

# Aero Energy and Kraken Energy Combine to Create a Premier North American Uranium Developer

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Vancouver, April 2, 2025 - [Aero Energy Ltd.](#) (TSXV: AERO) (OTC Pink: AAUGF) (FSE: UU3) ("Aero") and [Kraken Energy Corp.](#) (CSE: UUSA) (OTCQB: UUSAF) (FSE: F2C) ("Kraken") are pleased to announce that they have entered into a definitive arrangement agreement (the "Arrangement Agreement") dated April 1, 2025, whereby Aero will acquire all of the issued and outstanding shares of Kraken (the "Kraken Shares") pursuant to a plan of arrangement (the "Transaction").

The Transaction is valued at approximately \$0.02754 per Kraken Share (the "Purchase Price") or approximately \$1.64 million. The Purchase Price represents a premium of 20% to the 15-day volume-weighted average trading price of the Kraken Shares on the Canadian Securities Exchange (the "CSE").

## Transaction Highlights and Benefits to Shareholders:

- **Broader Uranium Asset Footprint:** Combines Aero's Athabasca Basin uranium assets with Kraken's U.S. uranium assets, building a robust, dual-jurisdiction portfolio that reduces risk and increases potential returns for all shareholders.
- **Strategic Stake in America:** Locks in Aero shareholders' access to U.S. uranium upside, capitalizing on the rising priority of domestic assets in a shifting energy landscape.
- **Gateway to Athabasca Upside:** Secures Kraken shareholders' (the "Kraken Shareholders") access to Aero's Athabasca Basin potential, tapping into a world-class uranium district amid a surging market.
- **Fair Premium:** Offers Kraken Shareholders a 20% premium over the 15-day volume-weighted average price of the Kraken Shares, ensuring a fair valuation as the merger seals their stake in a stronger company.
- **U.S. Permitting Boost:** Leverages the Trump Administration's fast-track permitting push, enabling the merged company to secure the Apex Property's stalled drill approvals and potentially unleash U.S. asset value for all shareholders in 2025.
- **Elevated Market Presence:** Boosts the merged company's visibility and peer standing upon closing, paving the way for stronger investor interest and share momentum.
- **Strong Leadership Edge:** Combines experts with proven uranium discovery records and deep Canadian-U.S. capital markets experience, fortifying the merged entity's development prospects.
- **Board Support:** The Arrangement Agreement has been unanimously approved by the board of directors of each of Aero and Kraken. The Kraken board of directors (the "Kraken Board") has unanimously recommended that Kraken Shareholders vote in favour of the Transaction.
- **Shareholder Support:** All of the directors and executive officers of Kraken, representing in aggregate approximately 8% of the issued and outstanding Kraken Shares, have agreed to vote in favour of the Transaction.

Galen McNamara, CEO and Director of Aero, stated: "We're proud to merge with Kraken and create a leading uranium explorer that delivers substantial value to shareholders of both companies. By uniting Aero's Athabasca Basin strengths with Kraken's U.S. assets, we're positioned to unlock permits, scale effectively, and capture the uranium market's momentum with certainty."

Brian Goss, CEO and Director of Kraken, stated: "We welcome this merger with Aero as a decisive step to

deliver strong returns for shareholders of both companies. Aero's exploration strength and capital expertise bolster our U.S. assets, notably the Apex Property. Our recent permitting efforts at Apex have demonstrated our ability to work with the USFS to get to drilling in the near future. This transaction will clear the path through permitting to capitalize on the uranium market's growth with proven resolve."

#### Transaction Details

Pursuant to the terms of the Arrangement Agreement, all of the issued and outstanding Kraken shares will be exchanged for Aero common shares (the "Aero Shares") on the basis of 0.97037 Aero Shares for each Kraken Share (the "Exchange Ratio"). The Purchase Price represents a premium of 20% to the 15-day volume-weighted average trading price of the Kraken Shares on the CSE.

As of the date hereof, there are 59,690,981 Kraken Shares issued and outstanding and 121,927,277 Aero Shares issued and outstanding. Upon completion of the Transaction, Aero is expected to have approximately 169,978,517 Aero Shares issued and outstanding, on an undiluted basis. Approximately 68% of the Aero Shares are expected to be held by the current shareholders of Aero, and approximately 32% of the Aero Shares are expected to be held by the former Kraken Shareholders.

