an ion exchange column, where resin beads capture the uranium. Sulphuric acid then strips the uranium from the resin, producing a much smaller, more concentrated solution known as eluate. Nanofiltration membranes then separate most of the acid from the eluate for recycling, leaving a uranium-rich stream and reducing reagent costs. That stream is purified in two stages: lime neutralises the remaining acid and forms gypsum, which is filtered off, and sodium hydroxide removes traces of iron. Hydrogen peroxide is then added, precipitating the uranium. The precipitate is dewatered in a centrifuge and heated in a kiln to 750°C, converting it to U_3O_8 , or yellowcake, which is packed into sealed steel drums for shipment. Because the circuit recycles solution, acid and resin throughout, it keeps reagent costs down at Muntanga's low grade.

Figure 19: Illustration of ore stacking



Source: GoviEx

Figure 20: Illustration of spent ore reclaiming



Source: GoviEx

Transport to export – The yellowcake road

Product transport is expected to leverage existing logistics infrastructure, with yellowcake trucked 2,000km west across Zambia and Namibia to the Port of Walvis Bay in Namibia at a low cost of US\$1.46/lb. While the transport distance is significant, the route is well established, having previously been used to export uranium from Lotus Resources' Kayelekera mine in Malawi. From Walvis Bay, Muntanga's U_3O_8 will be transported via established shipping routes to conversion facilities globally.

Feasibility Study – Key operating and financial parameters

In March 2026, AEU re-stated the 2025 FS following an independent review by PRODEO Consulting, reaffirming the technical and economic foundations of the Muntanga Uranium Project. The study outlines a 12-year mine life processing 3.5Mtpa of ore through a conventional heap leach operation, achieving average uranium recoveries of approximately 90%. Over the life of mine, Muntanga is expected to produce 25.3Mlb of U_3O_8 , averaging ~2.2Mlbpa.

Mining is planned via a conventional open-pit truck-and-shovel operation feeding a simple heap leach processing circuit, a development approach that avoids the complexity and cost associated with conventional milling. This simplicity is reflected in the project's competitive operating cost profile, with C1 costs estimated at US\$32.2/lb U_3O_8 . Initial capital requirements are also relatively modest, with pre-production capital estimated at US\$282m, including a 10% contingency allowance.

The processing facilities account for the largest component of upfront capital expenditure. The process plant is estimated to cost US\$138m, while heap leach pads and associated stacking and reclaim infrastructure contribute a further

US\$50m. Mining equipment represents approximately US\$37m of upfront capital, reflecting the study's assumption that the mining fleet is owner-operated rather than contractor supplied. The balance comprises site infrastructure, including roads, power supply, water management systems and other supporting facilities required to establish the operation.

Life-of-mine sustaining capital is estimated at US\$101m, the majority of which relates to replacement of the mining fleet during operations. In our view, this assumption may prove conservative. Given Muntanga's relatively short 12-year mine life and the moderate utilisation rates expected from the proposed fleet, it is reasonable to envisage a scenario where much of the equipment remains operational for the full mine life. Even if replacement equipment were ultimately required, a significant residual value would likely remain at closure, with the potential for redeployment should AEU elect to develop the satellite deposits or pursue future expansion opportunities. As a result, there appears to be scope for sustaining capital savings relative to the base case assumed in the Feasibility Study.

Figure 21: GoviEx Muntanga FS 2025 – Key operating and financial parameters

Item	Units	Value
Production and Mining		
Mine life	Years	~12
Ore Mined	Mt	39.6
Ore Grade	ppm U ₃ O ₈	320
Plant throughput	Mtpa	3.5
LOM Production	Mlb U ₃ O ₈	25.3
Average annual production	Mlb pa	2.2
Financial Parameters		
Pre-production capital cost	US\$ million	282
Operating costs (C1)	US\$/lb	32.20
Post-tax NPV ₈	US\$ million	243
Post-tax IRR	%	20.8
Payback period	Years	3.5
LOM Free Cash Flow	US\$ million	672

Source: Atomic Eagle

Project expansion isn't as expensive as you'd think

An underappreciated aspect of Muntanga, in our view, is the potential economics of expansion. Heap leach operations are typically highly scalable, with much of the major infrastructure already established during the first phase of development.

