

Ticker: EFR CN**PF Cash + invt.** US\$238m**Project:** Toliara / White Mesa / Uranium mines**Market cap:** C\$4.0bn**Price:** C\$17.20/sh**Country:** USA / Madagascar

REC. (unc): BUY

TARGET (+1.00): C\$18.00/sh

RISK RATING (unc): HIGH

We see today's MoU with Vulcan Elements, a Pentagon-backed magnet manufacturer via >US\$10m in DoD contracts, as further validation of Energy Fuels' growing role in the evolving U.S. rare earths supply chain. Vulcan's position as a Pentagon-backed magnet manufacturer creates a clear opportunity for EFR to plug directly into the defense supply chain, particularly following White Mesa's recent pilot-scale success in producing 99.9% pure dysprosium oxide. Adjusting our assumptions for the equity financing portion of the Toliara build to reflect current market prices (now C\$15.00/sh from previous C\$9.00/sh) **we maintain our BUY rating and lift our PT to C\$18.00/sh (prev C\$17.00/sh) based on 0.6xNAV_{7%} PT-LT \$120/kg NdPr for mineral sands assets, 1x NAV_{7%-8%}/lb for uranium assets and US\$5/lb insitu value for the Wyoming ISR assets.** With its solvent extraction expertise, permitted infrastructure for radionuclide treatment, and the potential to be integrated into the U.S. defense supply chain, EFR is developing its position as a key U.S. player capable of delivering both light and heavy REOs at scale—cementing its importance in securing domestic REO supply. Reiterating our thesis, we see potential for US\$1.0–1.5bn in revenue and US\$300–500m in annual FCF, positioning EFR as a leading U.S. uranium and rare earth producer, with Toliara expected to add SCPe US\$200–300m/year to anchor cash flow through the cycle.

EFR signs MoU with US DoD linked Vulcan Elements to build U.S. rare-earth magnet supply chain

Today, Energy Fuels and Vulcan Elements signed a Memorandum of Understanding (MoU) to build a U.S.-based rare earth permanent magnet supply chain independent of China. Under the agreement, Energy Fuels will deliver initial quantities of “light” (NdPr) and “heavy” (Dy) rare earth oxides in 4Q25 for validation by Vulcan, after which both companies plan to negotiate long-term supply agreements. The oxides are sourced exclusively from U.S. mines and refined at Energy Fuels' White Mesa Mill in Utah with feed supplied from heavy mineral sand mines owned by The Chemours Company in Florida and Georgia.

Vulcan Elements, based in Durham, North Carolina, manufactures high-performance rare earth magnets for commercial and defense applications. The company has secured over US\$10m in Pentagon contracts and this month closed a US\$65m Series A financing to expand its China-independent supply chain, providing an aligned downstream partner.

Why we like Energy Fuels

1. Diversified strategy that combines uranium, rare earths and mineral sands
2. Strategic opportunity to leverage White Mesa to become a globally significant rare earths producer
3. 2nd largest US uranium producer in past 20 years = trusted counterparty to power utilities

Catalysts

- 2025: SCPe site access at Toliara, engineering and geotech work
- 2H25: Toliara DFS
- 1H26: FID and SCPe construction start at Toliara
- Mid-2028: SCPe first production at Toliara