The Transaction will be effected by way of a plan of arrangement under the Business Corporations Act (British Columbia), requiring the approval of: (i) at least 66 2/3% of the votes cast by Kraken Shareholders; and (ii) if, and to the extent required, a majority of the votes cast by Kraken Shareholders, excluding votes attached to Kraken Shares held by any person as required under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions, at a special meeting of Kraken Shareholders expected to be convened in June, 2025 (the "Kraken Meeting"). An information circular providing further information of the Transaction will be provided to Kraken Shareholders in connection with the Kraken Meeting.

In addition to Kraken Shareholder and Court approvals, the Transaction is subject to approval of the TSX Venture Exchange, the CSE and the satisfaction of certain other closing conditions customary in transactions of this nature. The Transaction is expected to close in June, 2025.

All outstanding stock options of Kraken will be exchanged for options of Aero and all warrants of Kraken will become exercisable to acquire Aero Shares, in amounts and at exercise prices adjusted in accordance with the Exchange Ratio.

The Arrangement Agreement includes certain customary provisions, including non-solicitation provisions, as well as certain representations, covenants and conditions which are customary for a transaction of this nature. The Arrangement Agreement also includes provision for the payment of a break fee of \$250,000 by Kraken to Aero in the event that it is terminated under certain circumstances.

The board of directors of Aero following the closing of the Transaction is expected to consist of five members with three nominees from Aero and two nominees from Kraken. Upon closing the Transaction, Galen McNamara will serve as CEO and Director, and Martin Bajic will serve as CFO, of Aero.

A copy of the Arrangement Agreement will also be filed on Aero's and Kraken's company profiles on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

None of the securities to be issued pursuant to the Transaction have been, or will be, registered under the United States Securities Act of 1933, or any state securities laws. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities.

#### Kraken Shareholder Support

All of the directors and executive officers of Kraken have entered into voting support agreements pursuant to which they have agreed, subject to the terms thereof, to vote their Kraken Shares, representing in aggregate approximately 8% of the issued and outstanding Kraken Shares, in favour of the Transaction.

## Recommendation of the Kraken Board of Directors

The Kraken Board, after seeking and considering advice from financial and legal advisors, has unanimously determined that the Transaction is in the best interests of Kraken and the Kraken Shareholders, the Purchase Price is fair, from a financial point of view, to the Kraken Shareholders and has unanimously recommended that Kraken Shareholders vote in favour of the resolutions approving the Transaction and related matters at the Kraken Meeting.

## Advisors and Fairness Opinion

Forooghian + Company Law Corporation is acting as legal advisor to Aero. McMillan is acting as legal advisor to Kraken.

Evans and Evans, Inc. has provided an opinion to the Kraken Board to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Purchase Price is fair, from a financial point of view, to Kraken Shareholders.

## Aero Project Overview

Aero is advancing a district-scale uranium exploration effort in Saskatchewan's Athabasca Basin, managing a 250,000-acre land package in the historic Uranium City district along the basin's northern rim. The company's flagship properties-the Sun Dog Project, the Strike Project, and the Murmac Project-are secured through separate option agreements: one with Fortune Bay Corp. for the Strike Project and the Murmac Project, and another with [Standard Uranium Ltd.](#) for the Sun Dog Project. Aero can earn up to a 70% interest in the Strike Project and the Murmac Project and a 100% interest in the Sun Dog Project by making annual cash and share payments as well as completing certain amounts of work on each property. These projects target high-grade, basement-hosted uranium deposits, leveraging modern techniques to explore graphitic shear zones largely overlooked by historical efforts focused on surface prospects. Aero's 2024 maiden drill programs across the Murmac Project and the Sun Dog Project underscore this potential, with a notable discovery at the Murmac Project's Howland Lake North target intersecting 8.4 meters at 0.3% U<sub>3O<sub>8</sub></sub>, including peaks of 13.8% U<sub>3O<sub>8</sub></sub> over 0.1 meters, just 64 meters below surface.

