

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Traction Uranium Corp. (the "Issuer")

Trading Symbol: TRAC

Number of Outstanding Listed Securities: 51,621,973 (as at August 31, 2022)

Date: September 6, 2022

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

- 1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.**

*The Issuer is in the business of mineral exploration and the development of discovery prospects in Canada, including its two flagship uranium projects in the world-renowned Athabasca Region.*

Global Outbreak of COVID-19 Disclosure: The actual and threatened spread of the virus globally has had a material adverse effect on the regional economies in which the Issuer operates and could continue to result in negative impacts on the stock market, including trading prices of the Issuer's shares, and the ability to raise capital and could impact the Issuer's operations.

During the month of August 2022, the Issuer actively continued general and corporate operations.

The Issuer filed its Condensed Interim Financial Statements for the nine months ended June 30, 2022, and the related Management's Discussion and Analysis (together, the "**Interim Financial Filings**").

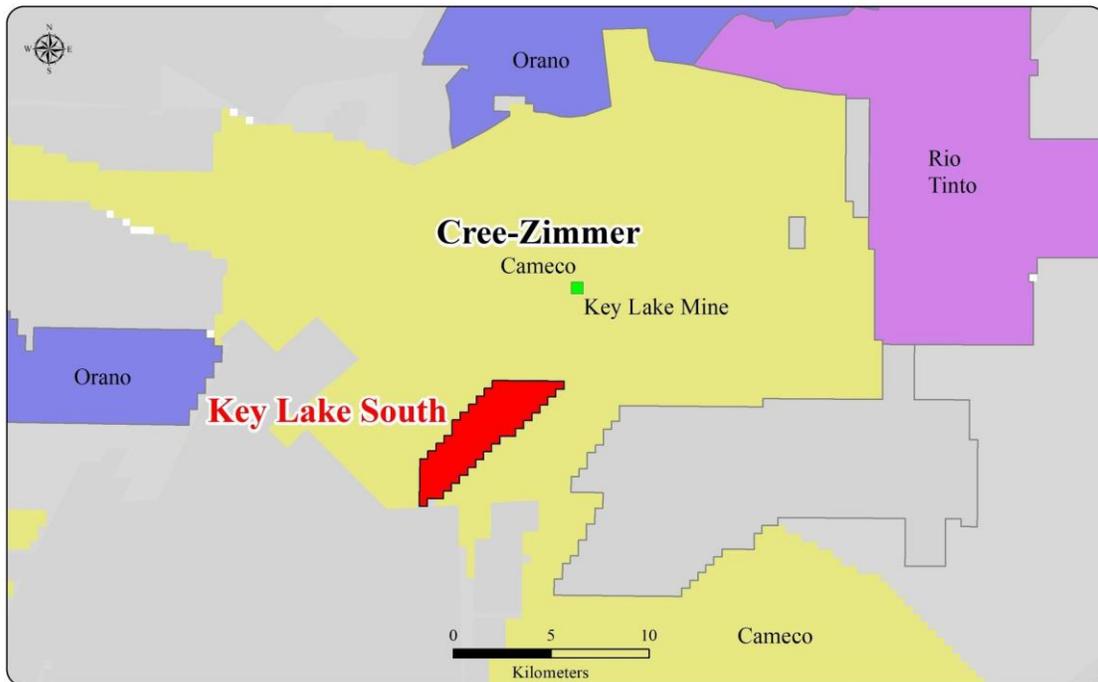
## 2. Provide a general overview and discussion of the activities of management.

During the month of August 2022, management continued to support and control the Issuer's business activities and develop the Issuer's business.

On August 16, 2022, the Issuer announced by way of news release that it has entered into a property option agreement (the "**Option Agreement**") with UGreenco Energy Corp. (the "**Vendor**") dated August 15, 2022 (the "**Effective Date**"), pursuant to which the Issuer has been granted the right to acquire up to a 75% interest in and to the Key Lake South Property, which consists of a series of mineral disposition parcels located in Athabasca Basin, Northern Saskatchewan, Canada (the "**Property**").

The Key Lake South Uranium Project is located approximately 6 kilometres to the southwest of the Key Lake uranium mill and in close vicinity to modern uranium mining facilities and highway transportation in northern Saskatchewan. Geologically, it sits at the southeastern edge of the Proterozoic Athabasca Basin – home of the world's largest and highest-grade uranium deposits and operations. Recent discovery of Tripple R and Arrow deposits has demonstrated further potential of high-grade uranium at the edge of the basin.

**Figure 1:**



### **Terms of the Option Agreement:**

In consideration for a series of cash and share payments and the incurring of exploration expenditures, separated into two phases.

