

**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 **June 30, 2022**

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 |

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 checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input 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 August 4, 2022, the registrant had 157,578,374 common shares, without par value, outstanding.

ENERGY FUELS INC.
FORM 10-Q
For the Quarter Ended June 30, 2022
INDEX

| | Page |
|--|---------------------------|
| PART I – FINANCIAL INFORMATION | |
| <u>ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u> | <u>9</u> |
| <u>ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u> | <u>27</u> |
| <u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u> | <u>40</u> |
| <u>ITEM 4. CONTROLS AND PROCEDURES</u> | <u>41</u> |
| PART II – OTHER INFORMATION | |
| <u>ITEM 1. LEGAL PROCEEDINGS</u> | <u>42</u> |
| <u>ITEM 1A. RISK FACTORS</u> | <u>42</u> |
| <u>ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u> | <u>42</u> |
| <u>ITEM 3. DEFAULTS UPON SENIOR SECURITIES</u> | <u>42</u> |
| <u>ITEM 4. MINE SAFETY DISCLOSURE</u> | <u>42</u> |
| <u>ITEM 5. OTHER INFORMATION</u> | <u>42</u> |
| <u>ITEM 6. EXHIBITS</u> | <u>42</u> |
| SIGNATURES | |

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 Energy Fuels Inc.’s (the “**Company**” or “**Energy Fuels**”): 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 newly established uranium reserve program for the United States (the “**U.S. Uranium Reserve Program**”) 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 with regard to REE production, any plans we may have with respect to the recovery of radioisotopes for use in the production of medical isotope therapeutics, 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 ramp-up to commercial production of an REE carbonate (“**RE Carbonate**”), risks associated with the potential recovery of radioisotopes for use in the production of medical isotope therapeutics, 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 U.S. Uranium Reserve Program 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 the following risks (the “**Risk Factor Summary**”):

- global economic risks, including the occurrence of unforeseen or catastrophic events, such as political unrest, wars or the emergence of a pandemic or other widespread health 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 Mineral Resource estimates, including the risk of errors in assumptions or methodologies and changes to estimate 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* recovery (“**ISR**”);
- risks associated with our ramp-up to commercial production of RE Carbonate and potentially other REE and REE-related value-added processes and facilities, at our White Mesa Mill (the “**White Mesa Mill**” or the “**Mill**”) in Utah or elsewhere including the risk: that we may not be able to produce RE Carbonate that meets commercial specifications at commercial levels or at all, or at acceptable cost levels; of not being able to secure adequate supplies of uranium and REE-bearing ores in the future at satisfactory costs to us; of not being able to increase our sources of uranium and REE-bearing ores to meet future planned production goals; of not being able to sell the RE Carbonate we produce at acceptable prices to us; 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; of legal and regulatory challenges and delays; and the risk of technological or market changes that could impact the REE industry or our competitive position;
- risks associated with the new U.S. Uranium Reserve Program, being subject to appropriation by the U.S. Congress, and details of implementation and expansion of the U.S. Uranium Reserve Program;
 - risks associated with any additional recommendations of the U.S. Nuclear Fuel Working Group not benefiting us;
 - risks associated with the current federal administration and changes thereto, including a lack of support of mining, uranium mining, nuclear energy or other aspects of our business, such as the new U.S. Uranium Reserve Program;
 - 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 Mineral Resources;
 - risks associated with identifying and obtaining adequate quantities of other uranium-bearing materials not derived from conventional material and sourced by third parties (“**Alternate Feed Materials**”) and other feed sources required for the operation of our Mill;
 - 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;
 - risks that we may compromise or lose our proprietary technology or intellectual property in certain circumstances, which could result in a loss in our competitive position and/or the value of our intangible assets;
 - risks associated with our ongoing ability to successfully develop, attract and retain qualified management, Board members and other key personnel critical to the success of our business, given that the number of individuals with significant experience in the uranium, vanadium, REE and radioisotope industries is relatively small;
 - competition for, among other things, capital, mineral properties, and skilled personnel;
 - 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;
 - failure to complete and integrate proposed acquisitions, or incorrect assessment 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 (if and when produced) and REE price levels, including the prices for RE Carbonates, REE oxides, REE metals and REE metal alloys;
 - market prices of uranium, vanadium, copper (if and when produced) and REEs, which are cyclical and subject to substantial price fluctuations;
 - risks associated with future uranium sales, if any, being required to be made at spot prices, unless we are able to continue entering 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 RE 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 (if and when produced) 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 (“**EPA**”) and Navajo Nation address the clean-up of 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, commercial relations, permitting activities and legal challenges, as well as the costs to us of responding to such coverage;
- risks associated with potential impacts of public perceptions on our commercial relations;
- 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 RE 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 potentially recover copper from our Pinyon Plain uranium project mineralized materials;
- risks related to stock price, volume volatility and recent market events;
- risks related to our ability to maintain our listing on the NYSE American and the Toronto Stock Exchange (“**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, etc.;
- risks related to our securities, including securities regulations, and our lack of dividends;
- risks related to our issuance of additional 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, or related to defects in title to our mineral properties;
- risks related to our method of accounting for equity investments in other companies potentially resulting in material changes to our financial results that are not fully within our control;
- risks related to conducting business operations in foreign countries;
- risks related to any material weaknesses that may be identified in our internal controls over financial reporting. If we are unable to implement/maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, negatively affecting the market price of our common stock;
- risks of amendment to mining laws, including the imposition of any royalties on minerals extracted from federal lands, the designation of national monuments, mineral withdrawals or similar actions, which could adversely impact our affected properties or our ability to operate our affected properties; and
- risks related to our potential recovery of radioisotopes at the Mill for use in the development and production of emerging targeted alpha therapy (“**TAT**”) cancer therapeutics, including any expectation that: such potential recovery will be feasible or that the radioisotopes will be able to be sold on a commercial basis; all required licenses, permits and regulatory approvals will be obtained on a timely basis or at all; the cancer treatment therapeutics will receive all approvals and will be commercially successful; and the risk of technological or market changes that could impact the TAT industry or our competitive position.

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, radioisotopes 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 RE Carbonate production or any other REE activities, our proposed radioisotope program, or other potential production 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 Mineral Reserve and Mineral 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 foregoing cautionary statements.

CAUTIONARY NOTE TO INVESTORS CONCERNING DISCLOSURE OF MINERAL RESOURCES AND RESERVES

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 Ontario, Canada and also listed on the TSX, this Quarterly Report also contains or incorporates by reference certain disclosure that satisfies the additional requirements of Canadian securities laws that differ from the requirements of U.S. securities laws.

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 Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”), a rule developed by the Canadian Securities Administrators (the “**CSA**”) that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The New Rule was codified as 17 CFR Subpart 220.1300 and 229.601(b)(96) (collectively, “**S-K 1300**”) and replaced SEC Industry Guide 7. Pursuant to the New Rule, issuers are required to comply with S-K 1300 as of their annual reports for the first fiscal year beginning on or after January 1, 2021, and earlier in certain circumstances.

As such, all mineral estimates constituting mining operations that are material to our business or financial condition included in this Quarterly Report, and in the documents incorporated by reference herein, have been prepared in accordance with both S-K 1300 and NI 43-101 and are supported by pre-feasibility studies and/or initial assessments prepared in accordance with both the requirements of S-K 1300 and NI 43-101. S-K 1300 and NI 43-101 both provide for the disclosure of: (i) “Inferred Mineral Resources,” which investors should understand have the lowest level of geological confidence of all mineral resources and thus may not be considered when assessing the economic viability of a mining project and may not be converted to a Mineral Reserve; (ii) “Indicated Mineral Resources,” which investors should understand have a lower level of confidence than that of a “Measured Mineral Resource” and thus may be converted only to a “Probable Mineral Reserve”; and (iii) “Measured Mineral Resources,” which investors should understand have sufficient geological certainty to be converted to a “Proven Mineral Reserve” or to a “Probable Mineral Reserve.” **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 S-K 1300 or NI 43-101. Investors are cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable, or that an Inferred Mineral Resource will ever be upgraded to a higher category.**

All mineral disclosure reported in this Quarterly Report has been prepared in accordance with the definitions of both S-K 1300 and NI 43-101.

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 | | Six months ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | June 30, | | June 30, | |
| | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | |
| RE Carbonate | \$ 449 | \$ — | \$ 449 | \$ — |
| Vanadium concentrates | 5,295 | — | 7,707 | — |
| Alternate Feed Materials processing and other | 723 | 456 | 1,248 | 809 |
| Total revenues | 6,467 | 456 | 9,404 | 809 |
| Costs and expenses applicable to revenues | | | | |
| Costs and expenses applicable to RE Carbonate | 222 | — | 222 | — |
| Costs and expenses applicable to vanadium concentrates | 2,102 | — | 3,331 | — |
| Underutilized capacity production costs applicable to RE Carbonate | 1,095 | — | 2,758 | — |
| Total costs and expenses applicable to revenues | 3,419 | — | 6,311 | — |
| Other operating costs | | | | |
| Development, permitting and land holding | 1,219 | 2,517 | 2,392 | 5,888 |
| Standby costs | 3,323 | 2,118 | 6,798 | 4,253 |
| Accretion of asset retirement obligation | 510 | 351 | 904 | 672 |
| Selling costs | 21 | — | 30 | — |
| General and administration | 4,682 | 3,812 | 9,889 | 7,185 |
| Total operating loss | (6,707) | (8,342) | (16,920) | (17,189) |
| Interest expense | (8) | (14) | (17) | (30) |
| Other loss (Note 12) | (11,344) | (2,435) | (15,852) | (4,482) |
| Net loss | (18,059) | (10,791) | (32,789) | (21,701) |
| Items that may be reclassified in the future to profit and loss | | | | |
| Foreign currency translation adjustment | (3,488) | (897) | (1,722) | (544) |
| Other comprehensive income | (3,488) | (897) | (1,722) | (544) |
| Comprehensive loss | \$ (21,547) | \$ (11,688) | \$ (34,511) | \$ (22,245) |
| Net loss attributable to: | | | | |
| Owners of the Company | \$ (18,054) | \$ (10,784) | \$ (32,783) | \$ (21,692) |
| Non-controlling interests | (5) | (7) | (6) | (9) |
| | \$ (18,059) | \$ (10,791) | \$ (32,789) | \$ (21,701) |
| Comprehensive loss attributable to: | | | | |
| Owners of the Company | \$ (21,542) | \$ (11,681) | \$ (34,505) | \$ (22,236) |
| Non-controlling interests | (5) | (7) | (6) | (9) |
| | \$ (21,547) | \$ (11,688) | \$ (34,511) | \$ (22,245) |
| Basic and diluted net loss per common share (Note 9) | \$ (0.11) | \$ (0.07) | \$ (0.21) | \$ (0.15) |

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)*

| | June 30, 2022 | December 31, 2021 |
|--|----------------------|--------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 86,363 | \$ 112,517 |
| Marketable securities (Notes 3 and 15) | 11,795 | 494 |
| Trade and other receivables, net of allowance for credit losses of \$223 and \$223, respectively | 3,019 | 3,954 |
| Inventories (Note 4) | 28,565 | 30,772 |
| Prepaid expenses and other assets | 8,162 | 1,568 |
| Total current assets | 137,904 | 149,305 |
| Other long-term receivables | 1,610 | — |
| Inventories (Note 4) | 1,791 | 1,368 |
| Operating lease right of use asset | 271 | 408 |
| Investments accounted for at fair value (Note 15) | 21,302 | 38,538 |
| Property, plant and equipment, net (Note 5) | 21,515 | 21,983 |
| Mineral properties (Note 5) | 83,539 | 83,539 |
| Restricted cash (Note 6) | 20,326 | 20,305 |
| Total assets | \$ 288,258 | \$ 315,446 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 12) | \$ 3,284 | \$ 5,764 |
| Current portion of operating lease liability | 312 | 324 |
| Current portion of asset retirement obligation (Note 6) | 219 | 27 |
| Total current liabilities | 3,815 | 6,115 |
| Operating lease liability | — | 145 |
| Asset retirement obligation (Note 6) | 13,927 | 13,660 |
| Total liabilities | 17,742 | 19,920 |
| Equity | | |
| Share capital | | |
| Common shares, without par value, unlimited shares authorized; shares issued and outstanding 157,569,420 at June 30, 2022 and 156,262,199 at December 31, 2021 | 695,404 | 685,903 |
| Accumulated deficit | (429,054) | (396,271) |
| Accumulated other comprehensive income | 221 | 1,943 |
| Total shareholders' equity | 266,571 | 291,575 |
| Non-controlling interests | 3,945 | 3,951 |
| Total equity | 270,516 | 295,526 |
| Total liabilities and equity | \$ 288,258 | \$ 315,446 |
| Commitments and contingencies (Note 13) | | |

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, 2021 | 156,262,199 | \$ 685,903 | \$ (396,271) | \$ 1,943 | \$ 291,575 | \$ 3,951 | \$ 295,526 |
| Net loss | — | — | (14,729) | — | (14,729) | (1) | (14,730) |
| Other comprehensive loss | — | — | — | 1,766 | 1,766 | — | 1,766 |
| Shares issued for cash by at-the-market offering | 413,751 | 4,260 | — | — | 4,260 | — | 4,260 |
| Share issuance cost | — | (96) | — | — | (96) | — | (96) |
| Share-based compensation | — | 862 | — | — | 862 | — | 862 |
| Shares issued for exercise of stock options | 135,926 | 328 | — | — | 328 | — | 328 |
| Shares issued for the vesting of restricted stock units | 362,350 | — | — | — | — | — | — |
| Cash paid to fund employee income tax withholding due upon vesting of restricted stock units | — | (884) | — | — | (884) | — | (884) |
| Shares issued for consulting services | 6,022 | 51 | — | — | 51 | — | 51 |
| Balance at March 31, 2022 | 157,180,248 | \$ 690,424 | \$ (411,000) | \$ 3,709 | \$ 283,133 | \$ 3,950 | \$ 287,083 |
| Net loss | — | — | (18,054) | — | (18,054) | (5) | (18,059) |
| Other comprehensive loss | — | — | — | (3,488) | (3,488) | — | (3,488) |
| Shares issued for cash by at-the-market offering | 356,028 | 3,808 | — | — | 3,808 | — | 3,808 |
| Share issuance cost | — | (86) | — | — | (86) | — | (86) |
| Share-based compensation | — | 1,147 | — | — | 1,147 | — | 1,147 |
| Shares issued for exercise of stock options | 24,326 | 67 | — | — | 67 | — | 67 |
| Shares issued for consulting services | 5,183 | 55 | — | — | 55 | — | 55 |
| Shares issued for exercise of stock appreciation rights | 3,635 | — | — | — | — | — | — |
| Cash paid to settle and fund employee income tax withholding due upon exercise of stock appreciation rights | — | (11) | — | — | (11) | — | (11) |
| Balance at June 30, 2022 | 157,569,420 | \$ 695,404 | \$ (429,054) | \$ 221 | \$ 266,571 | \$ 3,945 | \$ 270,516 |

| | 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 | 140,816,496 | \$ 581,135 | \$ (408,720) | \$ 2,661 | \$ 175,076 | \$ 3,731 | \$ 178,807 |
| Net loss | — | — | (10,784) | — | (10,784) | (7) | (10,791) |
| Other comprehensive loss | — | — | — | (897) | (897) | — | (897) |
| Shares issued for cash by at-the-market offering | 6,043,937 | 38,040 | — | — | 38,040 | — | 38,040 |
| Share issuance cost | — | (855) | — | — | (855) | — | (855) |
| Share-based compensation | — | 493 | — | — | 493 | — | 493 |
| Shares issued for exercise of stock options | 251,960 | 710 | — | — | 710 | — | 710 |
| Shares issued for exercise of warrants | 1,474,439 | 10,093 | — | — | 10,093 | — | 10,093 |
| Shares issued for consulting services | 8,369 | 50 | — | — | 50 | — | 50 |
| Shares issued for exercise of stock appreciation rights | 2,500 | — | — | — | — | — | — |
| Cash paid to settle and fund employee income tax withholding due upon exercise of stock appreciation rights | — | (48) | — | — | (48) | — | (48) |
| Contributions attributable to non-controlling interest | — | — | — | — | — | 229 | 229 |
| Balance at June 30, 2021 | 148,597,701 | \$ 629,618 | \$ (419,504) | \$ 1,764 | \$ 211,878 | \$ 3,953 | \$ 215,831 |

