

RESOURCE VAULT

SPECIAL SITUATION REPORT

A Historical Uranium Resource in America's Most Prolific Uranium District

North Shore Uranium (TSX-V: NSU, OTCQB: NSURF)



Company	North Shore Uranium Ltd.
Tickers	TSX-V: NSU OTCQB: NSURF
Market Cap	~\$13 Million (USD)
Project	Rio Puerco (Grants Uranium District, NM)
Historical Resource	11.4 Million Pounds U ₃ O ₈
Historical Work	1,100+ Drill Holes (Kerr-McGee)
Key Catalyst	Inaugural Drill Program (June 2026) & NI 43-101 Verification

By Graham Summers, MBA | July 2026

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I recently came across a very interesting opportunity in uranium.

It's a small-cap company (its market cap is ~\$13 million USD) led by an award-winning geologist, that has acquired the rights to 83 Bureau of Land Management (BLM) claims located approximately 40 miles northwest of Albuquerque, New Mexico.

If you're unfamiliar with the history of uranium mining in the U.S., this area, called the **Grants Uranium District**, was the most prolific area for uranium production in U.S. history, responsible for over 340 million pounds of past U_3O_8 production.

What caught my eye about this opportunity?

The company in question has acquired land that was previously explored, developed, and almost mined by uranium giant **Kerr-McGee** in the 1960s and 1970s. At that time, **Kerr-McGee** spent an estimated \$17.5 million (the equivalent of \$105M in today's dollars) drilling over 1,100 holes.

Why the massive investment?

Kerr believed it had identified enough uranium to justify mining. In fact, the company was so confident, that it began developing an underground mine on the property.

There's just one big issue here... based on Canadian securities regulations, that 11.4 million pounds of uranium is a **Historical Resource** that has yet to be de-risked and verified under **NI 43-101**. Because it has not been verified as a current mineral resource, the market is assigning a lower value to this asset than it would to a current, **NI 43-101** compliant resource estimate.

Let me explain.

NI 43-101 is the Canadian securities regulation that governs how public companies disclose scientific and technical information about mineral projects. It was introduced following the Bre-X scandal of the late 1990s to improve the reliability and transparency of technical information provided to investors.

In simple terms, **NI 43-101** distinguishes between historical resource estimates (a “**Historical Resource**”) and current mineral resources or reserves supported by modern technical work. Mineralization identified under older standards that meets certain thresholds (like the one owned by the company I’m writing about) have to be referred to as “**Historical Resources**.”

A **Historical Resource** is not a current mineral resource or mineral reserve and should not be relied upon as such. It may, however, be relevant as an indication of potential significant mineralization. And if the company can verify the resource using modern exploration techniques, meet all regulatory requirements, and have its results verified by an independent Qualified Person (QP), it’s possible that the resource can be de-risked to a degree than it becomes **NI 43-101** compliant.

Companies that successfully convert historical estimates into current, **NI 43-101** compliant resources may see the market reassess those assets in light of the updated technical disclosure. However, there can be no assurance that such a reassessment will occur or that it would result in a higher market valuation.

To be clear, mineral exploration involves significant technical, regulatory and market risks. There is no guarantee that a company, even one led by an award-winning geologist who is himself a Qualified Person, can accomplish this process. But if they can, the company could potentially be rewarded by the market.

The company I’m talking about is **North Shore Uranium** (TSXV: NSU, OTCQB: NSURF)(“**North Shore**”). And the **Historical Resource** in question is at the **Rio Puerco** project in northwestern New Mexico.

To fully understand how this company is positioned in the current market context, you need to understand three things:

The macro case for potential uranium demand.

The history of **North Shore’s Rio Puerco** Project in New Mexico.

The potential for advancing **North Shore’s** project through exploration and advanced evaluation.

Let’s start with the macro case.

The World Needs to Go Nuclear

Global energy demand is now accelerating structurally.

Let's start with the U.S.

U.S. electricity demand was effectively flat for 20 years due to two reasons:

- Between 1980 and 2010, the U.S. offshored many of its most energy-intensive industries (steel, aluminum, chemicals, semiconductors, etc.).
- Efficiency gains (LED lighting, more efficient appliances, better building insulation, and industrial process improvements).