#### **Phase One**

In phase one, the Issuer shall be entitled to acquire a 51% interest in and to the Property by:

- paying \$50,000 in cash to the Vendor within seven (7) days following the Effective Date;

- paying an additional \$200,000 in cash to the Vendor on or before December 31, 2023;
- paying an additional \$750,000 in cash to the Vendor on or before December 31, 2024;
- issuing, within sixty (60) days following the Effective Date, such number common shares in the capital of the Issuer (the “**Shares**”) to the Vendor as is equal to \$100,000 equity converted on the date of issuance at the market price of the Shares trading on the Canadian Securities Exchange (the “**CSE**”);
- issuing, on or before December 31, 2023, such number of additional Shares to the Vendor as is equal to \$200,000 converted on the date of issuance at the market price of the Shares trading on the CSE;
- issuing, on or before December 31, 2024, such number of additional Shares to the Vendor as is equal to \$750,000 converted on the date of issuance at the market price of the Shares trading on the CSE;
- incurring, on or before December 31, 2022, \$150,000 worth of exploration expenditures on the Property;
- on or before December 31, 2023, either (1) completing 2,000 metres of diamond drilling on the Property or (2) incurring an additional \$1,500,000 worth of exploration expenditures on the Property; and
- on or before December 31, 2024, either (1) completing an additional 7,500 metres of diamond drilling on the Property or (2) incurring an additional \$6,500,000 worth of exploration expenditures on the Property.

## **Phase Two**

Upon completion of phase one, the Issuer shall be entitled to acquire an additional 24% interest in and to the Property, for a total interest of 75%, by:

- paying an additional \$750,000 in cash to the Vendor on or before December 31, 2025;
- issuing, on or before December 31, 2025, such number of additional Shares to the Vendor as is equal to \$750,000 converted on the date of issuance at the market price of the Shares trading on the CSE; and
- on or before December 31, 2025, either (1) completing an additional 7,500 metres of diamond drilling on the Property or (2) incurring an additional \$6,500,000 worth of exploration expenditures on the Property.

Upon satisfaction of phase two and commencement of commercial production on the Property, the Issuer will grant the Vendor a net smelter returns royalty totaling two percent (2%) on commercial production from the Property (the “**NSR Royalty**”), with the Issuer retaining the right to buy back from the Vendor one percent (1%) of the NSR Royalty for \$2,000,000.

On August 22, 2022, The Issuer announced by way of news release a renewal agreement for marketing services with Financial Star News Inc. (“FSN”) (address: 701 West Georgia Street, Suite 1500, Vancouver, V7Y 1C6; email: [info@thefinancialstar.com](mailto:info@thefinancialstar.com)), for marketing services of up to three months, commencing in August 15, 2022.

As previously disclosed, FSN has and shall continue to, as appropriate, create campaigns, ad groups, text ads, display ads, perform detailed keyword research, setup and manage remarketing campaigns, optimize keyword options, coordinate online advertiser and marketers corresponding to the customers online marketing targets, create landing pages for ad campaigns and bring attention to the business of the Issuer in consideration of USD \$225,000 (plus applicable taxes) previously paid to FSN. The promotional activity shall occur on theFinancialStar.com, by email, Facebook, and Google. FSN does not have any prior relationship with the Issuer aside from its previous engagement with the Issuer.

On August 23, 2022, the Issuer announced by way of news release the addition of Boen Tan, P.Geo., uranium exploration geologist and recipient of the 2007 Outstanding Achievement Award from the Association of Professional Engineers and Geoscientists of Saskatchewan, to its Technical Advisory Committee.

With almost 50 years of uranium exploration experience, he was instrumental in the 1975 discovery of the Key Lake uranium deposit and the development of Key Lake Mine which produced over 200 million pounds of uranium at a grade of 2.5% from 1983 to 1997. Boen Tan is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan.

Boen Tan joined Uranerz, a private German company, in 1969 and after a number of years as a field geologist in Germany and Australia, he moved to Canada in 1973 as a senior geologist and Project Manager for Uranerz Exploration & Mining Ltd. (UEM), conducting uranium exploration in the Athabasca Basin. After the discovery and development of the Key Lake Mine, he continued to supervise UEM’s uranium exploration and drilling programs in the Athabasca Basin, including regional exploration in the greater Key Lake area and monitored the exploration and diamond drilling of UEM’s joint ventures with Cameco until 1999. Since 2000 he worked as a consulting geologist for various companies and since 2005 worked mostly for Forum Energy Metals. He graduated in 1969 from the University of Freiburg in Germany and in 1980 he received his PhD degree from Berlin Technical University.

