

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36204



ENERGY FUELS INC.

(Exact name of registrant as specified in its charter)

Ontario, Canada

(State or other jurisdiction of incorporation or organization)

98-1067994

(I.R.S. Employer Identification No.)

225 Union Blvd., Suite 600

Lakewood, Colorado

(Address of principal executive offices)

80228

(Zip Code)

(303) 974-2140

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, no par value	UUUU EFR	NYSE American Toronto Stock Exchange
Warrants to purchase common shares	UUUU-WT EFR.WT	NYSE American Toronto Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes No

As of May 12, 2021, the registrant had 143,435,715 common shares, without par value, outstanding.

ENERGY FUELS INC.
FORM 10-Q
For the Quarter Ended March 31, 2021
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report and the exhibits attached hereto (the “Quarterly Report”) contain “forward-looking statements” within the meaning of applicable United States (“U.S.”) and Canadian securities laws, which may include, but are not limited to, statements with respect to: our anticipated results and progress of our operations in future periods, planned exploration, if warranted, development of our properties, plans related to our business, including our rare earth element (“REE”) initiatives, and other matters that may occur in the future, any expectation related to the proposed establishment of a uranium reserve for the United States (the “U.S. Uranium Reserve”) pursuant to the COVID-Relief and Omnibus Spending Bill, which includes \$75 million for the establishment of a strategic U.S. Uranium Reserve, and was signed into law on December 27, 2020, any expectation related to any additional or future recommendations of the United States Nuclear Fuel Working Group (the “U.S. Nuclear Fuel Working Group” or “Working Group”), any plans we may have to evaluate the ramp-up of production at any of our properties, and the expected costs of production of any properties that may be ramped up. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, schedules, assumptions, future events, or performance (often, but not always, using words or phrases such as “expects” or “does not expect,” “is expected,” “is likely,” “budgets,” “scheduled,” “forecasts,” “intends,” “anticipates” or “does not anticipate,” “continues,” “plans,” “estimates,” or “believes,” and similar expressions or variations of such words and phrases or statements stating that certain actions, events or results “may,” “could,” “would,” “might,” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. We believe that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference into, this Quarterly Report should not be unduly relied upon. This information speaks only as of the date of this Quarterly Report.

Readers are cautioned that it would be unreasonable to rely on any such forward-looking statements and information as creating any legal rights, and that the statements and information are not guarantees and may involve known and unknown risks and uncertainties, and that actual results are likely to differ (and may differ materially) and objectives and strategies may differ or change from those expressed or implied in the forward-looking statements or information as a result of various factors. Such risks and uncertainties include global economic risks such as the occurrence of a pandemic, risks associated with our planned production of REE carbonate commencing in 2021, and risks generally encountered in the exploration, development, operation, and closure of mineral properties and processing and recovery facilities, as well as risks related to the proposed establishment of a U.S. Uranium Reserve, and risks related to any additional or future recommendations of the U.S. Nuclear Fuel Working Group not benefiting us in any material way. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- global economic risks, including the occurrence of unforeseen or catastrophic events, such as the emergence of a pandemic or other widespread health emergency (or concerns over the possibility of such an emergency), which could create economic and financial disruptions and require us to reduce or cease operations at some or all of our facilities for an indeterminate period of time, and which could have a material impact on our business, operations, personnel and financial condition;
- risks associated with mineral reserve and resource estimates, including the risk of errors in assumptions or methodologies;
- risks associated with changes to applicable mineral reserve and resource estimates disclosure rules and regulations;
- risks associated with estimating mineral extraction and recovery, forecasting future price levels necessary to support mineral extraction and recovery, and our ability to increase mineral extraction and recovery in response to any increases in commodity prices or other market conditions;
- uncertainties and liabilities inherent to conventional mineral extraction and recovery and/or in-situ uranium recovery operations;
- risks associated with our planned entry into commercial production of REE carbonate in 2021, including: the risk that we may not be able to produce REE carbonate that meets commercial specifications at commercial levels or at all, or at acceptable cost levels; the risk of not being able to secure adequate supplies of uranium and REE bearing ores in the future at satisfactory costs to us; the risk of not being able to increase our sources of uranium and REE bearing ores to meet future planned production goals; the risk of not being able to sell the REE carbonate we produce at acceptable prices to us; the risk of not being able to successfully construct and operate an REE separation facility, and potentially

- other downstream REE activities, including metal-making and alloying, in the future, which are currently being evaluated; and the risk of legal and regulatory challenges and delays;
- risks associated with the establishment of a U.S. Uranium Reserve, being subject to appropriation by the Congress of the U.S., and the details of implementation of the U.S. Uranium Reserve and other recommendations of the U.S. Nuclear Fuel Working Group not yet having been defined;
 - risks associated with any additional recommendations of the U.S. Nuclear Fuel Working Group not benefiting us in any material way;
 - risks associated with the change in administration, and the new administration not supporting mining, uranium mining, nuclear energy or other aspects of our business, including not supporting the proposed establishment of a U.S. Uranium Reserve included in the COVID Relief and Omnibus Spending Bill passed by the U.S. Congress in December 2020, or any or all of the other recommendations of the U.S. Nuclear Fuel Working Group;
 - geological, technical and processing problems, including unanticipated metallurgical difficulties, less than expected recoveries, ground control problems, process upsets, and equipment malfunctions;
 - risks associated with the depletion of existing mineral resources through mining or extraction, without replacement with comparable resources;
 - risks associated with identifying and obtaining adequate quantities of alternate feed materials and other feed sources required for operation of our White Mesa Mill in Utah (the “White Mesa Mill” or the “Mill”) in Utah;
 - risks associated with labor costs, labor disturbances, and unavailability of skilled labor;
 - risks associated with the availability and/or fluctuations in the costs of raw materials and consumables used in our production processes;
 - risks and costs associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation, and delays in obtaining permits and licenses that could impact expected mineral extraction and recovery levels and costs;
 - actions taken by regulatory authorities with respect to mineral extraction and recovery activities;
 - risks associated with our dependence on third parties in the provision of transportation and other critical services;
 - risks associated with our ability to obtain, extend or renew land tenure, including mineral leases and surface use agreements, on favorable terms or at all;
 - risks associated with our ability to negotiate access rights on certain properties on favorable terms or at all;
 - risks associated with potential information security incidents, including cybersecurity breaches, which could have negative impacts on us;
 - risks associated with us potentially not being able to successfully develop, attract and retain qualified management personnel in the future, given that the number of individuals with significant experience in the uranium, vanadium and REE industries is relatively small;
 - the adequacy of our insurance coverage;
 - uncertainty as to reclamation and decommissioning liabilities;
 - the ability of our bonding companies to require increases in the collateral required to secure reclamation obligations;
 - the potential for, and outcome of, litigation and other legal proceedings, including potential injunctions pending the outcome of such litigation and proceedings;
 - our ability to meet our obligations to our creditors;
 - our ability to access credit facilities on favorable terms;
 - risks associated with our relationships with our business and joint venture partners;
 - failure to obtain industry partner, government, and other third-party consents and approvals, when required;
 - competition for, among other things, capital, mineral properties, and skilled personnel;
 - failure to complete and integrate proposed acquisitions and incorrect assessments of the value of completed acquisitions;
 - risks posed by fluctuations in share price levels, exchange rates and interest rates, and general economic conditions;
 - risks inherent in our and industry analysts’ forecasts or predictions of future uranium, vanadium, copper and REE price levels, including the prices for REE carbonates, REE oxides, REE metals and REE metal alloys;
 - fluctuations in the market prices of uranium, vanadium, copper and REEs, which are cyclical and subject to substantial price fluctuations;
 - risks associated with our uranium sales, if any, being required to be made at spot prices, unless we are able to enter into new long-term contracts at satisfactory prices in the future;
 - risks associated with our vanadium sales, if any, generally being required to be made at spot prices;
 - risks associated with our proposed REE carbonate sales, if any, being tied in whole or in part to REE spot prices;
 - failure to obtain suitable uranium sales terms at satisfactory prices in the future, including spot and term sale contracts;
 - failure to obtain suitable vanadium sales terms at satisfactory prices in the future;
 - failure to obtain suitable copper or REE sales terms at satisfactory prices in the future;
 - risks associated with any expectation that we will be successful in helping the U.S. Environmental Protection Agency and Navajo Nation address historic abandoned uranium mines;

- risks associated with asset impairment as a result of market conditions;
- risks associated with lack of access to markets and the ability to access capital;
- the market price of our securities;
- public resistance to nuclear energy or uranium extraction and recovery;
- governmental resistance to nuclear energy or uranium extraction or recovery;
- risks associated with inaccurate or nonobjective media coverage of our activities and the impact such coverage may have on the public, the market for our securities, government relations, permitting activities and legal challenges, as well as the costs to us of responding to such coverage;
- uranium industry competition, international trade restrictions and the impacts on world commodity prices of foreign state subsidized production;
- risks associated with foreign governmental actions, policies, laws, rules and regulations, and foreign state subsidized enterprises, with respect to REE production and sales, which could impact REE prices available to us and impact our access to global and domestic markets for the supply of REE-bearing ores and the sale of REE carbonate and other REE products and services to world and domestic markets;
- risks associated with our involvement in industry petitions for trade remedies and the extension of the Russian Suspension Agreement, including the costs of pursuing such remedies and the potential for negative responses or repercussions from various interest groups, consumers of uranium and participants in other phases of the nuclear fuel cycle, both domestically and abroad;
- risks associated with governmental actions, policies, laws, rules and regulations with respect to nuclear energy or uranium extraction and recovery;
- risks related to potentially higher than expected costs related to any of our projects or facilities;
- risks related to our ability to recover copper from our Pinyon Plain uranium project ores;
- risks related to securities regulations;
- risks related to stock price and volume volatility;
- risks related to our ability to maintain our listing on the NYSE American and TSX;
- risks related to our ability to maintain our inclusion in various stock indices;
- risks related to dilution of currently outstanding shares, from additional share issuances, depletion of assets or otherwise;
- risks related to our lack of dividends;
- risks related to recent market events;
- risks related to our issuance of additional common shares (“Common Shares”) under our At-the-Market (“ATM”) program or otherwise to provide adequate liquidity in depressed commodity market circumstances;
- risks related to acquisition and integration issues;
- risks related to defects in title to our mineral properties;
- risks related to our securities; and
- risks related to any material weakness that may be identified in our internal controls over financial reporting. If we are unable to implement and maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, the following assumptions: that there is no material deterioration in general business and economic conditions; that there is no unanticipated fluctuation of interest rates and foreign exchange rates; that the supply and demand for, deliveries of, and the level and volatility of prices of uranium, vanadium, REEs and our other primary metals and minerals develop as expected; that uranium, vanadium and REE prices required to reach, sustain or increase expected or forecasted production levels are realized as expected; that our proposed REE carbonate production or any other REE activities will be technically or commercially successful; that we receive regulatory and governmental approvals for our development projects and other operations on a timely basis; that we are able to operate our mineral properties and processing facilities as expected; that we are able to implement new process technologies and operations as expected; that existing licenses and permits are renewed as required; that we are able to obtain financing for our development projects on reasonable terms; that we are able to procure mining equipment and operating supplies in sufficient quantities and on a timely basis; that engineering and construction timetables and capital costs for our development and expansion projects and restarting projects on standby, are not incorrectly estimated or affected by unforeseen circumstances; that costs of closure of various operations are accurately estimated; that there are no unanticipated changes in collateral requirements for surety bonds; that there are no unanticipated changes to market competition; that our reserve and resource estimates are within reasonable bounds of accuracy (including with respect to size, grade and recoverability) and that the geological, operational and price assumptions on which these are based are reasonable; that environmental and other administrative and legal proceedings or disputes are satisfactorily resolved; that there are no significant changes to regulatory programs and requirements that would materially increase regulatory compliance costs, bonding costs, or

licensing/permitting requirements; and that we maintain ongoing relations with our employees and with our business and joint venture partners.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the section heading: Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations of this Quarterly Report. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated, or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as required by law, we disclaim any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. Statements relating to "Mineral Reserves" or "Mineral Resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the Mineral Reserves and Mineral Resources described may be profitably extracted in the future.

We qualify all forward-looking statements contained in this Quarterly Report by the above cautionary statements.

CAUTIONARY NOTE TO U.S. INVESTORS CONCERNING ESTIMATES OF MINERAL RESERVES AND MINERAL RESOURCES

We qualify all forward-looking statements contained in this Quarterly Report by the foregoing cautionary statements. We are a U.S. Domestic Issuer for United States Securities and Exchange Commission (“SEC”) purposes, most of our shareholders are U.S. residents, we are required to report our financial results under U.S. Generally Accepted Accounting Principles (“U.S. GAAP”), and our primary trading market is the NYSE American. However, because we are incorporated in Canada and also listed on the Toronto Stock Exchange (“TSX”), this Quarterly Report contains or incorporates by reference certain disclosure that satisfies the additional requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all reserve and resource estimates included in this Quarterly Report, and in the documents incorporated by reference herein and therein, have been, and will be, prepared in accordance with Canadian National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators (the “CSA”), which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of SEC Industry Guide 7. Thus, reserve and resource information contained herein, or incorporated by reference in this Quarterly Report, and in the documents incorporated by reference herein and therein, may not be comparable to similar information disclosed by companies reporting “reserve” and resource information under SEC Industry Guide 7. In particular, and without limiting the generality of the foregoing, the term “resource” does not equate to the term “reserve” under SEC Industry Guide 7. Under SEC Industry Guide 7 standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Under SEC Industry Guide 7 standards, a “final” or “bankable” feasibility study is required to report “reserves”; the three-year historical average price, to the extent possible, is used in any “reserve” or cash flow analysis to designate “reserves”; and the primary environmental analysis or report must be filed with the appropriate governmental authority.

SEC Industry Guide 7’s disclosure standards historically have not permitted the inclusion of information concerning “Measured Mineral Resources,” “Indicated Mineral Resources” or “Inferred Mineral Resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by SEC Industry Guide standards. United States investors should also understand that “Inferred Mineral Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an “Inferred Mineral Resource” will ever be upgraded to a higher category. Under Canadian rules, estimated “Inferred Mineral Resources” may not form the basis of feasibility or pre-feasibility studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into mineral “reserves” as defined by SEC Industry Guide 7. Investors are cautioned not to assume that all or any part of an “Inferred Mineral Resource” exists or is economically or legally mineable.**

Disclosure of “contained pounds” or “contained ounces” in a resource estimate is permitted and typical disclosure under Canadian regulations; however, SEC Industry Guide 7 historically only permitted issuers to report mineralization that does not constitute “reserves” by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of reserves are also not the same as those of SEC Industry Guide 7, and reserves reported by us in compliance with NI 43-101 may not qualify as “reserves” under SEC Industry Guide 7 standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with SEC Industry Guide 7 standards.

All reserves that were reported in our Annual Report on Form 10-K for the year ended December 31, 2020 were estimated in accordance with the definitions set forth in NI 43-101. We do not have any mineral “reserves” within the meaning of SEC Industry Guide 7.

On October 31, 2018, the SEC adopted the Modernization of Property Disclosures for Mining Registrants (the “New Rule”), introducing significant changes to the existing mining disclosure framework to better align it with international industry and regulatory practice, including NI 43-101. The New Rule became effective as of February 25, 2019 and issuers are required to comply with the New Rule as of the annual report for their first fiscal year beginning on or after January 1, 2021, and earlier in certain circumstances. We do not anticipate needing to comply with the New Rule until the filing of our annual report for the fiscal year ending December 31, 2021 and, at this time, we do not know the full effect of the New Rule on our mineral resources and reserves and, therefore, the disclosure related to our mineral resources and reserves may be significantly different when computed using the requirements set forth in the New Rule.

PART I

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

ENERGY FUELS INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss

(unaudited) (Expressed in thousands of U.S. dollars, except per share amounts)

	Three months ended March 31,	
	2021	2020
Revenues		
Alternate feed materials processing and other	\$ 353	\$ 393
Total revenues	<u>353</u>	<u>393</u>
Other operating costs		
Impairment of inventories	—	1,078
Development, permitting and land holding	3,371	677
Standby costs	2,135	1,924
Accretion of asset retirement obligation	321	478
Selling costs	—	12
General and administration	3,373	4,030
Total operating loss	<u>(8,847)</u>	<u>(7,806)</u>
Interest expense	(16)	(350)
Other income (loss)	(2,047)	2,492
Net loss	<u>(10,910)</u>	<u>(5,664)</u>
Items that may be reclassified in the future to profit and loss		
Foreign currency translation adjustment	353	152
Other comprehensive income	<u>353</u>	<u>152</u>
Comprehensive loss	<u>\$ (10,557)</u>	<u>\$ (5,512)</u>
Net loss attributable to:		
Owners of the Company	\$ (10,908)	\$ (5,657)
Non-controlling interests	(2)	(7)
	<u>\$ (10,910)</u>	<u>\$ (5,664)</u>
Comprehensive loss attributable to:		
Owners of the Company	\$ (10,555)	\$ (5,505)
Non-controlling interests	(2)	(7)
	<u>\$ (10,557)</u>	<u>\$ (5,512)</u>
Basic and diluted loss per share	<u>\$ (0.08)</u>	<u>\$ (0.05)</u>

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.

