Technology Metals Report (09.06.2024): Energy Fuels Wins Shareholder Approval for Base Resources Deal and Ara Partners Secures $335 Million Financing for U.S. Permanent Magnet Manufacturing Facility

written by Tracy Hughes | September 6, 2024

Welcome to the latest issue of the Technology Metals Report (TMR), brought to you by the Critical Minerals Institute (CMI). In this edition, we compile the most impactful stories shared by our CMI Directors over the past week, reflecting the dynamic and evolving nature of the critical minerals and technology metals industry. Among the key stories featured in this report are Energy Fuels Inc.'s (NYSE American: UUUU | TSX: EFR) acquisition of Base Resources Limited (ASX: BSE), which positions the company as a leader in the heavy mineral sands market, crucial for producing rare earth elements (REE), titanium, and zirconium. This deal, backed by shareholders, adds the Toliara Project in Madagascar to Energy Fuels' growing portfolio, ensuring a stronger position in the global supply chain for clean energy technologies.

This week's TMR Report also highlights VAC's securing of $335 million in financing to establish North America's first permanent magnet manufacturing facility, a key development for strengthening the EV supply chain. Additionally, the report covers a range of other important stories, including Orano's

plans for a uranium enrichment plant in Tennessee and Goldman Sachs' revised copper forecast. These highlights, listed in chronological order, reflect the ongoing shifts within the critical minerals sector, with significant global and domestic developments impacting the industry.

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Energy Fuels' Transformational Acquisition of Base Resources Wins Shareholder Approval; All Required Regulatory Approvals have been Obtained: (September 5, 2024, Source) – Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) has received shareholder approval for its acquisition of Base Resources Limited (ASX: BSE), marking a major step in its transformation into a world-leading producer of rare earth elements (REE), titanium, and zirconium. The acquisition, which includes Base's Toliara Project in Madagascar, and Energy Fuels' Bahia and Donald projects, positions the company to become a leader in heavy mineral sands production. This transaction, overwhelmingly approved by Base shareholders, is expected to close on October 2, 2024, following final regulatory approvals. The acquisition enhances Energy Fuels' ability to supply REEs crucial for clean energy technologies, while maintaining its role as a top uranium producer in the U.S. The company's White Mesa Mill will play a key role in processing REEs from the newly acquired projects.

Ara Partners Secures $335 Million Financing for U.S. Permanent Magnet Manufacturing Facility, Strengthening EV Supply Chain: (September 5, 2024, Source) – Ara Partners has secured $335 million in non-recourse financing to establish the first permanent magnet manufacturing facility in the U.S., located in Sumter County, South Carolina. Operated by e-VAC Magnetics, LLC, the facility will strengthen domestic supply chains for industries like electric vehicles (EVs), aerospace, and renewable energy. The project has strong financial backing from

institutions such as BMO, Mitsubishi UFJ Financial Group, and Société Générale. The facility will produce rare earth magnets, a critical component for EV motors, supporting General Motors' electric vehicle production for at least a decade. Additionally, the project benefits from federal support through a Defense Production Act Title III grant and a $111.9 million tax credit, marking a significant step in decarbonizing industrial manufacturing and reinforcing U.S. energy and national security initiatives.

France's Orano selects Tennessee site to build uranium enrichment plant: (September 4, 2024, Source) – France's Orano has selected Oak Ridge, Tennessee, as the preferred site for a multi-billion dollar uranium enrichment plant. This decision follows U.S. legislation aimed at reducing reliance on Russian-enriched uranium, freeing up $2.7 billion for domestic uranium projects. Orano USA's CEO, Jean-Luc Palayer, highlighted this as a significant step towards bolstering the country's nuclear fuel supply. The plant is expected to create over 300 jobs and is supported by Tennessee's $60 million Nuclear Energy Fund. Orano has previously explored enrichment facilities in the U.S. and is expanding production in France to mitigate supply risks from Russia's Rosatom, which provides 30% of the West's enriched uranium. The U.S. plans to end Russian uranium imports by 2028, increasing the need for domestic sources.

