



**Cleared under the Decision of the Board
of Directors no. dated,**

Chairman of the Board of Directors

Minodor Teodor CHIRICA

NOTE

**on the approval by the Extraordinary General Meeting of Shareholders
of the National Company Nuclearelectrica S.A. of
the transfer of the license for concession of the Tulgheș – Grințieș exploitation activity
(Exploitation License no. 479/1999) from SNN S.A. to Fabrica de Prelucrare a Concentratelor
de Uraniu – Feldioara S.R.L.**

1. Overview of the Tulgheș – Grințieș ore exploitation license

By the *Order no. 132/06.07.2021 of the President of ANRM (National Agency of Mineral Resources) approving transfer of the rights and obligations set out under the Concession License no. 479/1999 concerning exploitation of the uranium ore in the site of Tulgheș – Grințieș, County of Neamț, as approved by the Government Decision no. 277/2000 approving concession licenses for exploitation activities, concluded between ANRM and CNU-SA*, approved the transfer, for no consideration, of the acquired rights and obligation acquired under the Concession License for exploitation of uranium ore no. 479/1999 in the site of Tulgheș – Grințieș, County of Neamț, to SNN SA.

The concession license for exploitation activities concluded between the National Agency of Mineral Resources, as grantor, and SNN, as operator, in the site of Tulgheș – Grințieș, locality of Grințieș, County of Neamț, has enclosed the following appendices:

Appendix A - Feasibility Study on mining the reserves and protection of the uranium ore deposit in years 1999-2003;

Appendix B - Development Plan for exploitation of the Tulgheș – Grințieș uranium ore in years 1999-2003;

Appendix C - Documentation for assessment of the mineral resources/reserves of the uranium ore, as at 1 January 1999;

Appendix D - Description of the exploitation site;

Appendix E - Technical Documentation for establishment of the Primatar I-II exploitation site;

Appendix F – List of appurtenances and engineering outbuildings under the State's property (according to Article 27(2) of the Mining Law);

Appendix G - List of household and personal goods needed by the foreign staff of the holder and the affiliates and their foreign subcontractors, exempt from import customs duties (according to

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Tel. +4021 203 82 00, Fax +4021 316 94 00;

Registered with the Trade Register under number: J40/7403/1998, Sole Registration Code: 10874881,

Subscribed and paid-up share capital: RON 3,015,138,510

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Article 36(1)(c) of the Mining Law);

Appendix H - List of new or imported equipment, installations and devices required for restoration of the environment damaged by the mining activities;

Appendix I - Impact Study; Compliance Programme.

The appendices listed above are classified documents and will be transferred to FPCU-Feldioara SRL together with the license.

The subject-matter of the license is concession of the right of exploitation and delivery in specific forms of the uranium ore reserves of the deposit of Tulgheş – Grințieş (Primatar I - II), in favour of the Holder, according to the law. These uranium reserves and ore resources, as detailed in Appendix C, are registered by the Agency, which issued the registration document Certification of Resources/Reserves no. 77- 99/01.01.1999 of 4 June 1999.

2. General matters/powers

The Decision of the Extraordinary General Meeting of SNN's Shareholders no. 4/30.03.2020 approved commencement of the steps needed to have the concession license for exploitation in the site of Tulgheş – Grințieş, County of Neamţ, granted by the National Agency of Mineral Resources, transferred to Compania Nationala a Uraniului S.A., pursuant to the provisions of the Government Decision no. 277/2000 approving some exploitation concession licenses.

The Decision of the General Meeting of the Shareholders of CNU SA dated 29 October 2020 approved commencement of the procedure for the transfer of the Exploitation License no. 479/1999 for the Tulgheş – Grințieş deposit to SN Nuclearelectrica SA.

Pursuant to the provisions of Article 111 (2) of the Government Decision no. 1208/2003 approving the Implementing Rules of the Mining Law no. 85/2003, the request to have the concession license shall be submitted to ANRM and must be accompanied, *inter alia*, by: (i) the decisions of the management bodies of the two legal entities, approving the transfer of the concession license - letter c) and (ii) the transfer approval issued by the ministry that coordinates, or under whose subordination, the legal entities fall - letter g).

In the light of the above, the power to approve the transfer of the exploitation license from SNN to Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara SRL lies with the Extraordinary General Meeting of Shareholders.

3. Current status. Requirements/documents enclosed to the transfer request

Fabrica de Prelucrare a Concentratelor de Uraniu – Feldioara SRL (FPCU-Feldioara SRL) meets all the conditions laid down under the provisions of the Government Decision no. 1208/2003 approving the Implementing Rules of the Mining Law no. 85/2003, Chapter 6 – Transfer of Concession Licenses, Articles 109 – 116, for closure of the transfer of the concession license for Tulgheş – Grințieş exploitation from SNN to FPCU-Feldioara SRL.