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)*

| | Six months ended | |
|---|-------------------------|------------------|
| | June 30, | |
| | 2022 | 2021 |
| OPERATING ACTIVITIES | | |
| Net loss for the period | \$ (32,789) | \$ (21,701) |
| Items not involving cash: | | |
| Depletion, depreciation and amortization | 1,679 | 1,559 |
| Share-based compensation | 2,009 | 1,190 |
| Change in value of warrant liabilities | — | 7,050 |
| Accretion of asset retirement obligation | 904 | 672 |
| Unrealized foreign exchange gain | (1,340) | (1,597) |
| Revision and settlement of asset retirement obligation | (445) | (39) |
| Change in investments accounted for at fair value | 16,837 | (1,021) |
| Other non-cash expenses (income) | 259 | (557) |
| Changes in assets and liabilities | | |
| Decrease (increase) in inventories | 1,784 | (1,635) |
| Increase in trade and other receivables | (675) | (47) |
| Increase in prepaid expenses and other assets | (6,594) | (182) |
| Decrease in accounts payable and accrued liabilities | (2,987) | (190) |
| Net cash used in operating activities | <u>(21,358)</u> | <u>(16,498)</u> |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (705) | (757) |
| Purchases of marketable securities | (11,435) | — |
| Maturities and sales of marketable securities | — | 2,554 |
| Net cash (used in) provided by investing activities | <u>(12,140)</u> | <u>1,797</u> |
| FINANCING ACTIVITIES | | |
| Issuance of common shares for cash, net of issuance cost | 7,886 | 67,099 |
| Cash paid to fund employee income tax withholding due upon vesting of restricted stock units | (884) | (659) |
| Cash received from exercise of stock options | 395 | 1,463 |
| Cash received from exercise of warrants | — | 4,079 |
| Cash paid to settle and fund employee income tax withholding due upon exercise of stock appreciation rights | (11) | (48) |
| Cash received from non-controlling interest | — | 229 |
| Net cash provided by financing activities | <u>7,386</u> | <u>72,163</u> |
| Effect of exchange rate fluctuations on cash held in foreign currencies | (21) | 1,409 |
| Net change in cash, cash equivalents and restricted cash | (26,133) | 58,871 |
| Cash, cash equivalents and restricted cash, beginning of period | 132,822 | 40,985 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD | <u>\$ 106,689</u> | <u>\$ 99,856</u> |
| Supplemental disclosure of cash flow information: | | |
| Net cash paid during the period for: | | |
| Interest | \$ 17 | \$ 30 |

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2022

(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 “**Energy Fuels**”) 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**”), known more commonly as “yellowcake,” is sold to customers for further processing into fuel for nuclear reactors. The Company also produces vanadium pentoxide (“**V₂O₅**”) along with uranium at its White Mesa Mill (the “**White Mesa Mill**” or the “**Mill**”), from certain of its Colorado Plateau properties as market conditions warrant and at times from solutions in its Mill tailings impoundment system. The Mill is also currently ramping up to commercial production of rare earth element (“**REE**”) carbonate (“**RE Carbonate**”) from various uranium- and REE-bearing materials acquired from third-parties, and is additionally evaluating the potential to recover radioisotopes from its existing process streams for use in targeted alpha therapy (“**TAT**”) therapeutics for the treatment of cancer.

With its uranium, vanadium, REE and potential radioisotope production, the Mill is quickly becoming a critical minerals hub for the United States. Uranium is the fuel for carbon-free, emission-free baseload nuclear power – one of the cleanest forms of energy in the world. The REEs we are now producing are used for the manufacture of permanent magnets for electric vehicles, wind turbines and other clean energy and modern technologies. The very heart of our business – uranium and REE production and recycling – helps us play a big part in addressing global climate change and reducing air pollution, and the radioisotopes we are evaluating for recovery from our REE and uranium processing streams have the potential to provide the isotopes needed for emerging TAT cancer-fighting therapeutics.

The Company is a “development stage issuer” as defined by S-K 1300, as it is engaged in the preparation of Mineral Reserves for extraction on at least one material property.

2. BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principals (“**U.S. GAAP**”) and are presented in thousands of U.S. dollars, except for share and per share amounts. Certain footnote disclosures, where indicated, have share prices that 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 United States Securities and Exchange Commission (“**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, 2021. 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 the summary of significant accounting policies included in the Company’s annual report on Form 10-K for the year ended December 31, 2021.

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

Recently Issued Accounting Pronouncements Not Yet Adopted

Financial Instruments – Credit Losses

In March 2022, the FASB issued ASU 2022-02, “Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructuring and Vintage Disclosures. This ASU clarifies the recognition and measurement guidance for troubled debt

restructurings for creditors under ASC 310-40 and requires enhanced disclosure about modifications of borrowings made to borrowers experiencing financial difficulty. It also required the disclosure of current period write-offs by year of origination for financing receivables and net investments in leases within the scope of ASU 326-20. The Company is currently evaluating the impact of this statement and plans to adopt this prospectively on its effective date of January 1, 2023.

Fair Value Measurement

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sales Restrictions." ASU 2022-03 clarifies that a contractual restriction on the sale of an equity security should not be considered in measuring its fair value. The Company is currently evaluating the impact of this standard and expects to adopt this prospectively on its effective date of January 1, 2024.

3. MARKETABLE SECURITIES

For marketable debt securities, we have elected the fair value option for which changes in fair value are recorded in Other loss in the Condensed Consolidated Statement of Operations and Comprehensive Loss. The fair value option was elected for these securities as after consideration of our risks versus reward objectives, as well as our liquidity requirements, we may sell these debt securities prior to their stated maturities. The stated contractual maturity dates of marketable debt securities held as of June 30, 2022 are due between one and two years. No marketable debt securities were held as of December 31, 2021.

The following table summarizes our marketable securities by significant investment categories as of June 30, 2022:

| | Cost Basis | Gross Unrealized Losses | Gross Unrealized Gains | Fair Value |
|-------------------------------------|-------------------|--------------------------------|-------------------------------|-------------------|
| able debt securities ⁽¹⁾ | \$ 11,435 | \$ — | \$ 5 | 11,440 |
| able equity securities | 756 | (401) | — | 355 |
| arketable securities | \$ 12,191 | \$ (401) | \$ 5 | 11,795 |

(1) Marketable debt securities are comprised primarily of notes of U.S. government agency bonds.

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

| | Cost Basis | Gross Unrealized Losses | Gross Unrealized Gains | Fair Value |
|------------------------------|-------------------|--------------------------------|-------------------------------|-------------------|
| Marketable equity securities | \$ 756 | \$ (262) | \$ — | \$ 494 |

4. INVENTORIES

| | June 30, 2022 | December 31, 2021 |
|---|----------------------|--------------------------|
| Concentrates and work-in-progress | \$ 25,746 | \$ 27,619 |
| Ore stockpiles | 241 | 351 |
| Raw materials and consumables | 4,369 | 4,170 |
| | \$ 30,356 | \$ 32,140 |
| Inventories | | |
| Current | \$ 28,565 | \$ 30,772 |
| Long term - raw materials and consumables | 1,791 | 1,368 |
| | \$ 30,356 | \$ 32,140 |

5. PROPERTY, PLANT AND EQUIPMENT AND MINERAL PROPERTIES

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

| | June 30, 2022 | | | December 31, 2021 | | |
|-------------------------------------|---------------|--------------------------|----------------|-------------------|--------------------------|----------------|
| | Cost | Accumulated Depreciation | Net Book Value | Cost | Accumulated Depreciation | Net Book Value |
| Property, plant and equipment | | | | | | |
| Nichols Ranch | \$ 29,210 | \$ (19,203) | \$ 10,007 | \$ 29,210 | \$ (18,185) | \$ 11,025 |
| Alta Mesa | 13,626 | (5,451) | 8,175 | 13,626 | (4,996) | 8,630 |
| Equipment and other | 16,290 | (12,957) | 3,333 | 15,079 | (12,751) | 2,328 |
| Property, plant and equipment total | \$ 59,126 | \$ (37,611) | \$ 21,515 | \$ 57,915 | \$ (35,932) | \$ 21,983 |

Depreciation expense totaled \$0.87 million and \$1.68 million, respectively, for the three and six months ended June 30, 2022, compared to \$0.79 million and \$1.56 million, respectively, for the three and six months ended June 30, 2021.

The following is a summary of mineral properties:

| | June 30, 2022 | December 31, 2021 |
|--------------------------|---------------|-------------------|
| 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 |

On May 19, 2022, the Company announced that it had entered into two purchase agreements to acquire a total of seventeen mineral concessions in the State of Bahia, Brazil totaling approximately 37,300 acres or 58.3 square miles (the “Bahia Project”). Under the terms of the purchase agreements, the Company will enter into mineral rights transfer agreements with the sellers to acquire the seventeen mineral sand concessions. The transactions are expected to close in August of 2022.

The total purchase price under the purchase agreements is \$27.50 million consisting of deposit payments of \$5.50 million due upon reaching certain milestones stated within the purchase agreements, and \$22.00 million due at closing with the transfer and assignment of the mineral rights.

As of June 30, 2022, the Company has made deposit payments totaling \$5.50 million that will be attributable to the final purchase price under the purchase agreements, pending the close of the transactions. Additionally, direct deal costs of \$0.50 million have been incurred related to such asset acquisitions. The purchase deposit payments and direct deal costs have been capitalized as Prepaid expenses and other assets in the Condensed Consolidated Balance Sheet.

6. ASSET RETIREMENT OBLIGATIONS AND RESTRICTED CASH

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

| | June 30, 2022 | December 31, 2021 |
|--|----------------------|--------------------------|
| Asset retirement obligation, beginning of period | \$ 13,687 | \$ 13,038 |
| Revision of estimate | (445) | (235) |
| Disposal of non-core obligations | — | (269) |
| Accretion of liabilities | 904 | 1,284 |
| Settlements | — | (131) |
| Asset retirement obligation, end of period | \$ 14,146 | \$ 13,687 |
| Asset retirement obligation: | | |
| Current | \$ 219 | \$ 27 |
| Non-current | 13,927 | 13,660 |
| Asset retirement obligation, end of period | \$ 14,146 | \$ 13,687 |

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 9.50% to 11.67% and inflation rates ranging from 2.00% to 2.41%. The total undiscounted decommissioning liability at June 30, 2022 is \$42.91 million (December 31, 2021 - \$41.34 million).

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 ("BLM") and U.S. Forest Service ("USFS") for estimated reclamation costs associated with the Mill, Nichols Ranch, Alta Mesa and other mining properties. The restricted cash will be released when the Company has reclaimed a mineral property or restructured the surety and collateral arrangements. See Note 13 for a discussion of the Company's surety bond commitments

The following table summarizes the Company's restricted cash:

| | June 30, 2022 | December 31, 2021 |
|--------------------------------------|----------------------|--------------------------|
| Restricted cash, beginning of period | \$ 20,305 | \$ 20,817 |
| Additional collateral posted | 21 | 48 |
| Refunds of collateral | — | (560) |
| Restricted cash, end of period | \$ 20,326 | \$ 20,305 |

7. LEASES

The Company's leases are primarily for office space, the largest being an office building lease for the Company's Lakewood, Colorado corporate offices. As of June 30, 2022, this lease has a remaining term of approximately 11 months and includes an option to extend the lease for one five-year term. Certain of our other 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.

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 June 30, | | Six months ended June 30, | |
|---------------------|--|-------------|--------------------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating leases | \$ 77 | \$ 77 | \$ 154 | \$ 154 |
| Short-term leases | 79 | 81 | 159 | 162 |
| Total lease expense | \$ 156 | \$ 158 | \$ 313 | \$ 316 |

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

| | Six months ended June 30, | |
|---|------------------------------|-----------|
| | 2022 | 2021 |
| Weighted average remaining lease term of operating leases | 0.9 years | 1.9 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 June 30, | | Six months ended June 30, | |
|--|--------------------------------|-------|------------------------------|--------|
| | 2022 | 2021 | 2022 | 2021 |
| Operating cash flow information: | | | | |
| Cash paid for amounts included in the measurement of operating lease liabilities | \$ 87 | \$ 85 | \$ 174 | \$ 170 |

8. 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 have 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

In the six months ended June 30, 2022, the Company issued 0.77 million Common Shares under the Company's ATM for net proceeds of \$7.89 million after share issuance costs.

9. BASIC AND DILUTED LOSS PER COMMON SHARE

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

| | Three months ended June 30, | | Six months ended June 30, | |
|--|--------------------------------|-------------|------------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net loss attributable to owners of the Company | \$ (18,054) | \$ (10,784) | \$ (32,783) | \$ (21,692) |
| Basic and diluted weighted average common shares outstanding | 157,491,807 | 144,450,494 | 157,044,331 | 140,923,146 |
| Net loss per common share | \$ (0.11) | \$ (0.07) | \$ (0.21) | \$ (0.15) |

For the six months ended June 30, 2022, 4.03 million stock options, restricted stock units, stock appreciation rights, and warrants have been excluded from the calculation of diluted net loss per common share as their effect would have been anti-dilutive (June 30, 2021 - 6.29 million).

10. SHARE-BASED PAYMENTS

The Company maintains an equity incentive plan, known as the 2021 Amended and Restated Omnibus Equity Incentive Compensation Plan (the "**Compensation Plan**"), for directors, executives, eligible employees and consultants. Existing equity incentive awards include employee non-qualified stock options, restricted stock units ("**RSUs**") and stock appreciation rights ("**SARs**"). The Company issues new Common Shares to satisfy exercises and vesting under its equity incentive awards. At June 30, 2022, a total of 15,756,942 Common Shares were authorized for future equity incentive plan awards.

On January 25, 2022, the Company's Board of Directors approved the issuance of 0.10 million stock options, 0.33 million RSUs, and 0.83 million SARs on the terms and conditions discussed below. Due to an administrative delay in communicating the terms of certain awards to some grantees, the Company determined that, for accounting purposes only, the grant date for

such awards was not the date of the Board approval but, instead, April 18, 2022, being the date that the key award terms were communicated to those certain grantees. As such, 0.07 million stock options, 0.02 million RSUs, and 0.10 SARs are treated, for accounting purposes, as having a grant date of April 18, 2022. However, this accounting change did not alter the fundamental terms of the grants, as approved by the Board, and all such grants retained their original term (commencing as of January 25, 2022), vesting schedules, vesting performance metrics and exercise price, as each is applicable.

Employee Stock Options

The Company, under the Compensation Plan, may grant stock options to directors, executives, employees and consultants to purchase Common Shares of the Company. The exercise price of the stock options is set as the higher of the Company's closing share price on the NYSE American on the day before the grant date and the five-day volume weighted average price ("VWAP") on the NYSE American ending on the day before the grant date. 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. During the six months ended June 30, 2022, the Company granted 0.11 million stock options under the Compensation Plan (June 30, 2021 - 0.16 million).

The fair value of the stock options granted under the Compensation Plan for the six months ended June 30, 2022 was estimated at the date of grant, using the Black-Scholes Option Valuation Model, with the following weighted average assumptions:

| | |
|--|---------|
| risk-free interest rate | 2.3% |
| Expected life (in years) | 3.18 |
| Expected volatility ⁽¹⁾ | 73.0% |
| Expected dividend yield | —% |
| Weighted average grant date fair value | \$ 5.05 |

(1) Expected volatility is measured based on the Company's historical share price volatility over a period equivalent to the expected life of the stock options.