Goldman Sachs slashes copper forecast as miners' profit outlook dims: (September 4, 2024, Source) – Goldman Sachs has significantly lowered its copper price forecast for 2025, revising it from a record $15,000 per tonne to $10,100, driven by declining demand from China's property sector. This revised outlook reflects the broader challenges facing global miners such as BHP and Rio Tinto, who are already grappling with falling iron ore prices. Copper prices have dropped 20% since May, with the metal now trading at $8,950 per tonne. Rising

inventories and weak demand have contributed to the downward pressure on prices. Other banks, like Macquarie, also predict an oversupply of copper through 2026, further dimming the market's outlook. Despite current challenges, BHP maintains a positive long-term view, citing potential supply shortages as the world shifts towards clean energy, which could lead to a future surge in prices.

Volvo Cars abandons 2030 EV-only target: (September 4, 2024, Source) – Volvo Cars has adjusted its goal of becoming fully electric by 2030, citing market challenges such as slow EV demand, lack of affordable models, and insufficient charging infrastructure. The company now expects 90-100% of its sales to be electric or plug-in hybrid vehicles, with up to 10% being mild hybrids. This shift aligns with growing customer interest in hybrids due to affordability and range concerns. Volvo, which is majority-owned by China's Geely, views this approach as a pragmatic response to varied market demands. While CEO Jim Rowan reaffirmed the company's commitment to an electric future, he acknowledged that the transition will be gradual. Volvo also called for stronger government policies to support electrification. The company plans to introduce revamped hybrids, including an updated XC90, alongside new electric models like the ES90 sedan.

Turkey Seeks Chinese Partnership on Rare Earth Elements for EVs: (September 3, 2024, Source) – Turkey is pursuing a partnership with China to process a large rare earth element deposit in Beylikova, discovered two years ago. This collaboration could make Turkey a more attractive hub for Chinese electric vehicle (EV) and battery manufacturers. Energy Minister Alparslan Bayraktar is set to visit China in October for further talks. This follows Turkey's bid to join BRICS and a deal with BYD, the world's largest EV maker, to manufacture in Turkey. Turkey aims to establish itself across the entire supply chain, from raw

materials to finished EVs and batteries. China, which dominates rare earth refining, sees the partnership as an opportunity to gain better access to the EU market.

Global supply chains can't skirt China rare earths crackdown: (September 2, 2024, Source) – Global supply chains are facing challenges as China tightens its control over rare-earth materials, particularly antimony. Antimony is essential in various industries, from car batteries and brake pads to solar panels and defense equipment. The global shift to green energy has increased demand for antimony, especially for its heat-resistant properties and its role in improving transparency in solar cells. Recently, China introduced new export licenses on antimony, effective from September 15, leading to a surge in prices, which have more than doubled in the past year. With China holding nearly half of the global antimony market, finding alternative sources is difficult. Other countries like Russia and Myanmar face sanctions, and U.S. mining of antimony has been dormant since 1997. Consequently, prices are expected to rise further, with no immediate solution in sight.

African leaders in Beijing eyeing big loans and investment: (September 1, 2024, Source) – African leaders are attending a forum in Beijing to seek funding for large infrastructure projects, amid increased competition for resources and influence in Africa. China has been a major lender to African nations, offering billions in loans that have fueled infrastructure development but also led to concerns about mounting debt. African nations are rich in critical minerals, attracting both Chinese and Western interest. However, China's recent economic slowdown and reluctance to provide debt relief have raised concerns. Critics argue that Beijing's Belt and Road Initiative projects have left some African countries struggling to repay debts. Leaders are expected to push for more favorable loans and investments during the forum, while geopolitical tensions

between China and the U.S. also add pressure on African nations to navigate global power dynamics.

GM, Lithium Americas agree to delay $330 mln investment in Thacker Pass: (August 30, 2024, Source) – General Motors (GM) has agreed to delay a $330 million investment in Lithium Americas Corp.'s (TSX: LAC | NYSE: LAC) Thacker Pass project until the end of the year. This investment is part of a larger $650 million commitment announced in January 2023 to help Lithium Americas develop the Nevada-based lithium mine, which has the potential to supply enough lithium for 1 million electric vehicles annually. While the first portion of the investment closed in February 2023, the second tranche's closing is now extended to December 20. The delay is tied to the completion of a $2.26 billion loan agreement with the U.S. Energy Department. Concerns surrounding the U.S. presidential election and potential policy changes have added urgency to finalizing the agreement.