After two decades of flat demand, policymakers assumed this was normal. And they acted accordingly: state utility commissions refused to sign off on increasing capacity via new plants. On top of this, the push for green energy resulted in “dirty” energy sources being shuttered: between 2010 and 2022, 100 GW of coal and nuclear capacity were retired.

Put simply, the U.S. was ill-prepared for a spike in energy demand. And unfortunately, the Artificial Intelligence (AI) revolution is causing precisely this.

Unlike the internet, AI is incredibly energy intensive. A single hyperscale AI data center can require 500 megawatts to over 1 gigawatt of continuous power — equivalent to the load of a mid-sized city.

Bear in mind, that's just ONE data center. The U.S. has 550 of them currently planned. And globally, total data center energy demand is expected to consume up to 945 terawatt-hours (TWh) annually by 2030. To put that into perspective, it's roughly the same electricity demand as the country of Japan, the fourth largest economy in the world.

Put simply, the world now needs a LOT more energy quickly. And producing more energy via traditional methods (gas or coal) isn't going to happen overnight. Building a new natural gas plant takes 4-6 years minimum — and that's before permitting delays.

By way of contrast, nobody is building new coal plants. And the ones being kept alive are old, inefficient, and on borrowed time. In fact, the Department of Energy (DoE) had to issue emergency orders just to keep existing coal plants from shutting down in 2025.

So, you can rule out coal or gas as solving America's increased energy needs.

Moreover, renewables can't fill this gap. They're intermittent by nature (you need constant sun or wind) and require either massive battery storage (not yet economical at scale) or fossil fuel backup.

Nuclear, on the other hand, delivers dense, reliable, carbon-free power 24/7. Nuclear energy is more energy-dense than any traditional energy source: one uranium fuel pellet — roughly the size of a fingertip — contains the same energy as 17,000 cubic feet of natural gas, 1,780 pounds of coal, or 149 gallons of oil.

Nuclear is also more energy dense than renewables, more reliant, and takes up less space: a single gigawatt of nuclear capacity produces roughly three to four times the annual electricity of a gigawatt of solar and two to three times that of wind, without requiring massive land use or storage infrastructure.

Put simply, as energy demand grows, nuclear energy is expected to play an increasingly important role in helping to address potential supply challenges. And the political class knows it.

In late 2024, the United Nations Framework Convention on Climate Change (UNFCCC) declared a goal of tripling nuclear power by 2050. This declaration was formally endorsed by 31 countries including the USA and Canada.

This is not just idle posturing either.

Globally, there are 440 active nuclear reactors in the world. Some 70 are under construction and another 400+ are planned or proposed. China is approving 6-10 reactors per year, treating nuclear as critical infrastructure. India, the Middle East, and Eastern Europe are following similar paths. Even countries previously hostile to nuclear (Europe) are reversing course as energy security concerns override legacy opposition. The lesson of recent energy shocks is clear: dependence on volatile fuel imports is a strategic vulnerability.

And then there's the U.S.

In May 2025, President Trump signed a series of executive orders titled "Reinvigorating the Nuclear Industrial Base" with the stated goal of re-establishing the U.S. as the global leader in nuclear energy — including having 10 new large reactors with complete designs under construction by 2030 and 5 GW of power uprates to the existing plants.

All told, the Trump administration wants to increase U.S. nuclear capacity FOUR-FOLD by 2050. Again, the move to nuclear energy is likely not cyclical, but structural. As a result, uranium is now officially in the energy supply mix in ways it hasn't been for decades.

As a U.S. focused uranium exploration company with a **Historical Resource** estimate of 11.4 million pounds of U_3O_8 , **North Shore** may be positioned to take advantage of this if its exploration efforts are successful.

North Shore Uranium operates in the uranium exploration sector, which may be influenced by factors including nuclear energy policy, electricity demand, commodity prices, permitting developments and capital markets conditions. Market conditions for uranium and uranium-related companies can be volatile, and broader industry trends do not assure exploration success, project advancement or future valuation outcomes for any particular issuer.

A Structured Approach to Advancing the Property

North Shore acquired an option on **Rio Puerco** from Resurrection Mining LLC (“Resurrection”), a private U.S. company formed to hold and develop the asset, in August 2025.