A useful comparison is Bannerman's Etango project in Namibia. Etango's feasibility study proposes processing 8Mtpa, more than double Muntanga's planned 3.5Mtpa throughput, yet requires pre-production capital of US\$353m, only 25% higher than Muntanga's US\$282m. Despite processing 129% more ore annually, Etango requires just US\$71m of additional upfront capital. We note the two estimates were prepared at different times and on different assumptions, so we include this as an indicative comparison only, not a direct estimate of Muntanga's expansion cost.

This highlights an important feature of heap leach operations. Major infrastructure such as administration facilities, power, water supply, accommodation, reagent handling, laboratories, maintenance workshops and much of the processing infrastructure do not need to increase in a linear fashion with throughput. As capacity expands, a greater proportion of capital can be directed toward additional crushing, stacking and leaching capacity rather than constructing an entirely new operation.

For AEU, this is particularly relevant given its stated objective of continuing to grow the resource base through ongoing exploration. Should future drilling continue to add pounds and justify a larger operation, the economics suggest that increasing throughput may prove substantially cheaper than building the original project. While expansion studies remain some way off, the comparison with Etango implies that a larger production profile does not necessarily imply a proportionally larger capital bill, creating a potential pathway to higher production and stronger project economics over time.

Muntanga – Morgans estimates

We have intentionally modelled Muntanga on a conservative basis, preferring assumptions that leave room for upside rather than creating the risk of future downgrades. This starts with our pre-production capital estimate, which is 20% above the FS at US\$338m. We assume a two-year development schedule, assuming construction commences in 2029 and first production is achieved in 2031. Sustaining capital is aligned with the FS. While we acknowledge inflationary pressures on replacement costs, we expect the mining fleet to comfortably operate over the current 12-year mine life without requiring wholesale replacement, effectively offsetting the impact of higher equipment pricing.

Operationally, we have aligned our model with the FS on ore tonnes mined and head grade but have adopted a more conservative view on processing performance. Rather than assuming nameplate throughput of 3.5Mtpa, we model peak plant throughput of 3.3Mtpa. This extends mine life to 13 years but reduces annual U_3O_8 production to approximately 2.1Mlbpa, below the 2.2Mlbpa assumed in the FS.

We have also increased C1 cash costs by 36% to reflect industry-wide mining and processing cost inflation. Despite these more conservative assumptions, our valuation remains broadly consistent with the FS. We derive a post-tax NPV₈ of US\$274m, compared with the FS US\$242m, while applying our more stringent 10.5% discount rate generates a post-tax NPV_{10.5} of US\$187m.

In our view, Muntanga's ability to generate a compelling valuation despite a deliberately conservative set of assumptions speaks to the underlying quality and resilience of the asset. Importantly, our model does not rely on aggressive throughput rates, optimistic cost outcomes or overly optimistic future uranium price appreciation to justify value creation. Looking ahead, we see the balance of risk skewed favourably to the upside. With AEU targeting further resource growth through its 2026 drilling program, there remains a reasonable pathway to extending mine life, increasing production flexibility, and enhancing overall project economics beyond our current base-case assumptions. As a result, we believe our valuation remains grounded, while the potential for positive resource and development outcomes is not yet fully captured.

Figure 22: Muntanga assumption comparison – FS vs MorgansF

	Units	FS - GoviEx	MorgansF
Production and Mining			
Mine Life	Years	~12	~13
Ore Mined	Mt	39.6	39.6
Ore Grade	ppm U ₃ O ₈	320	320
LOM Production	Mt	25.3	25.1
Average Annual Production	Mlb U ₃ O ₈	2.2	2.1
Financial Parameters			
U ₃ O ₈ Price	US\$/lb	90	111
Pre-production capital cost	US\$ million	282	338
Sustaining capital	US\$ million	100	100
Operating Costs (C1)	US\$/lb	32.2	43.8
Post-tax NPV ₈ / MorgansF NPV _{10.5}	US\$ million	243	274 / 187
Post-tax IRR	%	20.8	21.9
Payback period	Years	~3.5	~4

