



Energy Fuels Inc.

(TSX: EFR) (NYSE MKT: UUUU)

December 4, 2013
 Target Price: \$30.00
 Recent Price: \$5.56

[Watch Fox Business Interview with CEO Stephen Antony](#)

Market Data

Fiscal Year	December 31
Industry	Uranium
Market Cap	\$109.1M
Price/Earnings (ttm)	N/A
Price/Book (mrq)	0.6x
Price/Sales (ttm)	1.5x
EBITDA (ttm)	(\$3.6M)
Institutional Ownership	6.6%
Shares Outstanding	19.6M
Float	18.4M
Avg. Daily Vol. (3 mos.)	53,501
As of December 3, 2013	

Resource Snapshot

Total U ₃ O ₈ Lbs (M&I+I)	123.7M
EV/Resource (M&I)	\$1.29
EV/Resource (M&I+I)	\$0.91
FY14E Prod. (Lbs)	450,000

Balance Sheet Snapshot

Cash*	\$16.7M
Working Capital	\$36.8M
Debt	\$22.6M

*Takes into account net proceeds of approximately \$4.3 million from common stock offering

Significant upside potential for leading conventional uranium producer in the U.S. Higher uranium prices could lead to six-fold jump in production.

Energy Fuels is the nation's leading conventional uranium producer, supplying approximately 25% of the uranium produced in the U.S. (based on FY-2013 deliveries). The Company also has the capability to be a significant producer of vanadium. Energy Fuels owns and 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 producing up to 8 million lbs. of U₃O₈ per year (depending on ore grade). Energy Fuels has projects located throughout the Western U.S., including producing mines, production-ready “standby” mines, and mineral properties in various stages of permitting and development.

Valuation

Our NAV valuation derives a per share value of \$30.00 for EFR, driven primarily by a long-term increase in uranium pricing to \$70/lb.

Investment Highlights

Uranium prices anticipated to increase significantly going forward; consensus average spot price of \$47.5/lb in 2014, \$60/lb in 2015 (source: Bloomberg).

Only conventional uranium producer in U.S. (~25% of current U.S. production); U.S. supply much more stable compared to major uranium producing countries.

White Mesa Mill only operating conventional uranium mill in the U.S.; 8 million pounds uranium capacity; toll milling and alternative feeds increase profits.

Sheep Mountain production expected to begin in 2016; (30.3M lbs. Indicated Resource, 1.5M lbs. per year production, NPV_{7%} up to \$200.6M, \$31.31-\$32.31 OpEx. per lb.).

Investment Highlights

Uranium prices anticipated to increase significantly going forward; consensus average spot price of \$47.5/lb in 2014, \$60/lb in 2015 (source: Bloomberg). Uranium spot pricing is currently near seven year lows of approximately \$35.75/lb, a price sufficiently low to delay the development of various uranium projects and idle many other uranium mines, including production cutbacks from EFR. However, aside from these reductions in supply, a number of factors are expected to increase uranium prices, including the end of the U.S. – Russia highly enriched uranium (HEU) agreement (expected to take approximately 24 million pounds of yearly supply off the market), and the restart of Japanese nuclear reactors. Over the longer term, demand for uranium is expected to rise significantly through the construction of new nuclear reactors throughout the world, driven primarily by construction from China and India (China plans to have a fourfold increase in nuclear energy by 2020). According to the World Nuclear Association, there are currently 70 nuclear reactors under construction around the World.

Currently, EFR is realizing a much higher uranium price than the spot price, with an average realized price of \$58.42 per lb expected in FY-2014. The Company sells the majority of its uranium through term contracts, which allows EFR to sell its product at prices that are well above (approximately 60%+ premium to spot) the spot market. We expect uranium spot prices to rise, and for term prices to increase along with it, albeit at a slightly lower rate. As spot prices rise, EFR has the ability bring on a significantly higher amount of production, over a period of years, which can be sold at market rates, both from mines on standby and under development. In fact the Company believes it has organic production growth that is unmatched by any other uranium producer.

Only conventional uranium producer in U.S. (~25% of current U.S. production); U.S. supply much more stable compared to major uranium producing countries. A large portion of the world's uranium supply comes from countries such as Kazakhstan and African countries such as Namibia, Niger, and Tanzania. The U.S. is extremely dependent on imports, with demand of 51.3 million pounds per year and domestic supply of only 4.3 million pounds. We believe that utilities in the U.S. prefer supply to come from a stable source and are more likely to enter into term contracts with a firm such as EFR, which has all of its production coming from the U.S. This would enable EFR to enter into more term contracts, which typically have higher pricing than spot prices. EFR had a realized sales price of \$58.75 in 3QFY13, well above the average spot price during the period of \$40.65, due primarily to their term contracts with major utilities. EFR currently has two sales contracts with investment grade utilities in the U.S., and one sales contract with an international utility, all with remaining terms of 2-4 years.

White Mesa Mill only operating conventional uranium mill in the U.S.; 8 million pounds uranium capacity; toll milling and alternative feeds increase profits. The Company's White Mesa Mill gives the Company a number of operating advantages:

- It provides a central location near the majority of EFR's producing and developing mines, improving project economics



- The White Mesa Mill can make acquisitions more attractive, as seen through the recent acquisition of Strathmore's Roca Honda Project (estimated to save approximately \$66.4 million in capex as a mill likely no longer needs to be built in New Mexico to process the output from that mine, as well as other potential mines in the area.)
- Revenue and margins are increased through toll milling agreements with third party miners; as the only fully-licensed and operating conventional uranium mill in the U.S., we believe this offers EFR a competitive advantage as compared to other miners.
- Higher margin alternate feed materials can produce additional uranium; the only facility in North America capable of this (U_3O_8 grades from <1% to over 75%); 500,000 uranium pounds from alternate feed materials were produced per year during the peak of the process.

