

Energy Fuels' Transformational Acquisition of Base Resources Wins Shareholder Approval; All Required Regulatory Approvals have been Obtained

written by Raj Shah | September 5, 2024

Acquisition expected to transform Energy Fuels into a world leading rare earth element, titanium and zirconium producer, while maintaining its position as a U.S.-leading uranium producer

September 05, 2024 ([Source](#)) – **Energy Fuels Inc.** (NYSE American: UUUU) (TSX: [EFR](#)) ("**Energy Fuels**" or the "**Company**"), an industry leader in uranium and rare earth elements ("**REE**") production for the energy transition, is pleased to announce that it has achieved a major milestone toward its planned acquisition of Base Resources ("**Base**") with the approval of the acquisition by Base shareholders at a special meeting of shareholders held in Perth, Australia on September 5, 2024. Further, as previously announced by Base, all required regulatory approvals for the acquisition have been obtained.

Mark S. Chalmers, President and CEO of Energy Fuels stated:

"We are pleased that the Base shareholders voted overwhelmingly to approve Energy Fuels' combination with Base Resources. We believe that the combined company will clearly emerge as a world-leader in producing several of the critical minerals and materials needed for the clean energy transition. The Toliara, Bahia and Donald projects are expected to become large-scale,

world-class, and low-cost heavy mineral sand projects in the coming years, producing titanium, zirconium and rare earth minerals. Energy Fuels is uniquely placed in the world to unlock the value of the rare earth minerals (monazite and xenotime) at our White Mesa Mill, and we have proven our ability to recover and produce advanced separated rare earth materials in the USA. I am also very pleased to see recent improvements in REE prices, with the price of NdPr recently increasing to \$60.21 per kilogram.

We look forward to completing the next steps in our acquisition of Base Resources and closing the Transaction on October 2, 2024.”

Base Shareholders Overwhelming Vote in Favor of Combination with Energy Fuels:

As previously announced on April 21, 2024, Energy Fuels entered into an agreement to acquire 100% of the issued shares of Base in consideration of the issuance by the Company of 0.026 Energy Fuels Common Shares for every Base share held and the payment by Base of a special dividend of AUD \$0.065 per Base share (the **“Transaction”**). The Transaction is to be effected by way of a scheme of arrangement under Australia’s Corporations Act (the **“Scheme”**).

At their September 5, 2024 meeting, the shareholders of Base overwhelmingly voted in favor of the Scheme, with 99.88% of the votes cast by Base shareholders in favor of the transaction, and 93.18% of the Base shareholders present and voting (in person or by proxy) in favor of the transaction. Both voting results significantly exceed the requirements for shareholder approval, being more than 75% of the votes cast and more than 50% of the shareholders present.

As a next step, Base will apply to the Federal Court

of Australia (the “**Court**”) for approval of the Scheme, which is scheduled to occur on September 12, 2024. If the Court approves the Scheme, a copy of the Court order will be lodged with the Australian Securities and Investments Commission (“**ASIC**”) and the Scheme will become effective, which is expected to occur on September 13, 2024. As a result, September 13, 2024 is expected to be Base’s last day of trading on the Australian Stock Exchange (“**ASX**”). The Special Dividend (AUD\$0.065 per share) is expected to be paid to Base shareholders on October 1, 2024, and Closing of the Transaction is expected to occur on October 2, 2024. The closing remains subject to this Court approval and other routine conditions.

All Required Regulatory Approvals have been Obtained:

On July 1, 2024, Base received notice from the Competition Authority of Kenya that it had approved the proposed combination pursuant to the Competition Act of Kenya. On August 21 2024, Base announced that Energy Fuels had received written confirmation from the Foreign Investment Review Board that the Australian government has no objections to the proposed combination, and on August 27, 2024, Base received confirmation from the Malagasy Competition Council that it does not object to the proposed combination of Energy Fuels and Base and that the Transaction may proceed. As a result, all the regulatory conditions precedent to the Scheme are considered satisfied, and there are no remaining regulatory approval conditions precedent to implementation of the Scheme and closing of the Transaction.

The acquisition of Base Resources and its 100%-owned Toliara Mineral Sand Project in Madagascar (“**Toliara**”), together with the Company’s 100%-owned Bahia Mineral Sand Project in Brazil (“**Bahia**”) and the Company’s recently announced joint venture with Astron Corporation to develop the Donald Mineral Sand Project in Australia (“**Donald**”), is expected to transform

Energy Fuels into a world-leader in REE's, titanium, and zirconium production, while maintaining its position as a leading U.S. uranium mining producer. The Toliara, Bahia, and Donald projects are heavy mineral sand ("**HMS**") projects that, upon development, will primarily produce titanium and zirconium minerals, including ilmenite, rutile, and zircon. Subject to receipt of further permitting and development, these HMS projects are also expected to produce a valuable monazite sand byproduct, which is one of the best sources of the "magnet" REE's used in electric vehicles ("**EVs**"), plug-in hybrid vehicles, direct-drive wind energy, and other technologies. The Toliara Project is expected to be Energy Fuels' cornerstone source of monazite supply, providing a long-term and large-scale supply of monazite to the Company's White Mesa Mill in Utah (the "**Mill**") for processing into REE oxides and other advanced REE materials, along with the recovery of contained uranium. As the monazite is expected to be a very low-cost byproduct of Toliara's primary ilmenite and zircon production, the production of REE oxides at the Mill is expected to be low-cost and globally competitive. 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 Toliara Project will be lifted and development may occur.

