

Foremost Clean Energy Ltd. (CSE: FAT, NASDAQ:FMST)

Pivot to Uranium Exploration to Start With Drilling at Hatchet Lake

Exploration Update

February 18, 2025

Rating: BUY (S)

Target: NA

Last Close: C\$1.35/sh

Market Cap: C\$14.0M

Last year, Foremost completed Phase-1 of its option agreement with Denison Mines Corp. (TSX:DML, Not Rated) and earned a 20% interest in nine exploration properties and a 14.03% interest in the Hatchet Lake project, all in the Athabasca Basin ([read note](#); Figure 1). Following a ~C\$10.5M raise in Q4/24 (~C\$6.0M flow through), Foremost is all set to execute on Phase-2 of its earn-in commitments, which includes spending C\$8M on exploration before Oct/27. **We spoke to management about its plans and are excited about the steady flow of news anticipated from exploration programs. With ~\$C6.4M in cash, Foremost is well-guided by the formidable technical expertise of both its strategic partner Denison Mines (TSX:DML, Not Rated), which owns 19.95% in the company, and Dahrouge Geological Consulting. We highlight that these new JV properties are well located and have undergone extensive exploration with many known uranium occurrences and showings. Denison being an established uranium company has held these Athabasca Basin assets for some time and would be the envy of many junior explorers.** We believe that Denison's vending out these projects should help them receive greater attention, traction and potential value in the capital markets, than they would have as part of Denison. Although Denison is focused on the development of Wheeler River, in addition to its equity interest in Foremost, it also maintains a residual minority interest at the asset level, if the earn-in is completed successfully.

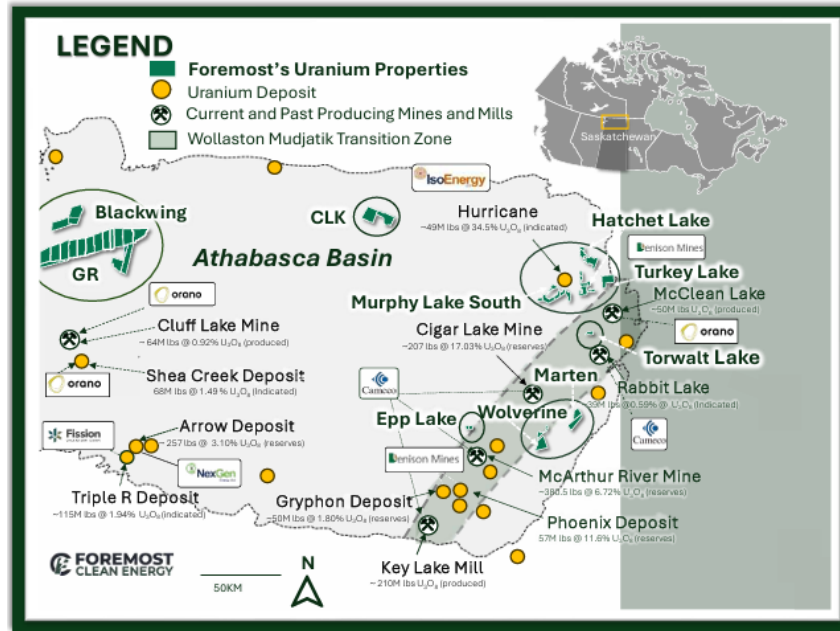
Drilling to start at fully permitted Hatchet Lake (Figure 2); the most advanced and prospective project.

Winter drilling is to commence in March with potential follow up in the fall. The project consists of two non-contiguous blocks: Richardson in the north and Hatchet Lake South and hosts multiple drill-ready targets. Hatchet Lake previously saw drill-testing in 2013 (2,370m in 13 holes) and 2024 ([read more](#)). Notably, the depth to the unconformity at this project is shallow, ranging 150-200m. Many EM conductors on the project exhibit breaks, indicating faults, which possibly also cut across the basement. A favoured target is Tuning Fork West, where a target area with coincident fold hinge, conductive trend, subparallel fault are considered especially prospective. The Tuning Fork target also exhibited elevated base metal mineralization, indicating a potential mineralized hydrothermal system. Historical mineralization, with drill intercepts of up to 0.20% U₃O₈ over 1.9m, identified along ~5km of the Richardson trend has some limited overlap with the Larocque trend, which hosts the high-grade Hurricane deposit (51M lb U₃O₈ at 19% in I+I resources). Drilling is also due to test radon anomalies and to target a NE-trending structure that was missed by 2013 drilling.

Murphy Lake South is its 2nd preferred target. This drill-ready project is undergoing exploration permitting. It is located south of Hurricane, just east of the Larocque trend. A gravity low at the Dalton Lake target is coincident with a low resistivity IP anomaly and is interpreted as a break in the EM trend. A similar signature was observed before the discovery of the Arrow deposit (337M lb U₃O₈ at 1.87% in M&I+I Resources). The shallowness of the interpreted source of the IP anomaly suggests that clay alteration is rising out of the basement into the sandstone. **Such alteration is common in uranium deposits in the Athabasca Basin.** Historical drilling has also intersected radioactivity below the unconformity and faults offsetting the unconformity.