Condensed Consolidated Balance Sheets

(unaudited) (Expressed in thousands of U.S. dollars, except share amounts)

	March 31, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 42,703	\$ 20,168
Marketable securities	1,407	2,247
Trade and other receivables, net	1,177	1,169
Inventories, net	27,976	27,575
Prepaid expenses and other assets	1,933	1,313
Total current assets	75,196	52,472
Inventories, net	1,346	1,346
Operating lease right of use asset	601	662
Investments accounted for at fair value	2,254	779
Property, plant and equipment, net	23,457	23,621
Mineral properties, net	83,539	83,539
Restricted cash	20,826	20,817
Total assets	\$ 207,219	\$ 183,236
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,831	\$ 3,321
Current portion of operating lease liability	298	289
Current portion of warrant liabilities	11,571	8,573
Current portion of asset retirement obligation	131	131
Total current liabilities	14,831	12,314
Operating lease liability	392	469
Asset retirement obligation	13,189	12,907
Total liabilities	28,412	25,690
Equity		
Share capital		
Common shares, without par value, unlimited shares authorized; shares issued and outstanding 140,816,496 at March 31, 2021 and 134,311,033 at December 31, 2020	581,135	549,317
Accumulated deficit	(408,720)	(397,812)
Accumulated other comprehensive income	2,661	2,308
Total shareholders' equity	175,076	153,813
Non-controlling interests	3,731	3,733
Total equity	178,807	157,546
Total liabilities and equity	\$ 207,219	\$ 183,236
Commitments and contingencies (Note 14)		

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Statements of Changes in Equity
(unaudited) (Expressed in thousands of U.S. dollars, except share amounts)

	Common Stock		Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
	Shares	Amount					
Balance at December 31, 2020	134,311,033	\$ 549,317	\$ (397,812)	\$ 2,308	\$ 153,813	\$ 3,733	\$ 157,546
Net loss	—	—	(10,908)	—	(10,908)	(2)	(10,910)
Other comprehensive loss	—	—	—	353	353	—	353
Shares issued for cash by at-the-market offering	5,534,166	30,603	—	—	30,603	—	30,603
Share issuance cost	—	(689)	—	—	(689)	—	(689)
Share-based compensation	—	697	—	—	697	—	697
Shares issued for exercise of stock options	278,111	666	—	—	666	—	666
Shares issued for the vesting of restricted stock units	478,781	—	—	—	—	—	—
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	—	(659)	—	—	(659)	—	(659)
Shares issued for exercise of warrants	190,405	1,105	—	—	1,105	—	1,105
Shares issued for consulting services	24,000	95	—	—	95	—	95
Balance at March 31, 2021	<u>140,816,496</u>	<u>\$ 581,135</u>	<u>\$ (408,720)</u>	<u>\$ 2,661</u>	<u>\$ 175,076</u>	<u>\$ 3,731</u>	<u>\$ 178,807</u>

	Common Stock		Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
	Shares	Amount					
Balance at December 31, 2019	100,735,889	\$ 493,958	\$ (370,036)	\$ 2,989	\$ 126,911	\$ 3,696	\$ 130,607
Net loss	—	\$ —	\$ (5,657)	\$ —	\$ (5,657)	\$ (7)	\$ (5,664)
Other comprehensive loss	—	\$ —	\$ —	\$ 152	\$ 152	\$ —	\$ 152
Shares issued for cash by public offering	11,300,000	\$ 16,611	\$ —	\$ —	\$ 16,611	\$ —	\$ 16,611
Shares issued for cash by at-the-market offering	2,388,815	\$ 4,047	\$ —	\$ —	\$ 4,047	\$ —	\$ 4,047
Share issuance cost	—	\$ (1,563)	\$ —	\$ —	\$ (1,563)	\$ —	\$ (1,563)
Share-based compensation	—	\$ 997	\$ —	\$ —	\$ 997	\$ —	\$ 997
Shares issued for the vesting of restricted stock units	490,453	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	—	\$ (415)	\$ —	\$ —	\$ (415)	\$ —	\$ (415)
Shares issued for consulting services	30,000	\$ 57	\$ —	\$ —	\$ 57	\$ —	\$ 57
Contributions attributable to non-controlling interest	—	\$ —	\$ —	\$ —	\$ —	\$ 133	\$ 133
Balance at March 31, 2020	<u>114,945,157</u>	<u>\$ 513,692</u>	<u>\$ (375,693)</u>	<u>\$ 3,141</u>	<u>\$ 141,140</u>	<u>\$ 3,822</u>	<u>\$ 144,962</u>

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Statements of Cash Flows
(unaudited) (Expressed in thousands of U.S. dollars)

	Three months ended	
	March 31,	
	2021	2020
OPERATING ACTIVITIES		
Net loss for the period	\$ (10,910)	\$ (5,664)
Items not involving cash:		
Depletion, depreciation and amortization	766	299
Share-based compensation	697	997
Change in value of Convertible Debentures	—	(465)
Change in value of warrant liabilities	3,504	(1,146)
Accretion of asset retirement obligation	321	478
Unrealized foreign exchange loss	433	394
Revision of asset retirement obligation	(39)	—
Impairment of inventories	—	1,078
Other non-cash expenses	(1,675)	795
Changes in assets and liabilities		
Increase in inventories	(401)	(2,122)
(Increase) decrease in trade and other receivables	(10)	37
Increase in prepaid expenses and other assets	(626)	(495)
Decrease in accounts payable and accrued liabilities	(506)	(2,510)
Net cash used in operating activities	(8,446)	(8,324)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(602)	—
Maturities and sales of marketable securities	1,173	2,200
Net cash provided by investing activities	571	2,200
FINANCING ACTIVITIES		
Issuance of common shares for cash, net of issuance cost	29,914	19,095
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	(659)	(415)
Repayment of loans and borrowings	—	(241)
Cash received from exercise of warrants	436	—
Cash received from exercise of stock options	703	—
Cash received from non-controlling interest	—	133
Net cash provided by financing activities	30,394	18,572
Effect of exchange rate fluctuations on cash held in foreign currencies	25	(1,676)
Net change in cash, cash equivalents and restricted cash	22,544	10,772
Cash, cash equivalents and restricted cash, beginning of period	40,985	32,891
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD	\$ 63,529	\$ 43,663
Supplemental disclosure of cash flow information:		
Net cash paid during the period for:		
Interest	\$ 16	\$ 22

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****FOR THE THREE MONTHS ENDED MARCH 31, 2021***(unaudited) (Tabular amounts expressed in thousands of U.S. Dollars, except share and per share amounts)***1. THE COMPANY AND DESCRIPTION OF BUSINESS**

Energy Fuels Inc. was incorporated under the laws of the Province of Alberta and was continued under the Business Corporations Act (Ontario).

Energy Fuels Inc. and its subsidiary companies (collectively “the Company” or “EFI”) are engaged in uranium extraction, recovery and sales of uranium from mineral properties and the recycling of uranium bearing materials generated by third parties. As a part of these activities the Company also acquires, explores, evaluates and, if warranted, permits uranium properties. The Company’s final uranium product, uranium oxide concentrate (“U₃O₈” or “uranium concentrate”), is sold to customers for further processing into fuel for nuclear reactors. The Company produces vanadium as a co-product of its uranium recovery from certain of its mines as market conditions warrant and from time to time from solutions in its tailing impoundment system. The Company is in the process of ramping up to expected commercial production of REE ores in 2021 for the recovery of REEs and uranium.

The Company is an exploration stage mining company as defined by the U.S. SEC Industry Guide 7 as it has not established the existence of proven or probable reserves on any of its properties.

2. BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance U.S. GAAP and are presented in thousands of U.S. dollars, except for share and per share amounts. Certain footnote disclosures have share prices which are presented in Canadian dollars (“Cdn\$”).

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures included are adequate to make the information presented not misleading.

In management’s opinion, these unaudited condensed consolidated financial statements reflect all adjustments, consisting solely of normal recurring items, which are necessary for the fair presentation of the Company’s financial position, results of operations and cash flows on a basis consistent with that of the Company’s audited consolidated financial statements for the year ended December 31, 2020. However, the results of operations for the interim periods may not be indicative of results to be expected for the full fiscal year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto and summary of significant accounting policies included in the Company’s annual report on Form 10-K for the year ended December 31, 2020.

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company accounts and transactions have been eliminated.

3. MARKETABLE SECURITIES

The following table summarizes our marketable securities by significant investment categories as of March 31, 2021:

		Cost Basis	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
Marketable equity securities	\$	\$ 824	\$ (399)	\$ 982	1,407
Marketable securities	\$	\$ 824	\$ (399)	\$ 982	1,407

The following table summarizes our marketable securities by significant investment categories as of December 31, 2020:

	Cost Basis	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
Marketable equity securities	\$ 824	\$ (418)	\$ 1,841	\$ 2,247
Marketable securities	\$ 824	\$ (418)	\$ 1,841	\$ 2,247

4. INVENTORIES

	March 31, 2021	December 31, 2020
Concentrates and work-in-progress ⁽¹⁾	\$ 25,947	\$ 25,768
Inventory of ore in stockpiles	241	241
Raw materials and consumables	3,134	2,912
	\$ 29,322	\$ 28,921
Inventories - by duration		
Current	\$ 27,976	\$ 27,575
Long term - raw materials and consumables	1,346	1,346
	\$ 29,322	\$ 28,921

(1) For the three months ended March 31, 2021, the Company recorded an impairment loss of nil in the statement of operations related to concentrates and work in progress inventories (March 31, 2020 - \$1.08 million).

5. PROPERTY, PLANT AND EQUIPMENT AND MINERAL PROPERTIES

The following is a summary of property, plant and equipment:

	March 31, 2021			December 31, 2020		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Property, plant and equipment						
Nichols Ranch	\$ 29,210	\$ (16,659)	\$ 12,551	\$ 29,210	\$ (16,150)	\$ 13,060
Alta Mesa	13,626	(4,315)	9,311	13,626	(4,088)	9,538
Equipment and other	14,130	(12,535)	1,595	13,528	(12,505)	1,023
Property, plant and equipment total	\$ 56,966	\$ (33,509)	\$ 23,457	\$ 56,364	\$ (32,743)	\$ 23,621

The following is a summary of mineral properties:

	March 31, 2021	December 31, 2020
Mineral properties		
Uranerz ISR properties	\$ 25,974	\$ 25,974
Sheep Mountain	34,183	34,183
Roca Honda	22,095	22,095
Other	1,287	1,287
Mineral properties total	\$ 83,539	\$ 83,539

6. ASSET RETIREMENT OBLIGATIONS AND RESTRICTED CASH

The following table summarizes the Company's asset retirement obligations:

	March 31, 2021	December 31, 2020
Asset retirement obligation, beginning of period	\$ 13,038	\$ 18,972
Revision of estimate	(39)	(7,845)
Accretion of liabilities	321	1,911
Asset retirement obligation, end of period	\$ 13,320	\$ 13,038
Asset retirement obligation:		
Current	\$ 131	\$ 131
Non-current	13,189	12,907
Asset retirement obligation, end of period	\$ 13,320	\$ 13,038

The asset retirement obligations of the Company are subject to legal and regulatory requirements. Estimates of the costs of reclamation are reviewed periodically by the Company and the applicable regulatory authorities. The above provision represents the Company's best estimate of the present value of future reclamation costs, discounted using credit adjusted risk-free interest rates ranging from 9.5% to 11.5% and an inflation rate of 2.0%. The total undiscounted decommissioning liability at March 31, 2021 is \$42.29 million (December 31, 2020 - \$41.95 million).

The following table summarizes the Company's restricted cash:

	March 31, 2021	December 31, 2020
Restricted cash, beginning of period	\$ 20,817	\$ 20,081
Additional collateral posted	9	768
Refunds of collateral	—	(32)
Restricted cash, end of period	\$ 20,826	\$ 20,817

The Company has cash, cash equivalents and fixed income securities as collateral for various bonds posted in favor of the applicable state regulatory agencies in Arizona, Colorado, New Mexico, Texas, Utah and Wyoming, and the U.S. Bureau of Land Management and U.S. Forest Service for estimated reclamation costs associated with the White Mesa Mill, Nichols Ranch, Alta Mesa and other mining properties. Cash equivalents are short-term highly liquid investments with original maturities of three months or less. The restricted cash will be released when the Company has reclaimed a mineral property or restructured the surety and collateral arrangements. See Note 14 for a discussion of the Company's surety bond commitments.

Cash, cash equivalents and restricted cash are included in the following accounts at March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 42,703	\$ 20,168
Restricted cash included in other long-term assets	20,826	20,817
Total cash, cash equivalents and restricted cash	\$ 63,529	\$ 40,985

7. LOANS AND BORROWINGS

On July 24, 2012, the Company completed a bought deal public offering of 22,000 floating-rate convertible unsecured subordinated debentures originally maturing June 30, 2017 (the "Convertible Debentures") at a price of Cdn\$1,000 per Debenture for gross proceeds of Cdn\$21.55 million (the "Offering"). The Convertible Debentures were convertible into Common Shares at the option of the holder. Interest was paid in cash and, in addition, unless an event of default had occurred and was continuing, the Company had the option to elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Convertible Debentures, on the date it was payable under the indenture: (i) in cash; (ii) by delivering sufficient Common Shares to the debenture trustee, for sale, to satisfy the interest obligations in accordance with the indenture in which event holders of the Convertible Debentures were entitled to receive a cash payment equal to the proceeds of the sale of such Common Shares; or (iii) any combination of (i) and (ii).

On August 4, 2016, the Company, by a vote of the debenture holders, extended the maturity date of the Convertible Debentures from June 30, 2017 to December 31, 2020, and reduced the conversion price of the Convertible Debentures from Cdn\$15.00 to Cdn\$4.15 per Common Share of the Company. In addition, a redemption provision was added that enabled the Company, upon giving not less than 30 days' notice to debenture holders, to redeem the Convertible Debentures, for cash, in whole or in part at any time after June 30, 2019, but prior to maturity, at a price of 101% of the aggregate principal amount redeemed, plus accrued and unpaid interest (less any tax required by law to be deducted) on such Convertible Debentures up to but excluding the redemption date. In addition, certain other amendments were made to the indenture, as required by the U.S. Trust Indenture Act

of 1939, as amended, and with respect to the addition of a U.S. Trustee in compliance therewith, as well as to remove provisions of the indenture that no longer apply, such as U.S. securities law restrictions.

On July 14, 2020, the Company redeemed Cdn\$10.43 million principal amount of the Cdn\$20.86 million Convertible Debentures. The Convertible Debentures were redeemed on that date for an amount equal to 101% of the aggregate principal amount plus accrued and unpaid interest thereon, up to but excluding July 14, 2020 for approximately \$7.78 million. On October 6, 2020, the Company redeemed the remaining Cdn\$10.43 million principal amount of the Cdn\$10.43 million Convertible Debentures then outstanding for approximately \$7.82 million. The Convertible Debentures were redeemed on that date for an amount equal to 101% of the aggregate principal amount plus accrued and unpaid interest thereon, up to but excluding October 6, 2020. As a result of the final redemption, no Convertible Debentures remain outstanding. The Convertible Debentures are no longer subject to the terms of the indenture, and cease to be listed on the TSX.

The Company currently has no other remaining short- or long-term debt.

The Convertible Debentures were measured at fair value based on the closing price on the TSX (a Level 1 measurement), and changes are recognized in earnings. For the three months ended March 31, 2020, the Company recorded a gain on revaluation of Convertible Debentures of \$0.47 million.

8. LEASES

The Company's leases primarily include operating leases for corporate offices. These leases have remaining lease terms of less than one year to four years, and include options to extend the leases for up to five years. Certain of our leases include variable payments for lessor operating expenses that are not included within right-of-use ("ROU") assets and lease liabilities in the Condensed Consolidated Balance Sheets. The Company's lease agreements do not contain any material residual value guarantees or restrictive covenants.

Beginning January 1, 2019, operating ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Operating leases in effect prior to January 1, 2019 were recognized at the present value of the remaining payments on the remaining lease term as of January 1, 2019. Because most of the Company's leases do not provide an explicit rate of return, the Company's incremental secured borrowing rate based on lease term information available at the commencement date of the lease will be used in determining the present value of lease payments. For purposes of calculating operating lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. The Company's operating lease expense is recognized on a straight-line basis over the lease term and is recorded in General and Administration expenses. Short-term leases, which have an initial term of 12 months or less, are not recorded in the Condensed Consolidated Balance Sheets.

Total lease cost includes the following components:

	Three months ended March 31,	
	2021	2020
Operating leases	\$ 77	\$ 95
Short-term leases	81	74
Total lease expense	\$ 158	\$ 169

The weighted average remaining lease term and weighted average discount rate were as follows:

	Three months ended March 31,	
	2021	2020
Weighted average remaining lease term of operating leases	2.2 years	3.1 years
Weighted average discount rate of operating leases	9.0 %	9.0 %

Supplemental cash flow information related to leases was as follows:

	Three months ended March 31,	
	2021	2020
Operating cash flow information:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 85	\$ 101

Future minimum payments of operating lease liabilities as of March 31, 2021 are as follows:

Years Ending December 31:

2021 (excluding the three months ended March 31, 2021)	\$ 259
2022	350
2023	148
2024	—
2025	—
Thereafter	—
Total lease payments	\$ 757
Less: interest	(67)
Present value of lease liabilities	\$ 690

9. CAPITAL STOCK

Authorized capital stock

The Company is authorized to issue an unlimited number of Common Shares without par value, unlimited Preferred Shares issuable in series, and unlimited Series A Preferred Shares. The Series A Preferred Shares issuable are non-redeemable, non-callable, non-voting and with no right to dividends. The Preferred Shares issuable in series will have the rights, privileges, restrictions and conditions assigned to the particular series upon the Board of Directors approving their issuance.

