

Making significant strides in uranium and rare earths, Energy Fuels is debt-free with strong working capital

News flow from Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) has been busy through September and October since it announced that it had delivered notice to the holders of the company's remaining debentures for the cash redemption on October 6, 2020. On Friday, October 30, 2020 Energy Fuels Energy Fuels announced Q3-2020 results as "debt-free with strong working capital".

As promised, the company became debt-free by the retirement of its remaining C\$10.4M of floating rate convertible unsecured subordinated debentures. Notably, the company currently has no other remaining short- or long-term debt.

This is quite unusual, as most companies will carry a certain amount of debt as it was taught in business schools that it is an efficient use of a company's balance sheet. However, with a total of US\$44.7 million of working capital (\$28.1 million cash, \$25.6 million concentrate inventory and work in progress), the company is well-positioned to take advantage of upcoming opportunities as they arise.

Recall that the company announced in April 2020 that it was entering into the rare earths space. As CEO Mark Chalmers recently reminded followers on InvestorIntel, the company's "White Mesa Mill fits a unique role when it comes to dealing with rare earths feed." The mill has a licensed capacity of 8 million pounds of U308 per year. The mill is also capable of processing for vanadium and the company is in the throes of making process adjustments to extract rare earth elements that

occur naturally with the uranium ore.

Additionally, it was announced on September 21, 2020 that Energy Fuels and a team from Penn State University have been selected by U.S. Department of Energy to develop a design for the production of rare earth elements from coal-based resources. As readers know, rare earths are everywhere in our daily lives, from automobiles to our ubiquitous and everyday media and communications devices.

As Mark Chalmers reminded investors, “the U.S. does not currently have a fully integrated rare earth supply chain. Therefore, the government has made it a priority to assist in the development of domestic sources of rare earth production. With this award, we are excited to play a role in this effort, while also pursuing our other complementary rare earths initiatives.”

With the REE supply chain basically controlled by China, the US is long overdue to address this issue. In addition to the new design announcement, Energy Fuels continues to evaluate the potential to implement a commercial rare earth recovery and processing program at its White Mesa Mill, so this award announcement is complementary to the company’s ongoing rare earth work.

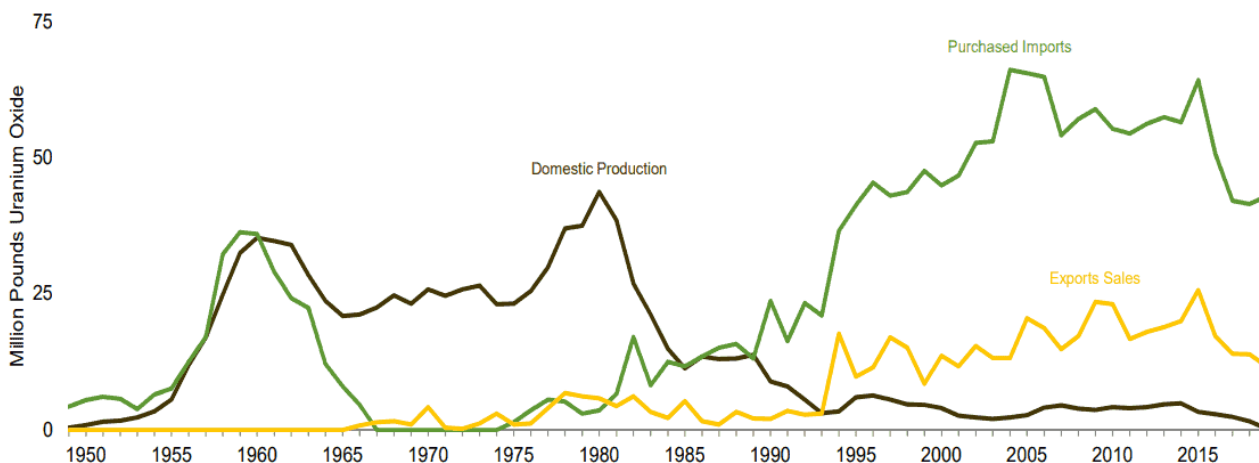
Lastly, on September 20, 2020, US President Trump issued an Executive Order “on Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries”. It declares a “National Emergency” to expand the domestic mining industry, considering the list developed in 2018 of 35 minerals deemed critical to U.S. national security and the economy which include uranium and rare earths.

Specific to uranium, it was also announced on October 6, 2020 that the US Department of Commerce and the Russian state atomic energy corporation, Rosatom, have amended an agreement that was to expire on December 31, 2020 that extends the 1992

pact through 2040 and reduces U.S. reliance on uranium from Russia during that time period. The US and Russia have had an agreement since 1992 that governed uranium trade between the two countries. The trade deal was developed to partially utilize “excess” uranium from Russian nuclear warheads at a time when the world was concerned that elements of the former Soviet Union (Russia) nuclear arsenal were at risk of falling into unfriendly hands. However, the US uranium industry has definitely been eclipsed by foreign-sourced uranium since that time.

