



# Energy Fuels and Base Resources Combination

Establishing a Global Leader in Critical Minerals

22 April 2024

# Disclaimer & Important Notices

This document has been prepared by Base Resources Limited (**Base Resources**). Its release has been authorised by the Board of Base Resources. Information in this document should be read in conjunction with other announcements made by Base Resources to ASX, particularly Base Resources' announcement on 14 December 2023 "Additional critical mineral product stream doubles Toliara Project's NPV" (**Monazite PFS Announcement**) and Base Resources' announcement on 22 April 2024 "Proposed combination with Energy Fuels to create global critical minerals business" (**Transaction Announcement**). Base Resources' ASX announcements are available at <https://baseresources.com.au/investors/announcements>.

## Transaction Announcement

Slide 3 discloses key terms of the proposed acquisition of Base Resources by Energy Fuels Inc. (**Energy Fuels**) by way of scheme of arrangement. The full terms of the proposed acquisition are set out in a scheme implementation deed that is attached to the Transaction Announcement.

## Monazite PFS

Slide 9 discloses production outcomes from the Toliara Project monazite pre-feasibility study (**Monazite PFS**). The Monazite PFS Announcement discloses the material assumptions and underlying methodologies adopted for deriving the production and forecast financial outcomes from the Monazite PFS. It also discloses key risks in respect of the Monazite Project and the Toliara Project as a whole. Base Resources confirms that all the material assumptions underpinning the production information and forecast financial information in the Monazite PFS Announcement continue to apply and have not materially changed.

## Forward-looking statements

Certain statements in or in connection with this document contain or comprise forward looking statements. Such statements include, but are not limited to, statements with regard to development timing, capital cost, capital expenditure capacity, future production and grades and financial performance and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "forecast", "believe" and "envisage". By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Base Resources' control.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or

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**All references to currency (\$ or US\$) are to United States Dollars unless otherwise stated.**

# Transaction Overview

## Base Resources enters binding Scheme Implementation Deed with Energy Fuels

### Transaction Structure

- Base Resources Limited and Energy Fuels Inc. have reached a binding agreement for Energy Fuels to acquire 100% of the issued shares in Base Resources, by way of a scheme of arrangement under Australia’s Corporations Act (the **Transaction** or **Scheme**)
- Base Resources shareholders to receive 0.0260 Energy Fuels common shares plus an unfranked special dividend of A\$0.065 payable by Base Resources (**Special Dividend**)<sup>1</sup> (together, the **Transaction Consideration**) for each Base Resources share held, implying an offer price of A\$0.302 per share<sup>2</sup> and total equity value for Base Resources of A\$375 million<sup>3</sup>
- Represents a premium to Base Resources’ last closing price of 188%, and a premium to the 20-day VWAP of Base Resources shares of 173%
- Following implementation of the Scheme, Base Resources shareholders will hold approximately 16.4% of the combined group
- The transaction is unanimously recommended by Base Resources’ Board and each Director intends to vote (or procure the voting of) all the Base Resources shares held by or on behalf of them (representing 1.2% of the shares on issue<sup>4</sup>) in favour of the Scheme<sup>5</sup>
- Base Resources has also received voting intention statements from each of its two major shareholders (respectively owning 26.5% and 24.8% of the shares on issue)<sup>4</sup> confirming that they each intend to vote in favour of the Scheme<sup>5</sup>

### Leadership & Integration

- The combined group will retain Base Resources’ proven leadership team, who will continue to oversee the development and operation of the Toliara Project and the completion of operations and closure of Kwale Operations, as well as the progression of other mineral sands and rare earths interests of the combined group
- Subject to satisfaction of all necessary regulatory requirements, one existing Base Resources Director nominated by Base Resources will be invited to join the Board of the combined group upon implementation of the Scheme

