B RILEY Securities

FLASH

United States Antimony Corporation (UAMY – $6.45*)
Buy; $9.00 PT; $830.3M Market Cap
Breaking News
Tuesday, September 23, 2025

IDIQ Receipt Marks Beginning as Major Supplier to DLA/DoD

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Summary and Recommendation

This morning (9/23), BMO, United States Antimony Corporation (UAMY – Buy, $9 PT) announced that the company has been awarded an Indefinite Delivery Indefinite Quantity (IDIQ) sole-source contract from the U.S. Defense Logistics Agency (DLA) Strategic Materials worth up to $245M to supply antimony metal ingots for the U.S. National Defense Stockpile (NDS). The announcement marks a significant milestone for UAMY in the company's role as a critical long-term supplier to the Department of Defense (DoD). As contemplated in the initial solicitation, the five-year contract for 6.7M lbs of antimony metal ingots follows a phased structure, starting at 0.7M lbs in Year 1 and ramping to 1.3M-1.6M lbs annually in Years 2-5, allowing UAMY to scale production while meeting the contract requirements. With today's announcement, we would stress two key points: (1) UAMY is in the process of scaling to over 8M lbs (from existing assets) of finished antimony production per annum, pointing to significant capacity for additional agreements, and (2) we believe the contract represents incremental U.S. demand (currently ~50M lbs) as it is clearly defined for stockpile purposes. As a reminder, UAMY recently commenced operations in Alaska (here) to source high-grade feedstock and become vertically integrated. Note that both of UAMY's North American smelting facilities are already equipped to produce antimony metal ingots to meet the government's stringent specifications, providing operational redundancy once scaled. We believe the contract award validates UAMY's delivery capabilities and underscores its position as the sole domestic antimony supplier with no near-term competition, suggesting potential for additional government support for the Montana smelter expansion or new facility construction. We maintain our Buy rating and our PT of $9.

Key Points

- **Announces contract with DLA.** This morning BMO (9/23), UAMY was awarded an Indefinite Delivery Indefinite Quantity (IDIQ) sole-source contract from the U.S. Defense Logistics Agency (DLA) Strategic Materials worth up to $245M to supply antimony metal ingots for the U.S. National Defense Stockpile (NDS). The Defense Logistics Agency is the Department of Defense's logistics combat support agency. The contract reflects the Trump administration's broader initiative to strengthen U.S. supply chains for strategic materials amid rising geopolitical tensions and to reduce dependence on foreign sources, particularly China. As a reminder, antimony is critical for munitions, batteries, flame retardants, and military-grade compounds, and has been identified by defense officials as a vulnerability in the U.S. industrial base. UAMY, which operates North America's only two antimony smelters, is positioned to begin immediate fulfillment from its domestic facilities, with the first delivery order expected this week. We believe the contract validates UAMY's unique position as the sole domestic supplier of this critical material.
- **Contracted volumes breakdown and potential pricing.** The DLA has structured the antimony procurement as a five-year Indefinite Delivery Indefinite Quantity (IDIQ) contract totaling 6.7M lbs of antimony metal ingots for the National Defense Stockpile. Assuming the finalized contract is consistent with the initial solicitation, deliveries begin at 0.7M lbs in Year 1 before nearly doubling to 1.4M lbs in Year 2, then stabilizing at 1.3M-1.6M lbs annually through the remaining contract period, with peak volumes of 1.6M lbs in Year 4. This phased structure accommodates initial production scaling while ensuring substantial, consistent deliveries

that align with strategic stockpile objectives and UAMY capacity development. Assuming the government utilizes the full $245M contract value for 6.7M lbs over five years, the implied average price of $36.64/lb represents a 33% premium to the current antimony price of approximately $27.50/lb.

- **UAMY has no competition in the near term.** UAMY's Alaska mining operations, which began several weeks ago, produce high-grade antimony ore with concentration levels that enable processing into MIL SPEC antimony trisulfide, a military-grade compound required by the U.S. defense industrial base. The company's analysis of ore samples from various global and domestic sources indicates that alternative suppliers' ore quality does not meet military specifications, while competing antimony sources remain at least three years away from commercial production in relevant quantities. We believe these factors position the Alaska resource as the primary near-term domestic source capable of fulfilling the Pentagon's stringent requirements for the defense stockpile contract.

Valuation

We base our valuation for UAMY on a detailed DCF model that incorporates our company projections through 2028, plus a terminal-year estimate. From this analysis, we calculate a $9 price target, representing an implied 13.6x multiple on our 2027 adjusted EBITDA estimate of $75.2M. In our terminal year, we are assuming 14M lbs of antimony sales and a long-term price of $19.50/lb.

Risks

Antimony pricing is extremely volatile. United States Antimony Corporation is an antimony miner that is heavily exposed to defense and energy & transport end markets. Prices reflect changes in economic conditions/outlook and supply/demand, among other factors.

Regulatory and legislative uncertainties. UAMY operates in a highly regulated industry that is subject to extensive permitting regulations and ongoing environmental compliance. Changes in legislation or changes in the interpretation of existing legislation could have a negative impact on the company’s long-lived assets.

A clear correlation between antimony demand and economic growth. Antimony demand is highly correlated to economic growth. We would likely need to see continued growth in economic activity for antimony demand to increase.

The antimony industry has operational risk. Uranium mines are complex and can face operational difficulties, potentially leading to production shortfalls or higher unit costs. These challenges can hurt the bottom line of a commodity producer and cause it to miss earnings expectations.

Costs are hard to predict. In addition to production shortfalls, large portions of antimony production costs are tied to unpredictable raw material/chemical costs. When input costs rise faster than expected, this can cause companies to miss their cost estimates. Labor is also a major component of input costs, which is subject to inflationary pressures over time.

Risk to our price target. If our estimates prove optimistic, our price target is not likely to be achieved.

*Closing price of last trading day immediately prior to the date of this publication unless otherwise indicated.

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Rating	B. Riley Securities, Inc. Research Distribution[1]	B. Riley Securities, Inc. Banking Services in the past 12 months[1]
BUY [Buy]	76.49%	39.86%
HOLD [Neutral]	23.51%	24.18%
SELL [Sell]	0.00%	0.00%

(1) As of midnight on the business day immediately prior to the date of this publication.

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