The summary of the Company's stock options at June 30, 2022 and December 31, 2021, respectively, and the changes for the fiscal periods ending on those dates, are presented below:

| | Range of Exercise Prices | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (Years) | Intrinsic Value |
|---------------------------------------|--------------------------|------------------|---------------------------------|---|-----------------|
| Outstanding, December 31, 2020 | \$1.70 - \$15.61 | 1,609,087 | \$ 2.91 | | |
| Granted | 3.89 - 8.41 | 169,310 | 3.99 | | |
| Exercised | 1.70 - 7.42 | (775,814) | 2.95 | | |
| Forfeited | 1.76 - 5.91 | (8,048) | 3.16 | | |
| Expired | 1.70 - 15.61 | (51,653) | 8.14 | | |
| Outstanding, December 31, 2021 | \$1.70 - \$8.41 | 942,882 | \$ 2.79 | | |
| Granted | 5.84 - 10.03 | 109,328 | 6.50 | | |
| Exercised | 1.70 - 5.18 | (160,252) | 2.45 | | |
| Forfeited | 3.89 - 6.47 | (3,385) | 5.78 | | |
| Expired | 2.35 | (15,506) | 2.35 | | |
| Outstanding, June 30, 2022 | \$1.70 - \$10.03 | 873,067 | \$ 3.31 | 2.34 | \$ 1,584 |
| Exercisable, June 30, 2022 | \$1.70 - \$7.14 | 721,496 | \$ 2.79 | 1.92 | \$ 1,544 |

The total intrinsic value of options exercised in the six months ended June 30, 2022 was \$1.16 million (June 30, 2021 – \$1.75 million).

The summary of the Company's non-vested stock options at June 30, 2022 and December 31, 2021, respectively, and the changes for the fiscal periods ending on those dates, are presented below:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|--------------------------------------|------------------|---|
| Non-vested, December 31, 2020 | 403,990 | \$ 0.94 |
| Granted | 169,310 | 2.06 |
| Vested | (351,934) | 1.23 |
| Forfeited | (8,049) | 1.60 |
| Non-vested, December 31, 2021 | 213,317 | \$ 1.34 |
| Granted | 109,328 | 5.05 |
| Vested | (167,689) | 1.12 |
| Forfeited | (3,385) | 5.00 |
| Non-vested, June 30, 2022 | 151,571 | \$ 4.17 |

Restricted Stock Units

The Company grants RSUs to directors, executives and eligible employees. Awards for executives and eligible employees are determined as a target percentage of base salary and generally vest over three years. Holders of unvested RSUs do not have voting rights on those RSUs. The RSUs are subject to forfeiture risk and other restrictions. Upon vesting, the employee is entitled to receive one Common Share of the Company for each RSU at no additional payment. During the six months ended June 30, 2022, the Company's Board of Directors issued 0.35 million RSUs under the Compensation Plan (June 30, 2021 - 0.44 million). The fair value of RSUs granted was determined at the date of grant based on the Company's share price on the NYSE American.

The summary of the Company's non-vested RSUs at June 30, 2022 and December 31, 2021, respectively, and the changes for the fiscal periods ending on those dates, are presented below:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|--------------------------------------|------------------|---|
| Non-vested, December 31, 2020 | 1,094,056 | \$ 1.98 |
| Granted | 441,241 | 3.89 |
| Vested | (635,233) | 1.94 |
| Non-vested, December 31, 2021 | 900,064 | \$ 2.94 |
| Granted | 354,406 | 6.59 |
| Vested | (518,856) | 2.93 |
| Forfeited | (42,082) | 5.34 |
| Non-vested, June 30, 2022 | 693,532 | \$ 4.66 |

The total intrinsic value and fair value of RSUs that vested and were settled for equity in the six months ended June 30, 2022 was \$2.93 million (June 30, 2021 – \$2.67 million).

Stock Appreciation Rights

The Company may grant SARs to directors, executives, and eligible employees.

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 granted entitles the holder to receive, upon a valid exercise, payment from the Company in cash or Common Shares (at the sole discretion of the Company) in an amount representing the difference between the fair market value ("FMV") of the Company's Common Shares on the date of exercise and \$2.92 (the closing market price or "Grant Price" at the time of grant). Fair Market Value as used herein means the closing price of the Shares on the TSX or the NYSE American on the trading day immediately prior to the date of exercise. The term of the SARs grant is five years, with SARs vesting only upon the achievement of the following performance goals: as to one-third of the SARs granted, automatically upon the 90-calendar-day

VWAP of the Company's Common Shares on the NYSE American equaling or exceeding \$5.00 for any continuous 90-calendar-day period; as to an additional one-third of the SARs granted, automatically upon the 90-calendar-day VWAP of the Company's Common Shares on the NYSE American equaling or exceeding \$7.00 for any continuous 90-calendar-day period; and as to the final one-third of the SARs granted, automatically upon the 90-calendar-day VWAP of the Company's Common Shares on the NYSE American equaling or exceeding \$10.00 for any continuous 90-calendar-day period. Further, notwithstanding the foregoing vesting schedule, no SARs were able to be exercised by the holder for an initial period of one year from the Date of Grant; the date first exercisable being January 22, 2020. The first two tranches of these vesting performance goals were met prior to the six months ended June 30, 2022.

During the six months ended June 30, 2022, the Company's Board of Directors issued 0.83 million SARs under the Compensation Plan (June 30, 2021 – nil). The fair value of the SARs granted during the six months ended June 30, 2022 was estimated at the date of grant using a Monte Carlo simulation, with the following weighted average assumptions:

| | |
|---|---------|
| Risk-free interest rate | 1.68 % |
| Expected life (in years) ⁽¹⁾ | 4.98 |
| Expected volatility ⁽²⁾ | 72.81 % |
| Expected dividend yield | — % |
| Weighted average grant date fair value | \$ 3.99 |

(1) Monte Carlo analysis of SARs assumes employee suboptimal exercise at first vesting time for each tranche.

(2) Expected volatility is measured based on the Company's historical share price volatility over a period equivalent to the expected life of the SARs.

Each SAR granted entitles the holder to receive, upon a valid exercise, payment from the Company in cash or Common Shares (at the sole discretion of the Company) in an amount representing the difference between the FMV of the Company's Common Shares on the date of exercise and \$6.47 (the Grant Price at the time of grant). The term of the SARs grant is five years, with SARs vesting only upon the achievement of the following performance goals: as to one-third of the SARs granted, automatically upon the 90-calendar-day VWAP of the Company's Common Shares on the NYSE American equaling or exceeding \$12.00 for any continuous 90-calendar-day period; as to an additional one-third of the SARs granted, automatically upon the 90-calendar-day VWAP of the Company's Common Shares on the NYSE American equaling or exceeding \$14.00 for any continuous 90-calendar-day period; and as to the final one-third of the SARs granted, automatically upon the 90-calendar-day VWAP of the Company's Common Shares on the NYSE American equaling or exceeding \$16.00 for any continuous 90-calendar-day period. Further, notwithstanding the foregoing vesting schedule, no SARs may be exercised by the holder for an initial period of one year from the date of grant; the date first exercisable being January 25, 2023. As a result, the SARs granted in the first quarter of 2022 for 2021 performance are a long-term equity incentive and are 100% performance based.

The summary of the Company's SARs at June 30, 2022 and December 31, 2021, respectively, and the changes for the fiscal periods ending on those dates, are presented below:

| | Number of Shares | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (Years) | Intrinsic Value |
|---------------------------------------|------------------|---------------------------------|---|-----------------|
| Outstanding, December 31, 2020 | 1,720,623 | \$ 2.92 | | |
| Exercised | (48,201) | 2.92 | | |
| Outstanding, December 31, 2021 | 1,672,422 | \$ 2.92 | | |
| Granted | 833,315 | 6.47 | | |
| Exercised | (6,730) | 2.92 | | |
| Forfeited | (34,921) | 5.79 | | |
| Outstanding, June 30, 2022 | 2,464,086 | \$ 4.08 | 2.55 | \$ 3,301 |
| Exercisable, June 30, 2022 | 1,092,143 | \$ 2.92 | 1.56 | \$ 2,173 |

The summary of the Company's non-vested SARs at June 30, 2022 and December 31, 2021, respectively, and the changes for the fiscal periods ending on those dates, are presented below:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|--------------------------------------|------------------|---|
| Non-vested, December 31, 2020 | 1,720,623 | \$ 1.25 |
| Vested | (1,147,074) | 1.27 |
| Non-vested, December 31, 2021 | 573,549 | \$ 1.19 |
| Granted | 833,315 | 3.99 |
| Forfeited | (34,921) | 4.05 |
| Non-vested, June 30, 2022 | 1,371,943 | \$ 2.83 |

The components of share-based compensation are as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---------------------------------|--------------------------------|---------------|------------------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Recognized expense | | | | |
| Stock options | \$ 109 | \$ 37 | \$ 141 | \$ 240 |
| RSU awards ⁽¹⁾ | 488 | 390 | 972 | 753 |
| SARs | 550 | 62 | 896 | 197 |
| Total recognized expense | \$ 1,147 | \$ 489 | \$ 2,009 | \$ 1,190 |

(1) The fair value of the RSUs granted under the Compensation Plan for the six months ended June 30, 2022 and 2021 was estimated at the date of grant, using the stated market price on the NYSE American.

At June 30, 2022, there were \$0.46 million, \$1.82 million, and \$2.30 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 1.54 years, 1.96 years, and 1.22 years, respectively.

11. INCOME TAXES

As of June 30, 2022, 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 June 30, 2022 and December 31, 2021.

12. SUPPLEMENTAL FINANCIAL INFORMATION

The components of other income (loss) are as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|--|--------------------------------|-------------------|------------------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Interest income | \$ 12 | \$ 14 | \$ 24 | \$ 25 |
| Change in value of investments accounted for at fair value | (13,419) | (435) | (16,837) | 1,021 |
| Change in value of warrant liabilities | — | (3,546) | — | (7,050) |
| Foreign exchange gain | 2,345 | 659 | 1,132 | 320 |
| Other | (282) | 873 | (171) | 1,202 |
| Other loss | \$ (11,344) | \$ (2,435) | \$ (15,852) | \$ (4,482) |

The components of trade and other receivables are as follows:

| | June 30, 2022 | December 31, 2021 |
|-----------------------|-----------------|-------------------|
| Trade receivables | \$ 2,534 | \$ 1,858 |
| Other | 142 | 1,753 |
| Notes receivable, net | 343 | 343 |
| | <u>\$ 3,019</u> | <u>\$ 3,954</u> |

As of June 30, 2022, the Company has \$1.75 million in current and long-term other receivables with \$1.65 million due from Consolidated Uranium Inc. (“CUR”, f/k/a International Consolidated Uranium, Inc., TSX-V:CUR) pursuant to the terms of the asset purchase agreement related to the sale of certain non-core conventional uranium projects and resulting deferred cash payments, and pursuant to the terms of the ongoing operating agreement with CUR.

The components of accounts payable and accrued liabilities are as follows:

| | June 30, 2022 | December 31, 2021 |
|---------------------------|-----------------|-------------------|
| Accounts payable | \$ 2,159 | \$ 3,038 |
| Payroll liabilities | 465 | 1,988 |
| Other accrued liabilities | 660 | 738 |
| | <u>\$ 3,284</u> | <u>\$ 5,764</u> |

13. 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 Mill. The challenge is currently being evaluated and may involve the appointment of an administrative law judge (“ALJ”) 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.

The UDEQ renewed in January 2018, then reissued with minor corrections in February 2018, the Mill’s radioactive materials license (the “**Mill License**”) for another ten years and the Groundwater Discharge Permit (the “**GWDP**”) for another five years, after which further applications for renewal of the Mill 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 Mill License and GWDP until such time as the renewed Mill 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 Mill License and GWDP and Requests for Appointment of an ALJ, which they later agreed to suspend pursuant to a Stipulation and Agreement with UDEQ, effective June 4, 2018. The Company and the Mill Plaintiffs held multiple discussions over the course of 2018 and 2019 in an effort to settle the dispute outside of any judicial proceeding. In February 2019, the Mill Plaintiffs submitted to the Company their proposal for reaching a settlement agreement. The proposal remains under consideration by the Company. The Company does not consider these challenges to have any merit and, if a settlement cannot be reached, the Company 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 Mill License and/or GWDP. At this time, the Company does not believe that any such modification would materially affect its financial position, results of operations or cash flows.

On August 26, 2021, the Ute Mountain Ute Tribe filed a Petition to Intervene and Petition for Review challenging the UDEQ's approval of Amendment No. 10 to the Mill License, which expanded the list of Alternate Feed Materials that the Mill is authorized to accept and process for its source material content. Then, on November 18, 2021, the Tribe filed its Request for Appointment of an ALJ, followed shortly thereafter by a stay on the request in accordance with a Stipulation and Agreement between the Tribe, UDEQ and the Company. The Company does not consider this action to have any merit. If the stay is lifted, an ALJ is appointed and the petition is successful, the likely outcome would be a requirement to modify or revoke the Mill License amendment. At this time, the Company does not believe any such modification or revocation 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 and the USFS Forest Supervisor for the Kaibab National Forest (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 later denied by the District Court. In April 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, the 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 was held at the Ninth Circuit on December 15, 2016, which resulted in a favorable ruling for the Defendants a year later. 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.

On May 22, 2020, after the matters were briefed, the District Court issued its final order in favor of the Defendants, which the Pinyon Plaintiffs thereafter appealed to the Ninth Circuit. In December 2020, the Pinyon Plaintiffs filed their Appellant's Opening Brief with the Ninth Circuit and, in April 2021, the Defendants filed their respective Answering Briefs. Oral arguments were held remotely on August 30, 2021. On February 22, 2022, the Ninth Circuit filed its Opinion in favor of the USFS and the Company. The Pinyon Plaintiffs did not request a hearing on this matter in front of the U.S. Supreme Court. As such, this matter is now resolved.

Surety Bonds

The Company has indemnified third-party companies to provide surety bonds as collateral for the Company's asset retirement obligations. The Company is obligated to replace this collateral in the event of a default and is obligated to repay any reclamation or closure costs due. As of June 30, 2022, the Company has \$20.33 million posted as collateral against an undiscounted asset retirement obligation of \$42.91 million (December 31, 2021 - \$20.31 million posted as collateral against an undiscounted asset retirement obligation of \$41.34 million).

Commitments

The Company is contractually obligated under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all vanadium pentoxide produced by the Company.

14. 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 wholly owned, indirectly held subsidiary of the Company (“**Uranerz**”) 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 six months ended June 30, 2022 (June 30, 2021 - \$0.23 million).

On June 1, 2022, Uranerz renewed for a third year its Casper, Wyoming-based Office Lease Agreement with Metro, Inc. where Mr. Kirkwood acts as General Manager. Consistent with the prior year’s lease, the term is for a period of 12 months with rent in the amount of \$15,000 paid in \$1,250 monthly increments. The original Office Lease Agreement was entered into by the parties on June 1, 2020, for a period of 12 months, with rent in the amount of \$12,000 paid in \$1,000 monthly increments.

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, and as such, no royalty payments were made during the six months ended June 30, 2022 or 2021. The Company makes surface use payments on an annual basis to Mr. Eshleman and his immediate family members and has accrued \$0.22 million as of June 30, 2022 (December 31, 2021 - nil).

On October 27, 2021, the Company began providing services to CUR under a mine operating agreement. Amounts earned during the six months ended June 30, 2022 and due to the Company from CUR at June 30, 2022 were approximately \$0.40 million. The Company provided no services to CUR under the toll milling agreement during the six months ended June 30, 2022.

15. 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 June 30, 2022. 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 June 30, 2022, 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 | \$ 21,043 | \$ 259 | \$ — | \$ 21,302 |
| Marketable equity securities | 355 | — | — | 355 |
| Marketable debt securities | — | 11,440 | — | 11,440 |
| | <u>\$ 21,398</u> | <u>\$ 11,699</u> | <u>\$ —</u> | <u>\$ 33,097</u> |

The Company’s investments in marketable equity securities 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 Company’s investments in marketable debt securities are valued using quoted prices of a pricing service and as such are classified within Level 2 of the fair value hierarchy. The Company’s investments accounted for at fair value consisting of Common Shares are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The Company’s investments accounted for at fair value consisting of warrants are valued using the Black-Scholes option model based on observable inputs and as such are classified within Level 2 of the hierarchy.

Investments accounted for at fair value include the Company's 14.8% investment in Virginia Energy Resources Inc. and its 17.9% investment in CUR. These investments provide the Company with the ability to have significant influence, but not control, over their operations. These investments were valued at \$21.30 million as of June 30, 2022 (December 31, 2021- \$38.54 million). During the six months ended June 30, 2022, the Company recognized a loss of \$16.84 million related to these investments in Other loss in the Condensed Consolidated Statement of Operations and Comprehensive Loss (June 30, 2021- gain of \$1.02 million). 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.