Sheep Mountain production expected to begin in 2016; (30.3M lbs. Indicated Resource, 1.5M lbs. per year production, NPV_{7%} up to \$200.6M, \$31.31-\$32.31 OpEx. per lb.). EFR's largest project is its Sheep Mountain project, located in Wyoming. The project has excellent economics, as indicated in the following chart:

	Initial Capex	OpEx/Lb	NPV _{7%}
Alternative 1			
<i>Open Pit/Underground Concurrent</i>	\$109.4	\$32.31	\$200.6
Alternative 2			
<i>Open Pit Start/Underground Delay</i>	\$60.8	\$32.31	\$173.5
Alternative 3			
<i>Open Pit Only</i>	\$60.8	\$31.31	\$96.1
<i>Assumes \$65/lb uranium price</i>			

The three alternatives give the Company multiple different avenues to approach the project, depending on uranium pricing and capital financing. The lower cost alternatives are determined through either delaying the initial construction of the underground mine or forgoing it altogether. The NPV is lower on the open pit only alternative as this excludes any potential production from an underground mine. Technical risk with the project is low, due to heap leach being a proven recovery method and permitting and licensing risks are low due to Sheep Mountain being a brownfield project located in a mining friendly jurisdiction. We believe that EFR will choose either alternative 1 or 2, depending on uranium pricing (higher prices would compel EFR to begin underground development earlier).

EFR has also acquired the Gas Hills project through its Strathmore acquisition. There are potential synergies that can be achieved due to the close proximity of the two projects; this could improve economics for both projects, leading to potential increases in future profits.

60/40 JV with Sumitomo on Roca Honda project; 2.6M lbs. of U₃O₈ production over 9-yr mine life; economics likely to be improved through use of White Mesa Mill. Through EFR's recent acquisition of Strathmore, the Company acquired a number of assets, with the prize asset being Strathmore's high-grade Roca Honda project. With low projected operating costs (\$23.82/lb), significantly lowering capex through using the White Mesa Mill should make the project even more attractive. Roca Honda's PEA had projected \$66.4 million in capex to build a mill, and using the White Mesa Mill should eliminate this cost. Additionally, the permitting timeline could decrease, as there is no longer a new mill under construction. Additional profits could be realized through toll milling of Sumitomo's 40% share of Roca Honda's production.

Multiple mines on standby leads to significant upside with rising uranium prices; the mines can be restarted in anywhere from 3-18 months at a low cost. EFR has a number of mines on standby that can be economically restarted with higher uranium prices. These include the Company's Tony M mine within the Henry Mountains Complex, which has ~12M lbs U_3O_8 resources and was in production as recently as late 2008 (the Henry Mountains Complex in total has about 20 M lbs. U_3O_8). Additionally, EFR has a number of other mines on standby in the Colorado Plateau that can be put into production with higher uranium prices (three of these mines were still producing in late 2012). The majority of these mines were in production when uranium prices were in the low \$50s, indicating that uranium would likely need to reach this price or above to make restarting the mines worthwhile.

KEPCO is EFR's largest shareholder; affiliate of KEPCO is EFR's largest uranium customer. KEPCO generates 93% of South Korea's electricity and plans to develop an additional eighteen nuclear power plants by 2030, thus increasing its need for a long-term, steady supply of uranium. Given EFR's relationship with KEPCO and KEPCO's need for sustained uranium supply, we believe that this increases the probability of EFR entering into term contracts with KEPCO (if the Company chooses this over selling into the spot market), which would help create stability in revenue and profits. Additionally, given KEPCO's interest in obtaining secure uranium supplies, we believe that KEPCO may be interested in providing lower cost capital to help develop some of EFR's major projects, such as Sheep Mountain, particularly given that KEPCO previously had a strategic venture with Strathmore to develop the nearby Gas Hills project.

High-grade (0.65% eU_3O_8) Arizona strip mines are low-cost sites; profitable even at currently depressed uranium prices. Production is currently occurring at the Company's Arizona 1 and Pinenut mines. EFR is planning to stop mining at Arizona 1 in early FY14, due to the depletion of its known resources, and put the Pinenut mine on standby in mid-2014, due to the current uranium price environment. Cost of production at these mines is low, and EFR's cost of goods sold should decrease in the coming quarters as production will be sourced only from the Pinenut mine and alternate feed materials in the near-term (assuming uranium spot prices remain depressed).

Production reduced in FY14 due to depressed spot and term uranium prices; EFR to take advantage of difference between spot and fixed sales contract pricing to fulfill contracts with utilities. Due to the decline in both spot and term prices, EFR has opted to put its Pinenut mine on standby in mid-2014, at which point we anticipate EFR will not be producing uranium until pricing improves. In order to fulfill sales contracts with utilities, EFR will buy uranium on the spot market (approximately 300,000 lbs) and sell to utilities at an expected average realized sales price of \$58.42 during FY14 (63% premium to current spot price). The difference between this price and spot prices (currently \$35.75/lb) allows

the Company to continue to generate cash flow while conserving resources for an expected increase in long-term uranium prices (consensus analyst projections have uranium spot prices averaging \$60.00/lb in FY15 and \$67.50/lb in FY16).