The Sun Dog Project spans 48,443 acres across nine mining claims, located 15 km from Uranium City, and includes the historical Gunnar Uranium Mine, which produced 18 million pounds of U<sub>3O<sub>8</sub></sub> from 1953 to 1981, once making it the world's largest uranium producer. Aero's 2024 exploration included drilling eight holes totaling 1,600 meters, targeting shallow, high-grade basement-hosted mineralization at the Wishbone area. This followed summer prospecting that returned surface assays up to 13.0% U<sub>3O<sub>8</sub></sub>. Historical exploration here chased lower-grade "Beaverlodge-style" deposits, missing the unconformity-related systems Aero now pursues. With over 40 km of untested electromagnetic conductors, the Sun Dog Project offers significant discovery potential, bolstered by recent mapping and geophysical data identifying multiple high-priority drill targets.

The Murmac Project, covering 25,607 acres in 17 claims near Uranium City, complements the Sun Dog Project with its own 30 km of prospective graphitic corridors. Aero's 2024 exploration included drilling eight holes totalling 1,550 meters, hitting anomalous radioactivity in 75% of them and confirming the company's thesis of the presence of untapped basement-hosted deposits. Historical showings at the Murmac Project exceed 1% U<sub>3O<sub>8</sub></sub>, with grades up to 8.82% U<sub>3O<sub>8</sub></sub>, but past efforts largely focused on surface outcrops, leaving deeper graphite-rich shear zones untested. The 2024 highlight-hole M24-017's high-grade intercept-validates Aero's focus on shallow targets (20-150 meters deep), with over 70 km of graphitic horizons across the Murmac Project and the Sun Dog Project remaining largely unexplored.

The Strike Project, spanning 24,711 acres in four claims, rounds out Aero's portfolio, located 25 km from Uranium City. It hosts the historical Tena Zone, where over 1,000 tons were mined in the 1950s at grades of 0.6% to 3.5% U<sub>3O<sub>8</sub></sub>. Fortune Bay's 2022 first-pass drilling intersected uranium in three of nine holes, while Cameco's earlier work identified high-quality geophysical targets along the J, K, and L conductors. With 14 additional conductor targets ready and historical showings up to 27% U<sub>3O<sub>8</sub></sub>, the Strike Project adds further upside. Together, Aero's projects leverage a combined 125 km of target horizons, positioning the company to capitalize on the uranium market's resurgence with a robust, multi-asset strategy.

## Kraken Project Overview

Kraken's 100% owned Apex Property, situated 280 km east of Reno, Nevada, covers the past producing Apex uranium mine<sup>1</sup>. The 14,892 acre project targets a 17.5 km mineralized trend identified through advanced radon surveys and geophysical data. Discovered in September 1953 by prospectors, the project was initially explored as a silver prospect before uranium became the focus, with the Apex Minerals Corporation leasing the site in August 1954. Operations commenced with shallow open-pit mining and later expanded to underground workings, extracting an estimated 45 metric tonnes of U<sub>3</sub>O<sub>8</sub>-equivalent to roughly 100,000 pounds-until closure in 1968, driven by declining uranium demand as federal incentives waned. The uranium mineralization occurs along a contact zone between Jurassic quartz monzonite (the Austin stock) and folded Paleozoic metasediments, including quartzites and shales, with ore bodies enriched by fractures and brecciated zones near east-trending rhyolite dikes. Production peaked in the 1950s and 1960s, with ore shipped to processing facilities in Utah and Oregon.

Early efforts by Apex Minerals Corporation and subsequent operators involved extensive shallow rotary and core drilling in close proximity to the Apex mine, with records indicating intercepts such as 34.1 meters at 0.37% U<sub>3</sub>O<sub>8</sub>; and 15.2 meters at 0.51% U<sub>3</sub>O<sub>8</sub>;, as noted in Nevada Bureau of Mines files from 1959 by Mining Geologist Harry Hughes<sup>1,2</sup>. Other standout results included intersections of 25.6 meters at 0.23% U<sub>3</sub>O<sub>8</sub>; and 17.7 meters at 0.36 U<sub>3</sub>O<sub>8</sub>;

Since 2021, Kraken has been working diligently with the Humboldt-Toiyabe National Forest ("HTNF") to secure drill permits for its Apex Property, navigating a thorough process shaped by the HTNF's development of a new forest-wide Uranium Safety Management Plan. Kraken submitted a revised Plan of Operations in spring 2023 and completed comprehensive archaeological and biological studies in 2023-2024, including a productive site visit with HTNF officials in September 2024. The introduction of the safety plan reflects the HTNF's commitment to responsible resource management, and Kraken appreciates the collaborative effort to ensure all standards are met. With the Trump administration's March 20, 2025, Executive Order emphasizing domestic mineral production, permitting timelines are expected to align more swiftly with national priorities, and Kraken anticipates drill permit approvals by late Q3 or early Q4 of this year with drilling potentially resuming immediately as permits are received.