Issued capital stock

On February 20, 2020, the Company completed a bought deal public offering of 11.30 million Common Shares at a price of \$1.47 per share. The Company received net proceeds, after commissions and fees, of \$15.14 million.

In the three months ended March 31, 2021, the Company issued 5.53 million Common Shares under the Company's ATM for net proceeds of \$29.91 million after share issuance costs.

Share Purchase Warrants

The following table summarizes the Company's share purchase warrants denominated in U.S. dollars. These warrants are accounted for as derivative liabilities as the functional currency of the entity issuing the warrants, Energy Fuels Inc., is Canadian dollars.

Month Issued	Expiry Date	Exercise Price USD\$	Warrants Outstanding	Fair value at March 31, 2021
September 2016 ⁽¹⁾	September 20, 2021	2.45	3,975,425	\$ 11,571

(1) The warrants issued in September 2016 are classified as Level 1 under the fair value hierarchy (Note 16). Each warrant is exercisable until September 20, 2021 and entitles the holder thereof to acquire one common share upon exercise at an exercise price of \$2.45 per common share. These warrants are accounted for as a derivative liability, as the functional currency of the entity issuing the warrant is Cdn\$.

10. BASIC AND DILUTED LOSS PER COMMON SHARE

The calculation of basic and diluted earnings per share after adjustment for the effects of all potential dilutive Common Shares, is as follows:

	Three months ended March 31,	
	2021	2020
Loss attributable to shareholders	\$ (10,908)	\$ (5,657)
Basic and diluted weighted average number of common shares outstanding	137,356,604	107,618,908
Loss per common share	\$ (0.08)	\$ (0.05)

For the three months ended March 31, 2021, 5.43 million (March 31, 2020 - 6.12 million) options and warrants have been excluded from the calculation, as their effect would have been anti-dilutive.

11. SHARE-BASED PAYMENTS

The Company, under the 2021 Amended and Restated Omnibus Equity Incentive Compensation Plan (the “Compensation Plan”), maintains an equity incentive plan for directors, executives, eligible employees and consultants. Equity incentive awards include employee stock options, restricted stock units (“RSUs”) and stock appreciation rights (“SARs”). The Company issues new shares of common stock to satisfy exercises and vesting under all of its equity incentive awards. At March 31, 2021, a total of 14,081,650 Common Shares were authorized for equity incentive plan awards.

Employee Stock Options

The Company, under the Compensation Plan, may grant options to directors, executives, employees and consultants to purchase Common Shares of the Company. The exercise price of the options is set as the higher of the Company’s closing share price on the day before the grant date and the five-day volume weighted average price (“VWAP”). Stock options granted under the Compensation Plan generally vest over a period of two years or more and are generally exercisable over a period of five years from the grant date, such period not to exceed 10 years. The value of each option award is estimated at the grant date using the Black-Scholes Option Valuation Model. There were 0.16 million options granted in the three months ended March 31, 2021 (March 31, 2020 – 0.57 million options). At March 31, 2021, there were 1.47 million options outstanding with 1.18 million options exercisable, at a weighted average exercise price of \$3.02 and \$3.17, respectively, with a weighted average remaining contractual life of 2.92 years and 2.71 years, respectively. The fully vested options had an intrinsic value of \$3.17 million at March 31, 2021.

The fair value of the options granted under the Compensation Plan for the three months ended March 31, 2021 was estimated at the date of grant, using the Black-Scholes Option Valuation Model, with the following weighted average assumptions:

Risk-free interest rate	0.42 %
Expected life	5.0 years
Expected volatility	61.88 % *
Expected dividend yield	— %
Weighted average grant date fair value	\$ 2.03

* Expected volatility is measured based on the Company’s historical share price volatility over a period equivalent to the expected life of the options.

The summary of the Company’s stock options at March 31, 2021 and December 31, 2020, and the changes for the fiscal periods ending on those dates, is presented below:

	<u>Range of Exercise Prices</u>	<u>Weighted Average Exercise Price</u>	<u>Number of Options</u>
Balance, December 31, 2019	\$1.70 - \$15.61	\$ 3.43	1,487,433
Granted	1.76 - 3.06	1.77	711,414
Exercised	1.70 - 2.92	1.97	(302,707)
Forfeited	1.70 - 5.18	3.26	(188,541)
Expired	4.12 - 5.22	4.40	(98,512)
Balance, December 31, 2020	\$1.70 - \$15.61	\$ 2.91	1,609,087
Granted	3.89 - 7.14	3.93	162,920
Exercised	1.70 - 4.48	2.40	(278,111)
Forfeited	—	—	—
Expired	2.12 - 15.61	9.65	(22,836)
Balance, March 31, 2021	\$1.70 - \$12.59	\$ 3.02	1,471,060

A summary of the status and activity of non-vested stock options for the three months ended March 31, 2021 is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Non-vested December 31, 2020	403,990	\$ 0.94
Granted	162,920	2.03
Vested	(280,438)	1.35
Forfeited	—	—
Non-vested March 31, 2021	286,472	\$ 1.16

Restricted Stock Units

The Company grants RSUs to directors, executives and eligible employees. Awards are determined as a target percentage of base salary and generally vest over periods of three years. Prior to vesting, holders of RSUs do not have voting rights. The RSUs are subject to forfeiture risk and other restrictions. Upon vesting, the employee is entitled to receive one share of the Company's common stock for each RSU for no additional payment. During the three months ended March 31, 2021, the Company's Board of Directors issued 0.44 million RSUs under the Compensation Plan (March 31, 2020 - 0.74 million).

A summary of the status and activity of non-vested RSUs for the three months ended March 31, 2021 is as follows:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Non-vested December 31, 2020	1,094,056	\$ 1.98
Granted	441,241	3.89
Vested	(635,233)	1.94
Forfeited	—	—
Non-vested March 31, 2021	900,064	\$ 2.94

The total intrinsic value and fair value of RSUs that vested and were settled for equity in the three months ended March 31, 2021 was \$2.67 million (March 31, 2020 – \$1.21 million).

Stock Appreciation Rights

During the year ended December 31, 2019, the Company's Board of Directors issued 2.20 million SARs under the Compensation Plan with a fair value of \$1.25 per SAR. These SARs are intended to provide additional long-term performance-based equity incentives for the Company's senior management. The SARs are performance based because they only vest upon the achievement of performance goals designed to significantly increase shareholder value.

Each SAR outstanding entitles the holder, on exercise, to a payment in cash or shares (at the election of the Company) equal to the difference between the market price of the Common Shares at the time of exercise and \$2.92 (the market price at the time of

grant) over a five-year period, but vest only upon the achievement of the following performance goals: as to one-third of the SARs granted upon the 90-calendar-day VWAP of the Common Shares on the NYSE American equaling or exceeding \$5.00 for any 90-calendar day period; as to an additional one-third of the SARs granted, upon the 90-calendar-day VWAP of the Common Shares on the NYSE American equaling or exceeding \$7.00 for any 90-calendar-day period; and as to the final one-third of the SARs granted, upon the 90-calendar-day VWAP of the Common Shares on the NYSE American equaling or exceeding \$10.00 for any 90-calendar-day period. The first of these vesting performance goals was reached during the three months ended March 31, 2021.

The summary of the Company's SARs at March 31, 2021 and December 31, 2020, and the changes for the fiscal periods ending on those dates, is presented below:

	Weighted Average Exercise Price	Number of SARs
Balance, December 31, 2019	\$ 2.92	2,165,509
Granted	—	—
Exercised	—	—
Forfeited	2.92	(444,886)
Expired	—	—
Balance, December 31, 2020	\$ 2.92	1,720,623
Granted	—	—
Exercised	—	—
Forfeited	—	—
Expired	—	—
Balance, March 31, 2021	\$ 2.92	1,720,623

A summary of the status and activity of non-vested SARs for the three months ended March 31, 2021 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested December 31, 2020	1,720,623	\$ 1.25
Granted	—	—
Vested	(573,537)	1.25
Forfeited	—	—
Non-vested March 31, 2021	1,147,086	\$ 1.25

The share-based compensation recorded during the three months ended March 31, 2021 was \$0.20 million, \$0.36 million, and \$0.14 million for stock options, RSU awards, and SARs, respectively (March 31, 2020 - \$0.26 million, \$0.41 million, and \$0.33 million).

At March 31, 2021, there were \$0.18 million, \$1.88 million, and \$0.14 million of unrecognized compensation costs related to the unvested stock options, RSU awards and SARs, respectively, to be recognized over a weighted average period of 1.65 years, 2.57 years, and 0.56 years, respectively.

12. INCOME TAXES

As of March 31, 2021, the Company does not believe that it is more likely than not that it will fully realize the benefit of the deferred tax assets. As such, the Company recognized a full valuation allowance against the net deferred tax assets as of March 31, 2021 and December 31, 2020.

13. SUPPLEMENTAL FINANCIAL INFORMATION

The components of other income are as follows:

	Three months ended March 31,	
	2021	2020
Interest income	\$ 11	\$ 72
Change in value of investments accounted for at fair value	1,456	(391)
Change in value of warrant liabilities	(3,504)	1,146
Change in value of Convertible Debentures	—	465
Foreign exchange gain (loss)	(339)	1,236
Other	329	(36)
Other income (loss)	\$ (2,047)	\$ 2,492

14. COMMITMENTS AND CONTINGENCIES

General legal matters

Other than routine litigation incidental to our business, or as described below, the Company is not currently a party to any material pending legal proceedings that management believes would be likely to have a material adverse effect on our financial position, results of operations or cash flows.

White Mesa Mill

In 2013, the Ute Mountain Ute Tribe filed a Petition to Intervene and Request for Agency Action challenging the Corrective Action Plan approved by the State of Utah Department of Environmental Quality (“UDEQ”) relating to nitrate contamination in the shallow aquifer at the White Mesa Mill. The challenge is currently being evaluated and may involve the appointment of an administrative law judge to hear the matter. The Company does not consider this action to have any merit. If the petition is successful, the likely outcome would be a requirement to modify or replace the existing Corrective Action Plan. At this time, the Company does not believe any such modification or replacement would materially affect its financial position, results of operations or cash flows. However, the scope and costs of remediation under a revised or replaced Corrective Action Plan have not yet been determined and could be significant.

On January 19, 2018, the UDEQ renewed, and on February 16, 2018 reissued with minor corrections, the White Mesa Mill’s license (the “Radioactive Materials License”) for another ten years, and the Groundwater Discharge Permit (the “GWDP”) for another five years, after which further applications for renewal of the License and GWDP will need to be submitted. During the review period for each application for renewal, the Mill can continue to operate under its existing Radioactive Materials License and GWDP until such time as the renewed Radioactive Materials License or GWDP is issued.

In 2018, the Grand Canyon Trust, Ute Mountain Ute Tribe and Uranium Watch (collectively, the “Mill Plaintiffs”) served Petitions for Review challenging UDEQ’s renewal of the Radioactive Materials License and GWDP and Requests for Appointment of an Administrative Law Judge, which they later agreed to suspend pursuant to a Stipulation and Agreement with UDEQ, effective June 4, 2018. The Company and Mill Plaintiffs held multiple discussions over the course of 2018 and 2019 in an effort to settle the dispute outside of any judicial proceeding. On February 1, 2019, the Mill Plaintiffs submitted to the Company their proposal for reaching a settlement agreement. The proposal remains under consideration by the Company, which may choose to submit a counterproposal constituting the Company’s final position on all disputed matters if it determines that meaningful settlement can be reached by the parties. The Company does not consider these challenges to have any merit and, if a settlement cannot be reached, intends to participate with UDEQ in defending against the challenges. If the challenges are successful, the likely outcome would be a requirement to modify the renewed Radioactive Materials License and/or GWDP. At this time, the Company does not believe any such modification would materially affect its financial position, results of operations or cash flows.

Pinyon Plain Project

In March 2013, the Center for Biological Diversity, the Grand Canyon Trust, the Sierra Club and the Havasupai Tribe (the “Pinyon Plaintiffs”) filed a complaint in the U.S. District Court for the District of Arizona (the “District Court”) against the USFS Forest Supervisor for the Kaibab National Forest and the USFS (together, the “Defendants”) seeking an order (a) declaring that the USFS failed to comply with environmental, mining, public land, and historic preservation laws in relation to our Pinyon Plain Project (formerly known as the “Canyon Project”), (b) setting aside any approvals regarding exploration and

mining operations at the Pinyon Plain Project, and (c) directing operations to cease at the Pinyon Plain Project and enjoining the USFS from allowing any further exploration or mining-related activities at the Pinyon Plain Project until the USFS fully complies with all applicable laws. In April 2013, the Pinyon Plaintiffs filed a Motion for Preliminary Injunction, which was denied by the District Court in September 2013. On April 7, 2015, the District Court issued its final ruling on the merits in favor of the Defendants and the Company and against the Pinyon Plaintiffs on all counts. The Pinyon Plaintiffs appealed the District Court's ruling on the merits to the United States Ninth Circuit Court of Appeals (the "Ninth Circuit") and filed motions for an injunction pending appeal with the District Court. Those motions for an injunction pending appeal were denied by the District Court on May 26, 2015. Thereafter, Pinyon Plaintiffs filed urgent motions for an injunction pending appeal with the Ninth Circuit, which were denied on June 30, 2015.

The hearing on the merits at the Ninth Circuit was held on December 15, 2016. On December 12, 2017, the Company received a favorable ruling from the Ninth Circuit on the appeal of the merits on the Pinyon Plain Mine litigation. The Pinyon Plaintiffs petitioned the Ninth Circuit for a rehearing *en banc* and, on October 25, 2018, the Ninth Circuit panel withdrew its prior opinion and filed a new opinion, which affirmed the prior opinion with one exception to the District Court's decision. The Ninth Circuit panel reversed itself on its prudential standing analysis as applied to the fourth claim on "valid existing rights," having initially determined that the Pinyon Plaintiffs lacked standing under the General Mining Law of 1872 (the "Mining Law"). The panel remanded the claim back to the District Court to hear on the merits, with the Pinyon Plaintiffs alleging that the USFS did not consider all relevant costs in analyzing whether the Company satisfied the Mining Law's "prudent person test" in its mineral examination and, thus, erred in concluding that the Company has valid existing rights to operate the Pinyon Plain Mine on lands otherwise subject to a 2012 U.S. Department of Interior withdrawal from location and entry. The Company and USFS dispute this position. On September 11, 2019, the Pinyon Plaintiffs filed their Motion for Summary Judgment and Memorandum in Support with the District Court, after which the Company filed its Intervenor-Defendants' Motion for Summary Judgment on October 23, 2019. On November 15, 2019, the Pinyon Plaintiffs filed their Reply in Support of their Motion for Summary Judgment.

On May 22, 2020, the District Court issued its final order in favor of the Company and the Defendants. The Pinyon Plaintiffs were afforded 60 days in which to file an appeal with the Ninth Circuit, during which they filed their Notice of Appeal from a Judgment or Order of a United States District Court. Thereafter, the Ninth Circuit issued a Time Schedule Order setting due dates for the parties' briefs and actions required to perfect the appeal. On December 22, 2020, the Pinyon Plaintiffs filed their Appellant's Opening Brief with the Ninth Circuit and, on April 5, 2021, the USFS and the Company filed their respective Answering Briefs, which are now under review by the Ninth Circuit. As a part of the appeal, the Company may be required to maintain the Pinyon Plain Project on standby pending resolution of the matter. Such a prolonged delay of mining activities could have a significant impact on our future operations.

Daneros Mine

On February 23, 2018, the BLM issued the Environmental Assessment ("EA"), Decision Record and FONSI for the Mine Plan of Operations Modification for the Daneros Mine. On March 29, 2018, the Southern Utah Wilderness Alliance and Grand Canyon Trust (together the "Daneros Appellants") filed a Notice of Appeal with the Interior Board of Land Appeals ("IBLA") regarding the BLM's Decision Record and FONSI and challenging the underlying EA. In April 2018, the Company filed a Motion to Intervene with the IBLA, requesting that the Company be allowed to intervene as a full party to this appeal, which was subsequently granted.

This matter has been briefed and remains under consideration by IBLA at this time. The Company does not consider these challenges to have any merit; however, the scope and costs of amending or redoing the EA have not yet been determined and could be significant.

Surety Bonds

The Company has indemnified third-party companies to provide surety bonds as security for the Company's asset retirement obligations. The Company is obligated to pay any reclamation or closure costs due over and above the collateral posted by the Company under these bonds. As of March 31, 2021, the Company has \$20.83 million posted as collateral against an undiscounted asset retirement obligation of \$42.29 million (December 31, 2020 - \$20.82 million posted as collateral against an undiscounted asset retirement obligation of \$41.95 million).

15. RELATED PARTY TRANSACTIONS

On May 17, 2017, the Board of Directors of the Company appointed Robert W. Kirkwood and Benjamin Eshleman III to the Board of Directors of the Company.

Mr. Kirkwood is a principal of the Kirkwood Companies, including Kirkwood Oil and Gas LLC, Wesco Operating, Inc., and United Nuclear LLC (“United Nuclear”). United Nuclear owns a 19% interest in the Company’s Arkose Mining Venture while the Company owns the remaining 81%. The Company acts as manager of the Arkose Mining Venture and has management and control over operations carried out by the Arkose Mining Venture. The Arkose Mining Venture is a contractual joint venture governed by a venture agreement dated as of January 15, 2008 and entered into by Uranerz Energy Corporation (a subsidiary of the Company) and United Nuclear (the “Venture Agreement”).

United Nuclear contributed nil to the expenses of the Arkose Joint Venture based on the approved budget for the three months ended March 31, 2021 (March 31, 2020 - \$0.13 million).

