Energy Fuels announces an MOU for a $122M investment in Astron that will supply a "new U.S.-based supply chain for decades"

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For those following the critical metals space, there was some key U.S. news on December 1, 2023. The U.S. government announced their proposed policy for Foreign Entities of Concern ("FEOC"). The key part of the proposal effectively stated that starting from 2025 an eligible clean vehicle may not contain any critical minerals that were extracted, processed, or recycled by an FEOC. FEOCs were named to be China, Russia, North Korea, and Iran.

This means OEMs selling in the U.S. auto market are now in a mad scramble to source processed critical minerals from non-FEOC sources before 2025, otherwise, their customers can miss out on the US$7,500 clean vehicle subsidy (half of which is impacted by material sourcing). One of the hardest to source will be the magnet rare earths used in the permanent magnet motor of most electric vehicles and many wind turbines. This is because China dominates the rare earths industry.

Energy Fuels is making major moves to build a new rare earths supply chain in the USA

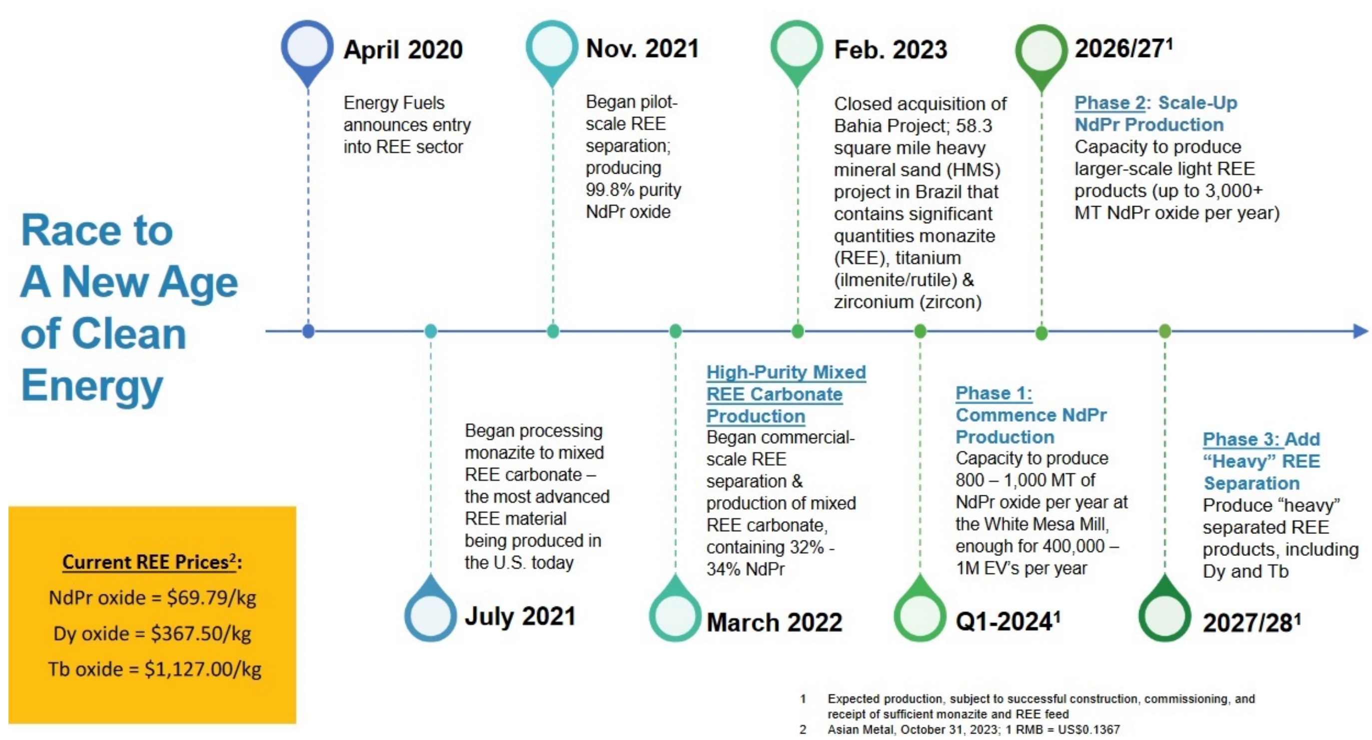
Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) is a leading

U.S.-based critical minerals producer. In fact, they are the ‘leading’ U.S. producer of uranium, vanadium, and rare earth elements. Energy Fuels White Mesa Mill is “the only existing facility in North America with the licenses and capabilities to process monazite and produce advanced rare earth element products.”