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 and six-month period ended June 30, 2022 (the “Quarter”), 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, 2021. 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 established the existence of multiple Mineral Resources and extracts and processes saleable uranium from these operations, the Company has only established Proven Mineral Reserves or Probable Mineral Reserves, as defined under SEC S-K 1300, at its Sheep Mountain Project. As a result, the Company is a “Development Stage Issuer” as defined by S-K 1300, as it is engaged in the preparation of Mineral Reserves for extraction on at least one material property. 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 responsibly produce several of the raw materials needed for clean energy and advanced technologies, including uranium, rare earth elements and vanadium.

Our primary product is U₃O₈ (also known as natural uranium concentrate or yellowcake), which, when further processed, becomes the fuel for the generation of clean nuclear energy. According to the Nuclear Energy Institute, nuclear energy provides nearly 20% of the total electricity and more than 50% of the clean, carbon-free electricity generated in the U.S. The Company generates revenues from extracting and processing materials for the recovery of uranium, vanadium and REEs for our own account, as well as from toll processing materials for others.

Our natural uranium concentrate is produced from multiple sources:

- Conventional recovery operations at the Mill, including:
 - Processing ore from uranium mines; and
 - Recycling of Alternate Feed Materials, which are uranium-bearing materials that are not derived from conventional ore; and
- ISR operations.

The Company also has a long history of conventional vanadium recovery at the Mill when vanadium prices support those activities. The Company holds several existing mines that contain vanadium resources, and the Mill has produced considerable quantities of vanadium from area mines during its operating history. From late 2018 to 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 V₂O₅. The Company has also recovered uranium from Pond Return since 2015 and continues to evaluate opportunities for copper recovery from our Pinyon Plain Project.

The Company is also currently producing an intermediate REE product called mixed RE Carbonate. In 2020, the Company began evaluating the potential to recover REEs at the Mill. By October 2020, the Company had produced a mixed RE Carbonate, ready for separation, on a pilot scale from natural monazite sands. In December 2020, the Company entered into a contract to acquire natural monazite sands from a heavy mineral sands operation in Georgia, for the recovery of uranium and production of a commercially salable mixed RE Carbonate containing approximately 71% total rare earth oxide (“TREO”) on a dry basis. In March 2021, the Company began ramping up commercial-scale production of mixed RE Carbonate from these natural monazite sands. In July 2021, the Company announced the signing of a definitive supply agreement and began commercial shipments of RE Carbonate to a separation facility in Europe, which is the next step in producing usable REE products. Most recently, on May 19, 2022, the Company announced it had entered into binding agreements to acquire 17

mineral concessions in the State of Bahia, Brazil totaling approximately 37,300 acres or 58.3 square miles (the “Bahia Project”). Based on significant historical drilling performed to date, it is believed that the Bahia Project holds significant quantities of heavy minerals, including monazite, that will feed Energy Fuels’ quickly emerging U.S.-based REE supply chain. The Company is also in discussions with other entities around the world to acquire additional supplies of natural monazite sands and has worked with U.S. government agencies and national laboratories on various REE initiatives, including having completed work with the U.S. Department of Energy (“DOE”) 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 currently 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.

Finally, pursuant to a strategic alliance with a technology development company, the Company is evaluating the feasibility of recovering radioisotopes from the Mill’s existing process streams for use in the development of medical isotopes for the potential treatment of cancer. This involves evaluating the potential to recover Th-232, and Ra-226 from the Company’s existing RE Carbonate and uranium process streams at the Mill and the feasibility of recovering Ra-228 from the Th-232, Th-228 from the Ra-228 and concentrating Ra-226 at the Mill. Recovered Ra-228, Th-228 and Ra-226 would then be sold to pharmaceutical companies and others to produce Pb-212, Ac-225, Bi-213, Ra-224 and Ra-223, which are the leading medically attractive targeted alpha therapy (“TAT”) isotopes for the treatment of cancer. Existing supplies of these isotopes for TAT applications are in short supply, and methods of production are costly and currently cannot be scaled to meet the demand created as new drugs are developed and approved. This is a major roadblock in the research and development of new TAT drugs as pharmaceutical companies wait for scalable and affordable production technologies to become available. Under this initiative, the Company has the potential to recover valuable isotopes from its existing process streams for use in treating cancer, thereby recycling back into the market material that would otherwise not be recoverable from our Mill feed.

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. The Mill is the only operating conventional uranium mill in the U.S. and the only operating facility 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 U₃O₈ 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 through its Pond Return program from the Mill’s tailings management system that was not fully recovered during the Mill’s prior forty years of operations. During the six months ended June 30, 2022, Mill activities focused primarily on processing monazite sands for the recovery of uranium, and production of a mixed RE Carbonate. The Company is actively pursuing additional monazite sands and Alternate Feed Materials for processing at the Mill.

The Company continues to pursue additional sources of feed materials for the Mill. 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 announced settlements in various forms in excess of \$1.5 billion to fund certain cleanup 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 recycle the contained U₃O₈, while, at the same time, permanently disposing of the cleanup materials outside the boundaries of the Navajo Nation in our licensed tailings management system. There are no other existing facilities in the U.S. capable of providing this service. In addition, as previously announced, beginning in the second quarter of 2019 and continuing through the second quarter of 2022, the Company has been 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 demonstrates the ability of the Mill to responsibly clean up projects similar to those requiring cleanup on the Navajo Nation.

The Company’s ISR operations consist of our Nichols Ranch Project and Alta Mesa Project, both of which are on standby at current uranium prices.

While we believe the current spot price of uranium has not supported production for many global uranium producers over the past several years, having resulted in significant production cuts, the spot price of uranium has improved in recent months to levels that could support production if these prices are sustained and result in long-term supply contracts with nuclear utilities. To date, the Company has entered into three long-term contracts with U.S. nuclear utilities with deliveries occurring from 2023 to 2030 at supportive pricing and other terms. In anticipation of potential price recoveries and additional contracts, we continue to maintain and advance our resource portfolio. We stand ready to: resume wellfield construction and resume production 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, La Sal Project and/or Whirlwind Project

(the last of which was brought out of temporary cessation during the Quarter for the resumption of mining operations). We believe 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 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 coronavirus (“**COVID-19**”) pandemic on the Company’s business objectives, projections and workforce. 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 Limited (“**Neo**”) announced a new REE production initiative spanning European and North American critical material supply chains. Under a definitive agreement executed in July 2021, Energy Fuels purchases natural monazite sands, currently being mined in Georgia (U.S.) by The Chemours Company, which is processed into an RE Carbonate at the Mill. At this time, all of the resulting RE Carbonate is sold and shipped to Neo’s rare earth separations facility in Sillamäe, Estonia (“**Silmet**”). Silmet then processes the RE Carbonate into separated REE materials for use in REE permanent magnets and other REE-based advanced materials. On July 7, 2021, the Company announced that the first container (approximately 20 tonnes of product) of mixed RE Carbonate had been successfully produced by Energy Fuels at the Mill and was *en route* to Silmet. This commercial-scale production of RE Carbonate by Energy Fuels from a U.S. mined REE resource positions Energy Fuels as the only company in North America that currently produces a monazite-derived, enhanced REE material. In addition, since the RE Carbonate has been chemically altered to recover the REEs and remove impurities, thereby rendering it ready for REE separation without further processing, this is currently the most advanced REE material being produced on a commercial scale in the U.S. today. The physical delivery of this product also represents the launch of a new, environmentally responsible REE supply chain that allows for source validation and tracking from mining through to final end-use applications for manufacturers in North America, Europe, Japan, and other nations.

The Company also announced on March 1, 2021 that, in addition to supplying RE Carbonate to Neo, Energy Fuels is evaluating the potential to develop REE separation capabilities at the Mill, or nearby, as it works to increase its monazite sand supplies, thereby integrating a U.S. rare earth supply chain in the coming years, in addition to supplying RE Carbonate to European markets. On April 27, 2021, the Company announced it had engaged Carester to prepare a scoping study for the development of a solvent extraction REE separation circuit at the Mill utilizing the Mill’s existing equipment and infrastructure to the extent applicable, to create a continuous, integrated and optimized REE production sequence. Based in Lyon, France, Carester is a leading global consultant in the production of separated REE products, with expertise in designing, constructing, operating and optimizing REE production facilities globally. Carester’s scoping work to date includes 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. Based on the results of this scoping work, the Company is evaluating installing a full separation circuit at the Mill to produce both “light” and “heavy” separated REE oxides in the coming years, subject to successful licensing, financing, and commissioning and continued strong market conditions. On April 13, 2022, the Company announced that it had hired Carester to support these REE separation initiatives.

In addition, on April 21, 2021, the Company announced the execution of a non-binding MOU for the supply of natural monazite sands from IperionX Limited’s (“**IperionX**”) Titan Project in Tennessee, if and when the project is developed and mined. IperionX’s Titan Project covers a large area of heavy mineral sands properties in Tennessee prospective for titanium, zircon, monazite and other valuable minerals such as high-grade silica sand and other refractory minerals. Thereafter, the Company also announced that the DOE Office of Fossil Energy and National Energy Technology Laboratory awarded Energy Fuels, working with a team from Penn State University, \$1.9 million 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-containing ores like the natural monazite sands the Company is currently processing at the Mill.

On December 15, 2021, the Company announced the execution of a memorandum of understanding (“**MOU**”) with Nanoscale Powders LLC (“**NSP**”) for the development of a novel technology for the potential production of REE metals, subject to the finalization of definitive agreements. We believe this technology, which was initially developed by NSP, and will be advanced by the Company and NSP working together, has the potential to revolutionize the REE metal making industry by reducing costs of production, reducing energy consumption, and significantly reducing greenhouse gas emissions. Producing REE metals and alloys is a key step in a fully integrated REE supply chain, after commercial production of separated REE oxides and before the

manufacture of neodymium iron boron (“**NdFeB**”) magnets used in electric vehicles, wind generation and other clean energy and advanced technologies.

During the three months ended March 31, 2022, the Company began commercial-scale partial separation of lanthanum (La) and cerium (Ce) on a small scale from its RE Carbonate using an existing solvent extraction circuit at the Mill, which represents the first commercial level REE separation to occur in the U.S. in many years, along with the production of an even more advanced RE Carbonate in 2022 than was produced in 2021.

On April 13, 2022, the Company announced its first commercial shipments of three critical mineral products in a single week, having sent U₃O₈ to a uranium conversion facility in the U.S. for use in the production of clean, carbon-free nuclear energy, V₂O₅ to a ferrovanadium (“**FeV**”) conversion facility in the U.S. to be sold into the steel and specialty alloy industries, and RE Carbonate to the Silmet facility in Estonia for separation into advanced REE products.

On May 19, 2022, the Company announced it had entered into binding agreements to acquire the Bahia Project in Brazil for a total consideration of \$27.50 million in cash, with \$5.50 million due at signing and on completion of other benchmarks during a 90-day due diligence period and the remaining \$22.00 million due at closing. Based on significant historical drilling performed to date, it is believed that the Bahia Project holds significant quantities of heavy minerals, including monazite, that can feed Energy Fuels’ quickly emerging U.S.-based REE supply chain. The Bahia Project is a well-known heavy mineral sand (“**HMS**”) deposit with over 3,300 historical vertical exploration auger holes drilled to date, indicating significant concentrations of titanium (ilmenite and rutile), zirconium (zircon), and REEs (monazite). Importantly, the mineralization is at or near the surface, so the material is expected to be relatively easy to recover using standard, low-cost sand mining techniques, including the use of front-end loaders, excavators and/or dredges. The Company is primarily interested in the monazite, which contains both REEs and uranium. Preliminary assay data indicates the monazite sand contained in the HMS concentrate ranges between 0.62% and 12.82%, and the uranium contained in the monazite is expected to be comparable to typical Colorado Plateau uranium deposits. At this time, the Company is concluding its due diligence on the Bahia Project and expects to close on or around August 31, 2022. Subject to closing, the acquisition of the Bahia Project is expected to be a significant step in Energy Fuels’ development as a major global REE producer based in the U.S.

Changes to Management

On June 24, 2022, the Company appointed John L. Uhrie to serve as the Company’s Chief Operating Officer (“**COO**”), effective as of August 1, 2022. Dr. Uhrie most recently served for over three years as Vice President for Metals, Exploration and Development of The Doe Run Company (“**Doe Run**”), a global leader, in lead, zinc and copper production. In this role, Dr. Uhrie was primarily responsible for growth, optimization and new project development for a large underground, lead mining company. Dr. Uhrie also provided executive oversight of the secondary lead smelter at Doe Run, along with regional and international exploration covering a wide variety of deposit types and metals. Prior to his position with Doe Run, Dr. Uhrie served as President, Consulting Services-Americas for RPM Global (“**RPM**”). In this role, Dr. Uhrie was responsible for consulting services in RPM’s Americas region as well as serving as project manager and process engineer for RPM’s world-wide mine finance due diligence activities covering geology, mining, processing, environmental, social, governance, and economics. While with RPM, Dr. Uhrie oversaw all aspects of project work from proposal preparation through final reports. Prior to RPM, Dr. Uhrie was Manager of Process Metallurgy for Newmont Mining Corp. (2009-2014) and Manager, Metallurgy and Strategic Planning, Africa (2008-2009) and Manager of Hydrometallurgical Operations (2005-2008) for Freeport McMoRan Copper and Gold, Bagdad Operations. Dr. Uhrie is a registered Professional Engineer, a Qualified Professional through the Mining and Metallurgical Society of America (MMSA) and holds a BS in Geological Engineering from Michigan Technological University, an MS in Geology from the University of Wyoming and a Ph.D. in Metallurgical Engineering from Michigan Technological University.

On August 4, 2022, the Company appointed Tom L. Brock to serve as the Company’s Chief Financial Officer (“**CFO**”), effective as of August 8, 2022. Concurrently with Mr. Brock’s appointment as CFO, David Frydenlund, the Company’s current CFO, General Counsel and Corporate Secretary, was appointed to the position of Executive Vice President, Chief Legal Officer and Corporate Secretary of the Company, effective August 8, 2022. Prior to joining the Company, Mr. Brock served as Vice President, Chief Accounting Officer at Extraction Oil & Gas Inc from August 2016 until November 2021, where he led the accounting, tax, treasury, information technology and human resource functions. Prior to that time, Mr. Brock served as Vice President, Corporate Controller of American Midstream Partners LP from July 2012 until November 2013, and as Vice President, Chief Accounting Officer and Corporate Controller from November 2013 until August 2016. Prior to that, Mr. Brock held the position of Director of Trading and Finance with BG Group in Houston, Texas, where he controlled accounting and other functions for its marketing and trading companies beginning in July 2010. Mr. Brock began his career with KPMG LLP, where he spent 13 years holding various positions serving clients in the energy industry. Mr. Brock holds a Bachelor of Accountancy from New Mexico State University and is a Certified Public Accountant licensed in the State of Texas.

Known Trends or Uncertainties

The Company has faced depressed uranium and vanadium prices in previous years which have resulted in the Company having negative cash flows and net losses in previous years. We are not aware at this time of any trends or uncertainties that have had or are reasonably likely to have a material impact on revenues or income of the Company other than (i) recent strengthening of uranium and vanadium markets which could result in the Company selling inventories at increased prices and/or signing additional contracts with nuclear utilities for the long-term supply of uranium; (ii) the recently implemented U.S. Uranium Reserve Program, which could result in improved uranium sales prices; and (iii) the Company's REE and TAT radioisotope initiatives, which, if successful, could result in improved results from operations in future years. We are not aware at this time of any events that are reasonably likely to cause a material change in the relationship between costs and revenue of the Company.

Uranium Market Update

According to monthly price data from TradeTech LLC ("**TradeTech**"), uranium spot prices fell during the Quarter. The uranium spot price began the Quarter at \$58.20 per pound on March 31, 2022 and dropped 13% to \$50.50 per pound by June 30, 2022. During the Quarter, the uranium spot price hit a high of \$63.75 per pound on April 15, 2022 and a low of \$45.50 per pound during the weeks of May 20, 2022 and June 17, 2022. In contrast, TradeTech price data indicates that long-term U₃O₈ prices rose during the Quarter, beginning the Quarter at \$50.00 per pound and ending the Quarter at \$53.00 per pound. On July 29, 2022, TradeTech reported a spot price of \$48.75 per pound and a long-term price of \$53.00 per pound U₃O₈.