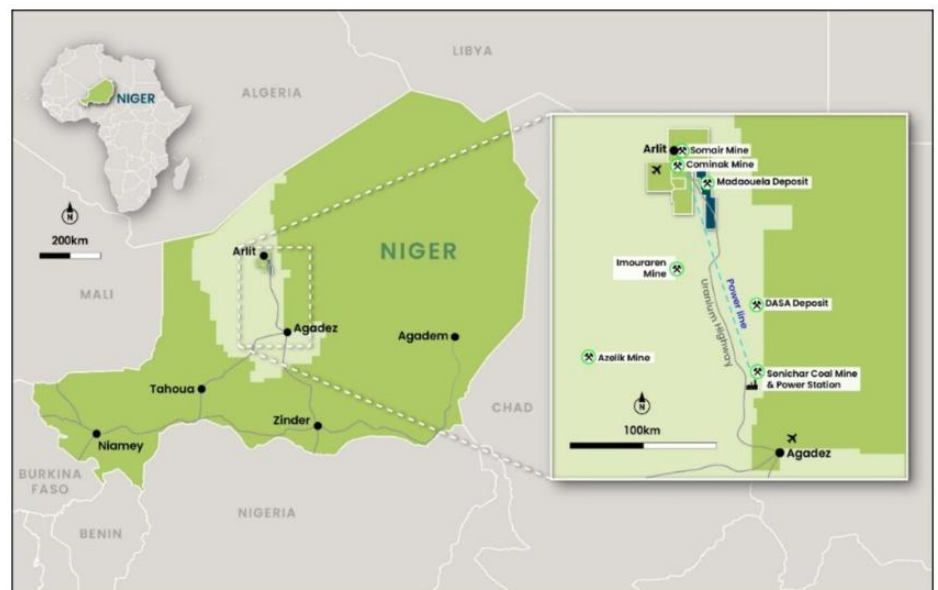
Source: Morgans estimates, GoviEx

Madaouela

Project description

The Madaouela Uranium Project is located near Arlit, in northwestern Niger, on the southern fringes of the Sahara Desert. Arlit was first established in the 1960s following the identification of uranium deposits in the area. In 2007, GoviEx acquired five tenements, Madaouela I-IV, and Anou Mellé.

Figure 23: Madaouela location



Source: Atomic Eagle

Following its acquisition by GoviEx, the project underwent an extensive drilling campaign, with more than 600,000m drilled between 2008 and 2013. This work not only expanded the resource base but also led to the discovery of several additional deposits. An Environmental and Social Impact Assessment (ESIA) was subsequently completed, submitted and approved in early 2015, paving the way

for the grant of a mining permit in early 2016. As uranium prices entered a prolonged period of weakness, development activity slowed and the project was placed on a lower priority footing. Momentum returned in April 2021 with the release of an updated Pre-Feasibility Study, which outlined a combined open-pit and underground mining operation with a 20-year mine life and forecast total production of 49.6Mlb of U₃O₈.

In 2022, GoviEx completed the Feasibility Study (FS) for the Madaouela Uranium Project. The study assessed the open-pit mining operations, processing plant, and associated site infrastructure to feasibility level, while the underground mining component was advanced from the 2021 Pre-Feasibility Study (PFS) but remained at a pre-feasibility level of confidence. The mining sequence remained unchanged, with open-pit operations preceding underground development. Relative to the 2021 PFS, the updated study reduced the project timeline by six months to 19.5 years and increased total uranium production from 49.6Mlb to 50.8Mlb U₃O₈. Operating costs per tonne rose almost 50% between the two studies, largely from post-COVID inflation. That pushed the breakeven up about US\$6/lb. The higher NPV comes mostly from the US\$10/lb higher price assumption.