Future production could increase more than six-fold w/ higher long-term uranium prices (\$75+). The Company has the potential to increase production more than six-fold if higher uranium prices of \$75+ are realized (from current annual production of 1.15 million lbs U_3O_8 to approximately 6+ million lbs U_3O_8 production). This gives EFR strong leverage with regards to uranium pricing and the Company well positioned to benefit from an expected increase in spot uranium prices.

\$16.7 Million in Cash and \$36.8 Million Working Capital Following Recent Financing; Provides Funds to Advance Development Projects.

Following EFR's recent \$5 million financing, the Company has cash on hand of approximately \$16.7 million (adding \$12.4 million on the balance sheet as of 9/30/13 to \$4.3 million in net proceeds from the raise). This should provide capital to continue exploration and development at several of its uranium properties. Financing for EFR's big 4 development projects (Sheep Mountain, Roca Honda, Henry Mountain and Gas Hills) could be helped by KEPCO and Sumitomo. KEPCO is EFR's largest shareholder, and participated in a strategic venture in the Gas Hills Project. Gas Hills may be developed in conjunction with Sheep Mountain. Sumitomo owns 40% of Roca Honda. KEPCO and/or Sumitomo may provide lower cost of capital financing, either through equity, debt, or an off-take agreement.

Potential vanadium production at multiple EFR mines; provides additional cash flow upside. In addition to uranium, EFR has vanadium resources at its La Sal, Sunday, San Rafael, Sage Plain, Energy Queen, and Whirlwind projects (we are modeling production from Energy Queen starting near the end of FY14 and production from Whirlwind starting in FY15). Vanadium (V_2O_5) and ferro vanadium are currently selling for approximately \$5.75/lb and \$24.50/kg, respectively, and vanadium demand is projected to more than double by 2025 (source: Vanadium Market Fundamentals and Implications. Terry Perles/TTP Squared, Inc., Nov. 16, 2010). Vanadium demand comes from areas such as steelmaking, grid scale renewable energy storage, high performance batteries, catalysts and chemicals.

Market

70 nuclear reactors under construction, 487 reactors planned/proposed; potential to more than double amount of nuclear reactors, leading to significant increase in uranium demand. According to the World Nuclear Association, there is projected to be a 125% increase in nuclear reactors in the medium-term. However, due to prevailing weak uranium spot

prices, new uranium mines or uranium mine expansions are being delayed as most companies don't see investment as being economically feasible given current conditions. The combination of stagnant supply and strong increases in demand should lead to an increase in uranium prices. Consensus analyst opinion has uranium prices increasing to about the \$65-\$75 range within the next couple of years.

Demand is driven mostly by emerging economies in Asia. According to an October 2013 report by the World Nuclear Association, China currently has 17 nuclear reactors in operation, 30 under construction, and many more about to start construction. Overall, China is looking to have a four-fold increase in nuclear capacity to at least 58 GW by 2020.

According to an October 2013 report by the World Nuclear Association, there are 119 operable nuclear reactors, 49 nuclear reactors under construction, and firm plans to build another 100 nuclear reactors, along with many more proposed nuclear reactors in East and South Asia. South Korea currently receives 35% of its electricity from nuclear, and plans to increase this to 59% by 2030. We believe that EFR has a strong opportunity to supply uranium to South Korea, as KEPCO is the Company's largest shareholder and generates 93% of South Korea's electricity.

Japanese reactor restarts key to uranium price increase in short- to medium-term. The main driver of a short- to medium-term increase in spot uranium prices is the restart of Japanese nuclear reactors. To date, this has taken longer than anticipated, due mainly to a long and thorough nuclear reactor inspection process by the Japanese government. Recently, the Japanese government shut down the 2 working nuclear reactors in the country so they could go through the inspection and re-licensing process.

However, there are signs that there could be a number of reactor restarts in 2014. In early July 2013, four utilities applied for safety inspections of 10 idled plants. After these reactors undergo a thorough safety inspection, they could be restarted. Overall, Japan has 50 nuclear reactors, although putting the majority of these into commercial use could take a number of years.

Low spot prices delaying the start of new mines/mine expansion; could lead to price increase as demand rises. Low spot uranium prices have delayed the start of new mines, which could lead to an eventual increase in spot pricing in the short- to medium-term. According to RBC, uranium supply is expected to increase throughout the rest of the decade; however, supply is not expected to keep up with demand, and the majority of these supply increases are coming from unstable regions like Africa and Kazakhstan. J.P. Morgan recently estimated that \$83/lb is the price needed to develop new conventional projects. This benefits EFR in the form of higher uranium prices and the ability to provide supply from the USA, which is a much more stable area.

Valuation Conclusion

Our NAV valuation derives a per share value of \$30.00 for EFR, driven primarily by a long-term increase in uranium pricing to \$70/lb. The production increases are mostly driven by the Company's Sheep Mountain (projecting production to start in 2016), Roca Honda (projecting production to start in 2020), and Henry Mountain (projecting production to start in 2017) projects. With a portfolio of producing and near-producing uranium projects, and an EV/Resource multiple well below its peer group, EFR is extremely well-positioned to take advantage of the expected increase in uranium pricing, giving EFR the potential for strong share price appreciation.