In this regard, we point out the following:

- ANRM concluded with SNN-SA the *Addendum no. 7/04.08.2021 to the Concession License no. 479/1999 for exploitation of the uranium ore in the site of Tulgheş – Grințieş*, for a period of 5 years, subject to renewal every 5 years, until depletion of the uranium ore of Tulgheş – Grințieş;

- *The technical capacity of FPCU-Feldioara SRL was acquired on 11 August 2022 when ANRM issued the Certificate no. 2760/11.08.2022 in the technical and professional competence to carry out mining activities.* The technical capacity was acquired pursuant to the provisions of Article 3(3) of the Mining Law no. 85/2003 and Article 111(2)(e) of the Government Decision no. 1208/2003 approving the Implementing Rules of the Mining Law no. 85/2003;

- *Note on the approval of the Activity Programme for operationalization of the Tulgheş – Grințieş License*, registered under no. 5893/18.05.2022; the matters addressed in the note concern the development/investment programme of the SNN's subsidiary FPCU-Feldioara SRL, which cover actions intended at devising a draft strategy for investor selection;

- Decision SNN no. 100/20.05.2022 of the Board of Directors of SN Nuclearelectrica SA which approved the *Activity Programme for operationalization of the Tulgheş – Grințieş License*, namely paragraph 6 – Transfer of the Concession License no. 479/1999 for exploitation of uranium ore in the site of Tulgheş – Grințieş, County of Neamţ, from SNN to FPCU-Feldioara SRL;

- With the letter no. 10443/14.09.2022, SNN asked ANRM for approval of the activity discontinuation/suspension in the site of Tulgheş – Grințieş for a 9-month period, in accordance with the provisions of Article 38(g) of the Mining Law no. 85/2003, as subsequently amended and supplemented.

- With the letter no. 15647/19.10.2022, ANRM approved suspension of the activity for a 9-month period, starting on 1 January 2023 and until 30 September 2023.

- ORNISS approved the issue of the SSID-level classified information access clearances for Mr. Maracineanu Gelu Agafiel (AAA no. 0016340/25.05.2022) and Mr. Adam Constantin-Dorin (AAA no. 0016338/06.04.2022).

4. Need for, and Advisability of, the Exploitation License Transfer

The huge volume of geological research works carried out over a period of about 40 years allowed to quantitatively estimate that the geological resources are sufficient to cover for the uranium needed by two reactors over a period of about 20 - 25 years of operation.

In 2011, at the request of CNU - SA, a new feasibility study was conducted for the opening, preparation and exploitation of the uranium ore - at a rated annual production capacity of 150 tons of uranium. The technical and economic documentation obtained the clearance of the Interdepartmental Board for Clearance of Public Works of National Interest and Housing no. 78/05/2012.

The development strategy of Fabrica de Prelucrare a Concentratelor de Uraniu-Feldioara SRL, as presented by the operational management, was substantiated by the following documents:

- The Strategy for diversification of the supply sources of raw materials required for production of nuclear fuel – *SN Nuclearelectrica SA* – cleared by the BoD under the Decision no. 36/22.03.2018;

- *Law no. 193/19.07.2018 for the regulation of the principles ensuring the national strategy of Romania regarding the maintenance of the integrated nuclear cycle, by providing the raw nuclear material for the manufacture of the nuclear fuel necessary for the operation of the units at Cernavoda NPP;*

- *Advisory services required the (technical, environmental, financial and legal) Due Diligence to support a potential takeover by SNN of the processing line from CNU-SA Feldioara Branch. With the Decision no. 225/12.11.2020, the SNN's Board of Directors approved submission of the purchase offer by CNU-SA;*

- *Establishment of the company Fabrica de Prelucrare a Concentratelor de Uraniu-Feldioara SRL as a subsidiary of SNN SA on 23 September 2021, as approved by the SNN's EGMS under the Decision no. 4/05.04.2021;*

- *The strategy for ensuring the necessary stocks of raw materials and fuel, as approved by the SNN's BoD under the Decision no. 14/27.01.2022.*

5. Proposals submitted to approval

In the light of the above, we hereby submit the following for approval by the Extraordinary General Meeting of Shareholders of SC Nuclearelectrica S.A.:

- *Approval of the transfer of the concession license for exploitation of the site of Tulgheş – Grințieş from SN Nuclearelectrica SA to Fabrica de Prelucrare a Concentratelor de Uraniu - Feldioara SRL (Exploitation License no. 479/1999);*

- *Empowerment of the Chairman of the Board of Directors to sign on behalf of the shareholders the EGMS DECISION and any other documents in relation thereto and to fulfil any act or formality required by law for the registration and fulfilment of the EGMS decision,*

including the formalities of its publication and registration with the Trade Register or any other public institution. The Chairman of the Board of Directors may delegate all or part of the powers conferred above to any person competent to fulfil this mandate.

**CEO
Cosmin GHITA**

**CFO
Dan Niculaie FARANGA**

**Deputy CEO
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