The following important developments occurred during the Quarter:

- The European Parliament voted to demand a full embargo on Russian imports of oil, coal, natural gas and nuclear fuel (TradeTech NMR, April 8, 2022).
- Emmanuel Macron won reelection as the President of France, vowing to boost nuclear and renewables (TradeTech NMR, April 29, 2022).
- Sprott acquired the assets of North Shore ETF and launched a uranium mining exchange-traded fund ("**ETF**") in Europe (TradeTech NMR, April 29, 2022 and May 6, 2022).
- The U.S. Department of Energy ("**DOE**") began accepting applications from nuclear operators for financial support under the \$6 billion Civil Nuclear Credit Program announced on April 19, 2022 (TradeTech NMR, April 22, 2022).
- Transportation issues continued to create uncertainty in the nuclear fuel market as President Biden signed a proclamation banning Russian vessels from U.S. ports (except those carrying source, special nuclear and byproduct material) (TradeTech NMR, April 22, 2022) and Canadian Special Economic Measures on Russia threatened to delay a Canadian Class 7 vessel from being loaded with nuclear material bound for the U.S. (TradeTech NMR, June 24, 2022). The Canadian government subsequently allowed the vessel to be loaded and travel to the U.S. However, the Company believes this situation highlights the fragile nature and risks of nuclear fuel supply to the U.S. in light of Russia's ongoing invasion of Ukraine.
- The DOE issued a Request for Proposals ("**RFP**") to purchase uranium from U.S. uranium producers as part of the department's newly established U.S. Uranium Reserve Program (TradeTech NMR, June 30, 2022). Energy Fuels has submitted a bid in response to the RFP. Results of the bidding process have not yet been announced.

The Company continues to believe that certain uranium supply and demand fundamentals point to higher sustained uranium prices in the future, including significant production cuts in recent years, along with significant increased demand from utilities, financial entities, traders and producers. The Company believes that financial entities purchasing uranium on the spot market for long-term investment continue to represent a fundamental shift in the uranium market due to increasing demand and removing readily available material from the market that would otherwise serve as supply to utilities, traders, and others. Further, the Company believes that Russia's ongoing invasion of Ukraine has sparked a widespread trend away from Russian-sourced nuclear fuel supply. The Company also continues to believe that 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, the life of a given uranium mine, conversion/enrichment shutdowns, the opaque nature of inventories and secondary supplies, unfilled utility demand, geopolitical risks including Russia's ongoing invasion of Ukraine, and the market activity of state-owned uranium and nuclear companies.

During the Quarter, as a result of these factors, the Company has successfully entered into three long-term uranium purchase and sale agreements with major U.S. utilities with satisfactory pricing and terms. The Company will continue to closely monitor uranium markets and seek additional opportunities to enter into long-term sales contracts with utilities at prices that sustain production, cover overhead costs, and provide a reasonable rate-of-return to investors while also providing the Company and its shareholders with exposure to further upside price movements. The Company will also continue to evaluate the timing and method for the disposition of its existing uranium inventories, including selling into the spot market, selling to the U.S. Uranium Reserve Program, or as a part of one or more term contracts.

Rare Earth Market Update

REEs are a group of 17 chemical elements (the 15 elements in the lanthanum series, plus yttrium and scandium) that are used in a variety of clean energy and advanced technologies. Monazite, the source of REEs currently utilized by the Company, also contains significant recoverable quantities of uranium, which fuels the production of carbon-free electricity using nuclear technology. According to industry analyst Wood MacKenzie (formerly, 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, 20th Edition). 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 (Adamas Intelligence). By volume, REEs used for 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.

Typical natural monazite sands from the southeast U.S. average about 55% TREO and 0.20% uranium, which is the typical grade of uranium found in uranium mines that have historically fed the Mill. Of the 55% TREO typically found in the monazite sands, the neodymium and praseodymium ("NdPr") comprise approximately 22% of the TREO. NdPr are among the most valuable of the REEs, as they are the key ingredient in the manufacture of high-strength permanent magnets which are essential to the lightweight and powerful motors required in electric vehicles ("EVs") and permanent magnet wind turbines used for renewable energy generation, as well as in an array of other modern technologies. Monazite also contains higher concentrations of "heavy" rare earths, including dysprosium (Dy) and terbium (Tb) used in permanent magnets, relative to other common REE ores.

The Company is currently primarily focused on NdPr and, to a lesser extent, La, Ce, Sm, Dy and Tb. The REE supply chain starts at the mine. REEs are mined both as a primary target, like the Mountain Pass REE mine in California, and as a byproduct, which is the case for Chemours' Offerman Mineral Sand Plant, where the natural monazite sands are physically separated from the other mined sands. Mining creates an ore, which in the case of the Chemours material is the natural monazite sands that are physically separated from the other mined mineral sands. The ore will then go through a process of cracking and cleaning at the Mill that may include acids or caustic solutions, elevated temperature, and pressure to recover the uranium and free the REEs from the mineral matrix. After removal of the uranium, which will be sold into the commercial nuclear fuel cycle for the creation of carbon-free nuclear energy, this solution is cleaned of any remaining deleterious elements (including remaining radioactive elements) and made into an RE Carbonate, which is a form acceptable as a solvent extraction ("SX") feedstock for REE separation. SX facilities then use solvents and a series of mixer-settlers for the separation of the REEs in the RE Carbonate from each other and to create the desired purified REE products (often as oxides) for the market or particular end user. Separated REE products are typically sold to various markets, depending on the use. Separated REE products can be made into REE metals and metal-alloys, which are used for magnets and other applications.

To date in 2022, the Mill has produced an RE Carbonate, a portion of which has been sold to Neo, and which is expected to be sold, potentially, to other third-party SX separation facilities for separation into individual separated REE products. The Mill is evaluating the potential to perform SX REE separation, and potentially other downstream REE activities, including metal-making and alloying, in the future at the Mill or elsewhere in the U.S.

REEs are commercially transacted in a number of forms and purities. Therefore, there is no single price for REEs collectively, but numerous prices for various REE compounds and materials. The primary value the Company expects to generate in the short- to medium-term will come from NdPr, Ce, and La, as the price the Company receives from the sale of its RE Carbonate is tied to the prices of those REE oxides. In addition, the Company expects to produce separated REE oxides in the future. According to data from Asian Metal, NdPr Oxide (Pr O 25%; Nd O 75%) mid-point prices in China dropped approximately 3% during the Quarter from \$965 RMB/kg (about \$152/kg) to \$933 RMB/kg (about \$139/kg). The price for NdPr Oxide at August 4, 2022 was \$760 RMB/kg (about \$113/kg). The mid-point Ce Oxide (99.9%) price dropped 3% during the Quarter from \$1.47/kg to \$1.42/kg. The price for Ce Oxide at August 4, 2022 was \$1.38/kg (Asian Metal). The mid-point La Oxide (99.9%) price dropped 4% during the Quarter from \$1.43/kg to \$1.38/kg. The price for La Oxide at August 4, 2022 was \$1.34/kg (Asian Metal).

The REE market is dominated by China, which produces 83% of refined REE products with other Asia Pacific operations providing an additional 15%. According to WoodMacKenzie (formerly Roskill), "Prices for rare earths in the years to come will follow different trajectories based on their involvement with the magnet industry." WoodMacKenzie forecasts that prices for magnet elements, including neodymium (Nd) and praseodymium (Pr), will remain elevated through 2050, supporting new primary and secondary supply. Prices for elements used as additives or fillers in magnets, namely terbium (Tb) and dysprosium (Dy), will see "short-term price support followed by a steady decline as supply availability improves." Prices for other non-

magnet elements, including cerium (Ce) and lanthanum (La), will remain stable at roughly the cost of production. Adamas Intelligence projects that global demand for magnet REE oxides to increase by five-fold between 2020 and 2030.

Vanadium Market Update

During the Quarter, the mid-point price of vanadium in Europe dropped 25%, beginning the Quarter at \$12.25 per pound V_2O_5 as of April 1, 2022 and ending the Quarter at \$9.15 per pound V_2O_5 as of June 24, 2022. The price of vanadium was at its high of \$12.25 per pound V_2O_5 at the beginning of the Quarter. The price of vanadium was at its low of \$9.15 per pound V_2O_5 at the end of the Quarter. As of July 29, 2022, the current price of vanadium is \$8.00.

According to Fastmarkets, prices for vanadium began dropping in the beginning of the Quarter due to “weak downstream demand and logistical difficulties” caused by the last outbreak of COVID-19 in China. *Chinese vanadium prices slide on weaker demand, Fastmarkets, April 1, 2022.* Further, end-user demand for ferrovanadium dropped in Europe after these consumers bought considerable quantities of vanadium earlier in the Quarter due to Russia’s invasion of Ukraine. *Notable alloy prices slide in Europe on weak demand, May 26, 2022.*

Operations Update and Outlook for the Period Ending June 30, 2022

Overview

The Company continues to believe that uranium supply and demand fundamentals point to higher sustained uranium prices in the future. In addition, Russia’s recent invasion of Ukraine and the recent entry into the uranium market by financial entities purchasing uranium on the spot market to hold for the long-term has the potential to result in higher sustained spot and term prices and, perhaps, induce utilities to enter into more long-term contracts with non-Russian producers like Energy Fuels to ensure security of supply and more certain pricing. Having recently secured three long-term uranium contracts with major U.S. utilities, the Company is beginning to perform the work needed to recommence production at one or more of its mines and in-situ recovery (“ISR”) facilities, starting as soon as 2023. Until such time when the Company has ramped back up to commercial uranium production, it can rely on its significant uranium inventories to fulfill its new contract requirements. The Company also continues to evaluate selling a portion of its inventories on the spot market in response to future upside price volatility, into the newly created U.S. Uranium Reserve Program, or for delivery into additional long-term supply contracts if procured. During the first half of 2022, the Company also began selling a portion of its vanadium inventory into then strengthening markets.

The Company will also continue to seek new sources of revenue, including through its emerging REE business, as well as new sources of Alternate Feed Materials and new fee processing opportunities at the Mill that can be processed without reliance on current uranium sales prices. The Company is also seeking new sources of natural monazite sands (in addition to the proposed acquisition of the Bahia Project) for its emerging REE business, is evaluating the potential to recover radioisotopes for use in the development of TAT medical isotopes for the treatment of cancer, and continues its support of U.S. governmental activities to assist the U.S. uranium mining industry, including the new U.S. Uranium Reserve Program and other efforts to restore domestic nuclear fuel capabilities.

Extraction and Recovery Activities Overview

During 2022, the Company plans to recover 100,000 to 120,000 pounds of uranium and approximately 650 to 1,000 tonnes of mixed RE Carbonate containing approximately 300 to 450 tonnes of TREO.

No vanadium production is currently planned during 2022, though the Company sold some of its existing vanadium inventory into recent strong markets and is evaluating the potential to recommence vanadium production in 2023 or later years as market conditions may warrant for future sale and to replace sold inventory.

The Company has secured three new long-term sales contracts with U.S. nuclear utilities, and is continuing to strategically pursue additional uranium sales commitments with pricing expected to have both fixed and market-related components. The Company believes that recent price increases, volatility and focus on security of supply in light of Russia’s invasion of Ukraine have increased the potential for the Company to make uranium sales and procure additional term sales contracts with utilities at pricing that sustains production and covers corporate overhead. Therefore, existing inventories may increase from 692,000 pounds of U_3O_8 to 792,000 to 812,000 pounds of U_3O_8 at year-end 2022 or may increase to a lesser extent, or be reduced, in the event the Company sells a portion of its inventory on the spot market, to the U.S. Uranium Reserve, or pursuant to term contracts in 2022.

ISR Activities

The Company expects to produce insignificant quantities of U_3O_8 in the year ending December 31, 2022 from Nichols Ranch. Until such time when market conditions improve sufficiently, suitable term sales contracts can be procured, or the U.S. Uranium Reserve Program is expanded, 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 that market conditions improve sufficiently, suitable term sales contracts can be procured, or the U.S. Uranium Reserve is expanded.

Conventional Activities

Conventional Extraction and Recovery Activities

During the six months ended June 30, 2022, the Mill did not package any material quantities of U_3O_8 , focusing instead on developing its REE recovery business. During the six months ended June 30, 2022, the Mill produced approximately 205 tonnes of RE Carbonate, containing approximately 95 tonnes of TREO. The Mill recovered small quantities of uranium during the Quarter, which were retained in circuit. During 2022, the Company expects to recover 100,000 to 120,000 pounds of uranium at the Mill as finished product. The Company expects to recover approximately 650 to 1,000 tonnes of mixed RE Carbonate containing approximately 300 to 450 tonnes of TREO at the Mill during 2022. The Company expects to sell all or a portion of its mixed RE Carbonate to Neo or other global separation facilities and/or to stockpile it for future production of separated REE oxides at the Mill or elsewhere. The Company is in advanced discussions with several sources of natural monazite sands (in addition to the Bahia Project) to secure additional supplies of monazite sands, which if successful, would be expected to allow the Company to increase RE Carbonate production.

In addition to its 692,000 pounds of finished uranium inventories currently located at North American conversion facilities and at the Mill, the Company has approximately 300,000 pounds of U_3O_8 contained in stockpiled Alternate Feed Materials and other ore inventory at the Mill that can be recovered relatively quickly in the future, as general market conditions may warrant (totaling about 992,000 pounds of U_3O_8 of total uranium inventory). The Company is also seeking to acquire additional ore inventory from third party mine cleanup activities that can be recovered relatively quickly in the future.

The Company currently holds 1.05 million pounds of V_2O_5 in inventory, and there remains an estimated 1.0 to 3.0 million pounds of additional solubilized recoverable V_2O_5 remaining in tailings solutions awaiting future recovery, as market conditions may warrant.

The Company currently expects that planned uranium production from Alternate Feed Materials, processing natural monazite sands for the recovery of uranium and REEs, and the receipt of uranium-bearing materials from mine cleanup activities will keep the Mill in operation through and beyond 2022. The Company is also actively pursuing opportunities to process additional sources of natural monazite sands, new and additional Alternate Feed Material sources, and new and additional low-grade mineralized materials 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 and beyond 2023. 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. 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 six months ended June 30, 2022, standby and environmental compliance activities continued at the fully permitted and substantially developed Pinyon Plain Project (uranium and, potentially, copper) and the fully permitted and developed La Sal Complex (uranium and vanadium). 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 these Projects will be based on sustained improvements in general market conditions, procurement of suitable sales contracts and/or the expansion of the U.S. Uranium Reserve Program.

The Company is selectively advancing certain permits at its other major conventional uranium projects, such as the Roca Honda Project, which is a large, high-grade conventional project in New Mexico. The Company is also continuing to maintain required permits at its conventional projects, including the Whirlwind Project, which came out of temporary cessation during the Quarter, and the Sheep Mountain project. In addition, the Company will continue to evaluate the Bullfrog 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 may warrant.

Uranium Sales

During the six months ended June 30, 2022, the Company entered into three uranium sale and purchase agreements with major U.S. utilities, constituting its first new long-term supply contracts since 2018. Having observed a marked uptick in interest from

nuclear utilities seeking long-term uranium supply, the Company remains actively engaged in pursuing additional selective long-term uranium sales contracts.

Vanadium Sales

As a result of strengthening vanadium markets, during the six months ended June 30, 2022, the Company sold approximately 575,000 pounds of the Company's existing inventory of V_2O_5 (as FeV) at a net weighted average price of \$13.44 per pound of V_2O_5 . The Company expects to sell its remaining 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 2018/19 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.

RE Carbonate Sales

The Company commenced its ramp-up to commercial production of a mixed RE Carbonate in March 2021 and has shipped all of its RE Carbonate produced to-date to Silmet, where it is currently being fed into their separation process. All RE Carbonate produced at the Mill in 2022 is expected to be sold to Neo for separation at Silmet. Until such time as the Company expects to permit and construct its own separation circuits at the Mill, production in future years is expected to be sold to Neo for separation at Silmet and, potentially, to other REE separation facilities outside of the U.S. To the extent not sold, the Company expects to stockpile mixed RE Carbonate at the Mill for future separation and other downstream REE processing at the Mill or elsewhere. During the quarter ended June 30, 2022, the Company sold approximately 18,000 kilograms of TREO at an average price of \$25.35 per kilogram of TREO.

