

News Releases

US Rare Earth and Critical Mineral Supply Security Significantly Boosted as Energy Fuels Closes Acquisition of Australia's Base Resources



- Energy Fuels is restoring essential U.S. critical mineral supply chains and processing capabilities that are key to clean energy, economic security, and national defense.
- Acquisition of Base Resources secures the world-class Toliara Project in Madagascar, which Energy Fuels believes is the best critical mineral development project in the world.
- The Toliara Project is a new large-scale and low-cost source of rare earth minerals that Energy Fuels plans to develop and process into advanced rare earth products at the Company's existing facility in Utah.
- Rare earths are key ingredients in various clean energy technologies, including electric vehicles (EVs), Plug-In Hybrid Electric Vehicles (PHEVs), and direct-drive wind energy, along with critical national defense technologies.
- Acquisition positions Energy Fuels to become a globally significant producer of titanium and zirconium minerals in the future, while also maintaining its current position as a leading U.S. producer of uranium.
- Acquisition also secures Base Resources' mine development and operations team, who have a successful track-record of designing, constructing, and profitably operating the Kwale Project, a world-class heavy mineral sands operation in Africa.

DENVER, Oct. 2, 2024 /CNW/ - Denver-based **Energy Fuels Inc.** (NYSE American: UUUU) (TSX: EFR) ("**Energy Fuels**" or the "**Company**"), an industry leader in the U.S. production of uranium and rare earth elements ("**REE**"), today announced that it has completed the acquisition of Base Resources Limited ("**Base**"), an established heavy mineral sands ("**HMS**") and critical mineral company, headquartered in Perth, Australia, in consideration of the issuance of Energy Fuels shares totaling approximately US\$178.4 million in value¹. The financial terms and details of the transaction can be found [here](#).

"With Energy Fuels' acquisition of Base Resources and its Toliara Project in Madagascar, we have now acquired the raw materials that, when developed, will enable us to become one of the world's leading suppliers of advanced rare earth products and titanium and zirconium minerals, while also maintaining our current position as a leading producer of uranium in the United States," said Mark Chalmers, President and CEO of Energy Fuels Inc.

Chalmers continued: "We have been putting together the missing pieces of the REE supply chain over the past two years, as we create a large-scale and low-cost critical mineral company based in the United States that produces uranium, rare earth elements, vanadium and soon medical isotopes on American soil, along with titanium and zirconium minerals at our mines in the Southern Hemisphere. The 'common thread' connecting these products is that they are produced from, or associated with, ores that contain uranium, an integral part of our story over many years. We are able to process these ores at our facility in Utah and recover these elements in addition to the contained uranium."



The Base acquisition is one of the most important pieces in Energy Fuels' REE plan, as the development of the Toliara Project is expected to greatly increase Energy Fuels' supply of raw materials and help the Company control its internal supply chain and costs. "We are working to bring rare earth processing capabilities back to the United States, while also mining and processing to the highest global standards for protection of human health, human rights and the environment," Chalmers remarked. "This is great news for America's clean energy, economic, and national security."

Energy Fuels has now assembled a world-class and low-cost REE and critical mineral supply chain, where a suite of HMS projects in the Southern Hemisphere are expected to be developed in the coming years and produce large quantities of REE-bearing mineral product ("**Monazite**") from Base's Toliara Project in Madagascar, the Company's 100% owned Bahia Project in Brazil, and the Company's planned interest in the Donald Project joint venture ("**JV**") in Australia for which a joint venture agreement was recently entered into with Astron Corporation Limited. Monazite contains the minerals "monazite" and "xenotime," which have excellent grades and distributions of both "light" and "heavy" REEs.

The Company plans to develop and import Monazite from these HMS projects (and potentially others) into the United States where it will be processed into advanced REE products at the Company's White Mesa Mill, located near Blanding, Utah (the "**Mill**"). Earlier this year, Energy Fuels demonstrated its ability to process Monazite and refine the material into separated neodymium-praseodymium ("**NdPr**") at commercial scale. Monazite also contains material quantities of natural uranium, which Energy Fuels plans to recover for sale to nuclear utilities who will process it further to be used as fuel to produce carbon-free electricity.

REEs are used in a wide variety of clean energy and advanced technologies, including EVs, PHEVs, direct-drive wind energy, magnets, and a number of other energy transition and defense-related technologies. Over the next 2 to 4 years, the Company plans to develop and put the Toliara, Bahia, and Donald projects into production, which have the combined ability to produce up to 43,000 metric tons ("**tonnes**") of Monazite per year. The Monazite produced from these projects, along with Monazite that may be acquired from other parties, is expected to provide sufficient raw materials for Energy Fuels to produce roughly 4,000 – 6,000 tonnes of separated NdPr per year, along with roughly 200 – 300 tonnes of separated dysprosium ("**Dy**") and terbium ("**Tb**") per year. Energy Fuels is currently in the process of designing and licensing the expansion of its REE separation capabilities at the Mill. Commissioning of the expansion is expected to roughly coincide with the timing of when these mines complete development and begin production of Monazite.

Once developed, Energy Fuels' HMS projects are also expected to produce significant quantities of traditional HMS product lines, including titanium and zirconium minerals, which are expected to generate significant additional cash flow for the Company. As a result, Energy Fuels also expects to become a significant global supplier of, not only REEs, but also titanium and zirconium minerals. At the same time, the Company is currently ramping-up uranium production at its mines and the Mill in the United States and expects to maintain its position as a leading U.S. uranium producer.