Mr. Benjamin Eshleman III is President of Mesteña LLC, which became a shareholder of the Company through the Company’s acquisition of Mesteña Uranium, L.L.C (now Alta Mesa LLC) and certain of its affiliates (collectively, the “Acquired Companies”) in June 2016. Pursuant to the purchase agreement, the Alta Mesa Properties held by the Acquired Companies are subject to a royalty of 3.125% of the value of the recovered U₃O₈ from the Alta Mesa Properties sold at a price of \$65.00 per pound or less, 6.25% of the value of the recovered U₃O₈ from the Alta Mesa Properties sold at a price greater than \$65.00 per pound up to and including \$95.00 per pound, and 7.5% of the value of the recovered U₃O₈ from the Alta Mesa Properties sold at a price greater than \$95.00 per pound. The royalties are held by Mr. Eshleman and his extended family. In addition, Mr. Eshleman and certain members of his extended family are parties to surface use agreements that entitle them to surface use payments from the Acquired Companies in certain circumstances. The Alta Mesa Properties are currently being maintained on care and maintenance to enable the Company to restart operations as market conditions warrant. The Company did not pay any royalty payments to the sellers of the Acquired Companies or to Mr. Eshleman or his immediate family members in the three months ended March 31, 2021. The Company makes surface use payments on an annual basis to Mr. Eshleman and his immediate family members and has accrued \$0.07 million as of March 31, 2021.

16. FAIR VALUE ACCOUNTING

Assets and liabilities measured at fair value on a recurring basis

The following tables set forth the fair value of the Company’s assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy as of March 31, 2021. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As of March 31, 2021, the fair values of cash and cash equivalents, restricted cash, short-term deposits, receivables, accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments.

	Level 1	Level 2	Level 3	Total
Investments at fair value	\$ 2,254	\$ —	\$ —	\$ 2,254
Marketable equity securities	1,407	—	—	1,407
Warrant liabilities	(11,571)	—	—	(11,571)
	\$ (7,910)	\$ —	\$ —	\$ (7,910)

The Company’s investments are marketable equity securities which are exchange-traded and are valued using quoted market prices in active markets and, as such, are classified within Level 1 of the fair value hierarchy. The fair value of the investments is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

17. SUBSEQUENT EVENTS

Sale of shares in the Company’s ATM program.

From April 1, 2021 through May 12, 2021, the Company issued 2.16 million Common Shares at a weighted average price of \$6.01 for net proceeds of \$12.70 million using the ATM.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements for the three-month period ended March 31, 2021, and the related notes thereto, which have been prepared in accordance with U.S. GAAP. Additionally, the following discussion and analysis should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2020. This Discussion and Analysis contains forward-looking statements and forward-looking information that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors. See section heading “Cautionary Statement Regarding Forward-Looking Statements,” above.

While the Company has uranium extraction and recovery activities and generates revenue, it is considered to be in the Exploration Stage (as defined by SEC Industry Guide 7), as it has no Proven or Probable Reserves within the meaning of SEC Industry Guide 7. Under U.S. GAAP, for a property that has no Proven or Probable Reserves, the Company capitalizes the cost of acquiring the property (including mineral properties and rights), and expenses all costs related to the property incurred subsequent to the acquisition of such property. Acquisition costs of a property are depreciated over its estimated useful life for a revenue generating property or expensed if the property is sold or abandoned. Acquisition costs are subject to impairment if so indicated.

All dollar amounts stated herein are in U.S. dollars, except share and per share amounts and currency exchange rates unless specified otherwise. References to Cdn\$ refer to Canadian currency, and \$ to United States currency.

Overview

We provide the raw materials for the generation of clean nuclear electricity. Our primary product is U₃O₈, or yellowcake, which when further processed becomes the fuel for nuclear energy. According to the Nuclear Energy Institute, nuclear energy provides nearly 20% of the total electricity, and 55% of the clean, carbon-free electricity, generated in the United States. The Company generates revenues from extracting and processing materials for our own account, as well as from toll processing materials for others.

Our uranium concentrate is produced from multiple sources:

- Conventional recovery operations at our White Mesa Mill (the “Mill”) including:
 - Processing ore from uranium mines; and
 - Recycling of uranium bearing materials that are not derived from conventional ore (“Alternate Feed Materials”); and
- In-situ recovery (“ISR”) operations.

In addition, the Company has a long history of conventional vanadium recovery at the Mill, when vanadium prices support those activities. In early 2020, the Company completed a campaign to recover vanadium from solutions in the tailings management system at the Mill (“Pond Return”) from which it recovered over 1.8 million pounds of high-purity vanadium. The Company is also evaluating opportunities for copper recovery from our Pinyon Plain Project.

Also in 2020, the Company began evaluating the potential to process REEs at the White Mesa Mill. By October 2020, the Company had produced a mixed REE carbonate, ready for separation, on a pilot scale from natural monazite ore. In December 2020, the Company entered into a contract to acquire natural monazite sands from a heavy metal sands operation in Georgia, from which it expects to recover uranium and produce a commercially salable mixed REE carbonate containing approximately 71% total rare earth oxide (“TREO”) on a dry basis. In March 2021, the Company began ramping up commercial production of mixed REE carbonate. In March 2021, the Company entered into an agreement in principle, subject to the completion of definitive agreements, to supply its REE carbonate to a separation facility in Europe, which is the next step in producing usable REE products. The Company is also in discussions with other entities to acquire additional supplies of natural monazite sands and is working with the U.S. Department of Energy to evaluate the potential to process other types of REE- and uranium-bearing ores at the Mill produced from coal-based resources. The Company is also evaluating the potential to perform REE separation and other downstream REE activities, including metal-making and alloying, in the future at the Mill or elsewhere in the U.S.

The Mill, located near Blanding, Utah, processes ore mined from the Four Corners region of the United States, as well as Alternate Feed Materials that can originate worldwide. We have the only operating uranium mill in the United States, which is also the last operating facility left in the U.S. with the ability to recover vanadium from primary ore sources. The Mill is

licensed to process an average of 2,000 tons of ore per day and to produce approximately 8.0 million pounds of U_3O_8 per year. The Mill has separate circuits to process conventional uranium and vanadium ores, as well as Alternate Feed Materials and REEs.

For the last several years, no mines have operated commercially in the vicinity of the Mill due to low uranium prices. As a result, in recent years, Mill activities have focused on processing Alternate Feed Materials for the recovery of uranium under multiple toll processing arrangements, as well as Alternate Feed Materials for our own account. Additionally, in recent years, the Mill has recovered dissolved uranium and vanadium from the Mill's tailings management system that was not fully recovered during the Mill's prior forty years of operations through its Pond Return program. During the three months ended March 31, 2021, Mill activities focused primarily on the recovery of uranium from Alternate Feed Materials and preparing the Mill to process REE monazite sands. The Company is actively pursuing additional Alternate Feed Materials for processing at the Mill.

The Mill also continues to pursue additional sources of feed materials. For example, a significant opportunity exists for the Company to potentially participate in the clean-up of abandoned uranium mines in the Four Corners Region of the U.S. The U.S. Justice Department and Environmental Protection Agency have announced settlements in various forms in excess of \$1.5 billion to fund certain clean-up activities on the Navajo Nation. Additional cleanup settlements with other parties are also pending. Our Mill is within economic trucking distance and is uniquely positioned in this region to receive uranium-bearing materials from these cleanups and thus recycle the contained U_3O_8 , while, at the same time, permanently disposing of the cleanup materials outside the boundaries of the Navajo Nation in our licensed tailing management system. There are no other facilities in the U.S. capable of providing this service. In addition, as previously announced, during the second quarter of 2019, the Company began receiving shipments of material generated in the cleanup of a large, historically producing conventional uranium mine located in northwest New Mexico. In addition to generating revenue for the Company, this project also demonstrates the ability of the Mill to responsibly cleanup projects similar to those required on the Navajo Nation.

The Company's ISR operations consist of our recently producing Nichols Ranch Project and our standby operation at the Alta Mesa Project. At our Nichols Ranch Project, the Company placed its ninth header house into production in March 2017. In order to save cash and resources, the Company is deferring additional wellfield development until uranium prices recover. The Project is now on standby. The Alta Mesa Project will remain on standby in the current uranium price environment.

We believe the current spot price of uranium does not support production for the majority of global uranium producers and, accordingly, we believe that prices will recover at some point in the future, either as a result of improving market fundamentals or in response to U.S. government action to support domestic uranium production. In anticipation of potential price recoveries or other actions that could support increased U.S. uranium mining, we continue to maintain and advance our resource portfolio. Once prices recover or other supportive actions are taken, we stand ready to resume wellfield construction at our Nichols Ranch Project; resume wellfield construction, perform plant upgrades, conduct exploration, and resume production at our Alta Mesa facility; and mine and process resources from our Pinyon Plain Project, Daneros Project, La Sal Project and/or Whirlwind Project. The Company believes we can bring this new production to the market within approximately six to eighteen months of a positive production decision. Longer term, we expect to resume production at our other conventional mines on standby and develop our large conventional mines at Roca Honda, Henry Mountains, and/or Sheep Mountain.

COVID-19

The Company continues to respond to the effects of the global, novel coronavirus ("COVID-19") pandemic on the Company's business objectives, projections and workforce. Due to current uncertainties, the Company is continuing its cost-cutting measures while retaining the operational readiness of the Company's core production assets. The Company is also continuing to work to secure U.S. government support for U.S. uranium miners. To date, although the Company has made operational adjustments since the onset of the pandemic to ensure its workforce remains protected, the Company has not been required to shut down any operations as a result of COVID-19. None of these operational adjustments have been material to the Company. The Company has evaluated any potential future shutdown of Company production facilities as a result of COVID-19, and has determined that any such shutdown could be accommodated by the Company in a manner consistent with a typical shutdown of Company production facilities as a result of depressed commodity prices. Management believes the Company is well-capitalized and will be able to withstand facility shutdowns or depressed share prices as a result of COVID-19 for at least the next twelve months.

Update on Rare Earth Element Initiative

On March 1, 2021, the Company and Neo Performance Materials ("Neo") jointly announced that they had entered into an agreement in principle, subject to completion of definitive agreements, under which Energy Fuels will process natural monazite sands into an REE Carbonate and ship a portion of that production to Neo's rare earth separations facility in Sillamäe, Estonia ("Silmet"). Neo will then process the REE Carbonate into separated rare earth materials for use in rare earth permanent magnets and other rare earth-based advanced materials. Silmet is the only operational rare earth separations facility in Europe and has

been separating rare earths into commercial value-added products for more than 50 years. Implementation of this initiative is subject to successful ramp-up to commercial-scale operations, execution of definitive agreements, and optimization of the companies' production processes.

In early March 2021, the Company began receiving shipments of natural monazite ore from Chemours' Offerman Plant in Georgia. In late March 2021, the Company began ramping up to commercial production of a mixed REE carbonate, along with uranium, from processing this ore.

Upon a successful ramp-up of this program, the Company will be the first U.S. company in several years to produce a marketable mixed REE concentrate ready for separation on a commercial scale.

Removal and recovery of the uranium and other radionuclides from rare earth ores is a key aspect of EFI's value proposition, as many REE separation and recovery facilities are not able to handle those radionuclides from a technical or regulatory standpoint. The White Mesa Mill has a 40-year history of responsibly handling, processing and recycling uranium bearing materials. Therefore, it has the potential to provide a crucial link in a commercially viable U.S. REE supply chain.

On April 21, 2021, the Company and Hyperion Metals announced the signing of a non-binding Memorandum of Understanding ("MOU") for the future supply of monazite from Hyperion's Titan heavy mineral sand project in Tennessee to the White Mesa Mill. EFI is actively seeking new sources of monazite to supply the Company's emerging U.S. REE business.

On April 23, 2021, the Company announced that it had been awarded an additional \$1.75 million by the U.S. Department of Energy ("DOE") to complete a feasibility study on the production of REE products from natural coal-based resources, as well as from other materials such as REE-bearing ores like the natural monazite ore the Company is currently processing at the White Mesa Mill. The Company's work on the DOE feasibility study is expected to complement the Company's efforts to develop commercial REE separation, metals, alloys, and other downstream REE capabilities at the White Mesa Mill.

On April 27, 2021, the Company announced that it had engaged Carester SAS ("Carester") to prepare a scoping study for the development of a solvent extraction ("SX") REE separation circuit at the White Mesa Mill in Utah. Based in Lyons, France, Carester is one of the world's leading global consultants on REE supply chains, with expertise in designing, constructing, operating, and optimizing REE production facilities globally. Carester has been engaged to support EFI's planned development of REE separation capabilities at the White Mesa Mill, utilizing the Mill's existing equipment and infrastructure to the extent applicable, to create a continuous, integrated and optimized rare earth production sequence. Carester's scoping work will include an evaluation of the Mill's current monazite leaching process, preparation of an REE separation flow sheet, capital and operating expense estimates, incorporation of new technologies where applicable, and recommendations on equipment vendors.

Proposed Establishment of a U.S. Uranium Reserve

On December 27, 2020, Congress passed the COVID-Relief and Omnibus Spending Bill, which includes \$75 million for the proposed establishment of a strategic U.S. Uranium Reserve, and was signed into law by the President then serving. This key funding opens the door for the U.S. government to purchase domestically-produced uranium to guard against potential commercial and national security risks presented by the country's near-total reliance on foreign imports of uranium. The Company stands ready to benefit from this program through sales out of its existing uranium inventories and future production from its mines and facilities. However, because the U.S. Uranium Reserve has yet to be established at this time, the details of implementation of activities pursuant to the new law have not yet been defined. As a result, there can be no certainty as to the outcome of a U.S. Uranium Reserve, if any, including the process for and details of its development, and any resulting support for the Company's ongoing and planned activities, or for any further evaluations of the Working Group.

The Company's Plans in Response to the Proposed U.S. Uranium Reserve

In response to the proposed establishment of a U.S. Uranium Reserve, the Company is evaluating activities aimed towards increasing uranium production at all or some of its production facilities, subject to general market conditions. No decisions on any project-specific actions to be taken in response to the proposed establishment of a U.S. Uranium Reserve have been made at this time. If the uranium and vanadium markets or general market conditions do not improve, whether as a result of the establishment of a U.S. Uranium Reserve or otherwise, the Company may further reduce its operational activities as required in order to minimize its cash expenditures while preserving its core asset base for increased production in the future, as market conditions may warrant.

Uranium Market Update

According to monthly price data from TradeTech LLC ("TradeTech"), uranium spot prices rose slightly during the first quarter of 2021. The uranium spot price began the quarter at \$30.40 per pound on December 31, 2020 and rose 3% to \$31.25 per pound on March 31, 2021. The uranium spot price was at its high of \$31.25 per pound at the end of the quarter on March 31, 2021, and a low of \$27.40 per pound during the weeks ended March 5, 2021 and March 12, 2021. TradeTech price data also indicates

that long-term U₃O₈ prices fell \$2.00 per pound during the quarter, beginning the quarter at \$37.00 per pound and ending the quarter at \$35.00 per pound. On May 7, 2021, TradeTech reported a spot price of \$30.25 per pound.

There were a number of important developments in the uranium market during Q1-2021. On January 8, 2021, Rio Tinto subsidiary Energy Resources of Australia announced that the Ranger mine was ending 40 years of operation, during which time it produced more than 290 million pounds of U₃O₈ (TradeTech, NMR, January 8, 2021). Spot market activity during January was “especially muted” as prices fell \$0.65 per pound during the month (TradeTech, NMR, January 31, 2021). In February, market activity heated up, as 8.3 million pounds of material transacted in the spot market, despite the price falling \$2.00 per pound (TradeTech, NMR, February 28, 2021). Of note, Honeywell’s Metropolis Conversion Facility announced that it was resuming operations, and physical uranium fund, YellowCake, plc, exercised an option to purchase 4.5 million pounds of uranium from Kazatomprom (TradeTech, NMR, February 12, 2021). Market activity increased further in March 2021, with 10 million pounds of volume, or 48% of all buying in 2020 (TradeTech, NMR, March 31, 2021). In March, China announced its 14th 5-year plan in which the country set a goal for carbon neutrality and continued growth in nuclear to 40 GW of generating capacity by 2025 (compared to 48 GW at the end of 2020) (TradeTech, NMR, March 5, 2021). Also during March, a “major shift” began to emerge in uranium markets with uranium producers, including Denison Mines, Uranium Energy Corp, and Boss Resources, buying significant quantities of uranium as an investment strategy (TradeTech, NMR, March 19, 2021). This caused Kazatomprom to announce that it would also look at purchases to fulfill its delivery commitments (TradeTech, NMR, March 19, 2021). Finally, more primary production was lost, as Orano announced that it was stopping mining at Akouta in Niger (TradeTech, NMR, March 19, 2021).

During the quarter, progress was made on restarting nuclear units in Japan. In January, TradeTech reported that Kyushu Electric had restarted Sendai Unit 2, and that TEPCO had completed safety upgrades at Kashiwazaki-Kariwa Unit 7 (TradeTech, NMR, January 15, 2021). In February, TradeTech reported that Kansai Electric received local approval to restart the Mihama and Takahama units (TradeTech, NMR, February 19, 2021). In March, a Japanese court rejected calls to suspend Kyushu Electric’s Genkai Units 3 and 4. (TradeTech, NMR, March 12, 2021). And a Japanese court overturned a lower court’s decision to prevent the restart of Shikoku Electric’s Ikata Unit 3 (TradeTech, NMR, March 19, 2021).