As the Company continues to ramp up its mixed RE Carbonate production and additional funds are spent on process enhancements, improving recoveries, product quality and other optimization, profits from this initiative are expected to be minimal until such time when monazite throughput rates are increased and optimized. However, even at the current throughput rates, the Company is recovering most of its direct costs of this growing initiative, with the other costs associated with ramping up production, process enhancements and evaluating future separation capabilities at the Mill being expensed as underutilized capacity production costs applicable to RE Carbonate and development expenditures. Throughout this process, the Company is gaining important knowledge, experience and technical information, all of which will be valuable for current and future mixed RE Carbonate production and expected future production of separated REE oxides and other advanced REE materials at the Mill. As discussed above, the Company is evaluating installing a full separation circuit at the Mill to produce both "light" and "heavy" separated REE oxides in the coming years, subject to successful licensing, financing, and commissioning and continued strong market conditions, and has hired Carester to support these REE separation initiatives.

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

Continued Efforts to Minimize Costs

Although the Company is pursuing two exciting new initiatives — its REE and TAT radioisotope initiatives — in addition to its existing uranium and vanadium lines of business, which will likely require the Company to grow certain of its operations, the Company will continue to seek ways to minimize the costs of all its operations where feasible while maintaining its critical capabilities, manpower, and properties.

Results of Operations

The following table summarizes the results of operations for the three and six months ended June 30, 2022 and 2021 (in thousands of U.S. dollars):

| | Three months ended June 30, | | Six months ended June 30, | |
|--|--------------------------------|--------------------|------------------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | |
| RE Carbonate | \$ 449 | \$ — | \$ 449 | \$ — |
| Vanadium concentrates | 5,295 | — | 7,707 | — |
| Alternate Feed Materials processing and other | 723 | 456 | 1,248 | 809 |
| Total revenues | <u>6,467</u> | <u>456</u> | <u>9,404</u> | <u>809</u> |
| Costs and expenses applicable to revenues | | | | |
| Costs and expenses applicable to RE Carbonate | 222 | — | 222 | — |
| Costs and expenses applicable to vanadium concentrates | 2,102 | — | 3,331 | — |
| Underutilized capacity production costs applicable to RE Carbonate | 1,095 | — | 2,758 | — |
| Total costs and expenses applicable to revenues | <u>3,419</u> | <u>—</u> | <u>6,311</u> | <u>—</u> |
| Gross margin | <u>3,048</u> | <u>456</u> | <u>3,093</u> | <u>809</u> |
| Other operating costs and expenses | | | | |
| Development, permitting and land holding | 1,219 | 2,517 | 2,392 | 5,888 |
| Standby costs | 3,323 | 2,118 | 6,798 | 4,253 |
| Accretion of asset retirement obligation | 510 | 351 | 904 | 672 |
| Total other operating costs and expenses | <u>5,052</u> | <u>4,986</u> | <u>10,094</u> | <u>10,813</u> |
| Selling, general and administration | | | | |
| Selling costs | 21 | — | 30 | — |
| General and administration | 4,682 | 3,812 | 9,889 | 7,185 |
| Total selling, general and administration | <u>4,703</u> | <u>3,812</u> | <u>9,919</u> | <u>7,185</u> |
| Total operating loss | <u>(6,707)</u> | <u>(8,342)</u> | <u>(16,920)</u> | <u>(17,189)</u> |
| Interest expense | (8) | (14) | (17) | (30) |
| Other loss (Note 12) | (11,344) | (2,435) | (15,852) | (4,482) |
| Net loss | <u>\$ (18,059)</u> | <u>\$ (10,791)</u> | <u>\$ (32,789)</u> | <u>\$ (21,701)</u> |
| Basic and diluted net loss per common share (Note 9) | <u>\$ (0.11)</u> | <u>\$ (0.07)</u> | <u>\$ (0.21)</u> | <u>\$ (0.15)</u> |

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 had any uranium sales contracts. During the quarter the Company entered into three new long-term Uranium sales contracts. Future sales of uranium may be subject to sale in the spot market if not covered by these new contracts, the Company is unable to agree to terms for additional long-term sales contracts or, potentially, pursuant to direct government purchases under the newly established U.S. Uranium Reserve Program. In the year ended December 31, 2019, the Company initiated the selling of vanadium recovered from pond return at the Mill under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all V₂O₅ produced by the Company.

Revenues for the three months ended June 30, 2022 and 2021 totaled \$6.47 million and \$0.46 million, respectively, which were primarily related to increased shipments of vanadium concentrates and RE Carbonate as well as fees for mineralized material received from clean-up of a third-party uranium mine.

Revenues for the six months ended June 30, 2022 and 2020 totaled \$9.40 million and \$0.81 million, respectively, which were primarily related to a significant increase in shipments of vanadium concentrates and RE Carbonate as well as fees for mineralized material received from clean-up of a third-party uranium mine. Revenues have increased for both the quarter and year-to-date as a result of higher shipments of V_2O_5 for processing and sale as FeV as well as the increased production of approximately 205 tonnes of mixed RE Carbonate, containing approximately 95 tonnes of total rare earth oxides ("TREO").

Costs and Expenses Applicable to Revenues

Uranium, Vanadium, and RE Carbonate recovered and costs and expenses applicable to revenue

During the three months ended June 30, 2022 and 2021 the Company did not recover any material amount of pounds of U_3O_8 as packaged product or V_2O_5 at the White Mesa Mill.

Costs and expenses applicable to revenue for the three months ended June 30, 2022 totaled \$2.10 million related to sales of approximately 225,000 pounds of vanadium as FeV and \$1.10 million related to underutilized capacity production costs applicable to RE Carbonate processing.

During the six months ended June 30, 2022 and 2021 the Company did not recover any material amount of pounds of U_3O_8 or V_2O_5 at the White Mesa Mill.

Costs and expenses applicable to revenue for the six months ended June 30, 2022 totaled \$3.33 million related to sales of approximately 375,000 pounds of vanadium as FeV and \$2.76 million related to underutilized capacity production costs applicable to RE Carbonate processing.

During the six months ended June 30, 2022, the Company began its RE Carbonate production run, and recovered approximately 205 tonnes of mixed RE Carbonate, containing approximately 95 tonnes of TREO. To date, the Mill has focused on producing commercially salable RE Carbonate at low throughput rates. The Company has been very pleased with the resulting product it is shipping to Silmet, and has continued to improve the quality of this RE Carbonate product during the quarter. The Mill expects to increase its throughput rates as its supplies of monazite sands increase. The Company is in advanced discussions with several monazite suppliers to secure additional supplies of monazite sands, and once secured, we expect these additional supplies will result in sufficient throughput to reduce underutilized capacity production costs and allow the Company to realize its expected margins on a continuous basis.

Other Operating Costs and Expenses

Development, permitting and land holding

For the three months ended June 30, 2022, the Company spent \$1.22 million for the future development of the Company's properties, primarily related to land holding expenses, compared to \$2.52 million for the three months ended June 30, 2021, which were primarily incurred for the first-time development and ramping up of the expected RE Carbonate production program at the Mill.

For the six months ended June 30, 2022, the Company spent \$2.39 million for the future development of the Company's properties, primarily related to land holding expenses, compared to \$5.89 million for the six months ended June 30, 2021, which were primarily incurred for the first-time development and ramping up of the expected RE Carbonate production program at the Mill.

While we expect the amounts relative to the items listed above have added future value to the Company, the Company expenses these amounts, in part due to the fact that the Company does not have Proven Mineral Reserves or Probable Mineral Reserves at any of the Company's projects under S-K 1300 or NI 43-101, other than at the Sheep Mountain Project.

Standby costs

The Company's La Sal Project was 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 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 Mill is operating at low levels of uranium, vanadium, and RE Carbonate recovery or on standby, are expensed.

For the three months ended June 30, 2022, standby costs totaled \$3.32 million, compared with \$2.12 million in the prior year. For the six months ended June 30, 2022, standby costs totaled \$6.80 million, compared with \$4.25 million in the prior year. The increase is primarily related to expenses incurred while the Mill was operating at lower levels of uranium, vanadium and RE Carbonate recovery.

Accretion

Accretion related to the asset retirement obligation for the Company's properties increased slightly for the three months ended June 30, 2022 to \$0.51 million compared with the prior year of \$0.35 million. For the six months ended June 30, 2022, accretion increased to \$0.90 million compared with the prior year of \$0.67 million.

Selling, general and administrative

Selling, general and administrative expenses include costs associated with marketing uranium, corporate, general and administrative costs. 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 \$4.70 million and \$9.92 million, respectively, for the three and six months ended June 30, 2022, compared to \$3.81 million and \$7.19 million, respectively, for the three and six months ended June 30, 2021. The increase is primarily related to public company expenses such as legal, accounting, audit and internal control professional services and corporate efforts to develop our REE programs. Additionally, stock based compensation increased for the six months ended June 30, 2022 compared with the six months ended June 30, 2021, by approximately \$0.82 million due to additional grants coupled with a higher stock fair market value.

Interest Expense and Other Income and Expenses

Interest expense

Interest expense for the three months ended June 30, 2022 was \$0.01 million, compared with \$0.01 million for the three months ended June 30, 2021. Interest expense for the six months ended June 30, 2022 was \$0.02 million, compared with \$0.03 million for the six months ended June 30, 2021.

Other income and expense

For the three months ended June 30, 2022, other income and expense was \$11.34 million expense, net. These amounts primarily consist of a mark-to-market loss on investments accounted for at fair value of \$13.42 million and other income of \$0.28 million, partially offset by a gain on foreign exchange of \$2.35 million and interest income of \$0.01 million.

For the three months ended June 30, 2021, other income and expense was \$2.44 million expense, net. These amounts primarily consist of a mark-to-market loss on the increase in fair value of warrant liabilities of \$3.55 million and a \$0.44 million mark-to-market loss on investments accounted for at fair value, partially offset by a gain on foreign exchange of \$0.66 million, other income of \$0.87 million and interest income of \$0.01 million.

For the six months ended June 30, 2022, other income and expense was \$15.85 million expense, net. These amounts primarily consist of a mark-to-market loss on investments accounted for at fair value of \$16.84 million and other income of \$0.17 million, partially offset by a gain on foreign exchange of \$1.13 million and interest income of \$0.02 million.

For the six months ended June 30, 2021, other income and expense was \$4.48 million expense, net. These amounts primarily consist of a mark-to-market loss on the increase in fair value of warrant liabilities of \$7.05 million, partially offset by a \$1.02 million mark-to-market gain on investments accounted for at fair value, other income of \$1.20 million, a gain on foreign exchange of \$0.32 million and interest income of \$0.03 million.

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. On June 7, 2021, the Company filed a prospectus supplement to its U.S. shelf registration statement, qualifying for distribution up to \$50.00 million in additional Common Shares under the ATM. Most recently, on January 3, 2022, the Company filed with the SEC a prospectus supplement to its U.S. shelf registration statement, qualifying for distribution up to \$50.00 million in additional Common Shares under the ATM. Sales made pursuant to the above

summarized U.S. shelf registration statements and prospectus supplements are made on the NYSE American at then-prevailing market prices, or any other existing trading market of the Common Shares in the United States.

Working capital at June 30, 2022 and future requirements for funds

At June 30, 2022, the Company had working capital of \$134.09 million, including \$86.36 million in cash and cash equivalents, \$11.80 million of marketable securities, approximately 692,000 pounds of uranium finished goods inventory and approximately 1,054,000 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 manages liquidity risk through the management of its working capital and its capital structure.

Cash and cash flows

Six Months Ended June 30, 2022

Cash, cash equivalents and restricted cash were \$106.69 million at June 30, 2022, compared to \$132.82 million at December 31, 2021. The decrease of \$26.13 million was due primarily to cash used in operating activities of \$21.36 million, cash used in investing activities of \$12.14 million and the impact of foreign exchange rate fluctuations on cash held in foreign currencies of \$0.02 million, partially offset by cash provided by financing activities of \$7.39 million.

Net cash used in operating activities of \$21.36 million is comprised of the net loss of \$32.79 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were \$1.68 million of depreciation and amortization of property, plant and equipment, share-based compensation expense of \$2.01 million, accretion of asset retirement obligation of \$0.90 million, unrealized foreign exchange gain of \$1.34 million, revision of asset retirement obligations of \$0.45 million and other non-cash expenses, primarily related to the fair market valuation of investments of \$0.26 million. Other items include a decrease in inventories of \$1.78 million, an increase in trade and other receivables of \$0.68 million, an increase in prepaid expenses and other assets of \$6.59 million and a decrease in accounts payable and accrued liabilities of \$2.99 million.

Net cash used in investing activities was \$12.14 million, which primarily related to \$0.71 million for the purchase of property, plant and equipment, primarily for utilization in RE Carbonate production at the Mill, as well as \$11.44 million in purchases of marketable debt securities in order to realize higher interest rates on the Company's excess cash.

Net cash provided by financing activities totaled \$7.39 million consisting of \$7.89 million net proceeds from the issuance of shares under the Company's ATM facility and cash received from exercise of stock options of \$0.40 million, partially offset by \$0.88 million cash paid to fund employee income tax withholding due upon vesting of restricted stock units and \$0.01 million cash paid to settle and fund employee income tax withholding due upon exercise of stock appreciation rights.

Six Months Ended June 30, 2021

Cash, cash equivalents and restricted cash were \$99.86 million at June 30, 2021, compared to \$40.99 million at December 31, 2020. The increase of \$58.87 million was due primarily to cash provided by financing activities of \$72.16 million, cash provided by investing activities of \$1.80 million, and the impact of foreign exchange rate fluctuations on cash held in foreign currencies of \$1.41 million, offset by cash used in operating activities of \$16.50 million.

Net cash used in operating activities of \$16.50 million is comprised of the net loss of \$21.70 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were \$1.56 million of depreciation and amortization of property, plant and equipment, share-based compensation expense of \$1.19 million, a \$7.05 million change in warrant liabilities and accretion of asset retirement obligation of \$0.67 million, offset by unrealized foreign exchange gain of \$1.60 million, other non-cash expenses of \$1.58 million and a revision of asset retirement obligations of \$0.04 million. Other items include an increase in inventories of \$1.64 million, a decrease in accounts payable and accrued liabilities of \$0.19 million, an increase in prepaid expenses and other assets of \$0.18 million and an increase in trade and other receivables of \$0.05 million.

Net cash provided by investing activities was \$1.80 million comprised of \$2.55 million cash received from maturities of marketable securities partially offset by \$0.76 million cash used for the purchase of property, plant and equipment.

Net cash provided by financing activities totaled \$72.16 million consisting of \$67.10 million net proceeds from the issuance of shares under the Company's ATM facility, cash received from exercise of stock options of \$1.46 million, cash received from exercise of warrants of \$4.08 million, and \$0.23 million cash received from non-controlling interest partially offset by \$0.66 million cash paid to fund employee income tax withholding due upon vesting of restricted stock units and \$0.05 million cash paid to settle and fund employee income tax withholding due upon exercise of stock appreciation rights.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to risks associated with commodity prices, interest 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, vanadium and REEs. Interest rate risk results from our debt and equity instruments that we issue to provide financing and liquidity for our business. 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.

Commodity Price Risk

Our profitability is directly related to the market price of uranium, vanadium and REEs recovered. We may, from time to time, undertake commodity and currency hedging programs, with the intention of maintaining adequate cash flows and profitability to contribute to the long-term viability of the business. We anticipate selling forward in the ordinary course of business if, and when, we have sufficient assets and recovery to support forward sale arrangements, and forward sale arrangements are available on suitable terms. There are, however, risks associated with forward sale programs. If we do not have sufficient recovered product to meet our forward sale commitments, we may have to buy or borrow (for later delivery back from recovered product) sufficient product in the spot market to deliver under the forward sales contracts, possibly at higher prices than provided for in the forward sales contracts, or potentially default on such deliveries. In addition, under forward contracts, we may be forced to sell at prices that are lower than the prices that may be available on the spot market when such deliveries are completed. Although we may employ various pricing mechanisms within our sales contracts to manage our exposure to price fluctuations, there can be no assurance that such mechanisms will be successful. There can also be no assurance that we will be able to enter into term contracts for future sales of uranium, vanadium or RE Carbonate at prices or in quantities that would allow us to successfully manage our exposure to price fluctuations.