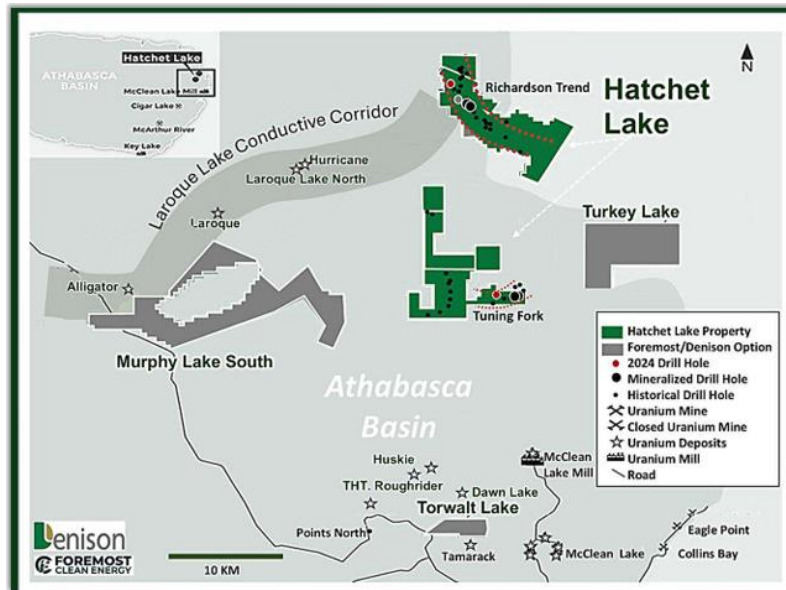
The CLK project (Figure 3) is considered to have blue-sky potential. Two historical holes in 1997 intersected mineralization of up to 8,600 ppm U. **Despite high grades, there was no follow-up, possibly because the unconformity is at depths of ~900m.** With improvements in geophysical techniques providing higher resolution of sub-surface features, and wedge drilling available, this area may be explored more economically. We expect tighter-spaced geophysics to be followed by winter drilling, including potential twinning of and wedges from the two historical holes.

Figure 1: Uranium projects in the Athabasca Basin optioned by Foremost



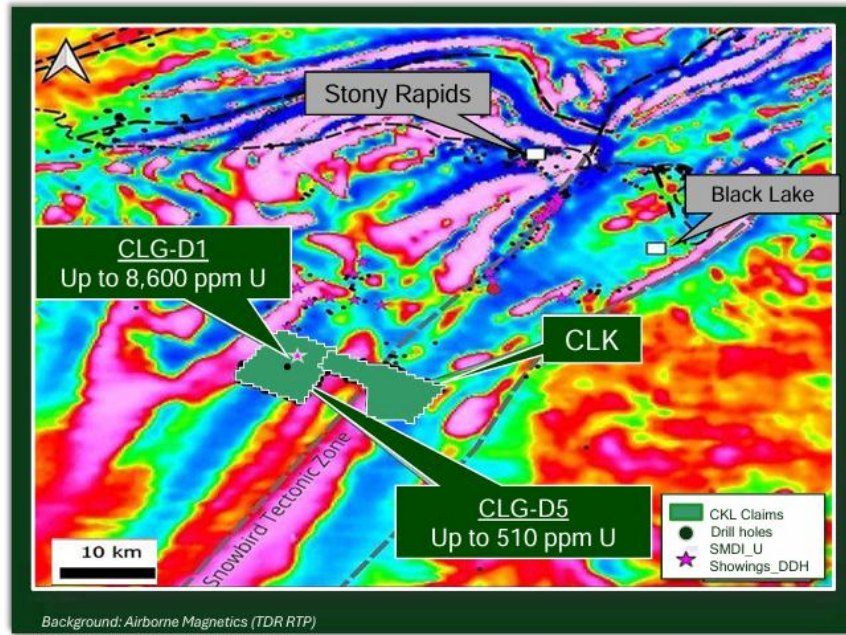
Source: Company Reports

Figure 2: Hatched Lake project map



Source: Company Reports

Figure 3: Map of CLK project with airborne magnetics (TDR RTP) and location of historical drill holes



Source: Company Reports

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Disclosure Statement
 Updated February 18, 2024

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2023-03-06	NA	NA	BUY	62%
2023-03-20	BUY (S)	NA	BUY (S)	27%
2023-03-20	BUY (S)	NA	HOLD	0%
2023-10-13	BUY (S)	NA	TENDER/ SELL	5%
2024-09-04	BUY (S)	NA	NA	6%
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Company Name	Ticker Symbol	Disclosures
Foremost Clean Energy Ltd.	CSE: FAT, NASDAQ: FMST	3

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