Energy Fuels Successfully Commissions REE Separation Circuit; Turns Focus to Uranium Production for the Remainder of 2024:

During Q2- and Q3-2024, the Company successfully commissioned an REE separation circuit at its 100%-owned White Mesa Mill. This "Phase 1" circuit has the capacity to produce up to 1,000 metric tons ("**tonnes**") of separated NdPr per year. During commissioning, the Company recovered, dried, and packaged approximately 40 tonnes of high-purity, on-spec separated NdPr. The Company estimates that it recovered an additional 10 to 20

tonnes of separated NdPr, which remains in circuit and will be packaged at a later date. This 50 – 60 tonnes of NdPr production exceeds the Company's original guidance of 25 – 35 tonnes by over 40%.

The Company is currently in the process of shifting its production focus at the Mill from REE's to uranium. During 2024, the Company expects to produce 150,000 to 500,000 pounds of U_3O_8 from stockpiled alternate feed materials and conventional ore. In addition, ore production and underground development at its Pinyon Plain and La Sal mines continues on schedule and on budget.

ABOUT ENERGY FUELS

Energy Fuels is a leading US-based critical minerals company. The Company, as a leading producer of uranium in the United States, mines uranium and produces natural uranium concentrates that are sold to major nuclear utilities for the production of carbon-free nuclear energy. Energy Fuels recently began production of advanced rare earth element (“REE”) materials, including mixed REE carbonate in 2021, and commenced production of commercial quantities of separated REEs in 2024. Energy Fuels also produces vanadium from certain of its projects, as market conditions warrant, and is evaluating the recovery of radionuclides needed for emerging cancer treatments. Its corporate offices are in Lakewood, Colorado, near Denver, and substantially all its assets and employees are in the United States. Energy Fuels holds two of America's key uranium production centers: the White Mesa Mill in Utah and the Nichols Ranch in-situ recovery (“ISR”) Project in Wyoming. The White Mesa Mill is the only conventional uranium mill operating in the US today, has a licensed capacity of over 8 million pounds of U_3O_8 per year, and has the ability to produce vanadium when market conditions warrant, as well as REE products, from various

uranium-bearing ores. The Nichols Ranch ISR Project is on standby and has a licensed capacity of 2 million pounds of U_3O_8 per year. The Company recently acquired the Bahia Project in Brazil and entered into a joint venture agreement to develop the Donald Project in Australia, each of which is believed to have significant quantities of titanium (ilmenite and rutile), zirconium (zircon) and REE (monazite) minerals. In addition to the above production facilities, Energy Fuels also has one of the largest NI 43-101 compliant uranium resource portfolios in the US and several uranium and uranium/vanadium mining projects on standby and in various stages of permitting and development. The primary trading market for Energy Fuels' common shares is the NYSE American under the trading symbol "UUUU," and the Company's common shares are also listed on the Toronto Stock Exchange under the trading symbol "EFR." Energy Fuels' website is www.energyfuels.com.

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 critical minerals company or as a leading producer of uranium in the U.S.; any expectation with respect to timelines to production; any expectation as to rates or quantities of production; any expectation as to costs of production; any expectation that the Bahia Project, Donald Project and/or Toliara Project, if acquired, will be fully permitted and developed; any expectation that, upon development, the Bahia Project, Donald Project and/or Toliara Project will be low-cost sources of monazite feed for the Mill; any expectation that the acquisition of Base Resources will be completed or if completed, completed on the terms and time proposed; any

expectation that any production at the Bahia Project, Donald Project and/or Toliara Project, if acquired, or Mill will be world or globally competitive; any expectation that Energy Fuels will be successful in agreeing on fiscal terms with the Government of Madagascar or in achieving sufficient fiscal and legal stability for the Toliara Project, if acquired; 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 additional permits for the recovery of Monazite at the Bahia, Donald and Toliara Projects will be acquired on a timely basis or at all; any expectation that the Toliara Project will become a world-class HMS project; and any expectation that the Company's evaluation of radioisotope recovery at the Mill will be successful. 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; the availability of feed sources for the Mill; competition from other producers; public opinion; government and political actions; the failure of the Company to complete the acquisition of Base Resources; the failure of the Government of Madagascar to agree on fiscal terms for the Toliara Project 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 obtain the required permits for the recovery of Monazite from the Bahia, Donald and/or Toliara Projects; the failure of the Company to provide or obtain the necessary financing required to develop the Bahia, Donald and/or Toliara Projects; available supplies of monazite; the ability of the Mill to produce REE carbonate, REE oxides or other REE products to meet commercial specifications on a commercial scale at acceptable costs or at all; market factors, including future demand for HMS and/or REEs; actual results may differ from all such estimates and projections; the ability of the Mill to recover radium or other radioisotopes at reasonable costs or at all; market prices and demand for medical isotopes; 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, on SEDAR+ at www.sedarplus.ca, 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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Investor Inquiries: Energy Fuels Inc., Kim Ronkin Casey, Investor Relations Manager, 303-389-4165 or Toll free: (888) 864-2125, KCasey@energyfuels.com, www.energyfuels.com