	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Average Uranium Price (US\$/lb)	\$47.5	\$60.0	\$67.5	\$70.0	\$70.0	\$70.0	\$70.0
<u>Production estimates (lbs in thousands)</u>							
Whirlwind	0	0	275	350	350	350	300
Energy Queen + B	0	0	300	300	300	300	300
Alt_Feed	150	200	350	400	400	400	400
Henry Mountain	0	0	0	700	700	700	1,000
Sheep Mountain	0	0	352	366	727	640	667
Pinenut	300	350	337	0	0	0	0
Canyon	0	0	350	350	350	350	154
Daneros	0	150	200	200	0	0	0
La Sal Complex	0	300	400	300	0	0	0
Roca Honda	0	0	0	0	0	0	1,416
Broker	300	150	0	0	0	0	0
Total	750	1,150	4,793	5,439	5,300	5,213	6,547
Revenue (in thousands)	\$35,625	\$69,000	\$323,511	\$380,695	\$370,965	\$364,875	\$458,313
<u>Total Cash Cost Estimates (US\$/lb)</u>							
Whirlwind	\$0	\$0	\$55	\$55	\$55	\$55	\$55
Energy Queen + B	\$0	\$0	\$53	\$53	\$53	\$53	\$53
Alt_Feed	\$30	\$30	\$30	\$30	\$30	\$30	\$30
Henry Mountain	\$0	\$0	\$60	\$60	\$60	\$60	\$60
Sheep Mountain	\$0	\$0	\$36	\$35	\$21	\$28	\$33
Pinenut	\$32	\$32	\$32	\$0	\$0	\$0	\$0
Canyon	\$0	\$0	\$30	\$30	\$30	\$30	\$30
Daneros	\$0	\$48	\$48	\$48	\$0	\$0	\$0
La Sal Complex	\$0	\$48	\$48	\$48	\$0	\$0	\$0
Roca Honda	\$0	\$0	\$0	\$0	\$0	\$0	\$37
Broker	\$48	\$53	\$0	\$0	\$0	\$0	\$0
Cash Flow (in thousands)	\$9,276	(\$1,843)	\$25,799	\$54,477	\$60,489	\$4,614	\$45,053

In addition to our DCF, we have modeled the rest of the Company's resource base at \$4.24 per share. We value M&I resources at \$2/lb, and inferred resources at \$1/lb. We believe that this is very conservative, as these totals represent steep discounts to the median dollar value of the M&I and M&I+I of comparable U.S. uranium producers.

NAV

DCF on producing mines (10% DR)	\$25.99
Net Cash	(\$0.30)
Virginia Energy Investment	\$0.07
Unmodeled Resources (\$2/lb M&I, \$1/lb Infr)	\$4.24
Total Value	\$30.00

Name	Ticker	Share Price	Market Cap	Enterprise Value	U3O8 Resources (MMlb)		EV/Resource		
		(US\$)	(US\$MM)	(US\$MM)	M&I	Inferred	M&I	M&I+I	P/B
Uranium Energy Corp	UEC US	\$1.86	\$160.33	\$153.10	32.4	34.1	\$4.73	\$2.30	2.8x
Ur-Energy	URG US, URE CN	\$1.14	\$140.22	\$148.70	20.5	4.7	\$7.25	\$5.90	2.3x
Uranerz Energy Corp	URZ US, URZ CN	\$1.15	\$96.11	\$98.37	15.7	3.3	\$6.27	\$5.18	46.2x
Uranium Resources Inc	URRE US	\$3.39	\$66.73	\$63.31	N/A	N/A	N/A	N/A	1.5x
<i>Median</i>							\$6.27	\$5.18	2.6x
Energy Fuels	UUUU US, EFR CN	\$5.56	\$109.10	\$114.98	88.8	38.2	\$1.29	\$0.91	0.6x

As of December 3, 2013

Source: Bloomberg, Company Presentations

We believe that the current share price of \$5.56 represents an attractive entry point for investors. The price is below the financing prices for both June (\$6.75) and September (\$8.00). In our view, the selloff was due to a combination of stock-specific issues (reverse split to uplist to the NYSE MKT, 4-month hold from the June 2013 financing expiring) and industry-specific issues (uranium prices continuing to remain weak, resulting in project delays and mine idling). Catalysts appear to be on the horizon, with the uplist to the NYSE MKT occurring on December 4, 2013 and initial indications of an increase in uranium prices (prices have increased 4% since the end of October to \$35.75/lb). Long-term uranium price projections remain strong, and EFR has historically traded at much higher share prices when uranium prices have increased (EFR traded over \$200 per share when uranium prices went over \$100/lb in 2007, and traded over \$70 per share in early 2011 when uranium prices were about \$60-\$70/lb).

The biggest risks to our price target include uranium prices not reaching a long-term price of \$70/lb, which could lead to lower production and cash flows, and any delays in developing the Company's big 4 development projects (Sheep Mountain, Roca Honda, Henry Mountain and Gas Hills) or delays in restarting the Company's idled mines.