The transaction is structured as a milestone-based earn-in arrangement. Under the terms of the agreement, **North Shore** may earn up to an 87.5% interest in the **Rio Puerco** property over a five-year period through a combination of exploration expenditures, cash payments and share issuances.

Here’s how it breaks down, all expenditure amounts are in Canadian dollars.

An initial milestone consisting of a \$125,000 cash payment and share issuance valued at approximately \$900,000 in August 2025 has been completed. **North Shore** may earn an initial 40% interest by completing \$750,000 in exploration expenditures and making a \$250,000 payment in cash or shares by February 2027. A further \$1,000,000 in exploration expenditures and a \$375,000 payment by August 2028 may increase the Company’s interest to 65%. The final stage allows **North Shore** to increase its interest to 87.5%, subject to total cumulative expenditures of approximately \$3.25 million on exploration, the initial \$900,000 in shares, and \$1.25 million in cash or share payments at **North Shore**’s option across all milestones.

When the earn-in is completed, Resurrection will retain a 12.5% interest in the project. Based on the Company’s disclosure, Resurrection’s 12.5% interest is carried through the completion of a Preliminary Economic Assessment (PEA), after which it may elect to convert its interest to a 1.0% net smelter return royalty or participate as a working interest partner.

North Shore's total contemplated capital commitment under the earn-in structure is approximately Canadian \$5.4 million to earn up to an 87.5% interest in the **Rio Puerco** property, subject to the completion of the required exploration expenditures, cash payments and share issuances within the prescribed timeframes.

The agreement also includes a resource-based contingent payment mechanism. For a defined period following the August 2025 closing (approximately 78 months), **North Shore** is required to make additional payments of \$100,000 per million pounds of uranium resources defined above 5 million pounds up to a maximum of 20 million pounds. These contingent payments are dependent on the completion of exploration and technical work and the delineation of mineral resources in accordance with **NI 43-101**.

The staged earn-in structure provides **North Shore** with the ability to advance the **Rio Puerco** property through phased exploration and evaluation activities subject to the terms of the underlying agreement, with capital deployment increasing as technical work progresses.

Now let's assess some exploration catalysts for **North Shore**.

Catalyst #1: The Exploration Drilling Program

As I write this, **North Shore** is actively conducting its inaugural drill program at **Rio Puerco**. The Company has filed a Minimal Impact Exploration Operation Permit Application with the New Mexico Mining and Minerals Division and a Notice of Intent with the BLM for up to 26 drill holes. Harris Exploration Drilling and Associates of Fallon Nevada has been engaged for the initial program.

Here's what differentiates this drill program from many early-stage exploration programs.

Rather than testing an entirely untested geological concept, **North Shore** is focused on further evaluating an area that has previously been the subject of extensive historical drilling by **Kerr-McGee** in the 1960s and 1970s, including more than 1,100 drill holes. The current program is designed, in part, to compare new drilling results with historical data and assess the extent to which those historical results may be supported under current conditions and standards.

The Company is drilling in proximity to selected historical drill hole sites to facilitate data comparison and validation. New drill holes are positioned near the interpreted historical drill site locations to allow for direct comparison. The following photo shows a drill hole completed at Rio Puerco in June 2026.



Catalyst #2: Potential NI 43-101 Historical Resource

This is an important step in the advancement of the project.

At present, the 11.4 million pound figure referenced for **North Shore** is a **Historical Resource** estimate, which has not been verified as a current mineral resource under **NI 43-101**. As a result, it may be viewed differently by the market than mineral resources supported by modern technical disclosure.

If **North Shore** is able to complete sufficient exploration and technical work to support the preparation of a current mineral resource estimate in accordance with **NI 43-101** — including a supporting technical report prepared by or under the supervision of a Qualified Person — the project may be reassessed by the market in light of that updated disclosure. However, there can be no assurance that such work will be completed or that a current mineral resource will be established.

Comparable uranium projects can be evaluated using a range of metrics that vary significantly depending on factors such as grade, jurisdiction, stage of development, metallurgy, permitting and market conditions. Any such comparisons should be approached with caution and may not be directly applicable to **North Shore**.

It is also important to note that ongoing exploration work may identify additional information about the property, which could enhance or change the current understanding of the project.