The Apex Property presents significant exploration upside beyond the historically mined zones of the 1950s and 1960s. The 13.5 km-long mineralized trend, identified through advanced radon surveys and geophysical data, stretches across the property, with the original Apex Mine workings representing only a small, localized portion of this system. Recent geological mapping and surface sampling have pinpointed multiple untested targets, including parallel fault zones and brecciated contacts between the Jurassic quartz monzonite and Paleozoic metasediments, where grab samples have returned values up to 0.12% U<sub>3</sub>O<sub>8</sub>; across broad, undrilled areas. These results underscore the opportunity for fresh uranium discoveries beyond the historically mined areas.

## Qualified Persons

All scientific and technical information in this news release relating to the mineral projects of Aero has been prepared by or reviewed and approved by Galen McNamara, P.Geo., CEO of Aero. Mr. McNamara is a Qualified Person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

All scientific and technical information in this news release relating to the mineral projects of Kraken has been prepared by or reviewed and approved by Garrett Ainsworth, P.Geo., Chairman of Kraken. Mr. Ainsworth is a Qualified Person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

## About Aero Energy

Aero Energy is a mineral exploration and development company advancing a district-scale 250,000-acre land package in Saskatchewan's historic Uranium City district within the Athabasca Basin. Aero is focused on uncovering high-grade uranium deposits across its flagship optioned properties - the Sun Dog Project, the Strike Project, and the Murmac Project - in addition to its fully-owned properties. Aero is led by an

award-winning technical team responsible for discoveries along the prolific Patterson Corridor that include the Gryphon (TSX: DML), Arrow (TSX: NXE), and Triple-R (TSX: FCU) deposits. With over 50 shallow drill-ready targets identified and 125 km of target horizon, Aero is tapping into the Athabasca Basin's emerging potential for high-grade, unconformity-style mineralization.

For more information about Aero, please visit: [aeroenergy.ca](http://aeroenergy.ca).

#### About Kraken Energy

Kraken is an energy company advancing its portfolio of high-grade uranium properties in the United States. Kraken is advancing its 100%-owned Apex Uranium Property, located 280 km (174 miles) east from Reno, Nevada which is recognized as Nevada's largest past-producing uranium mine. Kraken has an option to earn 100% of the Garfield Hills Uranium Property. The past-producing Garfield Hills Uranium Property covers 1,238 ha (3,060 acres) and is located 19 km (12 miles) east of Hawthorne in Mineral County, Nevada. Kraken has also staked the Huber Hills Uranium Property, located 136 km (85 miles) north of Elko, Nevada which covers 1,044 ha (2,580 acres) and encompasses the historic Race Track open pit mine. Kraken has an option to earn 75% of the Harts Point Uranium Property. The Harts Point Uranium Property covers 2,622 ha (6,480 acres) and is located 49 km (30 miles) northwest of Monticello in San Juan County, Utah.

For more information about Kraken, please visit: [www.krakenenergycorp.com](http://www.krakenenergycorp.com).

#### On Behalf of the Boards of Directors

"Galen McNamara"

Chief Executive Officer, Aero Energy Limited Interim CEO, President and Director, Kraken Energy Corp.

"Brian Goss"

[Info@KrakenEnergyCorp.com](mailto:Info@KrakenEnergyCorp.com)

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#### References

1. Nevada Bureau Mines File 60000269, Report on Mines of Apex Minerals Corporation 1957, by Harry H. Hughes, Mining Geologist.
2. Nevada Bureau Mines File 38900096, Transverse Section Through Drilled Orebody, Apex Minerals Corp 1959, by Harry Hughes, Mining Geologist

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

#### Cautionary Statement Regarding Forward-Looking Information

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation, that involve known and unknown risks, assumptions, uncertainties and other factors. Undue reliance should not be placed on any forward-looking statements. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "forecast", "intends", "may", "believes", "could", "should", "would", "plans", "proposed", "potential", "will", "target", "approximate", "continue", "might", "possible", "predicts", "projects" and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release include but are not limited to: statements about the implied value of the Transaction and the Purchase Price which are subject to change with the trading values of each of the Aero Shares and Kraken Shares prior to closing of the Transaction; the strategic rationale for, and anticipated benefits from, the Transaction, all as more particularly set forth under the heading "Transaction Highlights and Benefits to Shareholders" in this press release; Kraken's ability to potentially fast-track the timeframe for obtaining permits at the Apex Property; that the Transaction is anticipated to close in early June, 2025; the timing of the Kraken Meeting; and all statements about strategy, plans, objectives, and priorities.