Figure 24: 2021 PFS vs 2022 FS

	2021 PFS	2022 FS
Mine Life	20 years	19.5 years
Total Production	49.6 Mlb	50.8 Mlb
Average Production	2.48 Mlbpa	2.60 Mlbpa
Reserve	54.7 Mlb	57 Mlb
Intitial Capex	US\$347m	US\$343m
LOM Capex	US\$648m	US\$619m
Opex	US\$56.4/t	US\$83.5/t
Price Assumption	US\$55/lb	US\$65/lb
NPV8	US\$60m	US\$120m
IRR	11.30%	12.70%
Breakeven	US\$50.7/lb	US\$57/lb

Source: GoviEx

The operating environment in Niger changed significantly in 2023 following a military coup that resulted in President Mohamed Bazoum being placed under house arrest. The political upheaval subsequently increased sovereign and permitting risk for mining operators in the country. In 2024, GoviEx was notified by Niger's Ministry of Mines that its mining permit for the Madaouela Uranium Project had been withdrawn, just two weeks after similar action was taken against Orano's Imouraren uranium project permit. In December 2024, GoviEx formally commenced arbitration proceedings against Niger under the World Bank's ICSID Convention on the Settlement of Investment Disputes Between States and Nationals of Other States.

In February 2025, GoviEx announced that alongside the Nigerien Minister of Mines, a letter of intent had been signed agreeing to a structured roadmap that detailed a mutually acceptable plan to negotiate a resolution pertaining to the Madaouela Uranium Project. In August 2026, AEU announced it had reached an agreement with the Republic of Niger on a new Mining Convention, re-establishing its interest in the Madaouela Uranium Project following the project's expropriation from GoviEx in 2024 and the subsequent arbitration process. Under the revised structure, AEU will hold a 60% interest and retain operational control through the newly formed Madaouela Mining Company (MAMICO), while the Republic of Niger will hold the remaining 40% interest, comprising a 15% free-carried interest and a 25% contributing interest.

The Mining Convention provides AEU with majority ownership, operational control and long-term tenure security, while also including legal, fiscal and regulatory stabilisation provisions together with access to international arbitration under the ICSID framework. The exploitation permit has an initial 10-year term and is renewable for successive five-year periods for the life of mine. As consideration for the grant of the exploitation permit, AEU has agreed to make two payments of US\$5m, with the first payable within 30 days of signing of the Mining Convention and the second payable upon commencement of construction. A further US\$40m credit has been agreed against the Niger Government's future equity contributions to project development, reducing the State's future funding obligations without requiring an immediate cash payment by AEU.

AEU announced that work at Madaouela will commence immediately with resource verification, JORC conversion, technical optimisation and evaluation of updated development and financing pathways. AEU is targeting publication of a JORC-compliant Mineral Resource by the end of 2026. In September 2026, AEU announced that the Mining Convention governing the Madaouela Uranium Project had been formally executed. The execution makes the agreement effective immediately and establishes the legal, fiscal and operational framework under which Madaouela can be advanced. Importantly, the agreement confirms AEU's ownership and operational control. With a foreign Mineral Resource Estimate of 116.5Mlb U_3O_8 at 1,282ppm, the return of the Madaouela Uranium Project to the AEU portfolio materially increases its uranium resource inventory and establishes one of the larger undeveloped uranium development portfolios on the ASX.

What does the future hold?

In September 2026, Global Atomic Corporation received conditional approval from the U.S. International Development Finance Corporation (DFC) for a proposed debt facility of up to US\$414m to support development of its Dasa Uranium Project, located a short distance from Madaouela. While the approval relates solely to Dasa and remains subject to several conditions, we view it as an encouraging signal that major international financing institutions remain willing to evaluate and support uranium development projects in Niger.