### Timing, Conditions & Exclusivity

- Scheme Booklet expected to be dispatched to Base Resources shareholders in late June / early July with the Scheme meeting in late July / early August and Transaction completion Q3 CY24
- Key conditions include Base Resources shareholder approval, the Independent Expert concluding that the Scheme is in the best interests of Base Resources shareholders, approval by the Federal Court of Australia, no Base Resources or Energy Fuels material adverse change or prescribed events, approval by Australia’s Foreign Investment Review Board, the Competition Authority of Kenya and Malagasy Competition Council, and certain other regulatory approvals
- Customary deal protections and exclusivity undertakings provided in favour of Energy Fuels - e.g. “no shop”, “no talk”, “no due diligence”, “notification” and “matching right” undertakings, subject to a “fiduciary out” in certain circumstances. A break fee is also payable by either party to the other in certain circumstances. The Scheme is otherwise subject to customary terms and conditions for a transaction of this nature

**Notes:** (1) Payment of the Special Dividend is conditional on the Scheme becoming legally effective (2) Based on Energy Fuels’ last closing price on 19 April 2024 of US\$5.84 per share and an AUD:USD exchange rate of 0.640 (3) Calculated on a fully-diluted basis based on Base Resources’ current issued shares (of ~1,178 million) plus the number of performance rights on issue (of ~72 million) granted under the Long Term Incentive Plan (LTIP) less the number of shares held by the LTIP trustee and available for allocation of (of ~11 million) (4) Calculated using the total ordinary fully paid shares on issue of 1,178 million (5) In each case, in the absence of a Superior Proposal (as defined in the transaction agreement) and subject to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of Base Resources’ shareholders. The Company’s two major shareholders are Pacific Road Management GP II Limited and Pacific Road Capital II Pty Limited (26.5% shareholding) and Sustainable Capital Ltd (24.8% shareholding).

Source: Bloomberg as at 19 April 2024

# Transaction Rationale

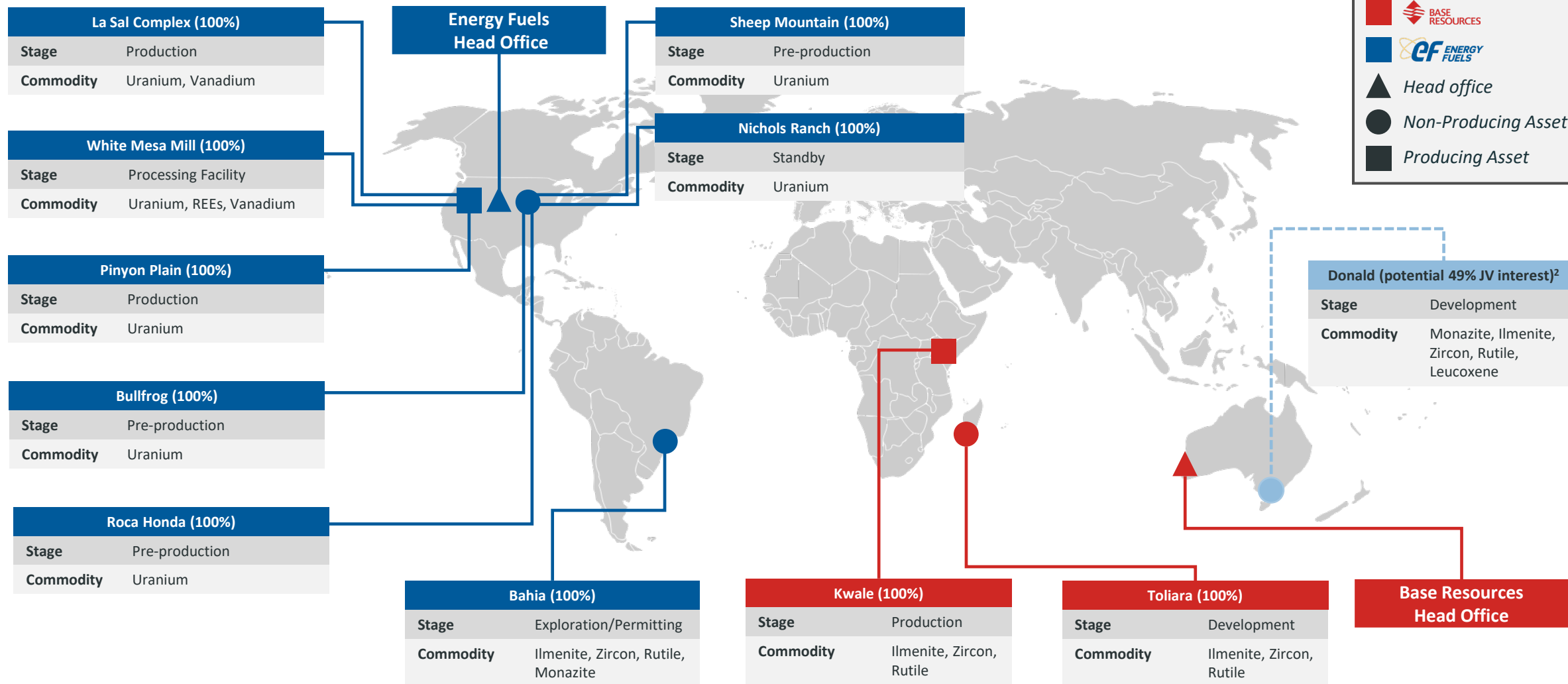
**Establishes a global leader in the critical minerals sector with a focus on REEs, uranium and mineral sands production with a clear strategic development pathway**