Resource Summary

	Measured & Indicated					Inferred				
	Tons ('000)	Grade (% U ₃ O ₈)	Grade (% V ₂ O ₅)	Lbs. U ₃ O ₈ ('000)	Lbs. V ₂ O ₅ ('000)	Tons ('000)	Grade (% U ₃ O ₈)	Grade (% V ₂ O ₅)	Lbs. U ₃ O ₈ ('000)	Lbs. V ₂ O ₅ ('000)
Sheep Mountain	12,895	0.12%	0.00%	30,285	0	0	0.00%	0.00%	0	0
Henry Mountains	2,402	0.27%	0.00%	12,814	0	1,615	0.25%	0.00%	8,082	0
Roca Honda	1,246	0.40%	0.00%	10,070	0	869	0.41%	0.00%	7,136	0
Marquez	3,611	0.13%	0.00%	9,130	0	2,160	0.11%	0.00%	4,907	0
Gas Hills	2,300	0.13%	0.00%	5,400	0	3,900	0.07%	0.00%	5,500	0
Juniper Ridge	4,140	0.06%	0.00%	5,208	0	0	0.00%	0.00%	0	0
San Rafael	758	0.22%	0.30%	3,405	4,596	454	0.21%	0.28%	1,860	2,510
Dalton Pass	1,623	0.10%	0.00%	3,071	0	908	0.08%	0.00%	1,530	0
Sage Plain	643	0.23%	1.39%	2,834	17,829	49	0.18%	1.89%	181	1,854
Nose Rock	2,594	0.15%	0.00%	2,594	0	167	0.14%	0.00%	452	0
Energy Queen	224	0.31%	1.35%	1,396	6,030	68	0.27%	1.33%	366	1,804
Whirlwind	169	0.30%	0.97%	1,003	3,293	437	0.23%	0.72%	2,000	6,472
Sky	669	0.07%	0.00%	948	0	55	0.05%	0.00%	54	0
Daneros	0	0.00%	0.00%	0	0	156	0.21%	0.00%	661	0
Canyon	0	0.00%	0.00%	0	0	83	0.98%	0.00%	1,629	0
Pinenut	0	0.00%	0.00%	0	0	95	0.54%	0.00%	1,037	0
Arizona 1	0	0.00%	0.00%	0	0	46	0.64%	0.00%	594	0
EZ Complex	0	0.00%	0.00%	0	0	224	0.47%	0.00%	2,105	0
Other Properties	158	0.20%	0.99%	642	3,104	28	0.22%	0.80%	120	443
Total	33,432			88,800	34,852				38,214	13,083

Producing & Developed Mines

Arizona One

The Arizona One Mine is a producing uranium mine located in northern Arizona, approximately 35 miles south of the town of Fredonia, Arizona. The mine site for this high-grade “breccia pipe” deposit has less than 20 acres of total surface disturbance and is situated on land managed by the U.S. Bureau of Land Management (“BLM”). Originally approved by BLM in 1988, the Arizona One Mine has been in active production since late 2009, producing up to 300 tons of ore per day that is processed at Energy Fuels’ White Mesa Mill. Through March 2013, Arizona One had produced a total of ~97,350 tons of ore, at an average grade of 0.62% U₃O₈, containing ~1.2 million lbs. of U₃O₈.

Mining at the Arizona One mine is expected to continue through the end of 1Q14, after which the resources will likely have been depleted. At this point, the mine will be scheduled for reclamation.

Pinenut

The Pinenut Mine is a producing uranium mine located in northern Arizona approximately 35 miles south of the town of Fredonia, Arizona. Energy Fuels initiated production at the Pinenut Mine in the summer of 2013, and the ore is processed at Energy Fuels' White Mesa Mill. The mine site for this high-grade "breccia pipe" deposit has less than 20 acres of total surface disturbance and is situated on land managed by the U.S. Bureau of Land Management. Breccia pipe is broken fragments of mineral or rock cemented by silica that are often hosts for ore deposition in uranium mining districts. The mine was partially developed in the late 1980's and a shaft was sunk to a depth of 1,350 feet. At that time, this high-grade "breccia pipe" deposit was mined and produced 526,000 lbs. of U_3O_8 . As of September 30, 2012, there are approximately 1,037,000 lbs. of U_3O_8 at Pinenut contained in 95,000 tons of inferred resource at an average grade of 0.54% U_3O_8 . Mining at the Pinenut mine is expected to continue until mid-2014, at which point the mine is expected to be put on standby..

Canyon

The Canyon Mine is a fully-permitted uranium mine located in northern Arizona approximately 6 miles southeast of Tusayan, Arizona. The mine site for this high-grade "breccia pipe" deposit has less than 20 acres of total surface disturbance and is situated on land managed by the U.S. Forest Service. The mine was approved by the Forest Service and partially developed in the late 1980's. There is significant existing infrastructure at the site, including a head-frame, hoist and a partially sunk shaft. There are approximately 1,629,000 lbs. of U_3O_8 at Canyon, contained in 82,800 tons of inferred resource at an average grade of 0.98% U_3O_8 .

Refurbishment of surface facilities development began at the Canyon Mine in 2013. However, due to the current weak uranium price environment, the Company placed shaft-sinking activities on standby in November 2013. The Company will continue to evaluate the market in determining when to restart development at this high-grade deposit..

Daneros

The Daneros Mine is a uranium mine that produced ore as recently as October 2012. It is located approximately 40 miles west of Blanding, Utah, in the White Canyon Mining District. Historic production from the White Canyon District has exceeded 11 million lbs. of uranium. Daneros was developed and placed into active production in 2010 by Utah Energy Corporation (UEC). UEC was acquired by Denison Mines Corp. in 2011 and then by Energy Fuels in its 2012 acquisition of Denison's US mining assets. Through October of 2012, Daneros had produced approximately 120,400 tons of ore containing 690,200 lbs. of U_3O_8 at an average grade of 0.29% U_3O_8 . Ore from the mine is processed at Energy Fuels' White Mesa

Mill. As of a July 2012 technical report, approximately 156,600 tons of inferred resources remain at Daneros with an average grade of 0.26% (824,100 lbs. U_3O_8). Since the July 2012 Technical Report, another 13,608 tons of uranium at a grade of 0.275% U_3O_8 have been mined (74,924 lbs. U_3O_8). Daneros was placed on stand-by status in October 2012.

