

Labrador Uranium Inc. (CSE:LUR)

Corporate Update

New Acquisitions Add to Plethora of Exploration Upside Potential

October 14, 2022

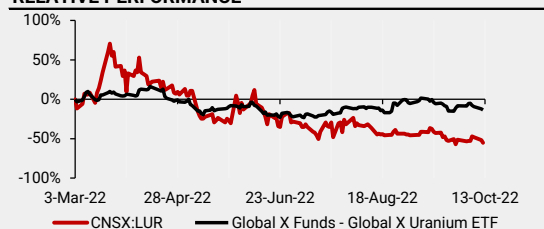
(Currency is CAD\$ unless noted otherwise)

Closing Price (\$/sh)	\$0.40	
Rating	BUY	
Target (\$/sh)	\$1.35	
Return to Target	238%	
52 Week Low / High	\$0.36 / \$1.55	
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	63.1	77.9
Market Capitalization (\$MM)	\$25.2	
Enterprise Value (\$MM)	\$11.0	
Cash and Cash Equivalents (\$MM)	\$14.2	
Total Debt (\$MM)	\$0.0	

STOCK CHART



RELATIVE PERFORMANCE



MAJOR SHAREHOLDERS

Mega Uranium (4.2%), IsoEnergy (3.0%), Management (5.1%)

NAV Summary	(C\$M)	(C\$/sh)
Project NAV	\$70.5	\$1.12
Working Capital	\$24.0	\$0.23
Corporate NAV	\$94.6	\$1.34
RELATIVE VALUATION	US\$EV/lb U3O8	P/NAV
LUR	\$0.30	0.57x
Global Peers	\$3.54	0.78x
Canadian Peers	\$4.13	0.79x

DISCLOSURE CODE:

3,4

(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Labrador Uranium is being built as a unique exploration vehicle that is focused on the consolidation, exploration and development of uranium and vanadium projects in Labrador. The company's project portfolio includes Moran Lake, Central Mineral Belt (CMB), Notakwanon, and Mustang Lake. Labrador Uranium initially started trading as a public company on the Canadian Securities Exchange in March 2022.

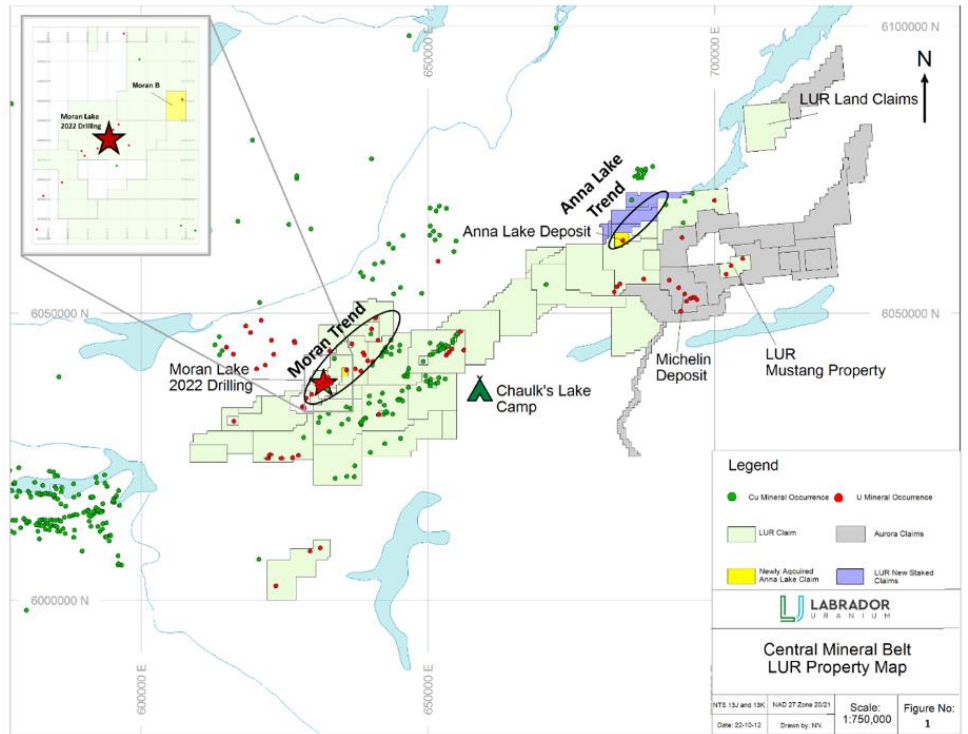
Impact: Positive

Labrador Uranium (LUR) has signed a purchase agreement to acquire 100% interest in Anna Lake and the Moran Lake B-Zone prospect from Beaconsfield Ventures Ltd. The two assets are strategically located within the Central Mineral Belt (CMB) and provide LUR with new exploration targets with known mineralization. This acquisition adds to the plethora of exploration potential already available within LUR's portfolio, with over 140 targets already identified at the CMB project, many of which are drill-ready and will incur significant exploration in the near-term. **Overall, we believe this is a positive move for Labrador as the projects are in some ways, more advanced than much of its current landholdings, apart from Moran Lake and Mustang Lake. This acquisition also moves resources closer to the 127.8M lb Michelin deposit owned by Paladin Energy (ASX:PDN, Not Rated) (Figures 1 & 2).**