If future exploration and technical work support the preparation of a current mineral resource estimate in accordance with **NI 43-101**, any such estimate will be subject to the assumptions, limitations and risks described in the supporting technical disclosure. There can be no assurance that ongoing work will result in a current mineral resource estimate or that any such estimate will support a particular valuation or outcome.

Catalyst #3: Resource Expansion Potential

The 11.4 million pound Historical Resource estimate is based on approximately 800 of the original Kerr-McGee drill holes located in Section 18 of the company's properties. As a result, the estimate reflects only a portion of the mineralization interpreted from the available historical data, and additional mineralized intervals identified in that dataset in areas adjacent to Section 18 were not incorporated into the formal Historical Resource model.

Since acquiring an option on the project, **North Shore** has expanded its land position at **Rio Puerco**, staking an additional 46 BLM claims to bring the total to 83 claims. The Company has indicated that it considers the broader claim area to warrant further evaluation based on its review of historical data and the regional geological context.

Project Summary

Let me bring this all together.

Recent market commentary has highlighted the potential for increased uranium demand, driven in part by factors such as energy security, electrification and evolving electricity needs. A number of jurisdictions have indicated an interest in nuclear energy as part of their long-term energy mix. However, the reader should be cautioned that uranium markets remain subject to a range of factors, including policy developments, commodity price volatility, permitting timelines and capital market conditions.

North Shore Uranium Ltd. operates within this broader context through its Rio Puerco project. Historical information indicates that the property was the subject of extensive drilling and development work by Kerr-McGee. The Company is currently carrying out exploration activities intended to evaluate the historical estimate and determine whether sufficient information can be developed to support current resource disclosure in accordance with **NI 43-101**.

The Rio Puerco project is at an exploration stage. The Company is advancing the property through a staged earn in structure and a planned drilling program designed to assess

historical data and better understand the extent and characteristics of uranium mineralization on the property.

Mineral exploration involves a high degree of uncertainty and risk. Results may differ materially from historical data or expectations, and projects may not advance despite prior exploration or positive indicators.

Readers should conduct their own independent due diligence, including reviewing the Company's public disclosure available on SEDAR+, and consult qualified advisors before making any decisions relating to the Company.

Good Investing, **Graham Summers, MBA**

*The scientific and technical information contained in this document has been reviewed and approved by Brooke Clements, the President and CEO and a director of North Shore Uranium, who is a Qualified Person as defined under **National Instrument 43-101**.*

Mr. Clements has reviewed the Company's available historical records and technical materials relating to the Rio Puerco property for reasonableness and internal consistency. The Historical Resource estimate referred to in this document has not been independently verified as a current mineral resource or mineral reserve. The verification process is limited by the age and nature of the historical data and the absence of sufficient modern confirmatory work. Additional drilling, sampling, validation of historical information and geological modelling will be required before the historical estimate can be verified or upgraded as a current mineral resource or mineral reserve.

Forward-Looking Statements

*This document contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding: the Company's planned exploration activities at the Rio Puerco property, including drilling programs; the evaluation and potential verification or upgrading of the historical estimate; the potential preparation of a current mineral resource estimate in accordance with **National Instrument 43-101**; the interpretation of historical data; the potential for additional mineralization; and broader industry trends relating to uranium demand and nuclear energy development.*

Forward-looking information is based on a number of assumptions, including, but not limited to: the availability of financing on reasonable terms; the ability to obtain required permits and approvals; the accuracy and reliability of historical data; the adequacy of current exploration plans; and general economic and market conditions, including uranium prices and demand.

Forward-looking information is subject to a variety of known and unknown risks and uncertainties, including, but not limited to: the risk that planned exploration programs may not be completed as currently contemplated; the risk that exploration results will not confirm historical data or support the preparation of a current mineral resource estimate; the risk that additional mineralization will not be identified; risks relating to permitting and regulatory approvals; fluctuation in commodity prices; changes in government policy regarding nuclear energy; and general economic, market and industry conditions.

There can be no assurance that forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated. Accordingly, readers should not place undue reliance on forward-looking information.

All forward-looking information in this document is made as of the date hereof, and the Company undertakes no obligation to update such information except as required by applicable law.

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