La Sal Complex

The La Sal Complex is a set of uranium and vanadium mines that produced ore as recently as December 2012. The project is located near the town of La Sal, Utah in the La Sal Mining District. The project consists of the La Sal, Beaver and Pandora Mines which are mature operating mines connected by extensive underground workings. The entire La Sal Trend runs east/west for approximately 20 miles, with mines located on private land and unpatented claims on land managed by the U.S. Bureau of Land Management and U.S. Forest Service. Energy Fuels' Energy Queen Project is located in the same trend, immediately to the west of the La Sal Complex. Ore from the mines is processed at Energy Fuels' White Mesa Mill. From 2007 through 2012, the La Sal Complex produced approximately 455,000 tons of ore at average grades of 0.22% U_3O_8 and 1.14% V_2O_5 (~700,000 lbs. of uranium and ~3.75 million lbs. of vanadium). The La Sal Project is currently on stand-by status.

Henry Mountains

The Henry Mountains Complex is a contiguous group of uranium properties located about 40 miles south of Hanksville, Utah in eastern Garfield County. The Henry Mountains Complex includes the Tony M/Southwest Deposit, the Copper Bench/Indian Bench Deposit, and the Tony M Mine. The district was extensively explored and developed in the 1970's and 1980's, and the Tony M Mine contains approximately 17 miles of existing underground workings, as well as extensive existing surface development. The Henry Mountains Complex consists of 202 unpatented mining claims located on BLM-managed land and one 640-acre State of Utah mineral lease. Prior to Energy Fuels' acquisition of the property, Denison Mines Corp. constructed a number of surface facilities at the Tony M including a power generation station, compressor station, fuel storage facilities, an evaporation pond, maintenance building, and offices. The Henry Mountains Complex contains approximately 2.4 million tons of indicated resources with an average grade of 0.27% U_3O_8 (12.8 million lbs. U_3O_8) and approximately 1.61 million tons of inferred resources with an average grade of 0.25% U_3O_8 (8.08 million lbs. U_3O_8). The Henry Mountains Complex is currently on stand-by status.

Whirlwind

The Whirlwind Mine was developed by Pioneer Uranium between 1976-1981 and was known at that time as the Urantah claims. The claims were later held by Umetco Minerals Corp., and then Cotter Corporation, before acquisition by Energy Fuels in

late 2006. Energy Fuels operated the mine briefly in 2009. Earlier production ceased because of declining prices. The deposit is generally flat lying at a depth of about 540 feet and is accessed by a 3,500 ft. long decline which is in place and in excellent condition. Energy Fuels completed permitting of the Whirlwind Mine in 2009. It has been fully refurbished and is ready for production. The Whirlwind Mine contains approximately 169,000 tons of measured and indicated resources at an average grade of 0.30% U_3O_8 and 0.97% V_2O_5 (1.1 million lbs. U_3O_8 and 3.3 million lbs. V_2O_5), and 437,000 tons of inferred resources at an average grade of 0.23% U_3O_8 and 0.72% V_2O_5 (2.0 million lbs. U_3O_8 and 6.5 million lbs. V_2O_5). The Whirlwind Mine is currently on standby status.

Sunday Complex

The Sunday Mine Complex consists of the Sunday/St. Jude, West Sunday, Topaz, and Carnation Mines in western San Miguel County, Colorado. These are mature mines with extensive existing underground workings. The most recent activity occurred at the Topaz Mine with an initial development drift completed in 2007, followed by mining until 2009, at which time the project was placed on standby.

Development Projects

Sheep Mountain

The Sheep Mountain Project is a large uranium mine located in Fremont County, Wyoming. Sheep Mountain was formerly operated by Western Nuclear from the 1950's to the 1980's, after which production ceased. Energy Fuels acquired the Sheep Mountain Project through its acquisition of Titan Uranium Inc. in February 2012.

Energy Fuels plans to redevelop this project utilizing both conventional underground and open pit mining techniques. Uranium will be produced in a heap leach extraction process with an ion exchange recovery plant. The mine permit, issued by the State of Wyoming, is current. Energy Fuels plans to apply for a Source Material License from the U.S. Nuclear Regulatory Commission (NRC) and submit a Plan of Operations to the Bureau of Land Management (BLM) in 2013. The Sheep Mountain Project contains approximately 12.9 million tons of measured and indicated resources at an average grade of 0.12% U_3O_8 (30.3 million lbs. U_3O_8).

Energy Fuels' recent acquisition of Strathmore potentially adds to the future production profile of the Sheep Mountain Project through co-development of certain properties obtained through the merger.

Roca Honda

Energy Fuels' Roca Honda Project is one of the largest and highest grade uranium development projects in the United States. It is located in northwest New Mexico on lands managed by the U.S. Forest Service and State of New Mexico. Energy Fuels acquired the Roca Honda Project as a part of its acquisition of Strathmore Minerals Corp. in August 2013. The project is held in a joint venture with Sumitomo Corporation of Japan (Energy Fuels owns 60% and Sumitomo owns 40%). The project is within trucking distance of Energy Fuels' White Mesa Mill. According to the NI 43-101 Technical Report and Preliminary Economic Assessment (PEA) prepared by Roscoe Postle (USA) Ltd. for Strathmore, the Roca Honda Project contains 2.08 million tons of measured and indicated resources with an average grade of 0.404% U_3O_8 containing 16.8 million lbs. of U_3O_8 . In addition, the project contains an additional 1.45 million tons of inferred mineral resources with an average grade of 0.411% U_3O_8 containing 11.9 million lbs. of U_3O_8 . The same report also shows attractive project economics including a nine year mine life, estimated operating cost of US\$24/lb., and annual production of 2.6 million lbs. of U_3O_8 per year. The project is currently in permitting with the State of New Mexico, which is expected to be completed by 2016.