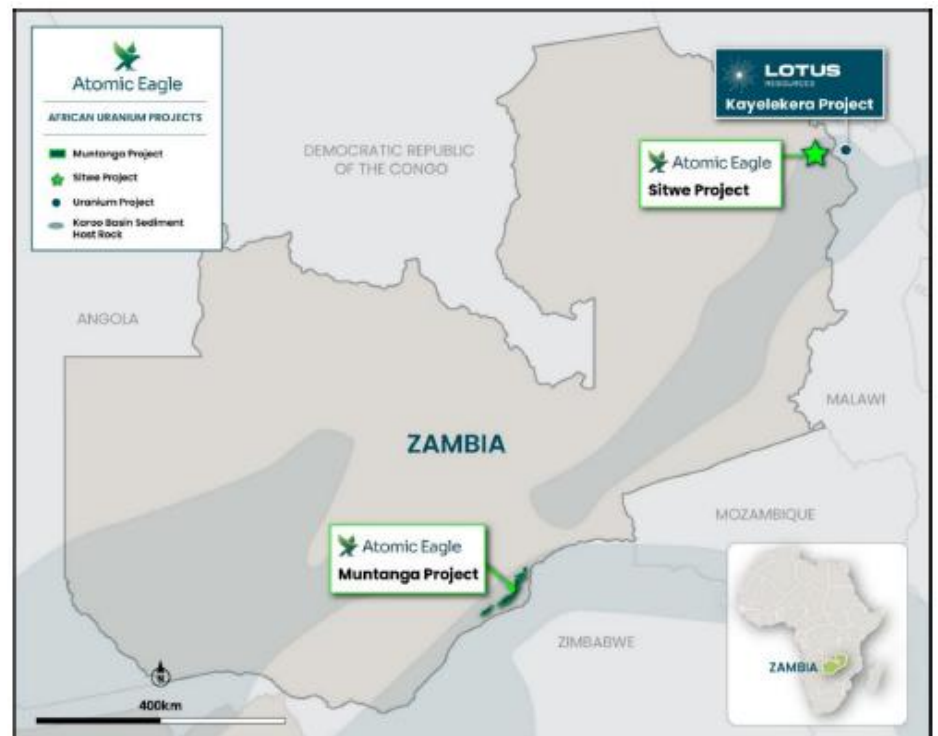
With the United States producing only a small proportion of its annual uranium requirements domestically, securing long-term and reliable uranium supply remains a strategic priority. We expect increasing involvement from governments, development finance institutions and utilities in funding advanced uranium projects capable of delivering future supply into a structurally tightening market. In our view, the DFC's support for Dasa highlights the growing strategic importance of Niger's uranium sector and may provide a useful reference point as AEU advances development studies and evaluates funding pathways for Madaouela.

Sitwe

In May 2026, AEU expanded its footprint in Zambia, entering an option agreement to acquire 100% of the Sitwe Uranium Project in north-eastern Zambia. The deal added 429km² of exploration licence to the portfolio, a 38% increase on AEU's previous Zambian tenement holdings.

Sitwe is located ~400km north-east of Muntanga, in the Luangwa Valley Karoo Basin, a southern African rift structure that also hosts Lotus Resources' Kayelekera deposit across the border in Malawi. The exploration licence was originally granted in August 2025 for an initial four-year term to August 2029. The deal structure provides AEU the right to acquire 100% of Sitwe for disciplined, staged capital. AEU must spend a minimum of US\$200k on exploration and licence-related costs by 30 June 2027, after which it can exercise its option for a cash payment of US\$400k. It is a low-cost way to hold a large, underexplored licence while determining through exploration whether the ground justifies further commitment.

Figure 25: Sitwe location



Source: Atomic Eagle

Sitwe has seen three separate phases of historical work. In the 1970s a regional airborne radiometric survey was completed over the area and identified uranium anomalies. This was followed up in 2006 and 2007 with more detailed airborne surveys that confirmed the presence of uranium anomalies. In April 2008, seven RC holes were drilled for a total of 458m, and all seven intersected uranium mineralisation. The best results were narrow but high-grade. The results are not compliant with JORC (2012) standards, and no resource has been estimated.

Figure 26: Historical drill intercepts - Sitwe

Hole ID	From (m)	To (m)	Interval (m)	Grade (% U3O8)
STN001	35	36	1	1.62%
STN002	37	39	2	0.64%
STN002	42	43	1	1.08%
STN003	7	13	6	0.57%
STN003	32	34	2	0.64%
STN003	61	67	6	0.74%
STN005	11	17	6	0.37%
STN005	29	39	10	0.25%

Source: Atomic Eagle

Zambian jurisdictional risk

We view Zambia as a relatively attractive destination for uranium investment, combining a supportive mining policy environment with improving investor perceptions. For AEU's Muntanga Project, jurisdictional risk is lower than many competing African uranium development regions, providing a solid platform for project advancement.