- **Anna Lake hosts an inferred resource of 4.91M lb** at 440 ppm U₃O₈ with low grade Mo (1.56M lb) and Re (1.0Mgms). Using an in-situ price of US\$1.50/lb U₃O₈ to value the inferred resources, we value this deposit at C\$9.8M, which is favorable to the purchase price of C\$1.9M (5M shares at C\$0.38/sh). Both previously owned by Bayswater Uranium, Anna Lake is 9km from Melody Hill prospect, where up to 29.2% U₃O₈ occurs within granite boulders. Recon field work completed by the team NE of Anna Lake has returned a similar boulder train to other nearby deposits such as Melody Hill.
- **Moran Lake B may have depth potential.** It is located 3km from Moran Lake, and within a ~1km diameter radiometric anomaly. Eighteen drill holes help define strike extent, but structural control is known and there may be depth potential. Previous work by Crosshair Exploration hit polymetallic mineralization of 870 ppm U₃O₈, 0.28% Cu, 13.23 g/t Ag over 11.8m (chip sample) and 0.295% Cu, 1.2 g/t Ag and 1.03 g/t Au (grab sample). Drill results include 0.269% U₃O₈ over 7.56m, 0.235% over 3.5m and 0.1% over 9.44m incl. 0.356% over 1.23m, and 0.239% Cu and 14.6 g/t over 3.41m (Figure 3).
- **Ms. Nancy Normore promoted to VP Exploration** from Director, Exploration. She has +18 years' experience exploring for U, Cu, and Ni with companies such as Vale (BOVESPA:VALE3, Not Rated), UEX Corp., CanAlaska Uranium (TSXV:CVV, BUY (S), David A. Talbot), Axiom Group, AREVA Resources, and Denison Mines (TSX:DML, Not Rated).
- **Project keeps moving forward.** Drill assay results from summer/fall are pending, although ~50% of a planned 4,000m program was not completed. Over one month of work was recently lost due to early snow, a hurricane, and logistical issues. We anticipate drilling may expand Moran Lake and expect further machine learning targets.

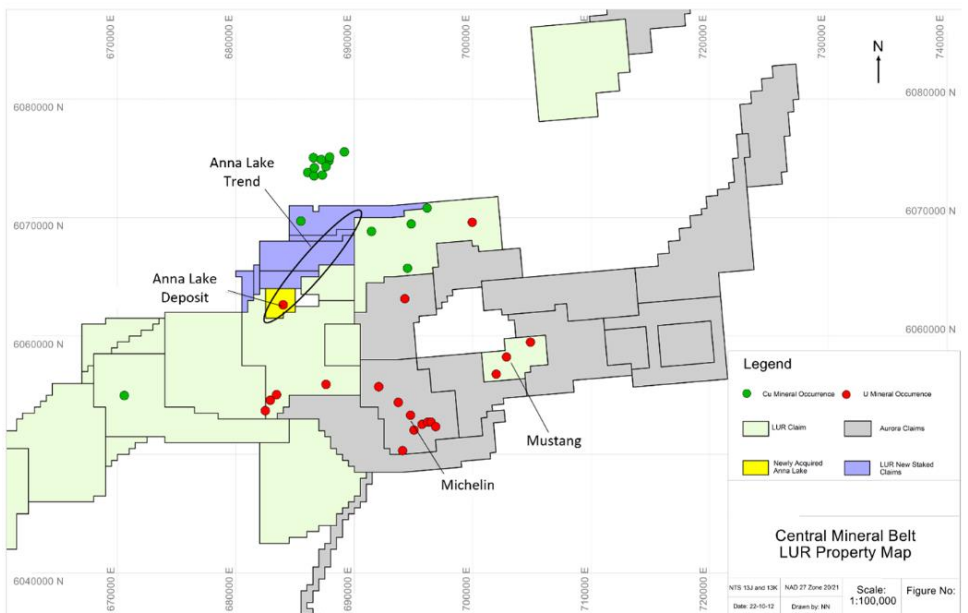
We maintain our BUY rating and lower our target to C\$1.35/sh (was C\$1.60/sh). While we deem the acquisition to be accretive, after factoring in the recent increase in the share count, the issuance of new shares in this transaction, and addition of mineral inventory, our target is decreased primarily through effects of dilution (Figure 4). **Upcoming catalysts:** 1) Evaluate targets and permit program at CMB, Notakwanon (ongoing), 2) NI 43-101 for Moran Lake (2022).