<p><b>1</b> Continued exposure to Toliara Project</p>	<ul style="list-style-type: none"> <li>Provides Base Resources’ shareholders with continued exposure to the world-class Toliara Project, located in Madagascar</li> </ul>
<p><b>2</b> Improved access to and cost of development funding</p>	<ul style="list-style-type: none"> <li>A strong platform for funding development of the Toliara Project, through the step-change in market capitalisation, trading liquidity, market profile and funding capacity available through the combined group</li> <li>Enhanced opportunity to secure strategic, low-cost United States Government funding support for development of the Toliara Project, as well as expansion of the rare earth oxides (REOs) production capacity at Energy Fuels’ operating White Mesa mill in Utah (<b>White Mesa</b>)</li> </ul>
<p><b>3</b> Significant value addition through White Mesa Mill</p>	<ul style="list-style-type: none"> <li>Opportunity to add significant value to the Toliara Project monazite by capturing a greater share of the rare earth value chain through processing it at White Mesa into separated REOs<sup>1</sup></li> <li>Addition of Toliara Project monazite reduces White Mesa’s exposure to potential third-party supply shortfalls or timing delays</li> <li>Combined group will be well placed to consider further partnerships with external groups to offer end-users / OEMs a complete ex-China ”mine to magnets” supply chain</li> </ul>
<p><b>4</b> Reduced risk through asset and commodity diversification</p>	<ul style="list-style-type: none"> <li>Increased commodity diversification via exposure to Energy Fuels’ uranium business, with White Mesa being the only operating uranium mill in the U.S.</li> <li>Combined group will benefit from multiple potential value drivers, reducing the impact on share price from potential binary risks inherent with mining such as exploration, project approvals and / or development delays</li> </ul>
<p><b>5</b> Strategic growth profile</p>	<ul style="list-style-type: none"> <li>Strong near and medium-term asset development pipeline</li> <li>Multiple directions for strategic growth with a diversified value base that could enable counter cyclical opportunities to be captured</li> </ul>

**Notes:** (1) Opportunity remains subject to Energy Fuels commissioning Phase 1 of its REE separation facility at the White Mesa Mill, and then obtaining funding for and making a development decision on Phases 2 and 3 of this facility.