Gas Hills

Energy Fuels' Gas Hills Project is located in the Gas Hills Uranium District of Wyoming on land managed by the U.S. Bureau of Land Management. Historically, the Gas Hills was the 2nd largest uranium producing region in the U.S. Energy Fuels acquired the Gas Hills Project as a part of its acquisition of Strathmore Minerals Corp. in August 2013. Energy Fuels is in the process of evaluating the co-development of the Gas Hills Project with its Sheep Mountain Project, located approximately 28-miles away. On March 22, 2013, a new NI 43-101 Technical Report for the Gas Hills Project was completed by Chlumsky, Armbrust & Meyer LLC (CAM) of Denver, Colorado. The report was filed on Strathmore's SEDAR profile on April 24, 2013. The technical report shows approximately 2.3 million tons of indicated mineral resources with an average grade of 0.13% U_3O_8 containing 5.4 million lbs. of U_3O_8 . In addition, the technical report shows an additional 3.9 million tons of inferred mineral resources with an average grade of 0.07% U_3O_8 containing 5.5 million lbs. of U_3O_8 .

Juniper Ridge

Energy Fuels' Juniper Ridge Project is located in the Poison Basin Uranium District of south-central Wyoming on land managed by the U.S. Bureau of Land Management and the State of Wyoming. This is a historically significant uranium district with major operators including Homestead Mineral Corp., Union Carbide, Urangesellschaft (UG) and AGIP Mining Group. Energy Fuels acquired the Juniper Ridge Project as a part of its acquisition of Strathmore Minerals Corp. in August

2013. Energy Fuels is in the process of evaluating the co-development of the Juniper Ridge Project with its Sheep Mountain Project, which is located within trucking distance. On February 21, 2012, a NI 43-101 Technical Report for the Juniper Ridge Project was completed by BRS Engineering Inc. of Riverton, Wyoming. The report was filed on the SEDAR profile of Crosshair Energy Corp. (Crosshair was under contract to acquire the property from Strathmore until Q4 2012, at which point the contract was terminated. Crosshair has since changed its name to Jet Metals Corp.) The technical report shows approximately 4.1 million tons of indicated mineral resources with an average grade of 0.063% U_3O_8 containing 5.2 million lbs. of U_3O_8 .

Sage Plain

The Sage Plain Project consists of three private mineral leases, four Utah State Land mineral leases, and 94 unpatented mining claims on land managed by the U.S. Bureau of Land Management, located about 15 miles northeast of Monticello, Utah in the southwest continuation of the Uravan Mineral Belt. The project area includes two historic mines, the Calliham Mine and the Sage Mine, both operated by Atlas Minerals in the 1970's to early 1980's. In addition, the Calliham Mine was operated briefly by Umetco Minerals Corp. in the early 1990's. Both mines ceased production due to low uranium prices. The project was formerly held by Energy Fuels in a joint venture with [Aldershot Resources, Inc.](#) In October 2012, Energy Fuels acquired Aldershot's interest and now controls 100% of the project. Permitting at the Sage Plain project has begun. The Company expects to receive all permits by early 2014.

The Sage Plain Project contains approximately 439,000 tons of measured and indicated resources at an average grade of 0.23% U_3O_8 and 1.39% V_2O_5 (2.0 million lbs. U_3O_8 and 12.2 million lbs. V_2O_5), and 25,000 tons of inferred resources at an average grade of 0.18% U_3O_8 and 1.89% V_2O_5 (91,000 lbs. U_3O_8 and 927,000 lbs. V_2O_5).

Energy Queen

The Energy Queen Mine, formerly known as the Hecla Shaft, was initially a Union Carbide/Hecla Mining joint venture. The mine was acquired by Energy Fuels in December 2006. The property is located in San Juan County, Utah, between the small community of La Sal and La Sal Junction where Utah State Highway 46 joins U.S. Highway 191. The property is in the west end of the La Sal trend, just west of Energy Fuels' La Sal Complex. This mine property is in good condition with well-developed infrastructure including onsite electric power. A head frame; compressor house; mine hoist; and a mine services building with shop, warehouse, office, and miner's shower facilities are all in place as well. The mine is located on private land and is fully permitted with San Juan County, Utah and the Utah Division of Oil, Gas and Mining and ready for production.

The Energy Queen Mine contains approximately 224,000 tons of measured and indicated resources at an average grade of 0.31% U_3O_8 and 1.35% V_2O_5 (1.4 million lbs. U_3O_8 and 6.0 million lbs. V_2O_5), and 68,000 tons of inferred resources at an average grade of 0.27% U_3O_8 and 1.33% V_2O_5 (366,000 lbs. U_3O_8 and 1.8 million lbs. V_2O_5).

Piñon Ridge Mill

The Piñon Ridge Mill is a fully-licensed proposed uranium and vanadium mill, located in Western Montrose County, Colorado. The Company received a Radioactive Materials License from the State of Colorado in April 2013. This new facility would process uranium and vanadium ore from area mines. Utilizing modern technologies and operating under a stringent regulatory environment, the Piñon Ridge Mill would be the first conventional uranium mill built in the US in over 30 years. Energy Fuels acquired the property for the Piñon Ridge Mill in July of 2007. The site was selected, because it is very suitable for a new uranium mill. It is in the heart of the Uravan Mineral Belt, a historically significant uranium producing area. In fact, there are a number of recently producing mines within sight of the mill.

