

## Energy Fuels Inc.

(TSX: EFR)  
(NYSE MKT: UUUU)

**January 8, 2015**  
**Recent Price: \$5.36**

### Market Data

Fiscal Year	December 31
Industry	Uranium
Market Cap	\$105.5M
Price/Earnings (ttm)	N/A
Price/Book (mrq)	1.0x
Price/Sales (ttm)	1.9x
EBITDA (ttm)	\$0.9M
Institutional Ownership	5.3%
Shares Outstanding	19.7M
Float	17.8M
Avg. Daily Vol. (3 mos.)	21,364
As of January 8, 2015	

### Resource Snapshot

Total U <sub>3</sub> O <sub>8</sub> Lbs (M&I+I)	117.8M
EV/Resource (M&I)	\$1.31
EV/Resource (M&I+I)	\$0.94

### Balance Sheet Snapshot

	MRQ
Cash	\$13.9M
Working Capital	\$45.4M
Debt	\$18.7M

\*Takes into account \$1.5 million from sale of non-core assets

## Company Overview

Energy Fuels Inc. is currently America's largest conventional uranium producer, which is expected to supply approximately 20% of the uranium produced in the U.S. in 2014. Energy Fuels operates the White Mesa mill, which is the only conventional uranium mill currently operating in the U.S. The mill is capable of processing 2,000 tons per day of uranium ore and has an annual licensed capacity of over 8 million pounds of U<sub>3</sub>O<sub>8</sub>. Energy Fuels has projects located in a number of Western U.S. states, including a producing mine, mines on standby, and mineral properties in various stages of permitting and development. Energy Fuels recently announced the execution of a definitive agreement to acquire all of the issued and outstanding shares of common stock of Uranerz. Following the transaction, which is expected to be completed in 2Q15, Energy Fuels shareholders will own approximately 45% of the shares of the Company and Uranerz shareholders will own approximately 55% of the shares of the Company.

Uranerz Energy Corporation is a US-domiciled uranium company. Uranerz' Nichols Ranch unit is its first ISR uranium mine. ISR, or in-situ recovery, is a mining process that uses a leaching solution to extract uranium from sandstone uranium deposits; it is the generally accepted extraction technology used in the Powder River Basin area of Wyoming. Uranerz controls a large strategic land position in the central Powder River Basin. Uranerz' management team has specialized expertise in the ISR uranium mining method and a record of licensing, constructing and operating ISR uranium projects. Uranerz has entered into long-term uranium sales contracts for a portion of its planned production with Exelon and one other of the largest nuclear utilities in the country.

## Value Proposition

The merger between Energy Fuels and Uranerz will create the largest holder of NI 43-101 compliant uranium resources in the U.S. The combined entity has current production along with a deep pipeline of development projects focusing on both conventional and ISR uranium mining. Six uranium sales contracts, which extend to 2020, provide protection from the current low uranium price environment while allowing for upside if uranium prices increase in line with current analyst forecasts.

## Investment Highlights

**Uranium prices anticipated to increase significantly; consensus average spot price of \$39.88/lb in 2015, \$48.85/lb in 2016, \$58.88/lb in 2017, and \$66.65/lb in 2018.**

- EFR is realizing a much higher uranium price than the spot price, with an average realized price of \$58 per lb expected in FY-2015. Existing contracts and organic production potential give UUUU leverage to increasing uranium prices.

**Only integrated conventional and ISR uranium mining company focused on the U.S.**

- U.S. supply much more stable compared to major uranium producing countries.

**Two operating production centers; White Mesa Mill only operating conventional uranium mill in the U.S.; 8 million pounds uranium capacity; toll milling and alternative feeds increase profits. Nichols Ranch processing facility licensed for maximum production level of 2 million pounds uranium per year.**

**Sheep Mountain production expected to begin in 2016; (30.3M lbs. Indicated Resource, 1.5M lbs. per year production, NPV7% up to \$200.6M, \$31.31-\$32.31 OpEx. per lb.).**

- EFR has also acquired the Gas Hills and Juniper Ridge projects through its Strathmore acquisition. There are potential synergies that can be achieved due to the close proximity of the three projects.

**60/40 JV with Sumitomo on Roca Honda project; 2.6M lbs. of U<sub>3</sub>O<sub>8</sub> production over 9-yr mine life; economics likely to be improved through use of White Mesa Mill.**

**Commenced operations at Nichols Ranch in April 2014; targeting production of 200-300 K lbs of uranium for 2014.**

- Direct operating cost estimate of \$24/lb uranium or \$35/lb w/ taxes and royalties (2008 PEA estimate)