# Diversified Asset Portfolio

Diversified portfolio across geography, commodity and stage of development<sup>1</sup>



**Notes:** (1) Only projects with current NI 43-101 Resources / Reserves shown; For ease of presentation, US assets have been grouped based on classification and their location as per the map may not be indicative of their actual location (2) Energy Fuels has entered a non-binding memorandum of understanding with Astron Corporation Limited (ASX:ATR) to earn up to a 49% joint venture interest in the Donald Project, but does not currently hold any legal rights or ownership interest in the project. There is no certainty that any binding agreement will be reached or that such interest will ultimately be obtained.

**Source:** Company announcements & website

# Energy Fuels Corporate Overview

**Established U.S. based uranium producer, with the permitted and operating infrastructure to become a global critical minerals leader**

## CORPORATE SNAPSHOT

- Energy Fuels is a dual-listed (NYSE American: UUUU, TSX: EFR) uranium and critical materials producer
- Largest producer of uranium in the United States, with yellowcake sold to major nuclear utilities
- Energy Fuels' 100% owned White Mesa Mill is the only operating conventional uranium and vanadium mill in the United States, and the only mill in North America with the capabilities to extract REEs from monazite feed to produce high-purity advanced REE products
  - Licensed to process over 8Mlbs of U<sub>3</sub>O<sub>8</sub> per annum
  - Responsible for approximately 24% of USA domestic U<sub>3</sub>O<sub>8</sub> production from 2012-2018
- Since 2021, White Mesa has successfully produced commercial quantities of REE products from monazite feedstock
- Energy Fuels is currently commissioning a dedicated REE separation facility (Phase 1) at White Mesa, capable of production of up to 1,000tpa of NdPr oxide from monazite feed (expected completion in H1 CY24)

## KEY PERSONNEL



**J. Birks Bovaird**  
Chairman



**Mark Chalmers**  
President & CEO



**David Frydenlund**  
Executive VP, CLO & Company Secretary



**Curtis Moore**  
Senior VP of Marketing & Corporate

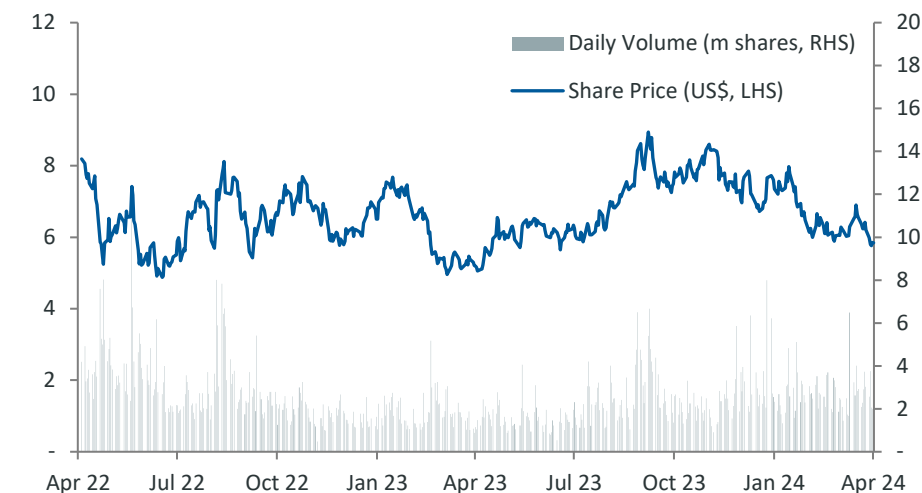


**Dan Kapostasy**  
VP Technical Services

## CAPITAL STRUCTURE (PRE-TRANSACTION)

Share price (19 April 2024) <sup>1</sup>	US\$ / share	5.84
Shares outstanding	m	163.7
<b>Market capitalisation</b>	<b>US\$m</b>	<b>956</b>
Debt	US\$m	-
Cash & marketable securities <sup>2</sup>	US\$m	190
<b>Enterprise value</b>	<b>US\$m</b>	<b>765</b>

## RECENT TRADING<sup>3</sup>



# Energy Fuels – White Mesa Mill

**Energy Fuels’ 100% owned White Mesa Mill is the only operating conventional uranium and vanadium mill in the U.S., and the only mill in North America with the capabilities to extract REEs from monazite feed to produce high-purity advanced REE products**