The Company currently has three long-term uranium supply contracts. All uranium sales not made under these contracts will be required to be made at spot prices until the Company enters into additional long-term contracts at satisfactory prices in the future. Future revenue will be affected by both spot and long-term U₃O₈ price fluctuations which are 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 in the future.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash equivalents, marketable securities, and restricted cash. The Company does not use derivatives to manage interest rate risk. Our interest income is currently earned in United States dollars. See Note 2 for further information pertaining to the fair value of our marketable securities.

Currency Risk

The foreign exchange 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. The Canadian dollar is the functional currency of the Company while the majority of the Company's operating subsidiaries hold the U.S. dollar as their functional currency. Fluctuations in the Canadian dollar exchange rate in relation to the U.S. dollar can increase or decrease profit margins and cash flows to the extent costs are paid or assets and liabilities are held in U.S. dollars. The U.S. dollar is the Company's financial reporting currency.

The following table summarizes, in U.S. dollar equivalents, the Company's foreign currency (Cdn\$) exposures as of June 30, 2022 (\$000):

| | | |
|--|-----------|------------|
| Cash and cash equivalents | \$ | 789 |
| Accounts payable and accrued liabilities | | (153) |
| Total | \$ | 636 |

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to our financial instruments as of June 30, 2022 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 U.S. dollar / Cdn\$ | \$ | 8 |
| Weakening net earnings | -1% change in U.S. dollar / Cdn\$ | \$ | (8) |

Credit Risk

Credit risk relates to cash and cash equivalents, trade, and other receivables that arise from the possibility that any counterparty to an instrument fails to perform. The Company primarily transacts with highly rated counterparties and a limit on contingent exposure has been established for any counterparty based on that counterparty's credit rating. As of June 30, 2022, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents and trade and note receivables.

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 June 30, 2022 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, 2021.

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 June 30, 2022 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, 2021, or in this Form 10-Q for the three and six months ended June 30, 2022.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors disclosed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021.

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

None.

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-laws (3) |
| 4.1 | Uranerz Energy Corporation 2005 Non-Qualified Stock Option Plan, as amended and restated as of June 15, 2011 (4) |
| 4.2 | Shareholder Rights Plan Agreement between Energy Fuels Inc. and American Stock Transfer & Trust Company, LLC, dated March 18, 2021 (5) |
| 4.3 | 2021 Omnibus Equity Incentive Compensation Plan, as amended and restated on March 18, 2021 (6) |
| 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 (7) |

| | |
|---------|---|
| 10.2 | Employment Agreement by and between Energy Fuels Inc. and Mark Chalmers dated March 18, 2021 (8) |
| 10.3 | Employment Agreement by and between Energy Fuels Inc. and David C. Frydenlund dated March 18, 2021 (9) |
| 10.4 | Employment Agreement by and between Energy Fuels Inc. and Curtis Moore dated October 6, 2017 (10) |
| 10.5 | Employment Agreement by and between Energy Fuels Inc. and Dee Ann Nazareus dated September 1, 2020 (11) |
| 10.6 | Employment Agreement by and between Energy Fuels Inc. and Scott Bakken dated September 1, 2020 (12) |
| 10.7 | Employment Agreement by and between Energy Fuels Inc. and John Uhrie dated June 24, 2022, effective as of August 1, 2022 (13) |
| 10.8 | Employment Agreement by and between Energy Fuels Inc. and Tom Brock dated July 11, 2022 |
| 10.9 | Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated March 29, 2018 and effective October 1, 2017 (14) |
| 10.10 | October 2018 Amended and Restated Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated October 1, 2018 (15) |
| 10.11 | October 2019 Second Extension to Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated October 1, 2019 (16) |
| 10.12 | 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 (17) |
| 10.13 | 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 (18) |
| 10.14 | Material Rights Purchase Agreement between G4 Esmeralda Ltda. and Energy Fuels Inc. dated May 19, 2022 (19) |
| 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 Exhibit 3.3 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
- (4) Incorporated by reference to Exhibit 4.2 to Energy Fuels' Form S-8 filed on June 24, 2015.
- (5) Incorporated by reference to Appendix B of Energy Fuels' Schedule 14A filed with the SEC on April 2, 2021.
- (6) Incorporated by reference to Appendix A of Energy Fuels' Schedule 14A filed with the SEC on April 2, 2021.
- (7) Incorporated by reference to Exhibit 10.1 to Energy Fuels' Form 10-Q filed with the SEC on August 5, 2019.
- (8) Incorporated by reference to Exhibit 10.9 to Energy Fuels' Form 10-K filed with the SEC on March 22, 2021.
- (9) Incorporated by reference to Exhibit 10.10 to Energy Fuels' Form 10-K filed with the SEC on March 22, 2021.
- (10) Incorporated by reference to Exhibit 10.4 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2020.
- (11) Incorporated by reference to Exhibit 10.5 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2020.
- (12) Incorporated by reference to Exhibit 10.6 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2020.
- (13) Incorporated by reference to Exhibit 10.1 to Energy Fuels' Form 8-K filed with the SEC on June 30, 2022.
- (14) Incorporated by reference to Exhibit 1.1 to Energy Fuels' Form 8-K filed with the SEC on April 3, 2018.
- (15) Incorporated by reference to Exhibit 14.16 to Energy Fuels' Form 10-Q filed with the SEC on November 5, 2018.
- (16) Incorporated by reference to Exhibit 10.10 to Energy Fuels' Form 10-K filed with the SEC on March 17, 2020.
- (17) Incorporated by reference to Exhibit 10.10 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2020.
- (18) Incorporated by reference to Exhibit 10.11 to Energy Fuels' Form 10-Q filed with the SEC on May 13, 2021.
- (19) Incorporated by reference to Exhibit 10.1 to Energy Fuels' Form 8-K filed with the SEC on May 24, 2022.

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: August 5, 2022

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

Dated: August 5, 2022

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

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“**Agreement**”) is effective as of the 11th day of July 2022 (the “**Effective Date**”), by and between Energy Fuels Resources (USA) Inc., a Delaware corporation (“**EFRI**”), Energy Fuels Inc., an Ontario corporation (“**EFI**”) (EFRI and EFI are collectively referred to herein as the “**Company**”) and Tom L. Brock (“**Employee**”).

In consideration of the agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Employee hereby agree as follows:

ARTICLE 1 EMPLOYMENT, REPORTING AND DUTIES

1.1. Employment. The Company hereby employs and engages the services of Employee to serve initially as an employee and, effective upon appointment by the Board, as Chief Financial Officer, and Employee agrees to diligently and competently serve as and perform these functions for the compensation and benefits stated herein. A copy of Employee’s job description as Chief Financial Officer is attached hereto as Exhibit A, and Company and Employee agree and acknowledge that, subject to Section 4.2(b), Company retains the right to reasonably add to, or remove, duties and responsibilities set forth in that job description as business or other operating reasons may arise for changes to occur. It is understood that, as Chief Financial Officer, Employee will be appointed an officer of EFI and EFRI under this Agreement, but that Employee’s direct employment relationship will be as an employee of EFRI.

1.2. Fulltime Service. Excluding any periods of vacation and sick leave to which Employee may be entitled, Employee agrees to devote Employee’s full time and energies to the responsibilities with the Company consistent with past practice and shall not, during the Term of this Agreement, be engaged in any business activity which would interfere with or prevent Employee from carrying out Employee’s duties under this Agreement.

ARTICLE 2 COMPENSATION AND RELATED ITEMS

2.1. Compensation.

As compensation and consideration for the services to be rendered by Employee under this Agreement, the Company agrees to pay Employee and Employee agrees to accept:

(a) *Base Salary and Benefits*. A base salary (“**Base Salary**”) of \$340,000 per annum, less required tax withholding, which shall be paid in accordance with the Company’s standard payroll practice. Employee’s Base Salary may be increased from time to time (but not decreased, including after any increase, without Employee’s written consent), at the discretion of the Company, and after any such change, Employee’s new level of Base Salary shall be Employee’s Base Salary for purposes of this Agreement until the effective date of any subsequent change. Employee shall also receive benefits such as health insurance, vacation and other benefits consistent with the then applicable Company benefit plans to the same extent as other employees of the Company with similar position or level. Employee understands and

agrees that, subject to Sections 2.1(b) and (c) below, Company's benefit plans may, from time to time, be modified or eliminated at Company's discretion.

(b) *Cash Bonus*. A cash bonus opportunity (the "**Cash Bonus**") during each calendar year with a target (the "**Target Cash Bonus**") equal to forty percent (40)% (the "**Target Cash Bonus Percentage**") of Employees' Base Salary for the year in which the cash bonus is paid, such cash bonus to be paid in accordance with the Company's existing Short Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**STIP**"). Pursuant to the terms of the STIP, each annual Cash Bonus shall be payable based on the achievement of performance goals, and may be higher or lower than the Target Cash Bonus based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable STIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Cash Bonus, (iii) the percentage of annual Base Salary to be payable to Employee if some lesser or greater percentage of the annual STIP performance goals are achieved, and (iv) such other applicable terms and conditions of the STIP necessary to satisfy the requirements of Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986, as amended (the "**Code**"); and

(c) *Equity Award*. An equity award opportunity (the "**Equity Award**") during each calendar year with a target value (the "**Target Equity Award**") equal to seventy-five percent (75)% (the "**Target Equity Award Percentage**") of Employee's Base Salary for the year in which the award is granted, such equity award to be awarded in accordance with the Company's existing Long Term Incentive Plan, as such plan may be amended or replaced from time to time, or the equivalent (the "**LTIP**"). Pursuant to the terms of the LTIP, each annual equity award shall be made based on the achievement of performance goals, and may be higher or lower than the Target Equity Award based on achievement of those goals. For each calendar year during the term of this Agreement, the Board (or the Compensation Committee) of EFI will determine and will establish in writing (i) the applicable LTIP performance goals, which shall be reasonably achievable and if achieved would result in payment of the Target Equity Award, (iii) the percentage of annual Base Salary value to be awarded in equity to Employee if some lesser or greater percentage of the annual LTIP performance goals are achieved, and (iv) such other applicable terms and conditions of the LTIP necessary to satisfy the requirements of Section 409A of the Code.

2.2. Annual Medical. The Company will reimburse Employee for the cost of a comprehensive annual medical examination for each year of this Agreement, provided that Employee requests such reimbursement and such reimbursement is made no later than the last day of the calendar year following the calendar year in which the examination expense was incurred. Employee will promptly notify the President & CEO if the annual medical examination reveals any condition which, if untreated, is likely to interfere with Employee's ability to perform the essential requirements of his or her position, and if requested by the President & CEO, Employee will provide the details of the condition and the potential impact on his or her ability to perform the essential requirements of his or her position to enable the President & CEO to determine how best to accommodate Employee and protect the critical business interests of the Company.

2.3. Expenses. The Company agrees that Employee shall be allowed reasonable and necessary business expenses in connection with the performance of Employee's duties within the guidelines established by the Company as in effect at any time with respect to key employees ("**Business Expenses**"), including, but not limited to, reasonable and necessary expenses for food, travel, lodging, entertainment and other items in the promotion of the Company within such guidelines. The Company shall promptly reimburse Employee for all reasonable Business Expenses incurred by Employee upon Employee's presentation to the Company of an itemized account thereof, together with receipts, vouchers, or other supporting documentation.

2.4. Vacation. Employee will be entitled to five weeks of vacation each year, in addition to the 10 paid holidays each year. Carry over from one year to the next will be as per the Company's paid leave policy.

2.5. Use of Company Vehicle. Employee will be provided the full-time use of a suitable vehicle for travel between the Lakewood office and home as well as for business travel to filed sites as required, or the equivalent.

ARTICLE 3 TERMINATION

3.1. Term. Employee's employment under this Agreement shall commence on the Effective Date and will end on the date (the "**Initial Expiration Date**") that is the second anniversary of the Effective Date, unless terminated sooner under the provisions of this Article, or extended under the terms of this Section. If neither Company nor Employee provides written notice of intent not to renew this Agreement by ninety (90) days prior to the Initial Expiration Date, this Agreement shall be automatically renewed for twelve (12) additional months, and if neither Company nor Employee provides written notice of intent not to renew this Agreement prior to ninety (90) days before the end of such additional 12-month period, this Agreement shall continue to be automatically renewed for successive additional 12-month periods until such time either Company or Employee provides written notice of intent not to renew prior to ninety (90) days before the end of any such renewal period.

3.2. Termination of Employment. Except as may otherwise be provided herein, Employee's employment under this Agreement may terminate upon the occurrence of:

(a) Notice by Company. The termination date specified in a written notice of termination that is given by the Company to Employee;

(b) Notice by Employee. Thirty (30) days after written notice of termination is given by Employee to the Company;

(c) Death or Disability. Employee's death or, at the Company's option, upon Employee's becoming disabled;

(d) Deemed Termination Without Just Cause upon a Change of Control. A deemed termination without just cause under Section 4.1(a) upon the occurrence of a Change of Control; or

(e) Notice Not to Renew. If the Company or Employee gives the other a notice not to renew this Agreement under Section 3.1, employment under this Agreement shall terminate at the close of business at the end of the Initial Expiration Date or at the end of the 12-month renewal period in which timely notice not to renew was given, as the case may be. A notice by the Company not to renew shall be considered a notice of termination, resulting in the Company terminating Employee's employment under this Agreement.

Any notice of termination given by the Company to Employee under Section 3.2(a) or (e) above shall specify whether such termination is with or without just cause as defined in Section 3.4. Any notice of termination given by Employee to the Company under Section 3.2(b) above shall specify whether such termination is made with or without Good Reason as defined in Section 4.2(b).

3.3. Obligations of the Company Upon Termination.

(a) With Just Cause/Without Good Reason. If the Company terminates Employee's employment under this Agreement with just cause as defined in Section 3.4, or if Employee terminates his employment without Good Reason as defined in Section 4.2(b), in either case whether before or after a Change of Control as defined in Section 4.2(a), then Employee's employment with the Company shall terminate without further obligation by the Company to Employee, other than payment of all accrued obligations ("**Accrued Obligations**"), including outstanding Base Salary, accrued vacation pay and any other cash benefits accrued up to and including the date of termination. That payment shall be made in one lump sum, less required tax withholding, within ten (10) working days after the effective date of such termination. Employee will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options. Any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any Restricted Stock Units ("**RSUs**") held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee. Any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. The rights of Employee upon termination in respect of any Stock Appreciation Rights ("**SARs**") or other awards granted to Employee under any of the Company's equity compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable. Notwithstanding the foregoing, on retirement, Employee will have up to the earlier of: (A) one hundred and eighty (180) days from the effective date of retirement; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

(b) With Good Reason/Without Just Cause/Disabled/Death. If Employee terminates Employee's employment under this Agreement for Good Reason as defined in Section 4.2(b), or if the Company terminates Employee's employment without just cause as

defined in Section 3.4, or if the Company terminates Employee's employment by reason of Employee becoming Disabled as defined in Section 3.5, or if Employee dies (in which case the date of Employee's death shall be considered his or her termination date), in any case whether before or after a Change of Control as defined in Section 4.2(a), or if there is a deemed termination without just cause upon a Change of Control as contemplated by Section 4.1(a), then Employee's employment with the Company shall terminate, as of the effective date of the termination, and in lieu of any other severance benefit that would otherwise be payable to Employee:

(i) the Company shall pay the following amounts to Employee (or, in the case of termination by reason of Employee becoming Disabled or upon the death of Employee, to Employee's legal representative or estate as applicable) after the effective date of such termination, or in a manner and at such later time as specified by Employee (or Employee's legal representative), and agreed to by the Company, subject to being in compliance with Section 409A of the Code:

(A) all Accrued Obligations, less required tax withholding, up to and including the date of termination, to be paid on the date of termination of employment, or within no more than five (5) working days thereafter, and the Company will reimburse the Employee for all proper expenses incurred by the Employee in discharging his responsibilities to the Company prior to the effective date of termination of the Employee's employment in accordance with Section 2.3 above; and

(B) an amount in cash equal to two (2.0) (the "**Severance Factor**") times the sum of Employee's Base Salary and Target Cash Bonus for the full year in which the Date of Termination occurs, less required tax withholding, such amount to be paid within thirty (30) calendar days after the date Employee signs the Release contemplated by Section 3.7;

