



ADVANCED ENERGY FUELS

AEF Signs Letter of Intent for Proposed Business Combination with Cavalry Capital Corp., Canada

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- It is expected that upon completion of the Transaction, the merged entity will meet listing requirements for a Tier 2 Mining issuer on the TSX Venture Exchange (TSXV).
 - The Transaction is expected to be completed by way of a share exchange whereby AEF will become a wholly owned subsidiary of Cavalry; and will be accompanied by a private placement of C\$2,500,000.
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Perth, Western Australia, 19th May 2025: Advanced Energy Fuels, Inc. ("AEF" or the "Company") is pleased to announce that it has entered into a letter of intent ("LOI") regarding a planned business combination (the "Transaction") with Cavalry Capital Corp. ("Cavalry"). It is expected that upon completion of the Transaction, the combined entity (the "Resulting Issuer") will meet the listing requirements for a Tier 2 Mining issuer under the policies of the TSX Venture Exchange (the "TSXV").

The Transaction will be completed by way of a share exchange or alternate transaction to be determined with input from the legal and tax advisors to each of AEF and Cavalry, which will result in AEF becoming a wholly owned subsidiary of Cavalry. The Parties will now move to prepare a definitive transaction agreement, with the following, among other things, to be completed in connection with the Transaction:

- a) Cavalry will complete a consolidation of its outstanding share capital on the basis of 1.66 pre-consolidation shares for each post-consolidation share. After the consolidation, Cavalry will have 3,893,072 shares, 369,842 options, and 238,705 warrants outstanding.
- b) Cavalry will issue 18,428,271 post-consolidation Cavalry shares to the former holders of AEF common shares.
- c) Cavalry will complete a private placement of at least 10,000,000 units at \$0.25 per Unit for gross proceeds of at least \$2,500,000 ("Private Placement"). Each Unit will be comprised of one post-consolidation Cavalry share and one common share purchase warrant ("Cavalry warrant"). Each Cavalry warrant will be exercisable for a period of two years to purchase one post-consolidation Cavalry share at an exercise price of \$0.35 per share. The proceeds of the Private Placement will be used to advance the South Woodie Woodie Manganese Project (The Project"), with the intention of completing a Pre-Feasibility Study ("PFS") on the Project.
- d) AEF will exercise the option to acquire a 100% interest in the Project by issuing to Trek Metals Limited ("Trek") the higher of 6,000,000 post-consolidation Cavalry shares and that number of post-consolidation Cavalry shares which when added to the 2,000,000 Cavalry shares to be issued to Trek as an existing holder of AEF common shares, is equal to not less than 20% of the total post-consolidation Cavalry shares outstanding on a post-Transaction basis.

- e) The management and board of directors of the Resulting Issuer will be comprised of three nominees from AEF and two nominees from Cavalry. The management and board of directors will be announced in further press releases.
- f) Cavalry will change its name to such name as determined by AEF in its sole discretion, in compliance with applicable law and as may be acceptable to the TSXV.

Completion of the Transaction is subject to the satisfaction of customary closing conditions, including: (i) the satisfactory completion of due diligence by each of Cavalry and AEF; (ii) entry into the Definitive Agreement; (iii) receipt of all required approvals and consents relating to the Transaction; (iv) completion of the Private Placement; (v) completion of the Project acquisition; and (vi) the TSXV's approval for listing the shares of the Resulting Issuer.

Executive Director Gary Lewis said: "The proposed business combination with Cavalry is an important milestone in the evolution of AEF. The Cavalry board are well known and well respected in Canadian capital markets which, when combined with AEF's projects and technical expertise, will present a compelling investment case for North American investors".

"We look forward to providing further updates to shareholders as the Transaction progresses".

About Advanced Energy Fuels

Advanced Energy Fuels (AEF) is a battery materials company focused on the extraction and purification of minerals critical for the batteries that power electrification and energy storage. AEF has a multi-asset portfolio in Tier-1 jurisdictions, including manganese projects in Western Australia's Pilbara Region and fluorspar prospects in the United States.

AEF's flagship South Woodie Woodie Manganese Project has undergone extensive technical evaluation, including two JORC Mineral Resource Reports, an independent mine study, and advanced processing development focused on flowsheet optimization and battery precursor testwork.

AEF is committed to securing US critical mineral supply chains. Manganese and fluorspar are both designated as critical minerals by the US, Australia, and EU. The US is currently 100% reliant on imports of both minerals from foreign entities of concern.

For further Information please contact:

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