The Company believes that certain uranium supply and demand fundamentals continue to point to higher uranium prices in the future, including significant production cuts in recent years and sharply reduced production in 2020 due to COVID-19 and increased demand from utilities, financial entities (including YellowCake, plc), traders and producers (including Kazatomprom, Cameco, Denison Mines, Uranium Energy Corp., Boss Resources, and potentially others). The Company also continues to believe a large degree of uncertainty exists in the market, primarily due to the size of mobile uranium inventories, transportation issues, premature reactor shutdowns in the U.S., trade issues, and the length of time of any uranium mine, conversion or enrichment shutdowns. However, the Company believes that there also exists considerable uncertainty as to the timing of a recovery in uranium markets due to the opaque nature of inventories, secondary supplies, unfilled utility demand, and the market activity of state-owned uranium and nuclear companies.

Vanadium Market Update

During the quarter, the mid-point price of vanadium in Europe rose significantly from \$5.40 per pound as of December 25, 2020 to \$8.25 per pound as of March 26, 2021. According to Metal Bulletin, vanadium prices in Europe rose through mid-February due to “tightening prompt inventories and better-than-expected end-user demand.” Prices for vanadium during 2020 trended lower for most of the year due to steel mill shutdowns caused by COVID-19 (Metal Bulletin, Ferro-vanadium climbs to near two-year high; V₂O₅ nears one-year high on tight supply, good demand, February 17, 2021).

Rare Earth Market Update

In 2020, the Company began evaluating the potential to process REEs at the White Mesa Mill. By October, the Company had produced a mixed REE carbonate, ready for separation, on a pilot scale from natural monazite ore. In December 2020, the Company announced that it had entered into an agreement with Chemours to acquire a minimum quantity of 2,500 tons of natural monazite ore per year for three years starting in 2021. On March 1, 2021, the Company announced an agreement in principle to sell approximately 80% of the REE carbonate produced from the Chemours monazite to Neo Performance Materials’ Silmet Facility in Estonia, while stockpiling the rest for future separation at the Mill. In late-March, the Company began ramping-up production of REE carbonate.

REEs are used in a variety of clean energy and advanced technologies. According to Roskill, most demand for REE’s is in the form of separated REEs, “as most end-use applications require only one or two separated rare earth compounds or products.” (Roskill, Rare Earths, Outlook to 2030, 20 Edition). The REE market is dominated by China and, according to 2018 data, China controlled 68% of global primary production, 100% of global secondary production, and nearly all production of the “heavy” REEs, including terbium and dysprosium (Adames Intelligence).

The main uses for REEs include: (i) battery alloys; (ii) catalysts; (iii) ceramics, pigments and glazes; (iv) glass polishing powders and additives; (v) metallurgy and alloys; (vi) permanent magnets; (vii) phosphors; and (viii) others (Adames Intelligence). By volume, REEs permanent magnets (neodymium (Nd), praseodymium (Pr), dysprosium (Dy), and terbium (Tb)) and catalysts (cerium (Ce) and lanthanum (La)) comprised 60% of total consumption yet over 90% of the value consumed.

REEs are comprised of 15 chemical elements, plus scandium (Sc) and yttrium (Y). Each individual REE may transact in a number of forms. Therefore, there is no single price for REEs, but numerous prices for individual REE oxides and compounds. The primary value that the Company expects to generate in the short- to medium-term will come from NdPr, Ce, and La. According to data from Asian Metal, NdPr oxide mid-point prices in China rose approximately 41% during Q1-2021 from 411,500 RMB per metric tonne to 581,500 RMB per metric tonne. Mid-point Ce oxide prices in Europe rose approximately 12% from \$2.10/kg to \$2.35/kg. Mid-point La oxide prices in China were flat all quarter at \$1,495 per metric tonne.

As demand for clean energy technologies, including electric vehicles, renewable energy systems and batteries, along with other advanced technologies, increases in the coming years, the Company expects demand and prices for REEs, particularly the ones mentioned above, to increase. Increases in supply sources for REEs are expected in conjunction with anticipated rising REE prices, which are expected to have a moderating impact on price increases.

Operations Update and Outlook for Period Ending March 31, 2021

Overview

In response to the proposed establishment of a strategic national U.S. Uranium Reserve program, the Company is evaluating activities aimed towards increasing uranium production at all or some of our production facilities, including the currently operating White Mesa Mill, as well as the Alta Mesa ISR Facility, the Nichols Ranch ISR Facility, the La Sal Complex and Pinyon Plain Mine, which are currently on standby. The Company may commence such activities prior to the implementation of all program details, recognizing that there can be no guarantee that the program details will be satisfactory and that the timing and outcome of this process is therefore uncertain. Alternatively, the Company may defer commencing any such activities until further clarification is obtained, or as market conditions warrant. No decisions on any project-specific actions have been made at this time.

During 2021, uranium recovery is expected to be maintained at reduced levels, as a result of current uranium market conditions, until such time when market conditions improve sufficiently, though the Company expects to recover uranium at the White Mesa Mill from Pond Returns, Alternate Feed Materials, and natural monazite ore processing. The Company also expects to produce mixed REE carbonate from natural monazite ore during 2021, subject to successful ramp-up. The Company does not plan to extract and/or recover any amounts of uranium of any significance from its Nichols Ranch Project in 2021, which was placed on standby in the second quarter of 2020 due to the depletion of its existing wellfields. Until such time that improvement in uranium market conditions is observed or suitable sales contracts can be entered into, the Company expects to defer further wellfield development at its Nichols Ranch Project and maintain that project on standby. In addition, the Company expects to keep the Alta Mesa Project and its conventional mining properties on standby.

The Company is also seeking new sources of revenue, including its emerging REE business, as well as new sources of Alternate Feed Materials and new fee processing opportunities at the White Mesa Mill that can be processed under existing market conditions (i.e., without reliance on current uranium sales prices). The Company will also continue its support of U.S. governmental activities to support the U.S. uranium mining industry, including the proposed establishment of a U.S. Uranium Reserve. In addition, the Company is in discussions to potentially sell certain of its non-core conventional uranium assets, although there can be no assurance that a sale will be completed or that we will be successful in completing a sale on acceptable terms. The Company will evaluate additional acquisition and disposition opportunities that may arise.

Extraction and Recovery Activities Overview

During the three months ended March 31, 2021, the Company did not recover significant quantities of U_3O_8 . As previously announced, the Company expects to recover approximately 30,000 to 60,000 pounds of U_3O_8 in the year ending December 31, 2021 for its own account. The Company expects to produce no vanadium during the 2021 year. Also in 2021, the Company expects to produce approximately 2,000 to 3,000 tons of mixed REE carbonate at the Mill, containing approximately 1,000 to 1,600 tons of TREO.

The Company has strategically opted not to enter into any uranium sales commitments for 2021. Therefore, subject to the proposed establishment of a U.S. Uranium Reserve and general market conditions, all 2021 uranium production is expected to be added to existing inventories, which inventories are expected to total approximately 720,000 to 750,000 pounds of U_3O_8 at year-end. Subject to any actions the Company may take in response to the proposed establishment of a U.S. Uranium Reserve or improvements in general market conditions, both ISR and conventional uranium extraction and/or recovery is expected to continue to be maintained at reduced levels until such time that improvements in uranium market conditions are observed or

suitable sales contracts can be entered into. All V_2O_5 inventory is expected to be sold on the spot market if prices rise sufficiently above current levels, but otherwise maintained in inventory. The Company expects to sell all or a portion of its mixed REE carbonate to global separation facilities and/or to stockpile it for future separation at the Mill or elsewhere.

ISR Activities

The Company expects to produce insignificant quantities of U_3O_8 in the year ending December 31, 2021 from Nichols Ranch.

Until such time as improvement in uranium market conditions is observed, the proposed U.S. Uranium Reserve is established, and/or suitable sales contracts can be procured, the Company expects to maintain the Nichols Ranch Project on standby and defer development of further wellfields and header houses. The Company currently holds 34 fully-permitted, undeveloped wellfields at Nichols Ranch, including four additional wellfields at the Nichols Ranch wellfields, 22 wellfields at the adjacent Jane Dough wellfields, and eight wellfields at the Hank Project, which is fully permitted to be constructed as a satellite facility to the Nichols Ranch Plant.

The Company expects to continue to keep the Alta Mesa Project on standby until such time as improvements in uranium market conditions are observed, the proposed U.S. Uranium Reserve is established, and/or suitable sales contracts can be procured.

Conventional Activities

Conventional Extraction and Recovery Activities

During the three months ended March 31, 2021, the White Mesa Mill did not recover any quantities of U_3O_8 , focusing instead on developing its REE recovery business. During 2021, the Company expects to recover approximately 30,000 to 60,000 pounds of U_3O_8 at the Mill, including uranium recovered through the processing of REE- and uranium-bearing natural monazite ore. The Company also expects to produce approximately 2,000 to 3,000 tons of mixed REE carbonate at the Mill, containing approximately 1,000 to 1,600 tons of TREO. The Company currently has approximately 150,000 pounds of U_3O_8 contained in stockpiled alternate feed material and ore inventory that can be recovered in the future for the U.S. uranium reserve or as general market conditions warrant. In addition, there remains an estimated 1.5-3 million pounds of solubilized recoverable V_2O_5 inventory remaining in the tailings facility awaiting future recovery, as market conditions may warrant.

The White Mesa Mill has historically operated on a campaign basis whereby uranium and/or vanadium recovery is scheduled as mill feed, cash needs, contract requirements, and/or market conditions may warrant. The Company currently expects that planned uranium production from Alternate Feed Materials, processing natural monazite ore for the recovery of uranium and REEs, and receipt of uranium-bearing materials from mine cleanup activities will keep the Mill in operation through 2021 and beyond. The Company is also actively pursuing opportunities to process additional sources of natural monazite ore, new and additional Alternate Feed Material sources, and new and additional low-grade ore from third parties in connection with various uranium clean-up requirements. Successful results from these activities would allow the Mill to extend operations well into 2022 and beyond.

However, if at any time the Company is unable to justify full operation of the Mill, the Company would place uranium, REE and/or vanadium recovery activities at the Mill on standby at that time. While on standby, the Mill would continue to dry and package material from the Nichols Ranch Plant, if operating, and continue to receive and stockpile Alternate Feed Materials for future milling campaigns. Each future milling campaign would be subject to receipt of sufficient mill feed and resulting cash flow that would allow the Company to operate the Mill on a profitable basis or to recover all or a portion of the Mill's standby costs.

Conventional Standby, Permitting and Evaluation Activities

During the three months ended March 31, 2021, standby and environmental compliance activities occurred at the Pinyon Plain Project. Subject to any actions the Company may take in response to the proposed establishment of a U.S. Uranium Reserve and general market conditions, during 2021, the Company plans to continue carrying out engineering, metallurgical testing, procurement and construction management activities at its Pinyon Plain Project. The timing of the Company's plans to extract and process mineralized materials from this Project will be based on the results of this additional evaluation work, along with market conditions, available financing, sales requirements, and/or permits required for copper recovery at the Mill.

The Company is selectively advancing certain permits at its other major conventional uranium projects, such as the Roca Honda Project, a large, high-grade conventional project in New Mexico. The Company will also maintain required permits at the Company's conventional projects, including the Sheep Mountain Project, La Sal Complex, and the Whirlwind mines. In addition, the Company will continue to evaluate the Bullfrog Property at its Henry Mountains Project. Expenditures for certain of these projects have been adjusted to coincide with expected dates of price recoveries based on the Company's forecasts. All of these projects serve as important pipeline assets for the Company's future conventional production capabilities, as market conditions warrant. As more generally referenced, above, the Company is also in discussions to potentially sell the Tony M, Daneros, Rim and certain other non-core conventional uranium assets.

Uranium Sales

During the three months ended March 31, 2021, the Company completed no sales of uranium. The Company currently has no remaining contracts, and therefore all existing uranium inventory and future production is fully unhedged to future uranium price changes.

Vanadium Sales

During the three months ended March 31, 2021, the Company completed no sales of vanadium. The Company expects to sell finished vanadium product when justified into the metallurgical industry, as well as other markets that demand a higher purity product, including the aerospace, chemical, and potentially the vanadium battery industries. The Company expects to sell to a diverse group of customers in order to maximize revenues and profits. The vanadium produced in the 2019/2020 pond return campaign was a high-purity vanadium product of 99.6%-99.7% V_2O_5 . The Company believes there may be opportunities to sell certain quantities of this high-purity material at a premium to reported spot prices. The Company may also retain vanadium product in inventory for future sale, depending on vanadium spot prices and general market conditions.

Rare Earth Sales

The Company commenced ramping-up commercial production of a mixed REE carbonate in March 2021. Subject to successful ramp-up of production of a salable product during 2021, the Company expects to sell some or all of this intermediate REE product to Neo's Silmet separation facility in Europe and potentially to other REE separation facilities outside the U.S. To the extent not sold, the Company expects to stockpile mixed REE carbonate at the Mill for future separation and other downstream REE processing at the Mill or elsewhere.

The Company also continues to pursue new sources of revenue, including additional Alternate Feed Materials and other sources of feed for the White Mesa Mill.

Continued Efforts to Minimize Costs

The Company will continue to seek ways to minimize the costs of maintaining its critical properties in a state of readiness for potential improvements in market conditions, and is evaluating whether additional cost-cutting measures may be warranted at this time as a result of general market conditions, such as the possibility of monetizing non-core conventional assets of the Company.

Results of Operations

The following table summarizes the results of operations for the three months ended March 31, 2021 and 2020 (in thousands of U.S. dollars):

	Three months ended March 31,	
	2021	2020
Revenues		
Alternate feed materials processing and other	\$ 353	\$ 393
Total revenues	353	393
Impairment of inventories	—	1,078
Gross margin (loss)	353	(685)
Other operating costs and expenses		
Development, permitting and land holding	3,371	677
Standby costs	2,135	1,924
Accretion of asset retirement obligation	321	478
Total other operating costs and expenses	5,827	3,079
Selling, general and administration		
Selling costs	—	12
General and administration	3,373	4,030
Total selling, general and administration	3,373	4,042
Total operating loss	(8,847)	(7,806)
Interest expense	(16)	(350)
Other income (loss)	(2,047)	2,492
Net loss	\$ (10,910)	\$ (5,664)
Basic and diluted loss per share	\$ (0.08)	\$ (0.05)

Revenues

Previously, the Company's revenues from uranium were based on delivery schedules under long-term contracts, which could vary from quarter to quarter. As of December 31, 2018, the Company no longer has any uranium sales contracts. Any future sales of uranium will be subject to sale in the spot market until a time when the Company can agree to terms for long-term sales contracts or potentially pursuant to direct government purchases. In the year ended December 31, 2019, the Company initiated the selling of vanadium recovered from Pond Return at the White Mesa Mill under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all vanadium pentoxide produced by the Company.

Revenues for the three months ended March 31, 2021 and 2020 totaled \$0.35 million and \$0.39 million, respectively, which was primarily related to fees for ore received from a third-party uranium mine.

Operating Expenses

Uranium and Vanadium recovered and costs and expenses applicable to revenue

In the three months ended March 31, 2021, the Company did not recover any material amount of pounds of U_3O_8 from ISR recovery activities or from Alternate Feed Materials at White Mesa Mill. In the three months ended March 31, 2020, the Company recovered 5,900 pounds of U_3O_8 from ISR recovery activities for the Company's own account and 67,000 pounds of V_2O_5 from Pond Return.

There are no costs and expenses applicable to revenue for the three months ended March 31, 2021 and 2020, as the Company did not make any concentrate sales of U_3O_8 or V_2O_5 and only collected a fee to receive ore from a third-party uranium mine for which the Company incurred *de minimis* costs.

Other Operating Costs and Expenses

Development, permitting and land holding

For the three months ended March 31, 2021, the Company spent \$3.37 million for development of the Company's properties, primarily due to the development and ramping up of the expected REE carbonate production program at the White Mesa Mill, compared to \$0.68 million for the three months ended March 31, 2020 for the development of the Company's properties.

While we expect the amounts relative to the items listed above have added future value to the Company, we expense these amounts, as we do not have proven or probable reserves at any of the Company's projects under SEC Industry Guide 7.

Standby costs

The Company's La Sal and Daneros Projects were placed on standby in 2012 as a result of market conditions. In February 2014, the Company placed its Arizona 1 Project on standby. In the beginning of 2018, as well as the beginning of 2020, the White Mesa Mill operated at lower levels of uranium recovery, including prolonged periods of standby. The Nichols Ranch Project was also placed on standby in early 2020. Costs related to the care and maintenance of the standby mines, along with standby costs incurred while the White Mesa Mill was operating at low levels of uranium recovery or on standby, are expensed.

For the three months ended March 31, 2021, standby costs totaled \$2.14 million, compared with \$1.92 million in the prior year. The increase is primarily related to a reduction in recovery activities at the Nichols Ranch and increased project standby activities at the Mill.

Accretion

Accretion related to the asset retirement obligation for the Company's properties was \$0.32 million for the three months ended March 31, 2021 compared with \$0.48 million for the three months ended March 31, 2020. This decrease is primarily due to the Company delaying the timing of estimated reclamation activities at some of its projects.

Selling, general and administrative

Selling, general and administrative expenses include costs associated with marketing uranium, corporate, general and administrative costs and intangible asset amortization from favorable contracts. Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, contract and professional services, share-based compensation expense and other overhead expenditures. Selling, general and administrative expenses totaled \$3.37 million for the three months ended March 31, 2021 compared to \$4.04 million for the three months ended March 31, 2020.