This press release also contains forward-looking statements concerning the anticipated completion of the Transaction and the anticipated timing thereof. Aero and Kraken have provided these anticipated times in

reliance on certain assumptions that it believes are reasonable, including assumptions as to time required to prepare meeting materials for mailing, the timing of receipt of the necessary regulatory, Kraken Shareholder and Court approvals and the satisfaction of, and the time necessary to satisfy, the conditions to the closing of the Transaction. These dates may change for a number of reasons, including unforeseen delays in preparing meeting materials, inability to secure necessary regulatory, Kraken Shareholder or Court approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Transaction. In addition, there are no assurances the Transaction will be completed. Accordingly, readers should not put undue reliance on the forward-looking statements contained in this press release concerning the completion of the Transaction or the timing thereof.

Such statements reflect the current views of Aero and Kraken, with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements. These risks and uncertainties include but are not limited to: that the Transaction is not completed on the timing anticipated or at all; the occurrence of any event, change or other circumstances that could give rise to the termination of the Arrangement Agreement; the inability to complete the Transaction due to the failure to obtain approval of Kraken Shareholders, the court, regulatory bodies or stock exchanges, as required; the risk that Aero may not be able to realize the anticipated benefits of the Transaction; risks related to capital market liquidity; risks related to the retention or recruitment, or changes required in, officers, key employees or directors following completion of the Transaction; the possibility that Aero and/or Kraken may be adversely affected by other economic, business, and/or competitive factors; the impact of general economic conditions; volatility in market prices for uranium; industry conditions; currency fluctuations; imprecision of reserve estimates; liabilities inherent in uranium operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; the lack of availability of qualified personnel, drilling rigs or other services; changes in income tax laws or changes in royalty rates and incentive programs relating to the uranium industry including abandonment and reclamation programs; hazards such as fire, explosion, blowouts, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; ability to access sufficient capital from internal and external sources; litigation and regulatory enforcement risks, including the diversion of management time and attention and the additional costs and demands on resources; general economic and business conditions; risks related to the uranium industry, such as operational risks in exploring for, developing and producing uranium and market demand; pricing pressures and supply and demand in the uranium industry; fluctuations in currency and interest rates; risks related to debt agreements and access to capital; inflation; risks of war, hostilities, civil insurrection, pandemics and epidemics, and general political and economic instability; severe weather conditions including wildfires and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the application of such changes to Aero and/or Kraken's future business; availability of adequate levels of insurance; and difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals. Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

With respect to forward-looking statements contained in this press release, Aero and Kraken have made assumptions regarding, among other things: the satisfaction of the conditions to completion of the Transaction, including the timely receipt of required Kraken Shareholder, Court, regulatory and stock exchange approvals, as required; the ability of Aero to realize benefits and efficiencies with respect to the Transaction; future uranium prices; future currency exchange rates and interest rates; ability to obtain equipment and services in a timely manner to carry out development activities; ability to market uranium successfully to current and new customers; the impact of competition; the general stability of the economic and political environments in which Aero and Kraken operate; the ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; that Aero and Kraken will have sufficient financial resources required to fund the expenses in connection with the Transaction, capital and operating expenditures and other requirements as needed; that Aero will have the ability to develop its uranium properties in the manner currently contemplated; and other matters. Although Aero and Kraken believe that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned that the foregoing list is not an exhaustive list of all assumptions which have been considered.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide Kraken Shareholders with a more complete perspective on Aero's and Kraken's current and future operations and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits may be derived therefrom.

The forward-looking statements contained in this press release speak only as of the date of this press release. Accordingly, forward-looking statements should not be relied upon as representing Aero and Kraken's views as of any subsequent date, and except as expressly required by applicable securities laws, Aero and Kraken do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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