

Uranium Energy and Rio Tinto Transaction

Uranium Energy Corp. (NYSE: UEC)

Is to acquire Roughrider from Rio Tinto for Total Consideration of \$150 million comprised of \$80 million in Cash and \$70 million in UEC Stock.

Cash Portion of the Consideration is Fully Funded with UEC's \$173 million of Cash and Liquid Assets on the Balance Sheet.



UEC logo on the NYSE Building, NY.

UEC	NYSE: UEC
Stage	Production + development
Metals	Uranium
Market cap	US \$1.25 Billion @ \$3.60
Location	Texas, Wyoming, USA, Paraguay

Uranium Energy Corp and Rio Tinto Agree to a Transaction on the World-Class Development-Stage Roughrider Uranium Project in Canada

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UEC Welcomes Rio Tinto as a New Shareholder.

Corpus Christi, TX, and October 12, 2022– Uranium Energy Corp (NYSE American: UEC, the “Company” or “UEC”) is pleased to announce that it has entered into a definitive agreement with a subsidiary of Rio Tinto plc (“**Rio Tinto**”) pursuant to which UEC will acquire 100% of Rio Tinto's wholly-owned Roughrider uranium development project (“**Roughrider**” or the “**Project**”) located in the Athabasca Basin in Saskatchewan, Canada (the “**Transaction**”).

Under the terms of the Transaction, upon close, Rio Tinto will receive \$80 million in cash and 17,805,815 UEC common shares, valued at \$70 million based on the 5-day VWAP of \$3.93 per share as of October 7, 2022.

The cash component of the Transaction will be fully funded using UEC's existing balance sheet, which as of October 10, 2022 was over \$173 million in cash and liquid assets.

Roughrider Acquisition Rationale and Highlights:

- **World-class Project in a Premier Uranium Mining Jurisdiction:** Development-stage Roughrider Project has a

non-current, historic resource of 58 million lbs at an average grade of 4.73% U_3O_8 situated in the eastern Athabasca Basin of Canada, where 10% of global uranium production was sourced in 2021.⁽¹⁾⁽²⁾

- **Unlocking Value and Immediate Synergies with Recent UEX Acquisition:** Roughrider will be a 100% owned cornerstone asset that when combined with recently acquired UEX Corporation (“UEX”) projects in the eastern Athabasca, positions UEC with a critical mass of resources to enhance future production plans. Recently acquired and nearby UEC projects to Roughrider include Raven-Horseshoe, Hidden Bay and Christie Lake.
- **Scaling up in Canada’s High-Grade Athabasca Basin:** After Cameco and Orano, UEC now controls the largest diversified resource base, hosted in multiple assets in Canada’s Athabasca Basin.
- **Infrastructure, Nearby Operations and Long-Standing Uranium History:**
 - There are over 20 uranium deposits, five current and historically producing mines, and two uranium mills within a 100 km distance from Roughrider, providing excellent infrastructure for future development, including all-weather road infrastructure, an all-weather airstrip within seven km and robust electrical grid access, primarily generated from renewable hydroelectric sources.⁽³⁾
- **Leveraging a Decade of Development Work on Path to Production:** Since acquiring Roughrider in 2012, Rio Tinto, one of the world’s largest and most experienced mine builders, advanced substantial pre-production and environmental baseline work including completion of dedicated geotechnical drilling, shaft vs. decline modelling, establishment of hydrogeological monitor wells, terrestrial and aquatic environmental assessments, heritage assessments, species at risk, and conceptual reclamation plan. This provides a strong

foundation and substantial value for completion of upcoming technical reports, efficiently moving the Project forward to a production decision.⁽⁴⁾

- **Strong ESG Foundation:** Starting from the environmental baseline work and ESG initiatives established by Rio Tinto, UEC intends to continue to develop and apply high industry standards in stakeholder engagement, safety, and environmental stewardship. UEC looks forward to engaging with local communities and other stakeholders in the Athabasca Basin in developing this Project for the benefit of future generations.
- **Fastest Growing Uranium Company in the World:** UEC will have invested \$570 million with the acquisitions of Uranium One Americas, Inc., UEX and Rio Tinto's Roughrider to build the largest diversified North American focused uranium company.

Amir Adnani, President and CEO of Uranium Energy Corp., stated:

“With this accretive fully funded acquisition of the Roughrider Project, we’re able to achieve multiple objectives: 1) 100% owned, development-stage assets

are rare in Canada's Athabasca basin, and we're adding a world-class project to anchor our Canadian high-grade conventional business; 2) unlock value from the recently acquired UEX portfolio in the eastern Athabasca Basin as we now have critical mass to advance our production plans; and 3) accelerate production plans for our Canadian high-grade conventional business given the advanced stage of Roughrider and the first-tier ESG, geotechnical and permitting work completed by Rio Tinto since 2012.

"We thank Rio Tinto for entrusting UEC with the Roughrider Project and welcome them as our new shareholder."

“Our next steps for Roughrider will be to first complete an updated S-K 1300 technical report summary based on over 650 diamond drill holes already completed for a total of approximately 225,000 meters of drilling on the Project.

“UEC is currently engaging with consultants to develop a technical report update in the next few months. Second, UEC intends to progress permitting and a production study of Roughrider and optimize its integration with UEC’s existing Canadian platform.

“The acquisition builds on our strategic objective to create the leading Western supplier of secure and 100% unhedged uranium with a two-pronged platform: 1) near-

term, fully permitted and low-cost US ISR production; and 2) a Canadian high-grade conventional pipeline.”

To read the full Uranium Energy news release, please click [HERE](#)

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If you need clarification of any information contained in this note, or have any questions, I will be delighted to assist – Please email andrew@city-investors-circle.com

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Disclosure

At the time of writing the author holds no shares in **UEC**.

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