

# Consolidated Uranium Closes Acquisition and Strategic Alliance with Energy Fuels

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TORONTO and LAKEWOOD, Oct. 27, 2021 - [Consolidated Uranium Inc.](#) ("CUR") (TSXV: CUR) (OTCQB: CURUF) and Energy Fuels Inc. (NYSE American: UUUU) (TSX: EFR) ("Energy Fuels") are pleased to announce the closing of the acquisition (the "Transaction"), previously announced on July 15, 2021, of a portfolio of conventional uranium projects located in Utah and Colorado (the "Projects") pursuant to the asset purchase agreement (the "Purchase Agreement") among CUR and certain wholly-owned subsidiaries of Energy Fuels (collectively, the "EF Parties"). In connection with the closing of the Transaction, the companies have also entered into toll-milling, operating and investor rights agreements with respect to the Projects.

## Transaction Highlights:

- New Entrant into the U.S. Uranium Sector - The acquisition establishes CUR as a new player in the U.S. uranium sector. The U.S. is currently the largest generator of nuclear power in the world and, by extension, the largest consumer of uranium. Over the past 15 years, production from these mines have totalled over 1 million pounds of uranium, which would rank these mines 5<sup>th</sup> among all U.S. producers during that time.
- Unlocks the Value of Past Producing, Permitted Mines Well-Positioned for Rapid Restart - The portfolio of Projects acquired pursuant to the Transaction includes, among other assets, the following three permitted, past-producing mines in Utah, which will be the immediate focus of CUR:
  - Tony M Mine - Located in the Henry Mountains area of southeastern Utah, the Project is a large-scale, fully-developed and permitted underground mine that operated most recently in 2008.
  - Daneros Mine - Located in the White Canyon District, the Project is a fully-developed and permitted underground mine that was most recently in production in 2013.
  - Rim Mine - Located in the East Canyon portion of the Uravan Mineral Belt, the Project is a fully-developed and permitted underground mine that was most recently in production in 2009.
- Strategic Alliance with Energy Fuels, the Leading U.S. Uranium Producer - With the toll-milling agreement now executed, CUR becomes the only current U.S. uranium company (other than Energy Fuels) with guaranteed access to Energy Fuels' White Mesa Mill, which is the only permitted and operating conventional uranium mill in the U.S. Further, the operating agreement allows the Projects to continue to be managed by the experienced team at Energy Fuels.
- Board of Directors Strengthened with Addition of Mark Chalmers. Mr. Chalmers, President and CEO of Energy Fuels, will join the CUR Board of Directors effective immediately. Mr. Chalmers, a mining engineer by training, is a recognized leader in the uranium sector, both in the U.S. and globally, and will bring decades of experience in uranium project development and mining to CUR, including significant experience in the region of these assets.

Philip Williams, President and CEO of CUR commented, "This is a seminal moment for Consolidated Uranium. With the closing of this acquisition and entering into of the toll-milling and operating agreements, CUR is firmly established as a U.S. uranium player with near term production potential from a portfolio of past producing mines with a clear pathway to production from guaranteed access to the White Mesa Mill. We have been very busy in the background putting plans in place to accelerate development of these projects and look forward to updating the market on that plan in due course. Finally, on behalf of myself and the rest of the directors of CUR, I would formally like to welcome Mark to the Board and look forward to working closely together as we advance this exciting portfolio of projects."

Mark Chalmers, President and CEO of Energy Fuels Stated: "We are pleased to partner with Consolidated Uranium in unlocking the value of these significant U.S. uranium assets. Energy Fuels will continue to focus on our core, low-cost uranium projects - the Nichols Ranch and Alta Mesa ISR facilities, and the Pinyon Plain, La Sal and other conventional properties, in addition to our quickly emerging rare earth business at the White Mesa Mill. We have long believed that markets have not properly value these mines and properties within our asset portfolio. We look forward to working with Phil and his team to advance these projects in the near term, while also providing our shareholders with an opportunity to enjoy significant exposure to the

future share price performance of CUR."

#### Terms of the Purchase Agreement

Pursuant to the Purchase Agreement, CUR has acquired from the EF Parties a 100% interest in the Tony M, Daneros and Rim mines in Utah, as well as the Sage Plain property and eight U.S. Department of Energy Leases in Colorado, for the following consideration:

- the payment of US\$2.0 million in cash at closing;
- the issuance of 11,860,101 CUR common shares ("CUR Shares") at closing, which has resulted in Energy Fuels holding 19.9% of the outstanding CUR Shares;
- the payment of Cdn\$3.0 million in cash on or before the 18-month anniversary of closing of the Transaction (the "First Deferred Payment");
- the payment of an additional Cdn\$3.0 million in cash on or before the 36-month anniversary of closing of the Transaction (the "Second Deferred Payment"); and
- the payment of up to Cdn\$5.0 million in contingent cash payments tied to achieving commercial production at the Tony M Mine, the Daneros Mine and the Rim Mine.