On August 30, 2022 the Issuer provided by way of news release an update from its research team examining radiation-induced defects in quartz from Hearty Bay drill cores.

The Issuer’s research geologists together with F3's exploration team collected a total of 95 core samples from 14 diamond drill holes.

**Sample selection was made on the basis of several considerations:**

- 1) systematic coverage from different depths
- 2) rock types
- 3) structures
- 4) alteration styles
- 5) radioactivity

The samples were mostly collected from the silicified zones within the metamorphosed basement rocks, but Athabasca sandstones are present in one hole (#4).

**Preliminary observations are summarized as follow:**

- The metamorphic basement rocks are composed of both garnet-bearing metagranites, metamorphosed pegmatites, metapelites, and metapsammities.
- The basement rocks, especially those from boreholes #8 and #9, show advanced chloritization and hematitization as well as silicification and kaolinitization, indicating hydrothermal activities in local shear zones associated with a main fault.
- The association of clay alteration, hematitization, and silicification along with pyrite in a mafic dyke crosscutting the basement rocks will be investigated for petrography and geochemistry.
- Athabasca sandstones in hole #4 display banded clay alteration and silicification, and, locally, hematitization.
- The highest radiation dose is measured using the portable scintillometer for granofelsic samples from borehole #5 at depth of 91.5m (280 cps).

**Next Steps:**

Polished thin sections are being made for selected samples and will be used for petrographic observations, as well as cathodoluminescence (CL) imaging for possible detection of radiation-induced damage in quartz.

Mineral separation of Athabasca sandstones from hole #4 are already underway (See **Figure 1**) in order to obtain quartz grains for electron paramagnetic resonance (EPR) spectroscopic analysis, which is far more sensitive than CL for detecting radiation-induced defects.



Figure 1- Hearty Bay Drill Results

Results from examining quartz degradation will allow our team to refine drill targets and improve accuracy by focusing our efforts in the right areas, therefore maximizing dollars in the ground for our investors. We look forward to providing further updates as the program progresses.

The aforementioned news releases, inclusive of respective and applicable “forward-looking information” disclaimers, and Interim Financial Filings can be viewed under the Issuer’s profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Issuer’s Disclosure page on the website of the Canadian Securities Exchange.

- 3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.**

None to report during the month of August 2022.

- 4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.**

None to report during the month of August 2022.

- 5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements, etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.**

None to report during the month of August 2022.

- 6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.**

During the month of August 2022, the Issuer entered into a property option agreement (the “**Option Agreement**”) with UGreenco Energy Corp. to acquire up to a 75% interest in the Key Lake South Property located in Athabasca Basin, Northern Saskatchewan, Canada.

See Item #2 for further details.

- 7. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.**

None to report during the month of August 2022.

- 8. Describe the acquisition of new customers or loss of customers.**

None to report during the month of August 2022.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

None to report during the month of August 2022.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None to report during the month of August 2022.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None to report during the month of August 2022.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None to report during the month of August 2022.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None to report during the month of August 2022.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common Shares	500,000	Common shares issued pursuant to exercise of common share purchase warrants	\$85,000 – general working capital

(1) Aggregate proceeds and intended allocation of proceeds

15. Provide details of any loans to or by Related Persons.

None to report during the month of August 2022.

16. Provide details of any changes in directors, officers, or committee members.

None to report during the month of August 2022.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's Form 2A - Listing Statement dated August 31, 2021 (the "Listing Statement"), under the heading "Item 17. Risk Factors" and the Issuer's Management Discussion and Analysis dated August 29, 2022 (the "MD&A"), under the heading "Risk Factors". The Listing Statement was posted on the CSE website on August 31, 2021. In addition, the Listing Statement and the MD&A can be viewed under

the Issuer's profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

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## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated September 6, 2022

Tasheel Jeerh  
Name of Director or Senior Officer

/s/ Tasheel Jeerh  
Signature

Chief Financial Officer  
Official Capacity

<i>Issuer Details</i> Name of Issuer Traction Uranium Corp. (Formerly Traction Exploration Inc.)	For Month End August 2022	Date of Report YYYY/MM/DD 2022/09/02
Issuer Address 6 <sup>th</sup> Floor, 905 West Pender Street Vancouver, British Columbia, V6C 1L6	Issuer Fax No. N/A	Issuer Telephone No. 604-425-2271
Contact Name Tasheel Jeerh	Contact Position Chief Financial Officer	Contact Telephone No. 604-425-2271
Contact Email Address <a href="mailto:tasheel@tractionuranium.com">tasheel@tractionuranium.com</a>	Web Site Address <a href="https://tractionuranium.com">https://tractionuranium.com</a>	