## Overview

- White Mesa is a fully-permitted uranium, vanadium and REEs processing facility located in Utah
- Mill includes a conventional uranium recovery circuit, a vanadium by-product recovery circuit and a REE separation circuit (currently in commissioning)
- Since commissioning in 1980, White Mesa has produced approximately 40Mlbs of U<sub>3</sub>O<sub>8</sub> and 46Mlbs of vanadium

## Uranium Processing

- Feed is sourced primarily from Energy Fuels’ mines in Utah, Colorado, Arizona and New Mexico, and through ore purchases or toll milling arrangements with third parties in the region (as market conditions warrant)
- Also sources third party uranium-bearing materials typically classified as waste as part of its alternative feed program, thereby recycling materials back into the market that would otherwise be lost to direct disposal
- White Mesa is licensed to process an average of 2,000t of ore per day and to extract over 8Mlbs U<sub>3</sub>O<sub>8</sub> per annum
- Energy Fuels is targeting producing U<sub>3</sub>O<sub>8</sub> at a run-rate of 1.1-1.4Mlbs pa by mid-to-late 2024, subject to ramp up of Pinyon Plain and La Sal Complex, with the potential to increase total production on commencement of operations at Whirlwind and Nichols Ranch ISR

## Rare Earths Processing

- Since 2021, White Mesa has successfully recovered REEs from monazite feedstock and been selling the resulting mixed REE carbonate product
- Energy Fuels currently commissioning a dedicated REE separation facility (Phase 1), enabling production of NdPr oxide (expected completion in H1 CY24)
  - Phase 1 will have capacity to process 8-10ktpa of monazite, producing up to 1,000tpa NdPr oxide
  - Phase 2 will increase monazite processing capacity to 30ktpa, producing up to 3,000tpa NdPr oxide
  - Phase 3 will add heavy REE separation production, including Dy and Tb oxides
- REE separation is complementary to existing uranium production capability

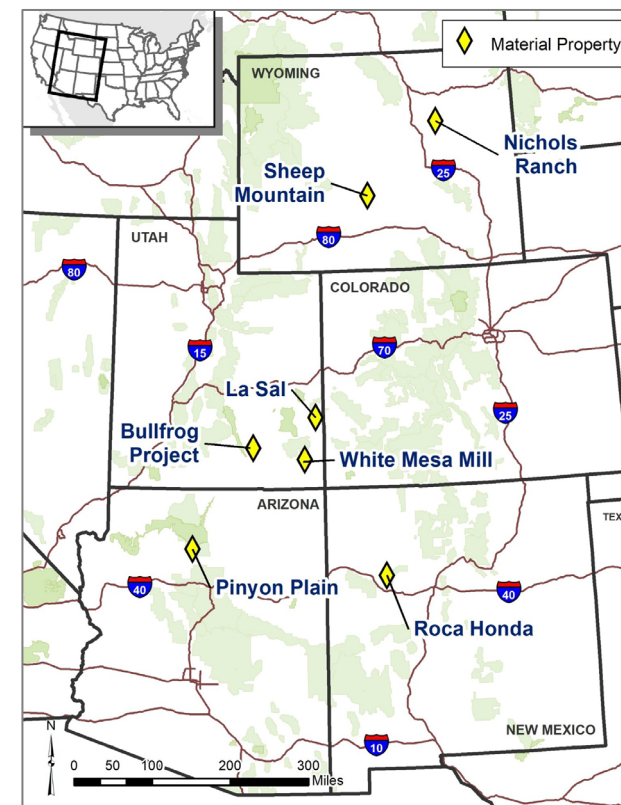


# Energy Fuels – Uranium Assets

**On the back of improved uranium market conditions, Energy Fuels commenced production at three of its uranium mines in late 2023, with additional mines currently being prepared for production**