The Purchase Agreement includes provision for the return of the Projects to Energy Fuels in the event that CUR does not make the First Deferred Payment or Second Deferred Payment, as described above. In the event that CUR proposes to complete a private placement or prospectus offering for minimum gross proceeds of Cdn\$1,000,000 within 36 months, the EF Parties will have the right to accelerate (the "Acceleration Right") a portion of the First Deferred Payment and the Second Deferred Payment, as applicable, through the issuance of CUR Shares up to a maximum amount equal to the product of: (A) the gross proceeds of the financing, multiplied by (B) the EF Parties' then current cumulative percentage ownership of CUR Shares on a non-diluted basis prior to completion of the financing. The CUR Shares issued pursuant to the Acceleration Right will be based on the market price of the CUR Shares at the time of issuance and will be subject to the approval of the TSX Venture Exchange (the "TSXV").

CUR engaged Cantor Fitzgerald Canada Corporation ("Cantor Fitzgerald") as its financial advisor in connection with the Transaction. Pursuant to such engagement, CUR has agreed to pay Cantor Fitzgerald an advisory fee comprised of \$450,623.98 in cash and 83,786 CUR Shares at a deemed price of Cdn\$2.90 per CUR Share, subject to the approval of the TSXV.

All securities issued in connection with the Transaction are subject to a hold period expiring four months and one day from the date of issuance.

#### The Strategic Alliance

The strategic alliance between CUR and Energy Fuels for the Projects involves three key components:

1. The Toll-Milling Agreement - Under this agreement, the EF Parties will toll-mill ore mined from the Projects at the White Mesa Mill, subject to payment by CUR of a toll-milling fee and certain other terms and conditions.
2. The Operating Agreements - Under these agreements, the EF Parties will provide ongoing services for a fee to maintain the Projects in good standing, as well as additional services as agreed to by the parties.
3. The Investor Rights Agreement - Under this agreement, for so long as Energy Fuels' equity ownership in CUR remains at or above 10%, it will be entitled to equity participation rights to maintain its pro rata equity ownership in CUR and to appoint one nominee to the CUR Board of Directors. Energy Fuels has also agreed to certain resale restrictions on the CUR Shares it holds and to provide voting support in certain circumstances.

#### Tony M Technical Report

In connection with closing of the Transaction, CUR expects to file an updated technical report for the Tony M Mine in order to provide updated information. The technical report will be available under CUR's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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## Early Warning Disclosure

Pursuant to the Transaction, Energy Fuels acquired 11,860,101 CUR Shares, representing approximately 19.9% of the issued and outstanding CUR Shares on a non-diluted basis. Immediately prior to completion of the Transaction, Energy Fuels owned nil CUR Shares.

While Energy Fuels currently has no plans or intentions with respect to the CUR Shares, subject to the resale restrictions noted above, and depending on market conditions and/or other relevant factors, Energy Fuels may from time to time in the future decide to acquire additional securities or to dispose of some or all of the existing CUR Shares or other securities of CUR it holds.

Energy Fuels will file an early warning report under National Instrument 62-103 in connection with the closing of the Transaction. A copy of the early warning report filed by Energy Fuels will be available under CUR's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or by contacting Curtis Moore, VP of Marketing & Corporate Development at (303) 974-2154 ([cmoore@energyfuels.com](mailto:cmoore@energyfuels.com)). Energy Fuels' head office is located at 225 Union Blvd., Suite 600, Lakewood, Colorado 80228 and CUR's head office is located at 217 Queen St. West, Suite 401, Toronto, Ontario M5V 0R2.

## Moran Lake Option

Further to CUR's press release dated October 18, 2021, CUR has issued 191,570 CUR Shares to the vendor of the Moran Lake project, at a deemed price of Cdn\$2.61 per CUR Share being the five-day volume weighted average price of the CUR Shares up to October 15, 2021. The CUR Shares are subject to a hold period expiring four months and one day from the date of issuance.

## LTIP Amendment

In addition, CUR announces that it has implemented certain housekeeping amendments to its omnibus long-term incentive plan (the "LTIP") in accordance with the policies of the TSXV, including changes to clarify that only awards that expire during a blackout period can be extended to expire on the date that is ten business days following the expiration of the blackout period.

