

## A Brief History of Mineral Ownership and Exploration at South T-Bar Ranch January, 2024

Settlement of the American West began in the mid to late 1800's. At that time the U.S. government owned the majority of these western lands. To encourage western settlement, the U.S. government passed various laws that allowed settlers to farm and/or ranch a plot of land for a prescribed period of time and then apply for a patent to those lands. A patent is essentially a deed from the U.S. government that conveys land into private ownership. These plots of land conveyed into private ownership were typically around 160 acres in size. Accordingly, the combined parcels we now call South T-Bar Ranch (the "Ranch") were originally owned by the U.S. government and passed into private ownership in this manner starting in the late 1800's.

In the early days of settlement, the private farmers and ranchers received the entire interest in the land, including any minerals that may be contained within that land. However, as the need for minerals grew to support the expansion of industry during the late 1800's and early 1900's, the U.S. government passed various laws allowing it to reserve certain portions of the mineral estate when conveying lands by patent out to private individuals. For example, in 1909 the Coal Lands Act was passed to allow the U.S. government to reserve coal when issuing patents. If the U.S. government exercised this coal reservation right in a particular patent, then the farmer or rancher would receive all of the interests in the land received except for any coal contained within that land. In this manner the U.S. government preserved its rights to the coal, and any royalties for development of that coal to support the U.S. steel and railroad industries. By the early to mid-1900's the U.S. government was reserving 100% of the mineral estate and only conveying the surface of the land into private ownership.

For the patented parcels comprising the Ranch, there are two primary ways that the land came into private ownership: (1) the parcel included the surface and all minerals; or (2) the parcel included the surface but reserved certain minerals to the U.S. government. Once the minerals are in private hands, they are generally conveyed along with the surface to the next owner. However, if only the surface passed into private ownership, the U.S. government still has control over any minerals it reserved under that surface. There is a core area of the Ranch where minerals passed into private hands. However, there is also a substantial portion of the ranch where the minerals are still owned by the U.S. government. This is not an uncommon ownership split in the mountains of Colorado.

As early as 1954, there was interest in searching and mining for uranium in this area. Uranium mineralization was first discovered in the area in 1954 by prospectors, and a series of small operating uranium mines were developed. However, activity in the area was minimal until the mid 1960's when a company called Western Nuclear acquired a major land position. A renaissance of drilling occurred in the area culminating in 1968 when Western Nuclear engaged in an exploration program and drilled extensively in the nearby Echo Park Formation. The results of the program demonstrated thicker and more widespread uranium deposits than originally believed. It is believed that eventually a cash flow problem coupled with market weakness forced abandonment of the Western Nuclear exploration program.

The area then lay dormant for exploration activity until the early 1970's. In 1974, Rampart Exploration Company, acting as Cyprus Mines, developed an exploration plan for the area. Cyprus Mines assembled land positions centered around known uranium showings and previous operating mines. The initial work was successful in obtaining prospective land positions and delineating potential reserves. In the late 1970's and early 1980's several companies, including Wyoming Mineral Corp. and Westinghouse Electric Corp., undertook efforts to work with Cyprus Mines to bring the property into production. Significant movement of earth took place during this period, and the evidence can still be seen in the Mountain Meadows area of the Ranch. Production plans were abandoned, however, when uranium prices dropped in the early 1980's. The land and any corresponding private mineral rights then transferred to a local rancher in the early 1990's.

Around 1996, the then-owners of the land began to move towards creating a residential subdivision, and in 1999 South T-Bar Ranch, LLC was formed. The land was surveyed and parceled out and it was generally determined that South T-Bar Ranch, LLC (at this time under the control of the developer, a land acquisition company) would be granted 51% of the private mineral rights to the parcels included in the subdivision, and that New Mexico and Arizona Land Company would be granted the remaining 49% of the private mineral rights to those same parcels. When these mineral rights were transferred, production royalties (future payments based on a percentage of production) on mining of any kind were also reserved for the prior owners of many of the properties which were incorporated into the Ranch.

In June, 2001, the requisite number of parcels established by the Declaration of Covenants of South T-Bar Ranch, LLC (the "POA Covenants") had been sold to new property owners, and the developer turned over the rights and responsibilities of running the Ranch to the South T-Bar Property Owners' Association (the "POA"). The 51% of the mineral rights owned by the developer were quitclaimed to the POA, and the POA Covenants provided that they would be controlled through the actions of the POA Board of Directors (the "POA Board").

The existence of large, high quality deposits of uranium on Ranch property had been well established decades before and, although exploration had stalled in the 1990's and a significant mining effort had never been undertaken, interest in the deposits had not waned. In late 2007 the POA Board received a "Notice of Intent to Locate," indicating that exploration of U.S. government owned minerals was being planned on portions of the Ranch, with or without POA permission. The POA Board determined that there was not sufficient expertise on the POA Board to effectively manage mining issues and questions, and sought and received legal advice that lead to multiple meetings of the POA membership to discuss the pros and cons of both pursuing mining and trying to prevent mining on the Ranch. POA members received information from attorneys regarding mining laws and mineral rights, from uranium industry experts regarding mining methods and potential environmental impacts, the amount of control over mining methods that the POA could expect to wield, and the potential financial ups- and downsides. In January, 2008 a vote of the POA membership was conducted that overwhelmingly supported pursuing control over mining at the Ranch and resulted in the formation, in June, 2008 of STB Minerals, LLC (the "LLC") and conveyance of the POA's 51% of

the private minerals under the Ranch into the LLC (the “LLC’s Mineral Rights”). The established purpose of the LLC is to “engage in any activity related to managing the mineral interests of the Company with due consideration given to environmental impacts associated therewith, as determined by the Managers.”