Research

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Ticker: EFR CN / UUUU US	Price / mkt cap: C\$17.20/sh, C\$3967m		Market P/NAV: 0.51x		Assets: Toliara / White Mesa	
Author: J Chan	Rec / PT: BUY / C\$18.00		1xNAV FD: C\$24.75/sh		Country: USA / Madagascar	
Group-level SOTP valuation			2Q25		3Q25	
			US\$m		O/ship	
			NAVx		C\$/sh	
White Mesa REE Hydromet NPV 7% 3Q25			430		100%	
White Mesa REE Separation NPV7% 3Q25			683		100%	
Toliara NPV8% 3Q25			2,055		100%	
Brazil REE + exploration			50		100%	
Uranium assets - DCF +US\$5/lb for WY assets			869		100%	
Central SG&A & fin costs 3Q25			(220)		-	
PF cash and securities, investments, ITM options *)			238		-	
Physical inventories - U3O8 and V2O5			111		-	
1xNAV7% spot fully diluted, pre-funded			4,216		18.20	
Assumed equity raised			200		1.00x	
1xNAV7% fully funded price target			4,416		18.00	
Share data						
Basic shares (m): 230.7			FD + options (m): 233.4		FD/FF 251.6	
1x fully funded NAVPS sensitivity to Commodity price and discount / NAV multiple						
Group NAV (US\$m)			-20%		-10%	
Uranium (% move in price)			4,014		4,115	
Group NAV (US\$m)			-20%		-10%	
Min sands (% move in price)			3,730		3,973	
Group NAV (US\$m)			-20%		-10%	
REE (% move in price)			3,423		3,819	
Group NAV (US\$m)			-20%		-10%	
9% discount			2,525		3,185	
8% discount			2,620		3,316	
7% discount			2,736		3,476	
6% discount			2,878		3,671	
5% discount			3,054		3,912	
Valuation over time			Today		Dec '25	
REE crack and leach + separation			1,112.6		1,035.7	
Toliara			2,055.2		1,938.1	
Uranium assets			869.1		862.3	
Brazil REE + exploration			50.0		50.0	
Cntrl G&A & fin costs (US\$m)			(219.9)		(279.9)	
Net cash (US\$m)			237.9		204.6	
1xNAV (US\$m)			4,105		3,811	
P/NAV (x):			0.71x		0.70x	
1xNAV share px FD (C\$/sh)			24.19		24.41	
ROI to equity holder (% pa)			41%		19%	
Sources and uses of cash						
SCPe MREC capex (US\$150m)			US\$150m		SCPe PF cash + options	
SCPe separation capex			US\$200m		Debt package	
SCPe toliara capex			US\$778m		Equity Raised	
SCPe G&A + working cap pre-positive FCF			-US\$333m			
Contingency			-US\$97m			
Total uses			US\$999m		Total proceeds US\$999m	
Production (100%)			2024		2025	
Production (kt REE in MREC)			0.3		--	
NdPr in MREC (kt)			0.1		--	
DyTb in MREC (t)			3.5		--	
Separation TREO produced			0.2		0.1	
NdPr produced (kt)			0.0		--	
DyTb produced (t)			2.5		--	
REE Separation revenue (US\$/kg REE)			19.7		--	
REE Separation AISC (US\$/REE)			64.9		137.2	
Production (kt HMS at Toliara)			--		--	
Production (kt MON at Toliara)			--		--	
HMS (ILM RUT ZIR) revenue (US\$/t)			--		--	
MON REE in MON revenue (US\$/t REE)			--		--	
U3O8 production (Mlbs)			0.2		1.0	
U3O8 received price (US\$/lb)			84.2		77.6	
U3O8 cash cost (US\$/lb)			36.8		(18.2)	
U3O8 revenue (US\$m)			37.9		27.2	
Min sands revenue (US\$m)			--		--	
REE revenue (US\$m)			4.6		--	
Capex (US\$m)			(22)		(15)	
Resource / Reserve			Mlbs U3O8		% U3O8	
Measured, ind. & inf.			84		0.20%	
Toliara - Reserves			904		6.10%	
Toliara - Resources			2,580		4.30%	
Commodity price			2023		2024	
NdPr price (US\$/kg)			76		56	
U3O8 price (US\$/lb)			66		86	
ILM Sulphate price (US\$/t)			--		187	
ILM Chloride price (US\$/t)			--		254	
RUT price (US\$/t)			--		1,369	
ZIR price (US\$/t)			--		1,628	
Ratio analysis			2023		2024	
FD shares out (m)			163		199	
EPS (US\$/sh)			1.43		(0.24)	
CFPS before w/c (US\$/sh)			(0.09)		(0.22)	
FCFPS pre growth (US\$/sh)			(0.19)		(0.20)	
FCF/sh (US\$/sh)			(0.19)		(0.33)	
FCF yield pre growth (US\$/sh)			(1%)		(1%)	
FCF yield (%)			(1%)		(2%)	
EBITDA margin (%)			(85%)		(61%)	
FCF margin (%)			(81%)		(85%)	
ROA (%)			25%		(8%)	
ROE (%)			26%		(9%)	
PER (x)			12x		(64x)	
P/CF (x)			--		(58x)	
Fwd EV/EBITDA (x)			--		(52x)	
Income statement			2023		2024	
Revenue (US\$m)			38		78	
COGS (US\$m)			(18)		(56)	
Gross profit (US\$m)			20		22	
Expenses (US\$m)			(52)		(70)	
Impairment & other (US\$m)			132		(1)	
Net finance costs (US\$m)			--		--	
Tax (US\$m)			(0)		0	
Minority interest (US\$m)			0		0	
Net income attr. (US\$m)			100		(48)	
EBITDA (US\$m)			(32)		(48)	
Cash flow			2023		2024	
Profit/(loss) after tax (US\$m)			100		(48)	
Add non-cash items (US\$m)			(117)		5	
Less wkg cap / other (US\$m)			2		(1)	
Cash flow ops (US\$m)			(15)		(44)	
PP&E (US\$m)			(15)		(22)	
Other (US\$m)			(8)		9	
Cash flow inv. (US\$m)			(24)		(13)	
Debt draw (repayment) (US\$m)			--		--	
Equity issuance (US\$m)			33		17	
Other (US\$m)			(2)		(1)	
Cash flow fin. (US\$m)			30		16	
Net change post forex (US\$m)			(9)		(16)	
FCF (US\$m)			(31)		(66)	
Balance sheet			2023		2024	
Cash, Mar. Sec. & Restricted (US\$m)			208		139	
Accounts receivable (US\$m)			1		38	
Inventories (US\$m)			39		67	
PPE & exploration (US\$m)			147		349	
Other (US\$m)			7		19	
Total assets (US\$m)			402		612	
Debt (US\$m)			--		--	
Other liabilities (US\$m)			23		80	
Shareholders equity (US\$m)			733		938	
Retained earnings (US\$m)			(358)		(410)	
Minority int. & other (US\$m)			4		4	
Liabilities+equity (US\$m)			402		612	
Net cash (US\$m)			57		39	
Net debt to NTM EBITDA (x)			1.2x		0.7x	

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BUY:	53
HOLD:	0
SELL:	0
UNDER REVIEW:	1
TENDER:	0
NOT RATED:	0
TOTAL	54

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