The Toliara Project is considered by the Company to be one of the best HMS and critical mineral development projects in the world, due to the high-grade and high-quality of the titanium, zirconium and REE minerals, and its long mine life. The definitive feasibility study for titanium and zirconium minerals, along with the prefeasibility study for the addition of the Monazite stream, showing attractive project economics is available [here](#). The Toliara and Donald Projects are currently in the development phase and the Bahia project is currently in the exploration and permitting phase. In addition, the Toliara Project is subject to negotiation of fiscal terms with the Madagascar government and the receipt of certain Madagascar government approvals and actions before a current suspension on activities at the project will be lifted and development may continue.

Chalmers concluded: "I am also honored and excited to welcome Base's highly successful management and employees to the Energy Fuels' team, which I am confident will elevate our competitive advantages from day one. A key benefit to Energy Fuels from this acquisition is that Base brings to the Company an experienced and highly regarded management and operations team with a proven track record of safe, efficient, and profitable operations at heavy mineral sands operations in Africa. I would also like to welcome Mr. Michael Stirzaker to Energy Fuels' Board of Directors. Mr. Stirzaker was Base's Non-Executive Chair, and his many years of experience in mining finance and investment will be a valuable addition to the Company."

About Energy Fuels

Energy Fuels is a leading US-based critical minerals company, focused on uranium, REEs, HMS, vanadium and medical isotopes. The Company has been the leading U.S. producer of natural uranium concentrate for the past several years, which is sold to nuclear utilities that process it further for the production of carbon-free nuclear energy, and owns and operates several conventional and *in situ* recovery uranium projects in the western United States. The Company also owns the White Mesa Mill in Utah, which is the only fully licensed and operating conventional uranium processing facility in the United States. At the Mill, the Company also produces advanced REE products, vanadium oxide (when market conditions warrant), and is preparing to begin pilot-scale recovery of certain medical isotopes from existing uranium process streams needed for emerging cancer treatments. The Company also owns the operating Kwale HMS project in Kenya which is nearing the end of its life and is developing three (3) additional HMS projects, including the Toliara Project in Madagascar, the Bahia Project in Brazil, and the Donald Project in Australia in which the Company has the right to earn up to a 49% interest in a joint venture with Astron Corporation Limited. The Company is based in Lakewood, Colorado, near Denver, with its heavy mineral sands operations managed from Perth, Australia. For more information on all we do, please visit <http://www.energyfuels.com>.

Note 1: The transaction value is US\$178,438,295, which is based on the issuance of 31,920,983 common shares of Energy Fuels and assuming a share price of US\$5.59 (the closing share price for Energy Fuels on the NYSE American as of October 1, 2024).

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain "Forward Looking Information" and "Forward Looking Statements" within the meaning of applicable United States and Canadian securities legislation, which may include, but are not limited to, statements with respect to: any expectation that the Company will maintain its position as a leading U.S.-based uranium and critical minerals company or as the leading producer of uranium in the U.S.; any expectation that the Toliara, Bahia and Donald Projects will be successfully developed; any expectation as to production levels or timing or duration of production from the Toliara Project or any of the Company's other mines or projects; any expectations as to costs of production at the Toliara Project, the Mill or any of the Company's mines or other projects; any expectations as to future cash flows; any expectation that any production at the Toliara Project or Mill will be world or globally competitive; any expectation that the acquisition may position Energy Fuels to become a globally significant producer of titanium and zirconium minerals; any expectation that the Company will be successful in acquiring any additional sources of Monazite; any expectation that Energy Fuels will be successful in designing and licensing the expansion of REE separation capabilities at the Mill; any expectation that Energy Fuels will be successful in agreeing to acceptable fiscal terms with the Government of Madagascar or in achieving and maintaining sufficient fiscal and legal stability; any expectation that the current suspension relating to the Toliara Project will be lifted in the near future or at all; any expectation that the Company will successfully continue to operate to the highest global standards for the protection of human health, human rights and the environment; and any expectation that the Toliara Project will become a world-class heavy mineral sands project. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects," "does not expect," "is expected," "is likely," "budgets," "scheduled," "estimates," "forecasts," "intends," "anticipates," "does not anticipate," or "believes," or variations of such words and phrases, or state that certain actions, events or results "may," "could," "would," "might" or "will be taken," "occur," "be achieved" or "have the potential to." All statements, other than statements of historical fact, herein are considered to be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements express or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements include risks associated with: commodity prices and price fluctuations; engineering, construction, processing and mining difficulties, upsets and delays; permitting and licensing requirements and delays; changes to regulatory requirements; legal challenges; competition from other producers; public opinion; government and political actions; the failure of the Government of Madagascar to agree fiscal terms or provide the approvals necessary to achieve sufficient fiscal and legal stability on acceptable terms and conditions or at all; the failure of the current suspension affecting the Toliara Project to be lifted on a timely basis or at all; the failure of the Company to provide or obtain the necessary financing required to develop any or all of its Projects; market factors, including future demand for rare earth elements; the ability of the Mill to be able to separate radium or other radioisotopes at reasonable costs or at all; and the other factors described under the caption "Risk Factors" in the Company's most recently filed Annual Report on Form 10-K, which is available for review on EDGAR at www.sec.gov/edgar.shtml, on SEDAR at www.sedar.com, and on the Company's website at www.energyfuels.com. Forward-looking statements contained herein are made as of the date of this news release, and the Company disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements. The Company assumes no obligation to update the information in this communication, except as otherwise required by law.

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