Paladin Energy Set to Acquire Fission Uranium for C$1.14 Billion

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Paladin Energy Limited (ASX: PDN | OTCQX: PALAF) is set to acquire Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF) in a transformative C$1.14 billion deal. This acquisition, reflecting an implied value of C$1.30 per Fission share, represents a 25.8% premium over Fission's last closing price on the TSX and a notable 30% premium on the 20-day volume-weighted average price as of June 21, 2024. Notably, Fission's stock experienced a substantial movement yesterday of 15.53%, reflecting the market's positive reception to the deal.

Source

Fission shareholders are set to receive 0.1076 fully paid shares of Paladin for each Fission share they hold at the close of the transaction. Upon completion, Fission shareholders will hold a

24% ownership stake in Paladin, which will boast a pro forma market capitalization of about US$3.5 billion. Plans are also in place for Paladin shares to be listed on the Toronto Stock Exchange concurrent with the transaction's completion.

Fission's Board of Directors, backed unanimously by its special committee of independent directors, recommends that Fission shareholders vote in favor of the transaction. Independent financial advisory firms have provided opinions affirming that the offer is financially fair to Fission shareholders.

The agreement anticipates the transaction will close in the September 2024 quarter, subject to customary closing conditions, including regulatory approvals and the approval of Fission shareholders at a special meeting. Directors and senior management of Fission holding a small portion of outstanding Fission shares have agreed to support the transaction.

The transaction promises several strategic benefits. It will create a clean energy leader with an enhanced project development pipeline and multi-asset production expected by 2029. The combined entity will also have a diversified presence across major uranium mining jurisdictions in Canada, Namibia, and Australia, increasing exposure to the favorable long-term fundamentals of the uranium market.

Ian Purdy, CEO of Paladin, noted that the acquisition is aligned with Paladin's strategy to grow into a global uranium leader. The addition of Fission's Patterson Lake South project in Canada's Athabasca Basin is expected to create a leading development hub in Canada alongside Paladin's existing projects.

Ross McElroy, President and CEO of Fission, commented that the combination would create a world-class diversified uranium producer, enhancing both companies' production and cash flow profiles. The transaction is seen as de-risking the mine-

building financing for Fission’s Patterson Lake South project through the cash flow generation and strong balance sheet of Paladin.

This merger is a strategic move to consolidate assets under a single corporate entity that will benefit from operational synergies, improved market positioning, and is intended to enhance shareholder value.