Impairment of Inventories

For the three months ended March 31, 2021, the Company recognized no impairment charges related to inventory. For the three months ended March 31, 2020, the Company recognized \$1.08 million in inventory impairment. The impairment of inventories was due to continued lower uranium prices versus our cost to produce at the Nichols Ranch Project.

Interest Expense and Other Income and Expenses

Interest expense

Interest expense for the three months ended March 31, 2021 was \$0.02 million, compared with \$0.35 million for the three months ended March 31, 2020, respectively. The decrease is primarily related to the full redemption of Convertible Debentures.

Other income and expense

For the three months ended March 31, 2021, other income and expense was \$2.05 million expense, net. These amounts primarily consist of a mark-to-market loss on the increase in fair value of warrant liabilities of \$3.50 million and a loss on foreign exchange of \$0.34 million, partially offset by a \$1.46 million mark-to-market gain on investments accounted for at fair value, other income of \$0.33 million and interest income of \$0.01 million.

For the three months ended March 31, 2020, other income and expense was \$2.49 million income, net. These amounts primarily consist of a mark-to-market gain on the change in fair value of the Convertible Debentures of \$0.47 million, a mark-to-market gain on the decrease in fair value of warrant liabilities of \$1.15 million, a gain on foreign exchange of \$1.24 million, and interest income of \$0.07 million, mostly offset by a \$0.39 million mark-to-market loss on investments accounted for at fair value.

Net Loss

During the quarter ended March 31, 2021, the Company incurred a net loss of \$10.91 million compared to a net loss of \$5.66 million for the quarter ended March 31, 2020. An increase in the Company's share price resulted in a non-cash mark-to-market increase in warrant liabilities of \$3.50 million during the quarter ended March 31, 2021 compared to a decrease of warrant liabilities of \$1.15 million during the quarter ended March 31, 2020. Further contributing to the Company's increased net loss, during the quarter ended March 31, 2021, and as compared to March 31, 2020, the Company spent an additional \$2.69 million in development expenditures, primarily related to the development and ramping up of the expected REE carbonate production program at the Mill.

LIQUIDITY AND CAPITAL RESOURCES

Shares issued for cash

On November 5, 2018, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to \$24.50 million in aggregate Common Shares under the ATM. Then, on the same date, the Company filed a base shelf prospectus whereby the Company may sell any combination of the "Securities" as defined thereunder in one or more offerings having an aggregate offering price of up to \$150.00 million. On May 5, 2019, the prospectus supplement to its U.S. registration statement expired and was replaced on May 7, 2019 by a new prospectus supplement in the same amount, qualifying for distribution up to \$24.50 million in aggregate Common Shares under the ATM. On December 31, 2019 and December 31, 2020, the Company filed prospectus supplements to its U.S. registration statement, qualifying for distribution up to \$30.00 million and \$35.0 million, respectively, in additional Common Shares under the ATM. On April 8, 2021, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to \$33.50 million in additional Common Shares under the ATM. The Company filed a base shelf prospectus that went effective on March 18, 2021 whereby the Company may sell any combination of the "Securities" as defined thereunder in one or more offerings having an aggregate offering price of up to \$300.00 million.

From April 1, 2021 through May 12, 2021, the Company issued 2.16 million Common Shares at a weighted average price of \$6.01 for net proceeds of \$12.70 million using the ATM.

Working capital at March 31, 2021 and future requirements for funds

At March 31, 2021, the Company had net working capital of \$60.37 million, including \$42.70 million in cash, \$1.41 million of marketable securities, approximately 690,800 pounds of uranium finished goods inventory and approximately 1,672,000 pounds of vanadium finished goods inventory. The Company believes it has sufficient cash and resources to carry out its business plan for at least the next twelve months.

The Company is actively focused on its forward-looking liquidity needs, especially in light of the current depressed uranium markets. The Company is evaluating its ongoing fixed cost structure as well as decisions related to project retention, advancement and development. If current uranium prices persist for any extended period of time, the Company will likely be required to raise capital or take other measures to fund its ongoing operations. Significant development activities, if warranted, will require that we arrange for financing in advance of planned expenditures. In addition, we expect to continue to augment our current financial resources with external financing as our long-term business needs require. We cannot provide any assurance that we will pursue any of these transactions or that we will be successful in completing them on acceptable terms or at all.

The Company manages liquidity risk through the management of its working capital and its capital structure.

Cash and cash flows

Three months ended March 31, 2021

Cash, cash equivalents and restricted cash were \$63.53 million at March 31, 2021, compared to \$40.99 million at December 31, 2020. The increase of \$22.54 million was due primarily to cash provided by financing activities of \$30.39 million, cash provided by investing activities of \$0.57 million, and the impact of foreign exchange rate fluctuations on cash held in foreign currencies of \$0.03 million, offset by cash used in operating activities of \$8.45 million.

Net cash used in operating activities of \$8.45 million is comprised of the net loss of \$10.91 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were \$0.77 million of depreciation and amortization of property, plant and equipment, share-based compensation expense of \$0.70 million, a \$3.50 million change in warrant liabilities, accretion of asset retirement obligation of \$0.32 million, and unrealized foreign exchange loss of \$0.43 million, offset by other non-cash expenses of \$1.68 million and a revision of asset retirement obligations of \$0.04 million. Other items include an increase in inventories of \$0.40 million, a decrease in accounts payable and accrued liabilities of

\$0.51 million, an increase in prepaid expenses and other assets of \$0.63 million and an increase in trade and other receivables of \$0.01 million.

Net cash provided by investing activities was \$0.57 million comprised of \$1.17 million cash received from maturities of marketable securities partially offset by \$0.60 million cash used for the purchase of mineral properties and property, plant and equipment.

Net cash provided by financing activities totaled \$30.39 million consisting of \$29.91 million net proceeds from the issuance of shares under the Company's ATM facility, cash received from exercise of stock options of \$0.70 million, and cash received from exercise of warrants of \$0.44 million, partially offset by \$0.66 million cash paid to fund employee income tax withholding due upon vesting of restricted stock units.

Three months ended March 31, 2020

Cash, cash equivalents and restricted cash were \$43.66 million at March 31, 2020, compared to \$32.89 million at December 31, 2019. The increase of \$10.77 million was due primarily to cash provided by financing activities of \$18.57 million, cash provided by investing activities of \$2.20 million, offset by cash used in operating activities of \$8.32 million and loss on foreign exchange on cash held in foreign currencies of \$1.68 million.

Net cash used in operating activities of \$8.32 million is comprised of the net loss of \$5.66 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were \$0.30 million of depreciation and amortization of property, plant and equipment, \$1.08 million impairment on inventory, share-based compensation expense of \$1.00 million, accretion of asset retirement obligation of \$0.48 million, other non-cash expenses of \$0.80 million, unrealized foreign exchange loss of \$0.39 million, a decrease in trade and other receivables of \$0.04 million, offset by an increase in inventories of \$2.12 million, an increase in prepaid expenses and other assets of \$0.50 million, a decrease in accounts payable and accrued liabilities of \$2.51 million, \$1.15 million change in warrant liabilities, and a \$0.47 million change in the value of Convertible Debentures.

Net cash provided by investing activities was \$2.20 million, related to cash received from maturities of marketable securities.

Net cash provided by financing activities totaled \$18.57 million consisting of \$19.10 million net proceeds from the issuance of common shares from public offerings and \$0.13 million cash received from non-controlling interest partially offset by \$0.42 million cash paid to fund employee income tax withholding due upon vesting of restricted stock units and \$0.24 million to repay loans and borrowings.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with U.S. GAAP requires the use of certain critical accounting estimates and judgments that affect the amounts reported. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Although the Company regularly reviews the estimates and judgments made that affect these financial statements, actual results may be materially different.

Significant estimates made by management include:

a. Exploration Stage

SEC Industry Guide 7 defines a reserve as "that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination." The classification of a reserve must be evidenced by a bankable feasibility study using the latest three-year price average. While the Company has established the existence of mineral resources and has successfully extracted and recovered saleable uranium from certain of these resources, the Company has not established proven or probable reserves, as defined under SEC Industry Guide 7, for these operations or any of its uranium projects. As a result, the Company is in the Exploration Stage as defined under Industry Guide 7. Furthermore, the Company has no plans to establish proven or probable reserves for any of its uranium projects.

While in the Exploration Stage, among other things, the Company must expense all amounts that would normally be capitalized and subsequently depreciated or depleted over the life of the mining operation on properties that have proven or probable reserves.

Items such as the construction of wellfields and related header houses, additions to our recovery facilities and advancement of properties will all be expensed in the period incurred. As a result, the Company's consolidated financial statements may not be directly comparable to the financial statements of mining companies in the development or production stages.

b. Resource estimates utilized

The Company utilizes estimates of its mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the deposits requires complex geological judgments to interpret the data. The estimation of future cash flows related to resources is based upon factors such as estimates of future uranium prices, future construction and operating costs along with geological assumptions and judgments made in estimating the size and grade of the resource. Changes in the mineral resource estimates may impact the carrying value of mining and recovery assets, goodwill, reclamation and remediation obligations and depreciation and impairment.

c. Depreciation of mining and recovery assets acquired

For mining and recovery assets actively extracting and recovering uranium we depreciate the acquisition costs of the mining and recovery assets on a straight-line basis over our estimated lives of the mining and recovery assets. The process of estimating the useful life of the mining and recovery assets requires significant judgment in evaluating and assessing available geological, geophysical, engineering and economic data, projected rates of extraction and recovery, estimated commodity price forecasts and the timing of future expenditures, all of which are, by their very nature, subject to interpretation and uncertainty.

Changes in these estimates may materially impact the carrying value of the Company's mining and recovery assets and the recorded amount of depreciation.

d. Impairment testing of mining and recovery assets

The Company undertakes a review of the carrying values of its mining and recovery assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and net cash flows. An impairment loss is recognized when the carrying value of a mining or recovery asset is not recoverable based on this analysis. In undertaking this review, the management of the Company is required to make significant estimates of, among other things, future production and sale volumes, forecast commodity prices, future operating and capital costs and reclamation costs to the end of the mining asset's life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of mining and recovery assets.

e. Asset retirement obligations

Asset retirement obligations are recorded as a liability when an asset that will require reclamation and remediation is initially acquired. For disturbances created on a property owned that will require future reclamation and remediation the Company records asset retirement obligations for such disturbance when occurred. The Company has accrued its best estimate of its share of the cost to decommission its mining and milling properties in accordance with existing laws, contracts and other policies. The estimate of future costs involves a number of estimates relating to timing, type of costs, mine closure plans, and review of potential methods and technical advancements. Furthermore, due to uncertainties concerning environmental remediation, the ultimate cost of the Company's decommissioning liability could differ from amounts provided. The estimate of the Company's obligation is subject to change due to amendments to applicable laws and regulations and as new information concerning the Company's operations becomes available. The Company is not able to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future. Additionally, the expected cash flows in the future are discounted at the Company's estimated cost of capital based on the periods the Company expects to complete the reclamation and remediation activities. Differences in the expected periods of reclamation or in the discount rates used could have a material difference in the actual settlement of the obligations compared with the amounts provided.

Recently Adopted Accounting Pronouncements

Fair Value Measurement

In August 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-13, which amended the fair value measurement guidance by removing and modifying certain disclosure requirements, while also adding new disclosure requirements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty would be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments would be applied retrospectively to all periods presented upon their effective date. The Company adopted this pronouncement effective January 1, 2020.

Recently Issued Accounting Pronouncements Not Yet Adopted

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326)." The new standard is effective for reporting periods beginning after December 15, 2022 (January 1, 2023 for the Company) for Smaller Reporting Companies. The standard replaces the incurred loss impairment methodology under current GAAP with a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss model for accounts receivables, loans, and other financial instruments. The standard requires a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The Company is currently evaluating the impact the adoption of ASU 2016-13 will have on its consolidated financial statements.

Income Taxes - Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, "Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)," which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 will be effective for interim and annual periods beginning after December 15, 2020 (January 1, 2021 for the Company). Early adoption is permitted. The Company has evaluated the impact of the adoption of ASU 2019-12 which does not currently have an impact on its consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to risks associated with commodity prices, interest rates, foreign currency exchange rates and credit. Commodity price risk is defined as the potential loss that we may incur as a result of changes in the market value of uranium or vanadium. Interest rate risk results from our debt and equity instruments that we issue to provide financing and liquidity for our business. The foreign currency exchange rate risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates. Credit risk arises from the extension of credit throughout all aspects of our business. Industry-wide risks can also affect our general ability to finance exploration, and development of exploitable resources; such effects are not predictable or quantifiable. Market risk is the risk to the Company of adverse financial impact due to change in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. The Company currently does not have any contracts in place for the sale of vanadium.

Commodity Price Risk

The Company is subject to market risk related to the market price of U₃O₈ and V₂O₅. The Company's existing long-term uranium contracts expired following the Company's April 2018 deliveries, and all uranium sales will now be required to be made at spot prices until the Company enters into new long-term contracts at satisfactory prices in the future. Future revenue beyond our current contracts will be affected by both spot and long-term U₃O₈ price fluctuations, which are affected by factors beyond our control, including: the demand for nuclear power; political and economic conditions; governmental legislation in uranium producing and consuming countries; and production levels and costs of production of other producing companies. The Company continuously monitors the market to determine its level of extraction and recovery of uranium and vanadium in the future.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash equivalents, deposits, restricted cash and debt. Our interest income is earned in United States dollars and is not subject to interest rate risk. The Company was previously exposed to an interest rate risk associated with the Convertible Debentures, which is based on the spot market price of U₃O₈. However, all of the Convertible Debentures were redeemed as of October 6, 2020. See "Note 7 to the Financial Statements: Loans and Borrowings." The Company does not use derivatives to manage interest rate risk.

Currency Risk

The foreign currency exchange rate risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates. As the U.S. Dollar is the functional currency of our U.S. operations, the currency risk has been reduced. We maintain a nominal balance in foreign currency, resulting in a low currency risk relative to our cash balances. Our Convertible Debentures were denominated in Canadian Dollars and, accordingly, prior to their redemption on October 6, 2020 were exposed to currency risk.

The following table summarizes, in United States dollar equivalents, the Company's major foreign currency (Cdn\$) exposures as of March 31, 2021 (\$'000):

Cash and cash equivalents	\$	1,599
Accounts payable and accrued liabilities		(404)
Total	\$	1,195

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to our financial instruments as of March 31, 2021 with all other variables held constant. It shows how net income would have been affected by changes in the relevant risk variables that were reasonably possible at that date.

('000s)	Change for Sensitivity Analysis	Increase (decrease) in other comprehensive income
Strengthening net earnings	+1% change in US dollar \$	15
Weakening net earnings	-1% change in U.S. dollar \$	(15)

Credit Risk

Credit risk relates to cash and cash equivalents, investments available for sale, trade, and other receivables that arise from the possibility that any counterparty to an instrument fails to perform. The Company only transacts with highly rated counterparties and a limit on contingent exposure has been established for any counterparty based on that counterparty's credit rating. The Company's sales are attributable mainly to multinational utilities. The Company carries credit risk insurance relating to its vanadium sales, which it considers to be adequate. As of March 31, 2021, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, investments available for sale, trade receivables and taxes recoverable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed in the reports that we file or

submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC and to ensure that material information required to be disclosed is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding disclosure. The Chief Executive Officer and the Chief Financial Officer, with assistance from other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of March 31, 2021 and, based on their evaluation, have concluded that the disclosure controls and procedures were effective as of such date as was disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

We are not aware of any material pending or threatened litigation or of any proceedings known to be contemplated by governmental authorities that are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole that was not disclosed in the Company's Form 10-K for the year ended December 31, 2020, or in this Form 10-Q for the quarter ended March 31, 2021.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On March 18, 2021, the Board approved a fourth extension to consulting agreement (together with the original agreement and all prior extensions, the "Consulting Agreement") with Redwood Empire Financial Communications (the "Consultant"), which was signed by both parties on March 18, 2021 and is effective as of October 1, 2021. Pursuant to the Consulting Agreement, the Consultant will continue to provide investor communications and financial public relations services with existing and prospective shareholders, brokers, dealers and other investment professionals relating to the Company's current and proposed activities, and to consult with the Company's management concerning such activities. Under the Consulting Agreement, the Company will issue Common Shares in payment of such services on a quarterly basis in arrears or shall, at the Company's discretion, pay cash for the services provided under the Consulting Agreement. The Consulting Agreement and a maximum of 900,000 common shares of the Company were reserved by the Company's shareholders on May 30, 2018 in connection with the Consulting Agreement, with 425,365 common shares remaining as of the date of this report.

The Company originally entered into the Consulting Agreement with Liviakis Financial Communications, Inc. ("Liviakis") on October 1, 2017, which was approved by the Board on December 19, 2017. Liviakis assigned, and Redwood assumed, the Consulting Agreement by way of the third extension to consulting agreement dated as of October 1, 2020, which included an assignment and assumption clause executed by the parties.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURE.