Project	Ownership	Location	Status	Comments
<b>Pinyon Plain</b> <i>(Conventional)</i>	100%	Arizona	Production	<ul style="list-style-type: none"> <li>Production commenced in late 2023, with ramp-up expected to complete in mid to late 2024</li> <li>Ore mined during 2024 will be stockpiled at White Mesa for processing (anticipated start: late 2024 / 2025)</li> <li>Technical report in compliance with SK-1300 (US) and NI 43-101 (Canada) released in 2023</li> </ul>
<b>La Sal Complex</b> <i>(Conventional)</i>	100%	Utah	Production	<ul style="list-style-type: none"> <li>Existing complex comprised of seven individual underground uranium mines and properties</li> <li>Production commenced at La Sal and Pandora mines in late 2023, with ramp-up expected to complete in mid to late 2024</li> <li>Ore mined during 2024 will be stockpiled at White Mesa for processing (anticipated start: late 2024 / 2025)</li> <li>Technical report in compliance with SK-1300 (US) and NI 43-101 (Canada) released in 2022</li> </ul>
<b>Nichols Ranch Complex</b> <i>(ISR)</i>	100% <sup>1</sup>	Wyoming	Standby	<ul style="list-style-type: none"> <li>Includes a fully permitted and developed ISR processing facility (licensed to produce up to 2Mlbs U<sub>3</sub>O<sub>8</sub> p.a.), the fully licensed Nichols Ranch ISR wellfields, and several additional wellfields to support future production</li> <li>Yellowcake slurry from the plant will be transported to White Mesa, to be dried and packaged</li> <li>1.2Mlbs of U<sub>3</sub>O<sub>8</sub> produced between 2014 and 2019, placed on standby in 2020</li> <li>Currently being prepared for potential recommencement of production in late 2024 / 2025</li> <li>Amended technical report in compliance with SK-1300 (US) and NI 43-101 (Canada) released in 2023</li> </ul>
<b>Sheep Mountain</b> <i>(Conventional)</i>	100%	Wyoming	Pre-Production	<ul style="list-style-type: none"> <li>Fully permitted for mining, with ore processing options being evaluated</li> <li>Technical report in compliance with SK-1300 (US) and NI 43-101 (Canada) released in 2022</li> <li>Ongoing permitting and evaluation activities to continue throughout 2024</li> </ul>
<b>Bullfrog Complex</b> <i>(Conventional)</i>	100%	Utah	Pre-Production	<ul style="list-style-type: none"> <li>Technical report in compliance with SK-1300 (US) and NI 43-101 (Canada) released in 2022</li> <li>Ongoing permitting and evaluation activities to continue throughout 2024</li> </ul>
<b>Roca Honda</b> <i>(Conventional)</i>	100%	New Mexico	Pre-Production	<ul style="list-style-type: none"> <li>Proposed underground uranium mine</li> <li>Technical report in compliance with SK-1300 (US) and NI 43-101 (Canada) released in 2022</li> <li>Ongoing permitting and evaluation activities to continue throughout 2024</li> </ul>

