

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

Future Fuels Inc. (the “Company”)
1450 - 789 West Pender Street
Vancouver, BC
V6C 1H2 Canada

Item 2. Date of Material Change

November 13, 2024

Item 3. News Release

A news release was issued by the Company and filed on SEDAR+ on November 14, 2024.

Item 4. Summary of Material Change

On November 13, 2024 the Company announced it had entered into an asset purchase agreement (the “**APA**”) dated November 13, 2024 with IsoEnergy Ltd. (TSX: ISO) (“**IsoEnergy**”).

Item 5. Full Description of Material Change

On November 14, 2024 the Company announced that it had entered into the APA with IsoEnergy, pursuant to which the Company has agreed to acquire a 100% interest in IsoEnergy’s Mountain Lake Project, comprised of mineral claims covering 5,625 hectares in the Hornby Bay Basin, Nunavut, Canada (the “**Mountain Lake Property**”) in exchange for common shares in the authorized capital of the Company (“**Common Shares**”) and the grant of the Net Smelter Royalties (as defined below) (collectively, the “**Transaction**”).

The acquisition of the Mountain Lake Property will add key claims to the Company’s portfolio of holdings in the Hornby Bay Basin in Nunavut, increasing its total holdings to over 342,064 hectares.

The Transaction

Pursuant to the APA, the Company has agreed to acquire the Mountain Lake Property from IsoEnergy in consideration for:

- (i) the issuance to IsoEnergy of 12,500,000 Common Shares (the “**Upfront Shares**”) on closing of the Transaction (the “**Closing**”);
- (ii) the issuance to the Vendor of 2,500,000 Common Shares (the “**Deferred Shares**”, and together with the Upfront Shares, the “**Consideration Shares**”) on the earliest date practicable following Closing that will ensure that such issuance will not result in IsoEnergy owning or controlling more than 19.9% of the outstanding Common Shares on a partially-diluted basis; and
- (iii) the grant by the Company to IsoEnergy of (a) a 2% net smelter returns royalty, payable on all production from the Mountain Lake Property, of which 1% (half of the royalty) will be eligible for repurchase by the Company for \$1,000,000, and (b)

a 1% net smelter returns royalty, payable on all production from the Company's properties in Nunavut other than the Mountain Lake Property (collectively, the "**Net Smelter Royalties**").

The Consideration Shares, when issued, will be subject to contractual restrictions on resale beginning from the date of closing (the "**Lock-Up Restrictions**"), as well as a statutory hold period of four months and one day from the date of issuance. In accordance with the Lock-Up Restrictions, IsoEnergy may not sell, pledge, encumber, assign or otherwise dispose of or transfer the Consideration Shares until they become free-trading in accordance with the release schedule, whereby 25% will be released on Closing and every six months thereafter for a total period of 18 months. Closing of the Transaction is subject to certain conditions and approvals, including:

- (i) the execution of an investor rights agreement providing IsoEnergy, for so long as IsoEnergy owns 10% or more of the Company's issued and outstanding shares on a partially diluted basis, with the right to:
 - a. nominate one director to the Company's board of directors; and
 - b. participate in equity financings in order to maintain its *pro rata* share ownership in the Company;
- (ii) completion of the Concurrent Financing (as defined below) for minimum gross proceeds of \$2,000,000; and
- (iii) the approval of the TSX Venture Exchange (the "**Exchange**").

Concurrent Financing

As a condition to Closing of the Transaction, the Company will complete a non-brokered private placement (the "**Concurrent Financing**") of a minimum of 8,000,000 units (the "**Units**") and a maximum of 12,000,000 Units at a price of 0.25 per Unit, each Unit to consist of one Common Share and one-half of one warrant. Each whole warrant will entitle the holder to purchase one additional Common Share at a price \$0.40 per share for a period of 24 months from the closing of the Concurrent Financing.

The net proceeds from the Concurrent Financing will be used to advance the Mountain Lake Property and for general working capital.

No finder's fees or commissions will be paid in connection with the Transaction. The Company may pay finders' fees in connection with the Concurrent Financing. The Concurrent Financing is subject to the approval of the Exchange.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not Applicable

Item 7. Omitted Information

Not Applicable.

Item 8. Executive Officer

Contact: Jody Bellefleur
Telephone: 604-681-1568

Item 9. Date of Report

November 22, 2024