2023 has been a very prosperous year for Energy Fuels with rare earth concentrate production and a booming uranium price helping their large uranium business.

Energy Fuels plan is to grow their rare earths concentrate business to also include rare earths separation to produce rare earth oxides. Phase 1 plans to have a capacity of 800 – 1,000 MT of neodymium-praseodymium (NdPr) oxide per year by Q1 2024 and Phase 2 a capacity of 1,500 – 3,000+ MT NdPr oxide per year by 2026/27. The Phase 3 plan is to produce heavy separated rare earths including dysprosium (Dy) and terbium (Tb) by 2027/28.

Energy Fuels is one of the leaders in the race to build up a U.S. rare earths supply chain independent of FEOC such as China



Source: Energy Fuels company presentation

To achieve their plan, Energy Fuels needs sufficient monazite ore as feed, hence their recent acquisitions. In February 2023, Energy Fuels acquired the Bahia heavy mineral sand ("HMS") Project in Brazil that contains significant quantities of monazite (rare earths containing ore). But wait there's more!

Energy Fuels announces a new rare earths sourcing MOU with Australian company Astron

As announced on December 27 Energy Fuels entered into an MOU to secure a near-term, large-scale Australian source of rare earth minerals. The announcement says this will supply a "new U.S.-based supply chain for decades" and that "most licenses and permits are in place (or at an advanced stage of completion)". Energy Fuels proposed investment is ~A$180 million (~US$122 million) for a 49% interest in the new Joint Venture.

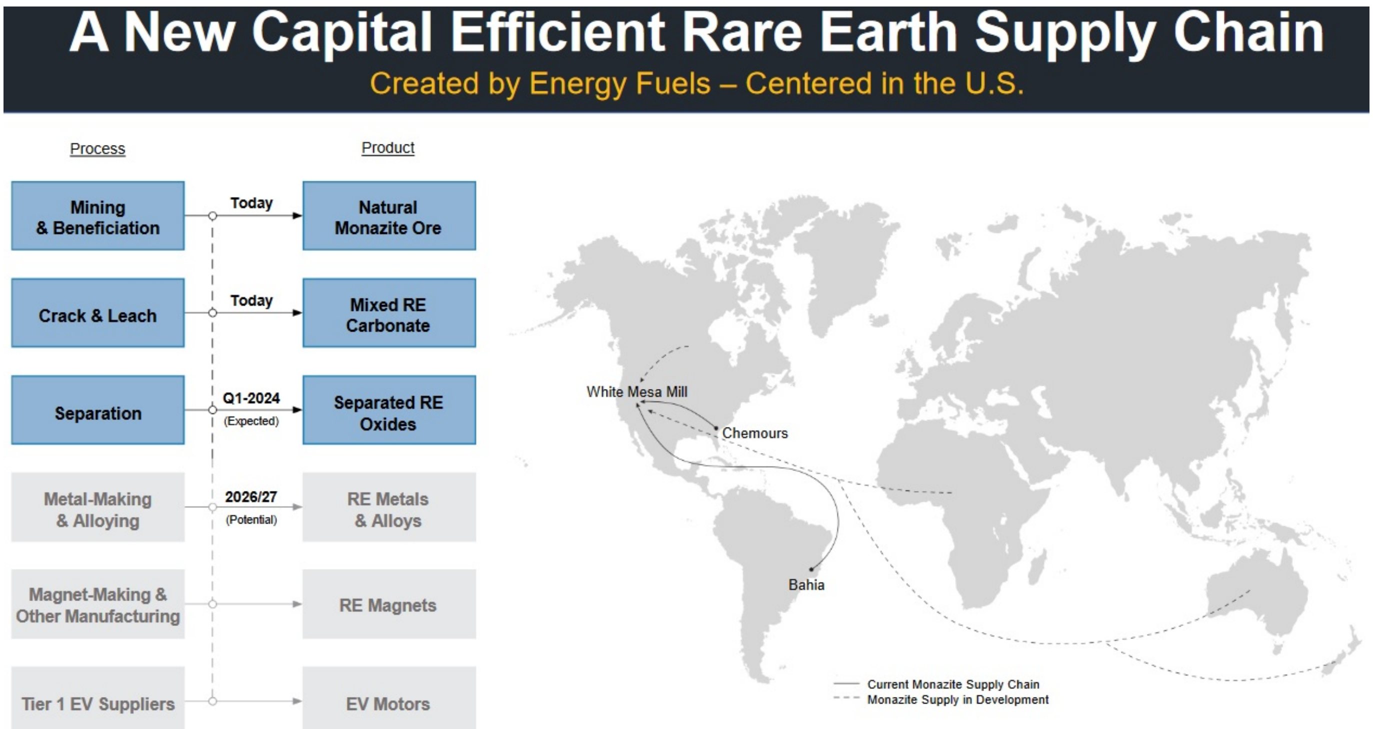
The MOU is with Astron Corporation Limited (ASX: ATR) ("Astron") to jointly develop the Donald Rare Earth and Mineral Sands Project in Victoria, Australia. The announcement states:

*"The Donald Project is a world-class, world scale, 'shovel-ready' critical mineral deposit that Energy Fuels believes would provide it with another near-term, low-cost, and large-scale source of monazite sand in an REE concentrate ("**REEC**") that would be transported to the Company's White Mesa Mill in Utah, USA (the "**Mill**") for processing into REE oxides and other advanced REE materials and recovery of the contained uranium…The Donald Project is expected to provide Energy Fuels with 7,000 to 14,000 metric tons ("**tonnes**") of REEC per year, containing 4,000 to 8,200 tonnes of total REE oxides ("**TREO**"), with commissioning*

and ramp-up expected to begin in 2026. Most of Energy Fuels' proposed investment is expected to be disbursed in 2025."

Note: REEC is rare earth elements concentrate.

Energy Fuel's masterplan for rare earths products and supply sources



Source: [Energy Fuels company presentation]

Closing remarks

Energy Fuels is steadily putting together all the pieces of a jigsaw puzzle in order to create a new western supply chain of rare earths products, that will be needed to support the U.S. demand for their own electric vehicle and clean energy industry, independent of China.

The Bahia Project announced in early 2023 will provide near-term rare earth concentrate supply from Brazil, and all going to plan, the Donald Project will also provide a supply from 2026.

Meanwhile, Energy Fuels is currently doing very well from their U.S-based uranium production business, boosted by surging uranium prices in 2023 (now at US$91/lb at the time of writing).

Energy Fuels trades on a market cap of US$1.16 billion with the stock price up ~25% in the past year.

Mark Chalmers on Section 232 for uranium

written by InvestorNews | December 29, 2023
March 16, 2018 – "We think it is in the United States best interest to have a frontend in the nuclear fuel cycle of uranium mining in this country, certainly above the 4%-5% that it currently is." states states Mark Chalmers, President & CEO of Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR), in an interview with InvestorIntel's Jeff Wareham.

Jeff Wareham: Mark is both the CEO of Energy Fuels, but also widely regarded as a resource and as a person with a great deal of knowledge in the uranium and vanadium industries in the U.S. Mark there has been a lot of attention to uranium production. Uranium prices have been depressed for a very long time, but there has been a lot of noise around Section 232 in the last few days. Can you talk to me about that and about your role in it?

