



# ADVANCED ENERGY FUELS

## AEF Signs Definitive Agreement for Proposed Canadian Business Combination with Cavalry Capital Corp.

- Enters definitive share exchange agreement whereby Cavalry will acquire all of the outstanding shares in AEF and AEF will become a wholly owned subsidiary of Cavalry.
- 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.
- The Transaction will be accompanied by a private placement of C\$2,500,000.

Perth, Western Australia, 29<sup>th</sup> July 2025: Advanced Energy Fuels, Inc. ("AEF" or the "Company") is pleased to announce that it has entered into a definitive share exchange agreement ("Agreement") 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").

Subject to the conditions set out in the Agreement, the following, among other things, are intended 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 19,879,938 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 paying to Trek Metals Limited ("Trek") AUD\$450,00 and Cavalry issuing 6,000,000 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 more than 19.9% 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 Advanced Energy Fuels Group Limited, 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) receipt of all required approvals and consents relating to the Transaction, including without limitation, required approval of the TSXV; (ii) completion of the Private Placement; (iii) completion of the Consolidation; (iv) completion of the name change; (v) completion of the Project acquisition; (vi) the reconstitution of the board of directors and management of Cavalry; and (vii) the TSXV's approval for listing the shares of the Resulting Issuer.

Executive Director Gary Lewis said: "The signing of the definitive share exchange agreement is another important step in the development of AEF, as we move to finalize the transaction and list on the TSXV. By combining with Cavalry, AEF is well positioned to advance its strategy of delivering secure and sustainable battery materials critical to growing US midstream processing capacity. We are excited at the prospect of bringing our Company, and our manganese and fluorspar projects, to North American capital markets".

"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 strategically located in tier one jurisdictions with manganese projects in the Pilbara Region of Western Australia and fluorspar prospects in New Mexico in the United States. Manganese and fluorspar are essential raw materials to multiple high growth industries and are designated critical minerals in Australia, US and EU. The company is focused on securing stable, allied-sourced critical mineral supply chains to reduce dependence of 'foreign entities of concern'. AEF has an existing manganese resource base and is advancing a midstream processing development program in collaboration with Australia's peak scientific body and leading laboratories in Australia and Asia.

For further Information please contact:

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