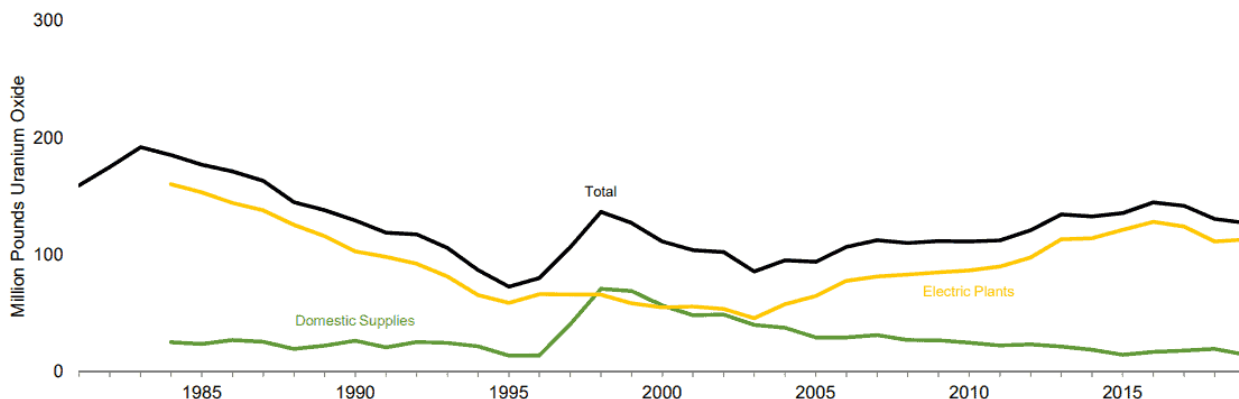


Production and Trade, 1949–2019

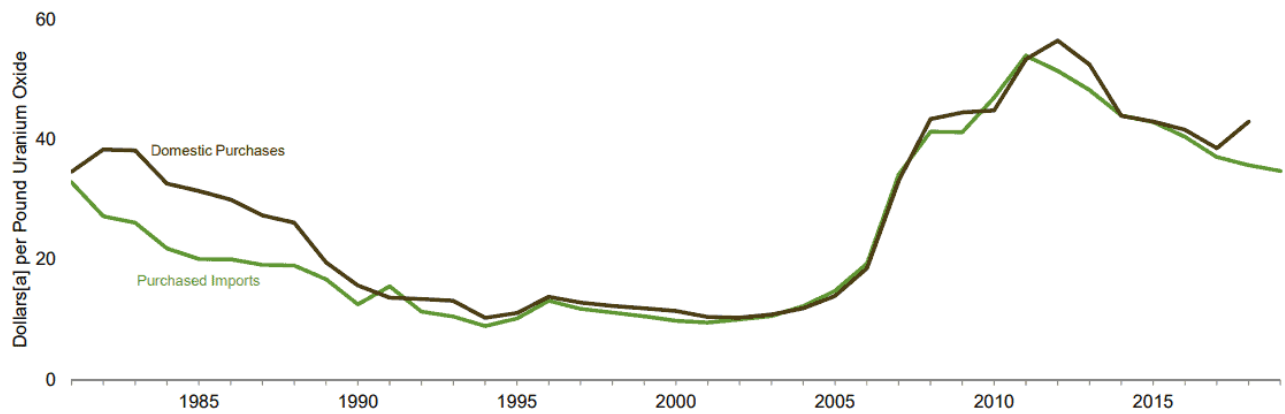


Inventories, End of Year 1981–2019

Inventories, End of Year 1981–2019



Average Prices, 1981–2019



[a] Prices are not adjusted for inflation. See "Nominal Dollars" in Glossary.
Note: See "Uranium Oxide" in Glossary.

Web Page: <http://www.eia.gov/totalenergy/data/monthly/#nuclear>.
Source: Table 8.2.

Source:

The import limit of Russian uranium of 20% will be reduced to average no more than 17% over the next 20 years and no higher than 15% starting in 2028. This is an important step forward for the US domestic nuclear industry and in theory for Energy Fuels, as the company's White Mesa Mill is the only fully licensed and operating conventional uranium mill in the US.

With the company's expertise in uranium production and growing reputation in the nationally important rare earths space, Energy Fuels is poised to become an important component of the US domestic industry. The company deserves to be on your watch list.

Ur-Energy's Jeffrey Klenda on the Executive Order for

Critical Minerals and the Impact of the Amended Russian Suspension Agreement on U.S. Uranium Producers

InvestorIntel's Tracy Weslosky speaks with Jeffrey Klenda, Chairman, President, and CEO of Ur-Energy Inc. (NYSE American: URG | TSX: URE), about President Trump's Executive Order on Critical Minerals which called the reliance on critical minerals from foreign adversaries a national emergency. "It not only is a national emergency, I think it has been a national emergency for many years," Jeffrey told InvestorIntel. "The reality is, of those 35 critical minerals, we are reliant for 31 of them to the tune of more than 50% of our consumption on foreign entities and for 14 of those critical minerals we are 100% dependent."

Jeffrey went on to provide an update on the extended and amended version of the Russian Suspension Agreement. He explained how it helps the US uranium producers and also closes the loopholes in the agreement to stop Russia from flooding the US uranium market.

Jeffrey also commented on Kazatomprom, Cameco and the US presidential election. "We will see utilities coming back into the marketplace," Jeffrey said. "We are thinking that will push prices higher before the end of the year and we stand ready. We have kept our operational staff in place, we are ready to ramp up at anytime. We can do it faster, at lower cost than anyone else"

To access the complete interview, [click here](#)

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