**URANIUM ASSET LOCATIONS**



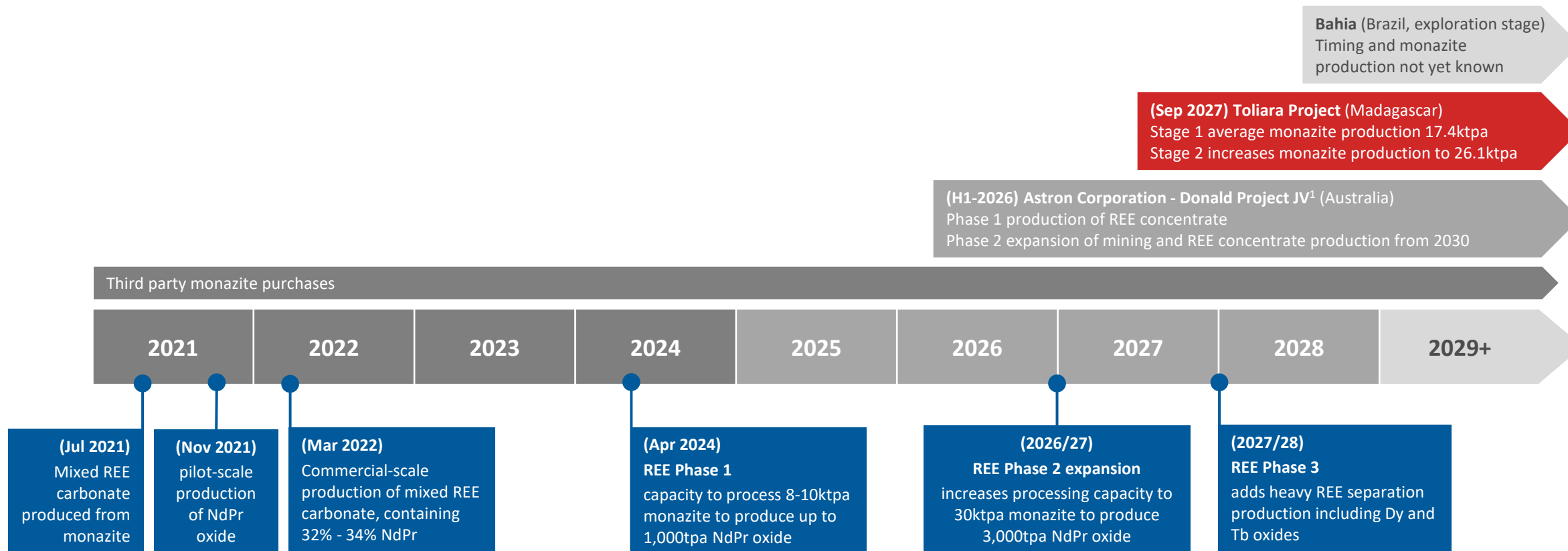
Notes: (1) Excluding the Jane Dough area in which Energy Fuels owns an 81% interest. Energy Fuels owns a 100% interest in the remaining areas which comprise the Complex



# Indicative REE Development Timeline

Strong near and medium-term development pipeline

## White Mesa REE feedstock pipeline



## White Mesa REE production timeline

**Notes:** (1) Energy Fuels has entered a non-binding memorandum of understanding with Astron Corporation Limited (ASX:ATR) to earn up to a 49% joint venture interest in the Donald Project, but does not currently hold any legal rights or ownership interest in the project. There is no certainty that any binding agreement will be reached or that such interest will ultimately be obtained.

**Source:** Company announcements & website

# Pro Forma Company Snapshot

**Enhanced scale, management team and financial capacity will enable the combined group to fund and deliver projects in parallel**

## COMBINED GROUP SNAPSHOT

- Pro forma market capitalisation of +US\$1.1bn provides significant scale and funding capacity
- Pro forma cash position of US\$218m provides a strong platform to support the development of the project pipeline
- Listing on both NYSE (American) and TSX, providing access to greater levels of institutional capital
- Significantly enhanced value proposition through synergies unique to the combination, including operational synergies to be realised through integration of portfolio assets and respective management teams
- Highly liquid, with Energy Fuels' average daily turnover being approx. US\$22m over the past 3 months

		Base Resources	Energy Fuels	Pro Forma
<b>Share Price<sup>1</sup></b>	<i>US\$/share</i>	-	5.84	5.84
<b>Implied Offer Price (Scrip Consideration Only)<sup>2</sup></b>	<i>A\$/share</i>	0.237	-	-
<b>No. Shares Outstanding</b>	<i>#m</i>	1,239 <sup>3</sup>	164	196
<b>Pro forma Market Capitalisation</b>	<i>US\$m</i>	188	956	1,144
<b>% Ownership of Combined Group<sup>4</sup></b>	<i>%</i>	16.4%	83.6%	100%
<b>Pro forma Cash &amp; Cash Equivalents (31 Dec 2023)</b>	<i>US\$m</i>	27 <sup>5</sup>	190 <sup>6</sup>	218 <sup>7</sup>
<b>Pro forma Debt (excl. Leases) (31 Dec 2023)</b>	<i>US\$m</i>	-	-	-
<b>Pro Forma Enterprise Value</b>	<i>US\$m</i>	161	765	926 <sup>7</sup>