Upon the formation of STB Minerals, LLC, all POA members received a Private Placement Memorandum and a Subscription Agreement, which was a one-time (initial offering) opportunity to join the LLC by purchasing a unit (basically, a share) in the LLC. In these documents potential unit purchasers were advised of the many risks associated with this investment and that economic gain, while it would be sought and potentially distributed to unitholders, was not guaranteed. Purchasers were also advised that, as a private placement offering, units were not offered outside the current POA membership and were not intended to be transferrable, therefore ownership of the LLC unit would remain with the investor even if their parcel/physical property were sold. LLC unitholders who no longer owned property at South T-Bar Ranch would become “non-participating” members of the LLC, entitled to distributions but without any other membership rights.

115 units were offered and, at the close of the offering term in September, 2008, 109 units were sold. An Operating Agreement was developed to establish how the new LLC would be managed, and the POA was established as the “Voting Member,” with one vote. Unitholders were established as “Economic Members,” with no votes other than in very limited and unusual circumstances. A slate of five Managers was proposed (similar to a Board of Directors) and, at the request of the POA Board and in the interest of protecting property owners’ interests, it was determined that a majority of the Managers should at all times be current owners of parcels at the Ranch as well as unitholders in the LLC. Tom Pool was appointed as initial Manager. Mr. Pool was Chairman of International Nuclear, Inc. and an analyst of the world uranium industry with thirty years in the industry. He had directed or participated in the economic analysis of almost all known uranium deposits worldwide at that time. The remaining Managers were selected by the Voting Member.

The Managers of the LLC began to market the LLC’s Mineral Rights to qualified uranium exploration and mining companies. In February, 2011, STB Minerals, LLC entered into an “Option and Exploration Agreement” with Black Range Minerals Colorado, LLC (“BRM”). This Agreement provided BRM with the opportunity to purchase the LLC’s Mineral Rights up until the end of the Agreement term, and to conduct exploration and due diligence throughout that term. In return, BRM made an annual payment to the LLC to keep the Option Agreement in place, paid the South T-Bar Ranch POA an annual fee for road usage and access, and paid individual parcel owners for the right to access and explore on certain specific parcels. Over the next few years, BRM obtained the requisite permits from Fremont County and the state of Colorado, and began to drill exploratory holes to obtain samples of the uranium ore. At the end of the Option Agreement term in 2019, the Option to purchase was not exercised, and the LLC’s Mineral Rights were retained by STB Minerals, LLC.

At this point it is appropriate to note that, although over 1,000 core samples have been drilled in and around the Hansen and Picnic Tree uranium deposits on the Ranch, there is almost no

physical evidence of any exploration. Regrowth of native of vegetation has occurred, there has been no documented disruption of wildlife (or domestic animal) habitation or migration, to our knowledge water has not been contaminated. BRM's reclamation bond was returned to them and they were deemed to have fully fulfilled their environmental responsibilities as required by the State of Colorado.

In July, 2022, the Managers of the LLC entered into an "Option Agreement" with Okapi Minerals, currently known as Global Uranium and Enrichment ("Global Uranium"). This Agreement is similar in scope to the previous agreement with BRM, in that it allows for exploration and sampling and provides annual payments to the LLC throughout the eight year term. Global Uranium will also provide compensation to the POA for road use and owners of individual parcels for surface access. The LLC will retain ownership of the LLC Mineral Rights unless and until Global Uranium exercises its option to purchase those rights at any time during the term. In that event, a lump sum will be paid to the LLC. In addition, if and when actual mining commences, production royalties will be paid to both the LLC and the POA. Royalties, received after production occurs, will be distributed to LLC unitholders in accordance with the terms of the Operating Agreement. Because of the POA's non-profit status and general inability to distribute funds to members, POA royalties will be retained by the POA to fund operating and reserve accounts.

Global Uranium has received a Conditional Use Permit from Fremont County, which has been upheld by the Colorado Division of Reclamation, Mining and Safety Board. This will allow their exploration process to begin. However, before any actual mining (removal of anything other than sample sized quantities of ore) can occur, many things must happen first. In addition to paying the full purchase price for the mineral rights, Global Uranium (or any organization planning to mine) must go through years of submitting plans to, and acquiring permits from, local, state and federal governmental agencies who will require myriad promises and proofs of responsible processes, environmental protections and remediated results. Uranium prices must reach and be maintained at a level that makes mining economically feasible for the mining company, and yet keeps the end product marketable to buyers. Viewed from the perspective of those who have sought to extract uranium from these deposits since 1954, getting it out of the ground is certainly not a "done deal."

At the time of this writing in January, 2024, STB Minerals, LLC continues to generally own 51% of the private mineral rights on Ranch property, and consists of one "Voting Member" (the POA), and 104 "Economic Members," 54 of whom are "non-participating" members. The LLC's Mineral Rights, at this point, are encumbered by the terms of the Option Agreement with Global Uranium (meaning the LLC cannot negotiate with any other interested party), but they are not leased and they are not sold. Any changes to this status will be communicated to STB Minerals, LLC unitholders and the POA as they occur.