The Fraser Institute Annual Survey of Mining Companies 2025 ranked Zambia 25th out of 68 global mining jurisdictions on its Investment Attractiveness Index, improving from 28th out of 82 jurisdictions in 2024 and 34th out of 86 in 2023. Zambia also improved its Policy Perception Index ranking to 30th out of 68 jurisdictions, from 38th out of 82 in 2024 and 46th out of 86 in 2023. The survey assesses factors including regulatory certainty, taxation, infrastructure, political stability, security and the legal system, with the improvement suggesting a more favourable perception among mining industry participants.

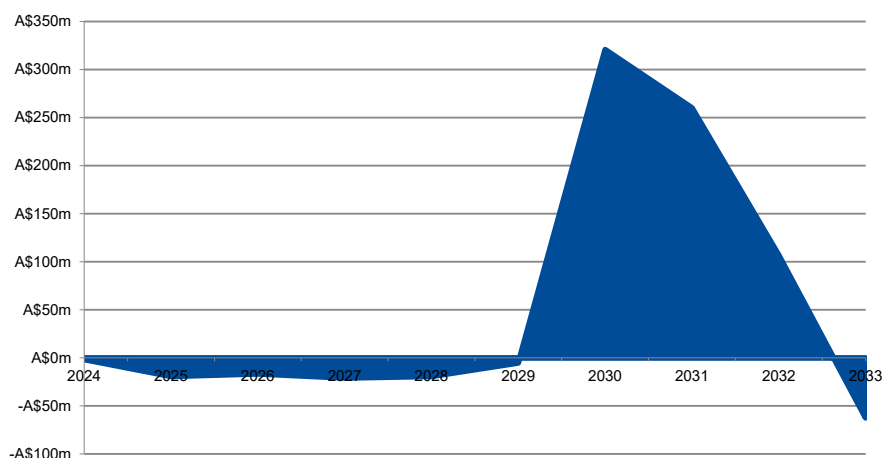
For Muntanga, this jurisdictional backdrop is important. As a project seeks financing and development capital, investors increasingly favour jurisdictions with stable mining codes, established mining industries and demonstrated willingness to attract international capital. We view Zambia's improving regulatory reputation and favourable investment rankings as a competitive advantage that should support future project development and financing discussions for AEU.

Financials

Balance sheet and cash flow

AEU finished 1H26 with A\$13.8m in cash and, following the recent exercise of options, and a forthcoming US\$5m payment to the Nigerien Government in relation to Madaouela, we forecast an FY26 year-end cash balance of A\$11.9m. This balance is sufficient to fund the company's planned 30,000m drilling program and ongoing study work across the Muntanga Project. Looking further ahead, we expect AEU to remain active on both exploration and project development fronts and have therefore incorporated the exercise of remaining options in FY27 for A\$12.2m and a \$15m equity raise in FY28 to support continued drilling, resource growth and project advancement initiatives. While additional funding will be required as Muntanga progresses toward a development decision, AEU remains funded to execute its current work programs. With Muntanga development currently forecast to commence in FY29 and first production expected in FY31, we assume the project will be funded through a combination of debt and equity. Our base case assumes 35-40% of the development capital is funded via equity, with the balance sourced from debt facilities. We also assume AEU maintains a minimum cash balance of A\$50m throughout the construction period to provide adequate liquidity and mitigate potential cost overruns, schedule delays and commissioning risks.

Figure 27: Net debt / (cash) position forecast



Source: Morgans estimates, Atomic Eagle

Share register

Major shareholders include Menel Energy and Resources Limited (~9%) and previous Board Member Eric Krafft (~8%).

Management and Board

Executive Leadership Team

Phil Hoskins – Chief Executive Officer

Phil is an experienced ASX mining executive with over 15 years' experience spanning exploration, development and operations. He previously spent a decade leading an African critical minerals project from discovery through feasibility, permitting and financing. His background includes capital markets, project financing, offtake negotiations and government engagement across Africa.

Chris Bath – Chief Financial Officer

Chris brings more than 20 years' experience in the energy and resources sectors across Australia and South-East Asia. A Chartered Accountant and member of the Australian Institute of Company Directors, he has extensive expertise in financial management, project acquisitions, ASX compliance and corporate governance.

Board of Directors

Grant Davey – Non-Executive Chairman

Grant has more than 30 years' experience developing mining and energy projects globally. He founded ASX-listed uranium companies Boss Energy and Lotus Resources, and brings extensive operational, project development and corporate leadership experience.