The mine safety disclosures required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K are included in Exhibit 95.1 of this Quarterly Report, which is incorporated by reference into this Item 4.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibits

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Articles of Continuance dated September 2, 2005 (1)
3.2	Articles of Amendment dated May 26, 2006 (2)
3.3	By-law No. 3 (3)
4.1	Shareholder Rights Plan between Energy Fuels Inc. and CIBC Mellon Trust Company dated February 3, 2009 (4)
4.2	Warrant Indenture between Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated September 20, 2016 (5)
4.3	Uranerz Energy Corporation 2005 Nonqualified Stock Option Plan, as amended and restated as of June 15, 2011 (6)
4.4	Amended and Restated Shareholder Rights Plan Agreement between Energy Fuels Inc. and AST Trust Company, dated March 29, 2018 and effective as of May 30, 2018 by shareholder vote (7)
4.5	2018 Omnibus Equity Incentive Compensation Plan, as amended and restated as of March 29, 2018 (8)
4.6	Shareholder Rights Plan Agreement between Energy Fuels Inc. and American Stock Transfer & Trust Company, LLC, dated March 18, 2021 (9)
4.7	2021 Omnibus Equity Incentive Compensation Plan, as amended and restated on March 18, 2021 (10)
10.1	Sales Agreement by and among Energy Fuels Inc., Cantor Fitzgerald & Co., H.C. Wainwright & Co., LLC and Roth Capital Partners, LLC, dated May 6, 2019 (11)
10.2	Employment Agreement by and between Energy Fuels Inc. and Mark Chalmers dated March 18, 2021 (12)
10.3	Employment Agreement by and between Energy Fuels Inc. and David C. Frydenlund dated March 18, 2021 (13)
10.4	Employment Agreement by and between Energy Fuels Inc. and Curtis Moore dated October 6, 2017 (14)
10.5	Employment Agreement by and between Energy Fuels Inc. and Dee Ann Nazareus dated September 1, 2020 (15)
10.6	Employment Agreement by and between Energy Fuels Inc. and Scott Bakken dated September 1, 2020 (16)
10.7	Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated March 29, 2018 and effective October 1, 2017 (17)
10.8	October 2018 Amended and Restated Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated October 1, 2018 (18)
10.9	October 2019 Second Extension to Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated October 1, 2019 (19)
10.10	October 2020 Third Extension to Consulting Agreement between Energy Fuels Inc. and Redwood Empire Financial Communications Inc. ("Redwood"), including its assignment and assumption from Liviakis Financial Communications, Inc. to Redwood, entered into with Energy Fuels Inc. on October 1, 2020 (20)
10.11	October 2021 Fourth Extension to Consulting Agreement between Energy Fuels Inc. and Redwood Empire Financial Communications Inc., dated March 18, 2021 and effective as of October 1, 2021.
23.1	Consent of Mark S. Chalmers
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mine Safety Disclosure
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension – Schema
101.CAL	XBRL Taxonomy Extension – Calculations
101.DEF	XBRL Taxonomy Extension – Definitions

101.LAB XBRL Taxonomy Extension – Labels
101.PRE XBRL Taxonomy Extension – Presentations

- (1) Incorporated by reference to Exhibit 3.1 of Energy Fuels’ Form F-4 filed with the SEC on May 8, 2015.
- (2) Incorporated by reference to Exhibit 3.2 of Energy Fuels’ Form F-4 filed with the SEC on May 8, 2015.
- (3) Incorporated by reference to Appendix C of Energy Fuels’ Schedule 14A filed with the SEC on April 2, 2021.
- (4) Incorporated by reference to Exhibit 10.9 to Energy Fuels’ Form F-4 filed on May 8, 2015.
- (5) Incorporated by reference to Exhibit 4.1 to Energy Fuels’ Form 8-K filed on September 20, 2016.
- (6) Incorporated by reference to Exhibit 4.2 to Energy Fuels’ Form S-8 filed on June 24, 2015.
- (7) Incorporated by reference to Schedule B to Energy Fuels’ Schedule 14A filed on April 11, 2018.
- (8) Incorporated by reference to Schedule C to Energy Fuels’ Schedule 14A filed on April 11, 2018.
- (9) Incorporated by reference to Appendix B of Energy Fuels’ Schedule 14A filed with the SEC on April 2, 2021.
- (10) Incorporated by reference to Appendix A of Energy Fuels’ Schedule 14A filed with the SEC on April 2, 2021.
- (11) Incorporated by reference to Exhibit 10.1 to Energy Fuels’ Form 10-Q filed with the SEC on August 5, 2019.
- (12) Incorporated by reference to Exhibit 10.9 to Energy Fuels’ Form 10-K filed with the SEC on March 22, 2021.
- (13) Incorporated by reference to Exhibit 10.10 to Energy Fuels’ Form 10-K filed with the SEC on March 22, 2021.
- (14) Incorporated by reference to Exhibit 10.4 to Energy Fuels’ Form 10-Q filed with the SEC on November 2, 2020.
- (15) Incorporated by reference to Exhibit 10.5 to Energy Fuels’ Form 10-Q filed with the SEC on November 2, 2020.
- (16) Incorporated by reference to Exhibit 10.6 to Energy Fuels’ Form 10-Q filed with the SEC on November 2, 2020.
- (17) Incorporated by reference to Exhibit 1.1 to Energy Fuels’ Form 8-K filed on April 3, 2018.
- (18) Incorporated by reference to Exhibit 14.16 to Energy Fuels’ Form 10-Q filed with the SEC on November 5, 2018.
- (19) Incorporated by reference to Exhibit 10.10 to Energy Fuels’ Form 10-K filed with the SEC on March 17, 2020.
- (20) Incorporated by reference to Exhibit 10.4 to Energy Fuels’ Form 10-K filed with the SEC on March 22, 2021.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the *Securities Exchange Act of 1934*, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGY FUELS INC.
(Registrant)

Dated: May 13, 2021

By: /s/ Mark S. Chalmers
Mark S. Chalmers
President & Chief Executive Officer

Dated: May 13, 2021

By: /s/ David C. Frydenlund
David C. Frydenlund
Chief Financial Officer

OCTOBER 2021 FOURTH EXTENSION TO CONSULTING AGREEMENT

This **October 2021 Fourth Extension to Consulting Agreement** (the “**Fourth Extension**”), effective as of October 1, 2021 (the “**Effective Date**”), is entered into by and between **ENERGY FUELS INC.**, having an office at 225 Union Blvd., Suite 600, Lakewood, CO 80228 (herein referred to as “**Company**”), and **REDWOOD EMPIRE FINANCIAL COMMUNICATIONS**, a Georgia corporation, having its headquarters at 2400 Old Milton Pkwy #1101, Alpharetta, GA 30009 (herein referred to as either “**Consultant**” or “**Redwood**”). Company and Consultant are sometimes referred to herein individually as a “**party**” and collectively as the “**parties.**”

RECITALS

WHEREAS Company desires to engage the services of Consultant to represent Company in investor communications and financial public relations with existing and prospective shareholders, brokers, dealers and other investment professionals with respect to Company’s current and proposed activities, and to consult with Company’s management concerning such activities;

AND WHEREAS the Company originally entered into a Consulting Agreement with Liviakis Financial Communications, Inc. (“**Liviakis**”) dated as of October 1, 2017 (the “**Original Agreement**”), which was approved by the Company’s Board of Directors (the “**Board**”) at its December 19, 2017 meeting with respect to the provision of such services up to and ending on September 30, 2018 (the “**Initial Term**”), and by the shareholders of the Company (the “**Shareholders**”) on May 30, 2018 with respect to the provision of such services during the Initial Term of the Original Agreement and up to three one-year Extension Periods (ending no later than September 30, 2021) with a maximum of 900,000 common shares to be issued as compensation for services;

AND WHEREAS the Company and Liviakis entered into an October 2018 Amended and Restated Consulting Agreement, constituting the first extension to the Original Agreement, dated as of October 1, 2018 (the “**First Extension**”), which was approved by the Board on November 1, 2018 with respect to the provision of such services during the First Extension and any subsequent extension periods, with a maximum of 652,513 common shares of the Company further allotted and reserved for issuance to Liviakis as compensation for services, representing the number of shares remaining from the 900,000 approved by a vote of Shareholders after conclusion of the Initial Term;

AND WHEREAS the Company and Liviakis entered into an October 2019 Second Extension to Consulting Agreement dated as of October 1, 2019 (the “**Second Extension**”) on the same terms as the First Extension, save an adjustment to the Issue Price (as defined in the Second Extension), which expired on September 30, 2020;

AND WHEREAS Michael Bayes, the consultant who was primarily responsible for providing services to the Company on behalf of Liviakis, left his position with Liviakis in 2020 to form his own consulting firm, Redwood;

AND WHEREAS in recognition of Mr. Bayes’ key role in providing consulting services to the Company pursuant to the Original Agreement, as amended and extended, Liviakis assigned to Redwood, and Redwood assumed, the Original Agreement together with the Extensions (as defined below) (collectively, the “**Consulting Agreement**”) by way of the October 2020 Third Extension to Consulting Agreement dated as of October 1, 2020, which included an assignment and assumption clause and constituted the final one-year extension period under the Original Agreement (the “**Third Extension**” and, together with the First Extension, Second Extension, this Fourth Extension and all further one-year extension periods provided for hereunder, the “**Extensions**”);

AND WHEREAS the parties now desire to amend the Consulting Agreement so as to further extend its term for up to three (3) additional one-year extension periods, and to make certain other ancillary amendments thereto, subject to Shareholder approval on May 26, 2021 and third Board approval on March 18, 2021,

AGREEMENT

NOW THEREFORE, in consideration of the mutual obligations contained herein, the parties agree as follows:

- 1) **Amended Extension Period(s).** The Initial Term as extended by the Extensions is referred to herein as the “**Term**” of the Consulting Agreement. Upon expiration of the Third Extension Term on September 30, 2021, the Company hereby agrees to continue its retention of the Consultant as an independent contractor to act in a consulting capacity to Company upon the terms and conditions hereinafter set forth, and Consultant hereby agrees to continue providing such services to Company commencing on the Effective Date and ending on September 30, 2022 (the “**Fourth Extension Term**”), unless earlier terminated pursuant to Section 12 of this Fourth Extension. The Term may be extended at the end of the Fourth Extension Term for a one-year period and at the end of the year thereafter for an additional one-year period, for a total of up to two (2) additional one-year extension periods after the end of the Fourth Extension Term (ending no later than September 30, 2024). Any such one-year extension shall be determined by the parties in advance of the then-current Term’s expiration.
- 2) **Duties of Consultant.** Subject to all applicable laws, regulations, and stock exchange rules, Consultant agrees that it will generally provide the following consulting services:
 - a) consult and assist Company in developing and implementing appropriate plans and means for presenting Company and its business plans, strategy and personnel to the financial community, establishing an image for Company in the financial community, and creating the foundation for subsequent financial public relations efforts;
 - b) introduce Company to the financial community;
 - c) with the cooperation of Company, maintain an awareness during the Fourth Extension Term of Company’s plans, strategy and personnel, as they may evolve during such period, and consult and assist Company in communicating appropriate information regarding such plans, strategy and personnel to the financial community;
 - d) assist and consult with Company with respect to its (i) relations with stockholders, (ii) relations with brokers, dealers, analysts and other investment professionals, and (iii) financial public relations generally;
 - e) perform the functions generally assigned to stockholder relations and public relations departments in major corporations, including responding to telephone and written inquiries (which may be referred to Consultant by Company); preparing reports and other communications with or to Shareholders, the investment community and the general public; consulting with respect to the timing, form, distribution and other matters related to such reports and communications; and, at Company’s request and subject to Company’s securing its own rights to the use of its names, marks, and logos, consulting with respect to corporate symbols, logos, names, the presentation of such symbols, logos and names, and other matters relating to corporate image;
 - f) upon Company’s direction and approval, disseminate information regarding Company to Shareholders, brokers, dealers, other investment community professionals and the general investing public;
 - g) upon Company’s approval, conduct meetings, in person or by telephone, with brokers, dealers, analysts and other investment professionals to communicate with them regarding Company’s plans, goals and activities, and assist Company in preparing for press conferences and other forums involving the media, investment professionals and the general investment public;

- h) at Company's request, review business plans, strategies, mission statements budgets, proposed transactions and other plans for the purpose of advising Company of the public relations implications thereof;
- i) assist Company in raising capital through introductions (it is understood Consultant is not an "investment banking" firm and may not receive any commission for such introductions); and
- j) otherwise perform as Company's consultant for public relations and relations with financial professionals.

Consultant will not publish or distribute electronically or otherwise any written materials relating to Company or its business or affairs without the prior written approval of Company.

- 3) **Allocation of Time and Energies.** Consultant agrees to perform and discharge faithfully the responsibilities which may be assigned to Consultant from time to time by the officers and fully authorized representatives of Company in connection with the conduct of its financial and public relations and communications activities, so long as such activities are in compliance with applicable securities laws and regulations. Although no specific hours-per-day requirement will be required, Consultant agrees that it will perform the duties set forth in this Fourth Extension in a diligent and professional manner. It is explicitly understood that Consultant's performance of its duties hereunder will in no way be measured by the price of the Company's common shares ("**Common Shares**"), nor the trading volume of the Common Shares.

4) **Compensation.**

- a) *Fees.*

As full and complete compensation for undertaking this engagement and for performance of the services described herein, Company shall pay to Consultant:

- (i) During the Fourth Extension Term, US\$48,000 per calendar quarter, payable in arrears, at the end of each quarter for services performed during the quarter.

- b) *Fees Payable in Common Shares*

Subject to Sections 4(d) and 5(e), below, all fees payable hereunder during the Fourth Extension Term shall be paid in Common Shares at the applicable issue price (the "**Issue Price**") determined in accordance with Section 4(c), below.

The resale of all Common Shares issued under this Fourth Extension shall be restricted in accordance with Rule 144 under ("**Rule 144**") the Securities Act of 1933 (the "**Securities Act**"), as adopted by the U.S. Securities and Exchange Commission ("**SEC**") and applicable Canadian securities laws and Toronto Stock Exchange rules. The Common Shares to be issued under this Fourth Extension were duly authorized by the Board prior to the date of issuance of such shares.

- c) *Determination of Issue Price.*

The Issue Price will be determined as follows:

- (i) the Issue Price for all Common Shares issued for services performed during each calendar quarter of the Fourth Extension Term shall be the greater of: (A) US\$3.00; and (B) the volume weighted average

price of the Common Shares on the NYSE American for the 5 trading days ending on, and including, the day prior to commencement of such quarter.

d) *Maximum Number of Shares to be Issued Under this Fourth Extension and Any Subsequent Extensions.*

The maximum number of Common Shares that may be issued pursuant to this Fourth Extension, taken together with the Common Shares issued in respect of the Original Agreement and First and Second Extensions, any additional one-year period extensions (ending no later than September 30, 2024) shall not exceed 200,000 Common Shares in total without prior approval of the Shareholders and the Board, and without prior receipt of all applicable regulatory and stock exchange approvals.

e) *Payment in Cash*

Notwithstanding the foregoing, Company reserves the right, in its sole discretion, to compensate Consultant for services provided in whole or in part in cash rather than Common Shares, payable in arrears.

5) **Restricted Securities.**

a) **Consultant Representations & Warranties.** Consultant acknowledges, represents, warrants and agrees as follows:

- (i) the Common Shares will be issued by Company to Consultant in reliance on the exemption from Canadian prospectus and registration requirements set out in Section 2.24 of National Instrument 45-106 – *Prospectus and Registration Exemptions* adopted by the Canadian Securities Administrators and are not subject to a hold period under Canadian securities laws and regulations. Consultant acknowledges and confirms that it has not been induced to accept the Common Shares in partial satisfaction of its compensation hereunder by expectation of the engagement or continued engagement of Consultant to provide services to Company or its affiliates;
- (ii) Consultant has had the opportunity to ask questions of and receive answers from Company regarding the acquisition of the Common Shares, and has received all the information regarding Company that it has requested;
- (iii) Consultant acknowledges that the Common Shares are highly speculative in nature and Consultant has such sophistication and experience in business and financial matters as to be capable of evaluating the merits and risks of the investment. In connection with the delivery of the Common Shares, Consultant has not relied upon Company for investment, legal or tax advice, or other professional advice, and has in all cases sought or elected not to seek the advice of its own personal investment advisers, legal counsel and tax advisers. Consultant is able, without impairing its financial condition, to bear the economic risk of, and withstand a complete loss of the investment and it can otherwise be reasonably assumed to have the capacity to protect its own interests in connection with its investment in the Common Shares;
- (iv) Consultant acknowledges that Company may be required to file a report of trade with applicable Canadian securities regulators containing personal information about Consultant and that Company may also be required pursuant to applicable securities laws to file this Fourth Extension on SEDAR and EDGAR. By executing this Fourth Extension, Consultant authorizes the indirect collection of the information described in this Section by all applicable securities regulators and consents to the

disclosure of such information to the public through (i) the filing of a report of trade with all applicable securities regulators and (ii) the filing of this Fourth Extension on SEDAR and EDGAR;

- (v) Consultant acknowledges that the Common Shares have not been and will not be registered under the Securities Act, or applicable state securities laws, and the Common Shares are being offered and sold to Consultant in reliance upon Rule 506(b) of Regulation D and/or Section 4(a)(2) under the Securities Act;
- (vi) Consultant is an Accredited Investor as defined in Rule 501(a) of Regulation D under the Securities Act;
- (vii) Consultant acknowledges that it is not acquiring the Common Shares as a result of “general solicitation” or “general advertising” (as such terms are used in Regulation D under the Securities Act), including without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet, or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (viii) Consultant acknowledges that it is not acquiring the Common Shares as a result of, and will not itself engage in, any “directed selling efforts” (as defined in Regulation S under the Securities Act) in the United States in respect of any of the Common Shares which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of any of the Common Shares; provided, however, that Consultant may sell or otherwise dispose of any of the Common Shares pursuant to registration of any of the Common Shares pursuant to the Securities Act and any applicable state securities laws or under an exemption from such registration requirements and as otherwise provided herein;
- (ix) Consultant understands and agrees not to engage in any hedging transactions involving any of the Common Shares unless such transactions are in compliance with the provisions of the Securities Act and in each case only in accordance with applicable state and provincial securities laws; Consultant acknowledges that the Common Shares are “**restricted securities**,” as such term is defined under Rule 144 of the Securities Act, and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the Securities Act and applicable state securities laws, and Consultant agrees that if it decides to offer, sell, pledge or otherwise transfer, directly or indirectly, any of the Common Shares absent such registration, it will not offer, sell, pledge or otherwise transfer, directly or indirectly, any of the Common Shares, except:
 - A. to Company; or
 - B. outside the United States in an “offshore transaction” in compliance with the requirements of Rule 904 of Regulation S under the Securities Act, if available, and in compliance with applicable local laws and regulations; or
 - C. in compliance with an exemption from registration under the Securities Act provided by (a) Rule 144 or (b) Rule 144A thereunder, if available, and in accordance with any applicable state securities or “Blue Sky” laws; or
 - D. in a transaction that does not require registration under the Securities Act or any applicable state securities laws; and
 - E. in the case of subparagraphs (ii), (iii) or (iv), it has furnished to Company and to Company’s transfer agent an opinion of counsel of recognized standing in form and substance satisfactory to Company and to Company’s transfer agent to such effect.