## Counsel and Advisors

Cassels Brock & Blackwell LLP and Parr Brown Gee & Loveless acted as legal advisors to CUR and Cantor Fitzgerald acted as financial advisor to CUR in connection with the Transaction.

Dorsey & Whitney LLP and Borden Ladner Gervais LLP acted as legal advisors to Energy Fuels in connection with the Transaction.

## About Consolidated Uranium

[Consolidated Uranium Inc.](#) (TSXV: CUR) (OTCQB: CURUF) was created in early 2020 to capitalize on an anticipated uranium market resurgence using the proven model of diversified project consolidation. To date, the company has acquired or has the right to acquire uranium projects in Australia, Canada, Argentina and the United States each with significant past expenditures and attractive characteristics for development. Most recently, the Company entered a transformational strategic acquisition agreement and alliance with [Energy Fuels Inc.](#) (NYSE American: UUUU) (TSX: EFR), a leading U.S.-based uranium mining company, to acquire a portfolio of permitted, past-producing conventional uranium and vanadium mines in Utah and Colorado. These mines are currently on stand-by, ready for rapid restart as market conditions permit, positioning CUR as a near-term uranium producer.

## About Energy Fuels Inc.

Energy Fuels is a leading U.S.-based uranium mining company, supplying U<sub>3</sub>O<sub>8</sub> to major nuclear utilities.

Energy Fuels also produces vanadium from certain of its projects, as market conditions warrant, and is ramping up to commercial production of rare earth carbonate in 2021. Its corporate offices are in Lakewood, Colorado, near Denver, and all of its assets and employees are in the United States. Energy Fuels holds three of America's key uranium production centers: the White Mesa Mill in Utah, the Nichols Ranch ISR Project in Wyoming, and the Alta Mesa ISR Project in Texas. The White Mesa Mill is the only conventional uranium mill operating in the U.S. today, has a licensed capacity of over 8 million pounds of U<sub>3</sub>O<sub>8</sub> per year, has the ability to produce vanadium when market conditions warrant, as well as rare earth carbonate from various uranium-bearing ores. The Nichols Ranch ISR Project is on standby and has a licensed capacity of 2 million pounds of U<sub>3</sub>O<sub>8</sub> per year. The Alta Mesa ISR Project is also on standby and has a licensed capacity of 1.5 million pounds of U<sub>3</sub>O<sub>8</sub> per year. In addition to the above production facilities, Energy Fuels also has one of the largest NI 43-101 compliant uranium resource portfolios in the U.S. 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 Energy Fuels' common shares are also listed on the Toronto Stock Exchange under the trading symbol "EFR." Energy Fuels' website is [www.energyfuels.com](http://www.energyfuels.com).

## Contacts

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### Cautionary Statement Regarding Forward-Looking Information.

*This news release contains "forward-looking information" within the meaning of applicable Canadian and U.S. securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to activities, events or developments that CUR and Energy Fuels expect or anticipate will or may occur in the future including: any expectation with respect to costs of production; any expectation with respect to any permitting, development or other work that may be required to bring any of the Projects into production; any expectation that any of the Projects can be brought back into production rapidly or expeditiously; any expectations as to future exploration potential for any of the Projects; any expectation as to the outcome or success of any proposed programs for any of the Projects; any expectation regarding Energy Fuels' continued focus core project and rare earth business; any expectation regarding the future success of the White Mesa Mill's emerging rare earth program; any expectation that the proposed strategic alliance will be successful; any expectation that market conditions will warrant future production from any of the Projects; any expectation that any future production payments will become due and payable and be paid; any expectation that the TSXV will approve the issuance of CUR Shares pursuant to the Acceleration Right; any expectation that markets will properly value the Projects; and any expectation as to future share price performance of CUR; and any expectations regarding the filing of the updated technical report for the Tony M Mine. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements include risks associated with: potential conflicts of*

*interest between CUR and Energy Fuels; the costs associated with bringing any of the Projects back into production; permitting and regulatory delays; litigation risks; competition from others; market factors, including future demand for and prices realized from the sale of uranium and vanadium; government actions that could restrict or eliminate the ability to mine on public lands, such as through the creation or expansion of national monuments or through mineral withdrawals; and the policies and actions of foreign governments, which could impact the competitive supply of and global markets for uranium and vanadium. Forward-looking statements contained herein are made as of the date of this news release, and CUR and Energy Fuels disclaim, 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. CUR and Energy Fuels assume no obligation to update the information in this communication, except as otherwise required by law.*

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