Keith Bowes – Non-Executive Director

Keith is a resources executive with over 30 years' experience spanning project development, metallurgy and mining operations. He previously held senior roles with Anglo American, BHP and Lotus Resources, where he served as Managing Director and Technical Director. Keith was instrumental in the acquisition and redevelopment of the Honeymoon Uranium Mine for Boss Energy and brings extensive uranium development experience to the Board.

Stephen Quantrill – Non-Executive Director

Stephen has more than 25 years' experience in corporate leadership, investment and governance across the energy and resources sectors. He is a former Executive Chairman of McRae Investments and has held a range of directorships and advisory roles across natural resources, financial services and private equity.

Govind Friedland – Non-Executive Director

Govind is a mining executive with more than 20 years' experience in the uranium, nickel and copper sectors. He founded and led GoviEx Uranium, where he was instrumental in developing the company's African uranium portfolio.

Muna Hantuba – Non-Executive Director

Muna is a highly experienced African financial services executive with more than 40 years' experience in investment management, wealth management and corporate governance. He has held numerous board and leadership positions across the financial, industrial and resources sectors, including GoviEx Uranium.



Scan here for a full list of our branches.
1800 777 946
info@morgans.com.au



Scan here to explore the stocks under coverage of our award-winning in-house research team.



Scan here for research coverage policy, research independence statement & recommendation structure.



Scan here for a glossary of terms used in Morgans research.

Morgans Financial Limited ABN 49 010 669 726 AFSL 235410. Level 29, 123 Eagle Street, Brisbane, QLD 4000 Australia. A Participant of ASX Group. Personal Information held by Morgans Financial Limited may have been used to enable you to receive this communication. If you do not wish your personal information to be used for this purpose in the future please contact us, either at your local Branch or to GPO Box 202, Brisbane, Qld 4001. Our privacy policy is available online at morgans.com.au.

If you no longer wish to receive Morgans publications, please contact your local Morgans branch or write to GPO Box 202 Brisbane QLD 4001 and include your account details.

Disclaimer: The information contained in this report is provided to you by Morgans Financial Limited as general advice only, and is made without consideration of an individual's relevant personal circumstances. Morgans Financial Limited ABN 49 010 669 726, its related bodies corporate, directors and officers, employees, authorised representatives and agents ("Morgans") do not accept any liability for any loss or damage arising from or in connection with any action taken or not taken on the basis of information contained in this report, or for any errors or omissions contained within. It is recommended that any persons who wish to act upon this report consult with their Morgans investment adviser before doing so. Those acting upon such information without advice do so entirely at their own risk.

This report was prepared as private communication to clients of Morgans and is not intended for public circulation, publication or for use by any third party. The contents of this report may not be reproduced in whole or in part without the prior written consent of Morgans. While this report is based on information from sources which Morgans believes are reliable, its accuracy and completeness cannot be guaranteed. Any opinions expressed reflect Morgans judgement at this date and are subject to change. Morgans is under no obligation to provide revised assessments in the event of changed circumstances. This report does not constitute an offer or invitation to purchase any securities and should not be relied upon in connection with any contract or commitment whatsoever.

In Hong Kong, research is issued and distributed by Morgans (Hong Kong) Limited, which is licensed and regulated by the Securities and Futures Commission. Hong Kong recipients of this information that have any matters arising relating to dealing in securities or provision of advice on securities, or any other matter arising from this information, should contact Morgans (Hong Kong) Limited at hkresearch@morgans.com.au

Disclosure of interest: Morgans may from time to time hold an interest in any security referred to in this report and may, as principal or agent, sell such interests. Morgans may previously have acted as manager or co-manager of a public offering of any such securities. Morgans affiliates may provide or have provided banking services or corporate finance to the companies referred to in the report. The knowledge of affiliates concerning such services may not be reflected in this report. Morgans advises that it may earn brokerage, commissions, fees or other benefits and advantages, direct or indirect, in connection with the making of a recommendation or a dealing by a client in these securities. Some or all of Morgans Authorised Representatives may be remunerated wholly or partly by way of commission.

Regulatory disclosures: Analyst owns shares in the following mentioned company(ies): N/A