\*Numbers may not add due to rounding

**Notes:** (1) Price as of last close on 19 April 2024 (2) Calculated based on Energy Fuels' price as of last close on 19 April 2024 and AUD:USD of 0.640, multiplied by offer exchange ratio of 0.026x (3) Calculated on a fully-diluted basis based on Base Resources' current issued shares (of ~1,178 million) plus the number of performance rights on issue granted under the LTIP (of ~72 million) less the number of shares held by the LTIP trustee and available for allocation of (of ~11 million) (4) Based on offer exchange ratio of 0.0260x (5) US\$79m net of US\$52m cash special dividend (~1,239 million shares at A\$0.065, AUD:USD of 0.640) to be paid as part of the consideration for this transaction (6) US\$57m of cash, US\$133m of marketable investments comprising US\$26m of IsoEnergy (TSXV:ISO) & other listed securities and US\$107m in USA Government bonds). Per CY2023 10-K (31-Dec 23) (7) Excluding transaction costs.

**Source:** Company announcements & website, Bloomberg as at 19 April 2024

# Key Takeaways

**A unique opportunity for both sets of shareholders to unlock significant value and build a vertically integrated global critical minerals company with an exciting, near-term growth pipeline and a clear strategic development pathway**

## Benefits to both sets of shareholders

- ✓ Vertically integrated REE production, independent of China, likely to be viewed favourably by western governments
- ✓ Increased commodity diversification of the combined group across geography, commodity and stage of development
- ✓ Potential share price re-rate of the combined group from either or both of (1) the REE strategy being executed as planned, and (2) ramped-up uranium production as further assets are brought into production in a favourable uranium market
- ✓ Increased scale and diversification will deepen access to funding sources including commercial lenders, strategic investments from OEMs as well as potential low-cost US government support
- ✓ Enhanced value proposition through synergies unique to the combination, including operational synergies to be realised through integration of portfolio assets and respective management teams
- ✓ Continued access to Base Resources' management team, with a proven track record across the mining life cycle, including bringing African projects into production
- ✓ Ability to deploy key staff between portfolio projects – thus retaining valuable 'know how'

## Benefits to Base Resources shareholders

- ✓ Immediate and significant premium to current share price
- ✓ Materially reduced equity dilution and financing costs relative to Base Resources funding the Toliara Project on a stand-alone basis
- ✓ Opportunity to retain exposure to a diversified critical minerals business (incl. the Toliara Project) or realise part or all their investment in cash, by selling shares post-transaction

## Benefits to Energy Fuels shareholders

- ✓ Secure a long-life, low-cost source of monazite feedstock for White Mesa's REE expansion
- ✓ Access to a team with a proven track record of developing heavy mineral sands projects necessary to unlock the potential of the growth pipeline
- ✓ Accretive on a NAV per share basis for Energy Fuels shareholders
- ✓ Increased commodity diversification via exposure to significant heavy mineral sands business with expansion optionality

# Indicative Transaction Timeline



**Scheme Booklet anticipated to be dispatched to Base Resources shareholders in late June/early July 2024, with completion targeted for Q3 2024**

Indicative Transaction Timeline	Date
Announcement of Transaction	Monday, 22 April 2024
Appointment of Independent Expert	April 2024
First Court Hearing to approve the Scheme Booklet	Late June / Early July
Base Resources dispatches Scheme Booklet to Base Resources Shareholders	Late June / Early July
Scheme Meeting	Late July / Early August
Second Court Hearing	Early / Mid August
Effective Date	Mid August
Record Date for Scheme and Special Dividend	Mid August
Special Dividend Payment Date	Late August
Implementation Date	Late August



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