Mark Chalmers: Yes there has been a lot of discussion about Section 232 in the recent media over steel and aluminum with the review that was done by the Department of Commerce and with the President. They were looking at imposing tariffs on making sure that the aluminum steel industry would remain strong in the United States and survive the current low prices. Now with our case, with the Section 232 for uranium, the United States is the largest consumer of uranium in the world yet we only produce about 5% of our requirements. With these current low prices, if there is not some relief– and relief could be in the form of higher uranium prices, just global world uranium prices or some sort of action that helps keep the prices up in the United States because we do not think it is in the nation's best interest, both from the Department of Defense and from the nuclear generation capacity, which nuclear provides 20% of our electricity in the United States, to be only producing 5%, less than 5% of our requirements and securing a majority of our uranium or large portion of it, about 40% from Russia, Kazakhstan and Uzbekistan. Our company joined Ur-Energy, the two of us jointly put in a petition to the Department of Commerce. We have not heard that they have initiated the process. We expect them to initiate the process. We think it is in the United States best interest to have a frontend in the nuclear fuel cycle of uranium mining in this country, certainly above the 4%-5% that it currently is.

Jeff Wareham: Now with the steel situation they have looked to impose tariffs. My understanding is you guys have suggested going in a different direction, correct?

Mark Chalmers: Yeah, we looked at a quota of up to 25% of U.S. requirements. We also put in a provision for a Buy American or preference to Buy American uranium. I want to emphasize that the objective of the petition is to make sure that this front end of the nuclear fuel cycle survives. We are very challenged right now, but we also understand that a number of the steps in the nuclear fuel cycle, including the nuclear generation is challenged as well too. We want an outcome that is going to allow us to survive, but also make sure that the nuclear industry in the United States stays healthy and robust going forward…to access the complete interview, click here

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George Glasier on the uranium and vanadium market

written by InvestorNews | December 29, 2023

March 16, 2018 — "What is going on just recently in the U.S. is a petition filed under the section of the law, the same that the U.S. steel and aluminum producers just apparently got some relief under. That has been filed on behalf of the uranium industry in the U.S. That is the political issue that is yet to be determined, but if that happens and that is successful, you are going to see, in my opinion, two tier pricing pretty soon where U.S. uranium could be worth 2 to 3 times the world price." states George Glasier, President, CEO and Director of Western Uranium Corporation (CSE: WUC | OTCQX: WSTRF), in an interview with InvestorIntel's Jeff Wareham.

Jeff Wareham: George is not only the President and CEO of Western Uranium, but really quite widely recognized as being an expert in both the uranium and vanadium spaces in North America. George what is your thought on the state of the uranium market? It has been pretty tough for a long time.

George Glasier: That is right. Ever since Fukushima we have seen the price decline to probably the lowest in dollars that it has been maybe ever. If you take the low prices we had back in the eighties and nineties and bring that up for inflation, we are probably at a low, but that could change. It is expected to change, but when is the big question.

Jeff Wareham: Any of the political things going on right now do you think could impact that market?

George Glasier: There are things that have gone on already that will impact the market given time. The Cameco cutback of production, the Kazakhs announcing they are cutting back, those things are going to influence the market. How long it takes, a year, two, three. What is going on just recently in the U.S. is a petition filed under the section of the law, the same that the U.S. steel and aluminum producers just apparently got some relief under. That has been filed on behalf of the uranium industry in the U.S. That is the political issue that is yet to be determined, but if that happens and that is successful, you are going to see, in my opinion, two tier pricing pretty soon where U.S. uranium could be worth 2 to 3 times the world price.

Jeff Wareham: Good stuff. Vanadium, it has performed a lot different than uranium recently. What are we seeing in the vanadium market and what do you see moving forward?

George Glasier: A lot of that is in relation to the Chinese cutting back production of vanadium from their small steel mills. If that continues we have got an out of balance where we are consuming more vanadium than we are producing. That is what has driven the price up. Now that brings on new production. Maybe the Chinese come back in. The vanadium market, even though it has recovered nicely, I am not sure what the direction is in the next year or two because the Chinese have a big control of that market. If they think vanadium prices are too high they may turn on some of that shutdown production…to access the complete interview, click here

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