Management & Board

Stephen P. Antony, *President & CEO*

Over the last 33 years Mr. Antony has held increasingly senior positions in both the technical and managerial sectors of the mining industry. He first entered the uranium business with Mobil Oil's Mining and Mineral group in the mid-1980's, during which time he developed the reclamation plan for Mobil's El Mesquite ISL operation in south Texas. He joined Energy Fuels Nuclear, Inc. (EFN) in 1986 as the company was growing to become the largest U_3O_8 producer in the US, peaking at more than 5 million pounds annually. Mr. Antony served as director of Technical Services for the company where he authored many of the feasibility studies for the expansion of EFN's highly successful Breccia Pipe Mine projects in the Arizona Strip. Subsequent to his employment with EFN, Mr. Antony held a brief position with Power Resources, Inc (PRI) as Vice President of Business Development. He then consulted to Cameco Corp. on due diligence prior to their acquisition of PRI, which Cameco undertook as part of their strategy to become a significant uranium producer in the US. Mr. Antony was most recently Chief Operating Officer of Energy Fuels, responsible for the daily operations of the Company, including all aspects of uranium property exploration, ore production and mill processing. He was appointed President and CEO on April 1, 2010. Mr. Antony, is a registered professional engineer in a number of States in which the Company holds properties. He is a graduate of the Colorado School of Mines, and holds a Masters of Business Administration (MBA) from the University of Denver.

Harold Roberts, *EVP & COO*

Mr. Roberts is Chief Operating Officer for Energy Fuels. He was previously the Executive Vice President – U.S. Operations for Denison Mines Corp. Prior to his employment with Denison, Mr. Roberts was the President of Energy Fuels Nuclear, Inc. Throughout his career Mr. Roberts has held various positions related to operations oversight, project development, and permitting of mining operations. Mr. Roberts obtained his Bachelor of Science degree in Civil Engineering from Montana State University in 1975, and is a Registered Professional Engineer in several western States.

Gary Steele, *SVP, Corporate Marketing*

Over a 42-year career, Mr. Steele has held a wide range of management positions in both the technical and commercial areas of the mining industry. During 20 years in the coal industry, he worked in engineering and operating roles, both underground and surface, and was Director of Utility Marketing for a large Powder River Basin, Wyoming, coal producer, negotiating fuel supply and transportation contracts with major US utilities. He was also designated a member of the corporate M&A due diligence team. This mining experience was followed by 15 years in the investment management business, and the establishment of Steele Capital Advisors, an advisory firm managing investment portfolios for private clients, and specializing in mineral industry opportunities. Mr. Steele joined Energy Fuels in 2006, and, drawing on his complementary mix of experience, he is responsible for economic and project evaluation, and utility marketing at Energy Fuels. Mr. Steele is a registered professional engineer and an engineering graduate of the Colorado School of Mines. He also holds an MSc. in Mineral Economics from the Colorado School of Mines.

Graham Moylan, *CFO*

Mr. Moylan is an experienced finance professional and brings to Energy Fuels many years of combined experience across mining, capital markets, finance and accounting in both Canada and the United States. Prior to joining Energy Fuels, Mr. Moylan was a Director with Dundee Capital Markets' investment banking group for seven years, gaining significant financing and M&A transaction experience within the uranium sector. Prior to joining Dundee Capital Markets, Mr. Moylan was employed by KPMG LLP in their New York and Northern Virginia offices. Mr. Moylan began his career with IBM Canada in their finance group in Toronto. Mr. Moylan is a licensed Certified Public Accountant (Colorado) and has Honours Bachelor of Arts and Master of Management and Professional Accounting degrees from the University of Toronto.

David Frydenlund, SVP, General Counsel & Corporate Secretary

Mr. Frydenlund is Senior Vice President, General Counsel and Corporate Secretary of Energy Fuels. Mr. Frydenlund's responsibilities include all legal and regulatory matters relating to the Company's activities. His expertise extends to NRC, EPA, State and Federal regulatory and environmental laws and regulations. From 1997 to July 2012, Mr. Frydenlund was Vice President Regulatory Affairs, Counsel and Corporate Secretary of Denison Mines Corp., and its predecessor International Uranium Corporation (IUC), and was also a director of IUC from 1997 to 2006. From 1996 to 1997, Mr. Frydenlund was a Vice President of the Lundin Group of international public mining and oil and gas companies, and prior thereto was a partner with the Vancouver law firm of Ladner Downs (now Borden Ladner Gervais) where his practice focused on corporate, securities and international mining transactions law. Mr. Frydenlund was also an adjunct professor, corporate law, at the University of British Columbia Faculty of Law from 1990-1994. David holds a bachelors degree from Simon Fraser University, a masters degree from the University of Chicago and a law degree from the University of Toronto.

Daniel Zang, VP & Controller

Mr. Zang is a mining industry financial veteran, with significant finance and accounting experience in large operating mines, as well as extensive experience in public company reporting. He was formerly Vice President and Controller for the copper and molybdenum operations of Cyprus Minerals and Controller for General Moly. Mr. Zang also has approximately ten years of experience in public accounting and was a Senior Manager at Price Waterhouse. In addition to his experience in the mining industry and public accounting, Mr. Zang also has extensive experience in home building, software development and fish farming. He is a Certified Public Accountant in the State of Colorado.

Additional Information

US Legal Counsel: Dorsey & Whitney LLP and Sichenzia Ross Friedman Ference LLP

Auditor: KPMG LLP

Transfer Agent: Canadian Stock Transfer Company, Inc.

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Company Contact Info:

*Energy Fuels Inc.
2 Toronto Street, Suite 500
Toronto, Ontario, M5C 2B6
(303) 974-2140
www.energyfuels.com*

Investor Contact Info:

*RedChip Companies, Inc.
500 Winderley Place, Suite 100
Maitland, FL 32751
(407) 644-4256
www.redchip.com*