U.S. Department of Energy Awards $17 Million for First Round of HALEU Criticality Benchmarking Projects: (August 30, 2024, Source) – The U.S. Department of Energy (DOE) has awarded $17 million for 16 projects aimed at supporting the licensing and regulation of high-assay low-enriched uranium (HALEU), essential for advanced nuclear reactor development. These projects, which involve partnerships with national laboratories, universities, and industry, will generate publicly available data to assist the U.S. Nuclear Regulatory Commission (NRC) in reviewing HALEU operations. The initiative is part of the DOE's HALEU Availability Program, supported by the Inflation Reduction Act of 2022. The data will aid in future reactor designs, safety evaluations, and address critical data gaps. The DOE plans two additional calls for proposals, with the next one scheduled for early 2025. This effort aims to advance the deployment of efficient, smaller nuclear reactors with longer operating

cycles.

Export Finance Australia and Export-Import Bank of the United States single point of entry "open for business": (August 29, 2024, Source) – Export Finance Australia (EFA) and the Export-Import Bank of the United States (U.S. EXIM) have officially launched the Single Point of Entry (SPE) for critical minerals, which was first announced by President Biden and Prime Minister Albanese on October 25, 2023. The SPE provides streamlined access to financing for Australian and U.S. critical minerals businesses. This collaboration includes joint feedback, support, and guidance for engaging with both agencies. The announcement was made by John Hopkins, CEO of EFA, and Reta Jo Lewis, Chair of U.S. EXIM, during their meeting in Sydney. In addition to the SPE, they discussed further opportunities to strengthen bilateral cooperation, including engagement through the Quad Export Credit Agency and work in Southeast Asia. This initiative reflects the strong partnership between the U.S. and Australia in economic and security matters.

Investor.News Media Highlights:

- September 05, 2024 – InvestorNews Inc. Becomes Official Media Sponsor for the ArcStone-Kingswood Growth Summit 2024 https://bit.ly/3XhMnPc
- September 05, 2024 – Ara Partners Secures $335 Million Financing for U.S. Permanent Magnet Manufacturing Facility, Strengthening EV Supply Chain https://bit.ly/3Xugdl5
- September 03, 2024 – Understanding Flow-Through Shares and Charity Flow-Through: Simplified https://bit.ly/47cuAh0

Investor.News Member News:

- September 5, 2024 – Energy Fuels' Transformational Acquisition of Base Resources Wins Shareholder Approval; All Required Regulatory Approvals have been Obtained https://bit.ly/3XwuRrT
- September 5, 2024 – NEO Battery Materials and University of Windsor Sign Strategic MOU to Advance Novel Battery Technologies https://bit.ly/47jzOb4
- September 5, 2024 – Voyageur Introduces Five New Barium Contrast Formulations Setting New Standards in Medical Imaging Industry https://bit.ly/3MzVLJ8
- September 4, 2024 – Appia Announces Correction Confirming the Discovery of Uranium and Rare Earth Element Mineralization During Exploration Program at the Eastside Project, Saskatchewan, Canada https://bit.ly/3AQJaPr
- September 4, 2024 – American Rare Earths Holds First Wyoming Rare (USA), Inc. Board and Stakeholder Meetings https://bit.ly/4cUEFR8
- September 4, 2024 – Appia Confirms Discovery of Uranium and Rare Earth Element Mineralization During Exploration Program at the Eastside Project, Saskatchewan, Canada https://bit.ly/3MBESxC
- September 4, 2024 – ABx Group and Ucore Rare Metals Sign MoU for Australia-USA Rare Earths Supply Chain https://bit.ly/4gehpQG
- September 4, 2024 – Power Nickel Presents Nisk – 24 And Beyond at Red Cloud Webinar Series https://bit.ly/4cMsvcU
- September 3, 2024 – First Phosphate Announces Appointment of Peter Nicholson as Director of First Phosphate https://bit.ly/3AIRJeQ
- September 3, 2024 – Outstanding Drill Results at the Cowboy State Mine area for Wyoming Rare (USA) Inc. https://bit.ly/47auLcS

- September 2, 2024 – Ucore Grants Incentive Stock Options and Provides Corporate Updates https://bit.ly/4cLhZTi
- September 1, 2024 – First Phosphate Announces Director Resignation https://bit.ly/3X8BtLH
- August 31, 2024 – FuelPositive Closes Final Tranche of Private Placement https://bit.ly/3TfPZjP