Figure 1: Central Mineral Belt of LUR Property Map – Part 1



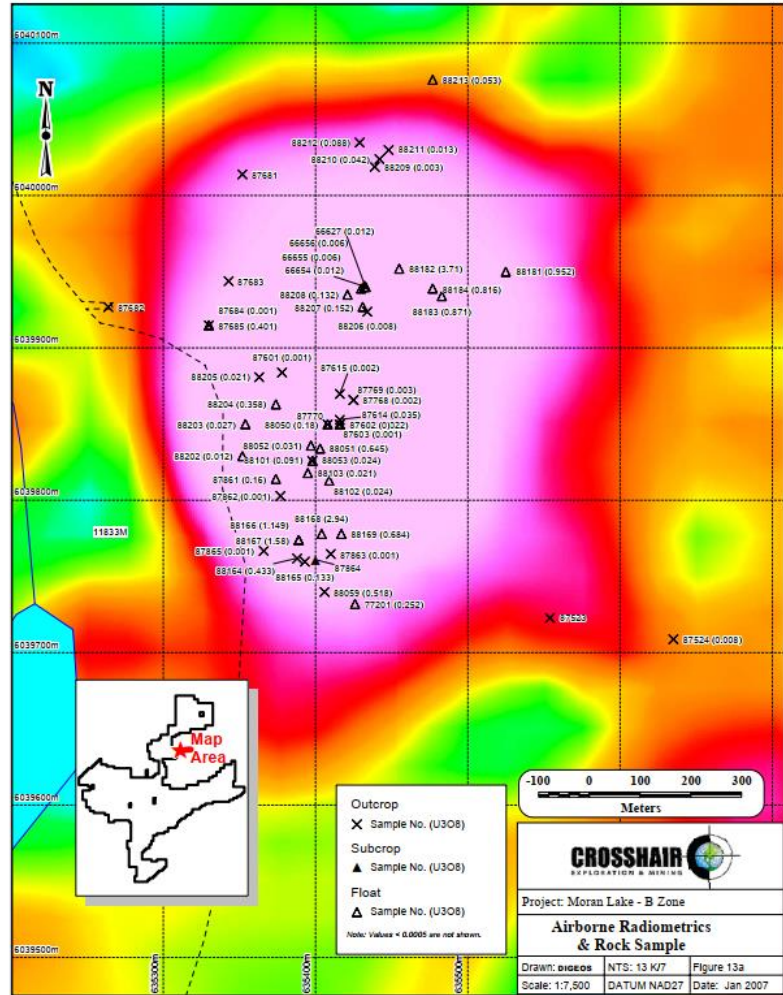
Source: Company Reports

Figure 2: Central Mineral Belt of LUR Property Map – Part 2



Source: Company Reports

Figure 3: Historical Drill Results from Moran Lake B Zone



Source: Company Reports

Figure 4: Updated Valuation Summary

Asset	Status	Resource / Coverage area	Valuation Method	Fair Value Estimate		%
				C\$M	C\$/sh	
Moran Lake	Exploration	32.37M lb U3O8e	In-situ - US\$1.5/lb	\$62.84	\$1.00	74%
Central Mineral Belt (CMB)	Exploration	125000 ha (CMB) +	Acquisition Value	\$5.60	\$0.09	7%
Notakwanon	Exploration	more (Notakwanon)				
Mustang Lake	Exploration	N/A	Acquisition Value	\$2.10	\$0.03	2%
Project NAV				\$70.54	\$1.12	83%
Other adjustments:						
Additional mineral inventory				\$9.82	\$0.16	12%
Cash				\$14.20	\$0.23	17%
Total Corporate Adjustments				\$24.02	\$0.23	17%
Corporate NAV				\$94.56	\$1.34	100%
Multiple					1.00x	
Target					\$1.34	

Source: RCSI

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Disclosure Statement

Updated October 13, 2022

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2022-02-24	NA	NA	BUY	68%
2022-03-14	BUY	1.60	BUY (S)	25%
2022-04-08	BUY	1.60	HOLD	0%
2022-06-27	BUY	1.60	TENDER	2%
			NA	2%
			UNDER REVIEW	2%

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Company Name	Ticker Symbol	Disclosures
Labrador Uranium Inc.	CSE:LUR	3,4

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