- b) Legend Requirements. Consultant acknowledges that the certificates representing the Common Shares shall bear a legend in the following form:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO ENERGY FUELS INC., (B) IF THE SECURITIES HAVE BEEN REGISTERED IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT IN ACCORDANCE WITH RULE 144 THEREUNDER, IF APPLICABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO ENERGY FUELS INC. AN OPINION OF COUNSEL OF RECOGNIZED STANDING, OR OTHER EVIDENCE OF EXEMPTION, REASONABLY SATISFACTORY TO ENERGY FUELS INC. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH U.S. SECURITIES LAWS.”

Notwithstanding the foregoing, if the certificates representing the Common Shares have been held by Consultant for a period of at least six (6) months after the respective payment dates, and if Rule 144 under the Securities Act is applicable (there being no representations by Company that Rule 144 is applicable), and subject to the restrictions set forth hereof, Consultant may make sales of the Common Shares only under the terms and conditions prescribed by Rule 144 of the Securities Act or other exemptions therefrom and provided that Consultant provides an opinion of counsel of recognized standing in form and substance satisfactory to Company and Company’s transfer agent to the effect that the U.S. restrictive legend is no longer required under applicable requirements of the Securities Act.

- c) TSX Requirements. The certificate(s) evidencing the Common Shares shall bear a legend (the “**TSX Legend**”) as required by Section 607.1 of the TSX Company Manual, substantially in the form below:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE (“TSX”); HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON TSX.”

In accordance with Section 607.1 of the TSX Company Manual, the TSX Legend may be removed at such time as the U.S. Legend has been removed.

6) **Required Approvals.**

a) *Stock Exchange Approvals*

The issuances of Common Shares contemplated by the Consulting Agreement were originally approved by the Toronto Stock Exchange on November 7, 2019 and by the NYSE American LLC on May 29, 2018. The issuance of Common Shares under this Fourth Extension remains subject to applicable stock exchange rules and approvals in all respects.

Notice of the Assignment was provided to the Toronto Stock Exchange and to the NYSE American LLC on September 25, 2020, with confirmations thereafter received. No further actions were required to be taken by the parties.

b) *Shareholder Approval*

The issuance of Common Shares hereunder was approved by the Shareholders on May 30, 2018.

c) *Board of Directors Approval*

The issuance of Common Shares hereunder was approved by the Board on March 18, 2021.

As a result of the foregoing approvals, no further approvals are required at this time.

- 7) **Expenses.** Consultant agrees to pay for all its expenses (phone, mailing, labor, and the like), other than extraordinary items (travel required, or specifically requested, by Company, luncheons or dinners to large groups of investment professionals, investor conference calls, print advertisements in publications, and the like) approved by Company prior to it incurring an obligation for reimbursement.
- 8) **Indemnification.** Company warrants and represents that all oral communications, written documents or materials furnished to Consultant by Company with respect to financial affairs, operations, profitability and strategic planning of Company are accurate and Consultant may rely upon the accuracy thereof without independent investigation. Company will protect, indemnify and hold harmless Consultant against any claims or litigation including any damages, liability, cost and reasonable attorney's fees as incurred with respect thereto resulting from Consultant's communication or dissemination of any said information, documents or materials in accordance with the terms of this Fourth Extension. Consultant will protect, indemnify and hold harmless Company against any claims or litigation including any damages, liability, cost and reasonable attorney's fees as incurred with respect thereto resulting from Consultant's communication or dissemination of any information, documents or materials related to Company that had not previously been approved by Company.
- 9) **Compliance with Laws.** Consultant (on its own behalf and on behalf of any and all related parties, affiliates, owners, members, employees, officers, and directors) agrees that it (and such persons) will comply with all laws, rules and regulations related to the activities on behalf of Company contemplated pursuant to this Fourth Extension. Consultant shall provide a prominent notice on all newsletters and websites/webcasts/interview materials and other communications with investors or prospective investors in which Consultant could be perceived to be giving advice or making a recommendation that Consultant has been compensated for its services and, if applicable, received or owns stock of Company (directly or indirectly) specifically referencing Company

by name and the number of shares received (directly or indirectly) and will profit from its activities on behalf of Company. If asked, Consultant agrees that it will not conceal at any time if it will, directly or indirectly, be selling shares while promoting the stock and recommending that investors purchase the stock of Company. Consultant covenants and agrees that it will at all times engage in acts, practices and courses of business that comply with Section 17(a) and (b) of the Securities Act, as amended, as well as Section 10(b) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and has adopted policies and procedures adequate to assure all of Consultant’s personnel are aware of the limitation on their activities, and the disclosure obligations, imposed by such laws and the rules and regulations promulgated thereunder. Consultant is aware that the federal securities laws restrict trading in Company’s securities while in possession of material non-public information concerning Company, as well as the requirements of Regulation FD that prohibit communications of material non-public information, and the requirements thereof in the event of an unintentional or inadvertent non-public disclosure. Consultant agrees to immediately inform Company in the event that an actual or potential Regulation FD disclosure has occurred and assist counsel in the method by which corrective steps should be taken. Consultant acknowledges that with respect to any Common Shares now or at any time hereafter beneficially owned by Consultant or any of its affiliates, that it will refrain from trading in Company’s securities while Consultant or any such affiliate is in possession of material non-public information concerning Company, its financial condition, or its business and affairs or prospects.

- 10) **Representations of Consultant.** Consultant represents that it is not required to maintain any licenses or registrations under federal or state regulations necessary to perform the services set forth herein, and that it is not rendering legal advice or performing accounting services, nor acting as an investment advisor or broker/dealer within the meaning of applicable federal and/or state securities laws and regulations and it is not required to register as a broker-dealer pursuant to Section 15(b) of the Exchange Act and state securities laws. Consultant further represents that the performance of the services set forth under this Fourth Extension will not violate any rule or provision of any regulatory agency having jurisdiction over Consultant. Consultant represents that, to the best of its knowledge, Consultant and its officers and directors are not the subject of any investigation, claim, decree or judgment involving any violation of the SEC or securities laws. Company acknowledges that, to the best of its knowledge, it has not violated any rule or provision of any regulatory agency having jurisdiction over Company. Company represents that, to the best of its knowledge, Company is not the subject of any investigation, claim, decree or judgment involving any violation of the SEC or securities laws.
- 11) **Status as Independent Contractor.** Consultant’s engagement pursuant to this Fourth Extension shall be as an independent contractor, and not as an employee, officer or other agent of Company. Neither party to this Fourth Extension shall represent or hold itself out to be the employer or employee of the other. Consultant further acknowledges the consideration provided hereinabove is a gross amount of consideration and that Company will not withhold from such consideration any amounts as to income taxes, social security payments or any other payroll taxes. All such income taxes and other such payments shall be made or provided for by Consultant, and Company shall have no responsibility or obligations regarding such matters. Neither Company nor Consultant possesses the authority to bind the other party in any agreements without the express written consent of the entity to be bound.
- 12) **Termination.** Company may terminate this Fourth Extension at the end of any calendar quarter during the Term for any reason or no reason, upon providing 10 calendar days’ prior written notice to Consultant. In the instance one or both parties do not wish to renew the Consulting Agreement for an additional extension period, the Consulting Agreement shall automatically terminate upon expiration of the then-current Term. In the event of any such termination or automatic termination, Company shall pay Consultant all fees accrued to the end of the quarter of termination. Company shall have no obligation to pay any fees to Consultant after termination.

Notwithstanding the foregoing, termination in any instance shall not relieve either party from its obligations incurred prior to the effective date of termination, including the obligation to pay all accrued fees and any obligations hereunder arising out of any act or omission of the parties prior to the effective date of termination.

- 13) **Attorneys' Fees.** If any legal action, arbitration or other proceeding is brought for the enforcement or interpretation of this Fourth Extension, or because of an alleged dispute, breach, default or misrepresentation in connection with or related to this Fourth Extension, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other reasonable costs incurred in connection with such action or proceeding, in addition to any other relief to which it may be entitled.
- 14) **Modification and Waiver.** This Fourth Extension may only be amended by the written consent of the parties hereto. No waiver of this Fourth Extension or any provisions hereof shall be binding unless executed in writing by the person to be bound thereby. The waiver by either party of a breach of any provision of this Fourth Extension by the other party shall not operate or be construed as a waiver of any subsequent breach by such other party.
- 15) **Choice of Law, Jurisdiction and Venue.** This Fourth Extension shall be governed by, construed and enforced in accordance with either the laws of the State of Colorado. The parties agree that Denver, Colorado shall be the venue of any dispute.
- 16) **Arbitration.** Any controversy or claim arising out of or relating to this Fourth Extension, or the alleged breach thereof, or relating to Consultant's activities or remuneration under this Fourth Extension, shall be settled by binding arbitration in Denver, Colorado in accordance with customary rules of arbitration and any judgment on an award rendered by the arbitrator(s) shall be binding on the parties and may be entered in any court having jurisdiction of such matters.
- 17) **Complete Agreement.** This Fourth Extension contains the entire understanding of the parties relating to the subject matter hereof, and hereby supersedes and replaces any prior oral or written agreements between the parties hereto, including without limitation the Original Agreement and First, Second and Third Extensions. This Fourth Extension may be modified only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.
- 18) **Confidentiality.** In the course of carrying out its duties under this Fourth Extension, Consultant may from time to time receive or become aware of material, non-public information regarding Company, or proprietary information that is valuable, special and a unique asset of Company and/or its business and operations (the "**Confidential Information**"). Except as may be required by law, Consultant agrees to hold this Fourth Extension and the Confidential Information in strict confidence, according the same protection to such information as it accords to its own proprietary and confidential information for a period of two (2) years following the expiration or termination of this Fourth Extension. Consultant shall not disclose the Confidential Information to any third party without the prior written consent of Company. Consultant hereby acknowledges and agrees that it is aware that the securities laws of the United States prohibit any person who has received from an issuer of securities material, non-public information or insider information (such as may form part of the Confidential Information) from purchasing or selling securities of such issuer on the basis of such information or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities on the basis of such information. If Consultant becomes aware of any Confidential Information, Consultant shall not disclose such information to any party, except as may be required by law pursuant to a written opinion of competent counsel. Consultant shall instruct its officers, directors,

employees, agents, and affiliates of the confidentiality obligations described herein and shall be responsible for any unauthorized disclosure by these parties.

- 19) **Successors and Assigns.** This Fourth Extension shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.
- 20) **Counterparts; Electronic Signatures.** This Fourth Extension may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Fourth Extension delivered by e-mail or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Fourth Extension. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Fourth Extension are intended to authenticate this writing and to have the same force and effect as manual signatures.

[Remainder of Page Intentionally Left Blank]

This Fourth Extension is deemed to be effective as of the Effective Date. In witness whereof, the parties affix their signatures as of the dates set out below:

ENERGY FUELS INC.

By: /s/ Mark Chalmers
Mark Chalmers, President & CEO
Date: March 18, 2021

REDWOOD EMPIRE FINANCIAL
COMMUNICATIONS

By: /s/ Michael Bayes
Michael Bayes, CEO
Date: March 18, 2021

CONSENT OF MARK S. CHALMERS

I consent to the inclusion in the Quarterly Report on Form 10-Q of Energy Fuels Inc. (the "Company") for the quarter ended March 31, 2021 (the "Quarterly Report") of technical disclosure regarding the properties of the Company, including sampling, analytical and test data underlying such disclosure (the "Technical Information") and of references to my name with respect to the Technical Information being filed with the United States Securities and Exchange Commission (the "SEC") under cover of Form 10-Q.

I also consent to the filing of this consent under cover of Form 10-Q with the SEC and of the incorporation by reference of this consent and the Technical Information into the Company's Registration Statements on Form S-3 (File Nos. 333-253666, 333-228158 and 333-226878), as amended, and into the Company's Registration Statements on Form S-8 (Nos. 333-254559, 333-217098, 333-205182, 333-194900 and 333-226654), and any amendments thereto, filed with the SEC.

/s/ Mark S. Chalmers

Name: Mark S. Chalmers
Title: President and Chief Executive Officer,
Energy Fuels Inc.

Date: May 13, 2021

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

I, Mark S. Chalmers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2021

/s/ Mark S. Chalmers

Mark S. Chalmers

President and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

I, David C. Frydenlund, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2021

/s/ David C. Frydenlund

David C. Frydenlund
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark S. Chalmers, President and Chief Executive Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark S. Chalmers

Mark S. Chalmers

President and Chief Executive Officer

(Principal Executive Officer)

Date: May 13, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Frydenlund, Chief Financial Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David C. Frydenlund

David C. Frydenlund

Chief Financial Officer

(Principal Financial Officer)

Date: May 13, 2021

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Mine Safety Disclosure

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “**Dodd-Frank Act**”), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States, and that is subject to regulation by the Federal Mine Safety and Health Administration under the Mine Safety and Health Act of 1977 (“**Mine Safety Act**”), are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities.

The following table sets out the information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd Frank Wall Street Reform and Consumer Protection Act for the period January 1, 2021 through March 31, 2021 covered by this report:

Property	Section 104(a) S&S Citations ² (#)	Section 104(b) Orders ³ (#)	Section 104(d) Citations and Orders ⁴ (#)	Section 110(b) (2) Violations ⁵ (#)	Section 107(a) Orders ⁶ (#)	Total Dollar Value of MSHA Assess-ments Proposed ⁷ (\$)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations or Potential Thereof Under Section 104(e) ⁸ (yes/no)	Legal Actions Pending as of Last Day of Period ⁹ (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Arizona 1	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Beaver/La Sal ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Canyon	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Daneros ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Energy Queen ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Pandora ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Rim ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Tony M ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Whirlwind ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil

The Company’s Arizona 1 Mine, Canyon Mine, Daneros Project, Energy Queen Property, Rim Project, Tony M Property, Whirlwind Project, Beaver/La Sal Property and Pandora Property were each on standby and were not mined during the period.

Citations and Orders are issued under Section 104 of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 814) (“**MSHA**”) for violations of MSHA or any mandatory health or safety standard, rule, order or regulation promulgated under MSHA. A Section 104(a) “Significant and Substantial” or “S&S” citation is considered more severe than a non-S&S citation and generally is issued in a situation where the conditions created by the violation do not cause imminent danger, but the violation is of such a nature as could significantly and substantially contribute to the cause and effect of a mine safety or health hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.

A Section 104(b) withdrawal order is issued if, upon a follow up inspection, an MSHA inspector finds that a violation has not been abated within the period of time as originally fixed in the violation and determines that the period of time for the abatement should not be extended. Under a withdrawal order, all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area of the mine until the inspector determines that the violation has been abated.

A citation is issued under Section 104(d) where there is an S&S violation and the inspector finds the violation to be caused by an unwarrantable failure of the operator to comply with a mandatory health or safety standard. Unwarrantable failure is a special negligence finding that is made by an MSHA inspector and that focuses on the operator’s conduct. If during the same inspection or any subsequent inspection of the mine within 90 days after issuance of the citation, the MSHA inspector finds another violation caused by an unwarrantable failure of the operator to comply, a withdrawal order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.

A flagrant violation under Section 110(b)(2) is a violation that results from a reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonable could have been expected to cause, death or serious bodily injury.

An imminent danger order under Section 107(a) is issued when an MSHA inspector finds that an imminent danger exists in a mine. An imminent danger is the existence of any condition or practice which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated. Under an imminent danger order, all persons, other than

those required to abate the condition or practice and certain others, are required to be withdrawn from and are prohibited from entering the affected area until the inspector determines that such imminent danger and the conditions or practices which caused the imminent danger no longer exist. These dollar amounts include the total amount of all proposed assessments under MSHA relating to any type of violation during the period, including proposed assessments for non-S&S citations that are not specifically identified in this exhibit, regardless of whether the Company has challenged or appealed the assessment.

A Notice is given under Section 104(e) if an operator has a pattern of S&S violations. If upon any inspection of the mine within 90 days after issuance of the notice, or at any time after a withdrawal notice has been given under Section 104(e), an MSHA inspector finds another S&S violation, an order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.

There were no legal actions pending before the Federal Mine Safety and Health Review Commission as of the last day of the period covered by this report. In addition, there were no pending actions that are (a) contests of citations and orders referenced in Subpart B of 29 CFR Part 2700; (b) complaints for compensation referenced in subpart D of 29 CFR Part 2700; (c) complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700; (d) applications for temporary relief referenced in Subpart F of 29 CFR Part 2700; or (e) appeals of judges' decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of 29 CFR Part 2700.