(ii) Employee or Employee's legal representative will have up to the earlier of: (A) ninety (90) days from the effective date of termination of Employee's employment for all cases other than the death of Employee and twelve (12) months from the effective date of termination of Employee's employment in the case of death of Employee; or (B) the date on which the exercise period of the particular stock option expires, to exercise only that portion of the stock options previously granted to Employee that have not been exercised, but which have vested, and thereafter Employee's stock options will expire and Employee or his or her legal representative will have no further right to exercise the stock options. Subject to Section 4.1(c), any stock options held by Employee that are not yet vested at the termination date immediately expire and are cancelled and forfeited to the Company on the termination date. Any RSUs held by Employee that have vested on or before the termination date shall be paid (or the shares issuable thereunder issued) to Employee or his or her legal representative or estate as applicable. Subject to Section 4.1(c), any RSUs held by Employee that are not vested on or before the termination date will be immediately cancelled and forfeited to the Company on the termination date. Subject to Section 4.1(c), the rights of Employee or his or her legal representative or estate as applicable upon termination in respect of any SARs or other awards granted to Employee under any of the Company's equity

compensation plans shall be as set forth in such plans or in the award agreement for any such awards, as applicable;

(iii) Upon termination, the Company or its Successor (as defined in Section 4.1(a)), agrees to reimburse Employee the full cost of the COBRA continuation rate charged for employee and dependent coverage, through the EFRI Health and Welfare Plan on a monthly basis, for a period of months equal to twelve times the Severance Factor (the “**Coverage Period**”), beyond Employee’s termination month. Employee and his or her dependents may, at their choosing, enroll in the COBRA continuation plan through EFRI for the first eighteen months following Employee’s termination month or, if they choose, they may enroll in a separate plan of their choosing, by using the reimbursement to enroll in medical and prescription insurance of their choosing. Reimbursement at the rate described herein will continue for the Coverage Period beyond Employee’s termination month, but beginning with the nineteenth month, Employee and his or her dependents will need to obtain coverage from a different source than the COBRA continuation plan through EFRI. The reimbursement will be to Employee and his or her dependents directly, and will be grossed up so that there is no negative tax impact to the Employee or his or dependents for coverage of the premiums charged by the insurance carriers for the COBRA continuation coverage for the current month of reimbursement. The reimbursed cost of COBRA coverage will be indexed annually, and will match the rate charged for any month of coverage available by the insurance carrier for Medical, Dental, and Optical coverage through EFRI for employee and spouse coverage. Both Employee and his or her dependents, will have the option of purchasing a medical plan separate from the plan offered by EFRI; and

(iv) Nothing herein shall preclude the Company from granting additional severance benefits to Employee upon termination of employment.

Notwithstanding the foregoing, in the case of Disability, any Base Salary payable to Employee during the one hundred and eighty (180) day period of disability will be reduced by the amount of any disability benefits Employee receives or is entitled to receive as a result of any disability insurance policies for which the Company has paid the premiums.

(c) Section 280G. Notwithstanding any other provisions of this Agreement, or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or its affiliates to Employee or for Employee’s benefit pursuant to the terms of this Agreement or otherwise (“**Covered Payments**”) constitute “parachute payments” within the meaning of Section 280G of the Code and would, but for this Section 3.3(c) be subject to the excise tax imposed under Section 4999 of the Code (or any successor provision thereto) or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the “**Excise Tax**”), then the following shall apply:

(i) If the Covered Payments, reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes payable by Employee on the amount of the Covered Payments which are in excess of three times Employee’s “base amount” within the meaning of Section 280(G) of the Code less one dollar (the “**Threshold Amount**”), are greater than or equal to the Threshold Amount, Employee shall be entitled to the full benefits payable under this Agreement; and

(ii) If the Threshold Amount is less than (1) the Covered Payments, but greater than (2) the Covered Payments reduced by the sum of (x) the Excise Tax and (y) the total of the Federal, state, and local income and employment taxes on the amount of the Covered Payments which are in excess of the Threshold Amount, then the Covered Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Covered Payments shall not exceed the Threshold Amount. In such event, the Covered Payments shall be reduced in the following order: (A) cash payments not subject to Section 409A; (B) cash payments subject to Section 409A; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

The determination as to which of the alternative provisions of Section 3.3(c)(ii) shall apply to Employee shall be made by a nationally recognized accounting firm selected by the Company (the “**Accounting Firm**”), which shall provide detailed supporting calculations both to the Company and Employee within 15 business days of the date of termination, if applicable, or at such earlier time as is reasonably requested by the Company or Employee. For purposes of determining which of the alternative provisions of Section 3.3(c)(ii) shall apply, Employee shall be deemed to pay Federal income taxes at the highest marginal rate of Federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Employee’s residence on the date of termination, net of the maximum reduction in Federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Employee.

3.4. Definition of Just Cause.

As used in this Agreement, the term “just cause” will mean any one or more of the following events:

- (a) theft, fraud, dishonesty, or misappropriation by Employee involving the property, business or affairs of the Company or the discharge of Employee’s responsibilities or the exercise of his or her authority;
- (b) willful misconduct or the willful failure by Employee to properly discharge his or her responsibilities or to adhere to the policies of the Company;
- (c) Employee’s gross negligence in the discharge of his or her responsibilities or involving the property, business or affairs of the Company to the material detriment of the Company;
- (d) Employee’s conviction of a criminal or other statutory offence that constitutes a felony or which has a potential sentence of imprisonment greater than six (6) months or Employee’s conviction of a criminal or other statutory offence involving, in the sole discretion of the Board of Directors of EFI, moral turpitude;
- (e) Employee’s material breach of a fiduciary duty owed to the Company;

(f) any material breach by Employee of the covenants contained in Articles 5 or 6 below;

(g) Employee's unreasonable refusal to follow the lawful written direction of the President and Chief Executive Officer of the Company on any material matter;

(h) any conduct of Employee which, in the reasonable opinion of the President and Chief Executive Officer of the Company or Board of Directors of EFI, is materially detrimental or embarrassing to the Company; or

(i) any other conduct by Employee that would constitute "just cause" as that term is defined at law.

The Company must provide written notice to Employee prior to termination for just cause pursuant to Section 3.4 (c), (f), (g), (h), or (i) and provide Employee the opportunity to correct and cure the failure within thirty (30) days from the receipt of such notice. If the parties disagree as to whether the Company had just cause to terminate the Employee's employment, the dispute will be submitted to binding arbitration pursuant to Section 7.10 below.

3.5. Definition of Disabled. As used herein, "Disabled" shall mean a mental or physical impairment which, in the reasonable opinion of a qualified doctor selected by mutual agreement of the Company and Employee acting reasonably, renders Employee unable, with reasonable accommodation, to perform with reasonable diligence the essential functions and duties of Employee on a full-time basis in accordance with the terms of this Agreement, which inability continues for a period of not less than 180 consecutive days. The providing of service to the Company for up to two (2) three (3) day periods during the one hundred and eighty (180) day period of disability will not affect the determination as to whether Employee is Disabled and will not restart the one hundred and eighty (180) day period of disability. If any dispute arises between the parties as to whether Employee is Disabled, Employee will submit to an examination by a physician selected by the mutual agreement of the Company and Employee acting reasonably, at the Company's expense. The decision of the physician will be certified in writing to the Company, and will be sent by the Physician to Employee or Employee's legally authorized representative, and will be conclusive for the purposes of determining whether Employee is Disabled. If Employee fails to submit to a medical examination within twenty (20) days after the Company's request, Employee will be deemed to have voluntarily terminated his or her employment.

3.6. Return of Materials; Confidential Information. In connection with Employee's separation from employment for any reason, Employee shall return any and all physical property belonging to the Company, and all material of whatever type containing "Confidential Information" as defined in Section 5.2 below, including, but not limited to, any and all documents, whether in paper or electronic form, which contain Confidential Information, any customer information, production information, manufacturing-related information, pricing information, files, memoranda, reports, pass codes/access cards, training or other reference manuals, Company vehicle, telephone, gas cards or other Company credit cards, keys, computers, laptops, including any computer disks, software, facsimile machines, memory devices, printers, telephones, pagers or the like.

3.7. Delivery of Release. Within ten (10) working days after termination of Employee's employment, and as a condition for receipt of payments set forth in Section 3.3(b)(i)(B), 3.3(b)(iii), and 4.1(a), the Company shall provide to Employee, or Employee's legal representative, a form of written release, which form shall be satisfactory to the Company and generally consistent with the form of release used by the Company prior to such termination of employment (the "**Release**") and which shall provide a full release of all claims against the Company and its corporate affiliates, except where Employee has been named as a defendant in a legal action arising out of the performance of Employee's responsibilities in which case the Release will exempt any claims which Employee or his or her legal representative or estate may have for indemnity by the Company with respect to any such legal action. As a condition to the obligation of the Company to make the payments provided for in such Sections Employee, or Employee's legal representative, shall execute and deliver the Release to the Company within the time periods provided for in said release.

ARTICLE 4 CHANGE OF CONTROL

4.1. Effect of Change of Control. In the event of a Change of Control of EFI during the term of this Agreement, or any renewal of this Agreement the following provisions shall apply:

(a) If upon the Change of Control

(i) Employee is not retained by EFI or its successor (whether direct or indirect, by purchase of assets, merger, consolidation, exchange of securities, amalgamation, arrangement or otherwise) to all or substantially all of the business and/or assets of EFI ("**Successor**") on the same terms and conditions as set out in this Agreement and in circumstances that would not constitute Good Reason (where Good Reason is determined by reference to Employee's employment status prior to the Change of Control and prior to any other event that could constitute Good Reason); and/or

(ii) any such Successor does not, by agreement in form and substance satisfactory to Employee, expressly assume and agree to perform this Agreement in the same manner and to the same extent that EFI would be required to perform it if no such succession had taken place,

then Employee shall be deemed to be terminated without just cause upon such Change of Control and shall be entitled to the compensation and all other rights specified in Article 3 in the same amount and on the same terms as if terminated without just cause as set out therein, subject to the additional rights set out in paragraph (c) below;

(b) All rights of Employee in this Agreement, including without limitation all rights to severance and other rights upon a termination with or without cause, with or without Good Reason, upon a disability or upon death under Article 3 of this Agreement shall continue after a Change of Control in the same manner as before the Change of Control, subject to the additional rights set out in paragraph (c) below;

(c) if,

(i) there is a deemed termination without cause under Section 4.1(a); or

(ii) within twelve (12) months following the effective date of the Change of Control, EFI, or its successor, terminates the employment of Employee without just cause or by reason of Disability, or Employee terminates his or her employment under this Agreement for Good Reason,

then, in addition to the other rights Employee has under this Agreement, and notwithstanding any other provision in this Agreement, all of the stock options previously granted to Employee that have neither vested nor expired will automatically vest and become immediately exercisable, any period of restriction and other restrictions imposed on all RSUs shall lapse, and all RSUs shall be immediately settled and payable, the rights of Employee or his legal representative or estate as applicable upon termination in respect of any SARs previously granted to Employee shall be as set forth in the award agreement for any such SARs, and all other securities awarded shall vest and/or accelerate in accordance with Article 15 of the 2021 EFI Omnibus Equity Incentive Plan, as amended from time to time, or the comparable provisions of any other equity incentive plan under which such securities may have been issued. Employee will have ninety (90) days from the effective date of the termination of Employee's employment to exercise any stock options which had vested as of the effective date of termination and thereafter Employee's stock options will expire and Employee will have no further right to exercise the stock options.

4.2. Definitions of Change of Control and Good Reason. For the purposes of this Agreement,

(a) "Change of Control" will mean the happening of any of the following events:

(i) any transaction at any time and by whatever means pursuant to which (A) EFI goes out of existence by any means, except for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of EFI voting securities immediately prior to such corporate transaction or reorganization or (B) any Person (as defined in the *Securities Act (Ontario)*) or any group of two or more Persons acting jointly or in concert (other than EFI, a wholly-owned Subsidiary of EFI, an employee benefit plan of EFI or of any of its wholly-owned Subsidiaries (as defined in the *Securities Act (Ontario)*), including the trustee of any such plan acting as trustee) hereafter acquires the direct or indirect "beneficial ownership" (as defined by the *Business Corporations Act (Ontario)*) of, or acquires the right to exercise control or direction over, securities of EFI representing 50% or more of EFI's then issued and outstanding securities in any manner whatsoever, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of EFI with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;

(ii) the sale, assignment or other transfer of all or substantially all of the assets of EFI in one or a series of transactions, whether or not related, to a Person or any group of two or more Persons acting jointly or in concert, other than a wholly-owned Subsidiary of EFI;

(iii) the dissolution or liquidation of EFI except in connection with the distribution of assets of EFI to one or more Persons which were wholly-owned Subsidiaries of EFI immediately prior to such event;

(iv) the occurrence of a transaction requiring approval of EFI's shareholders whereby EFI is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a wholly-owned Subsidiary of EFI);

(v) a majority of the members of the Board of Directors of EFI are replaced or changed as a result of or in connection with any: (A) take-over bid, consolidation, merger, exchange of securities, amalgamation, arrangement, capital reorganization or any other business combination or reorganization involving or relating to EFI; (B) sale, assignment or other transfer of all or substantially all of the assets of EFI in one or a series of transactions, or any purchase of assets; or (C) dissolution or liquidation of EFI;

(vi) during any two-year period, a majority of the members of the Board of Directors of EFI serving at the date of this Agreement is replaced by directors who are not nominated and approved by the Board of Directors of EFI;

(vii) an event set forth in (i), (ii), (iii), (iv), (v) or (vi) has occurred with respect to EFRI or any of its direct or indirect parent companies, in which case the term "EFI" in those paragraphs will be read to mean "EFRI or such parent company" and the phrase "wholly-owned Subsidiary(ies)" will be read to mean "Affiliate(s) or wholly-owned Subsidiary(ies)"; or

(viii) the Board of Directors of EFI passes a resolution to the effect that, an event set forth in (i), (ii), (iii), (iv), (v), (vi) or (vii) above has occurred.

(b) "Good Reason" means, without the written agreement of Employee, there is:

(i) a material reduction or diminution in the level of responsibility, or office of Employee, provided that before any claim of material reduction or diminution of responsibility may be relied upon by Employee, Employee must have provided written notice to Employee's supervisor and the EFI's Board of Directors of the alleged material reduction or diminution of responsibility and have given EFI at least thirty (30) calendar days within which to cure the alleged material reduction or diminution of responsibility;

(ii) a reduction in the Employee's Base Salary, Target Cash Bonus Percentage or Target Equity Award Percentage; or

(iii) a proposed, forced relocation of Employee to another geographic location greater than fifty (50) miles from Employee's office location at the time a move is requested after a Change of Control.

ARTICLE 5 CONFIDENTIALITY

5.1. Position of Trust and Confidence. Employee acknowledges that in the course of discharging his or her responsibilities, he or she will occupy a position of trust and confidence with respect to the affairs and business of the Company and its customers and clients, and that he or she will have access to and be entrusted with detailed confidential information concerning the present and contemplated mining and exploration projects, prospects, and opportunities of the Company. Employee acknowledges that the disclosure of any such confidential information to the competitors of the Company or to the general public would be highly detrimental to the best interests of the Company. Employee further acknowledges and agrees that the right to maintain such detailed confidential information constitutes a proprietary right which the Company is entitled to protect.

5.2. Definition of Confidential Information. In this Agreement, "Confidential Information" means any information disclosed by or on behalf of the Company to Employee or developed by Employee in the performance of his or her responsibilities at any time before or after the execution of this Agreement, and includes any information, documents, or other materials (including, without limitation, any drawings, notes, data, reports, photographs, audio and/or video recordings, samples and the like) relating to the business or affairs of the Company or its respective customers, clients or suppliers that is confidential or proprietary, whether or not such information:

- (i) is reduced to writing;
- (ii) was created or originated by an employee; or
- (iii) is designated or marked as "Confidential" or "Proprietary" or some other designation or marking.

The Confidential Information includes, but is not limited to, the following categories of information relating to the Company:

- (a) information concerning the present and contemplated mining, milling, processing and exploration projects, prospects and opportunities, including joint venture projects, of the Company;
- (b) information concerning the application for permitting and eventual development or construction of the Company's properties, the status of regulatory and environmental matters, the compliance status with respect to licenses, permits, laws and regulations, property and title matters and legal and litigation matters;

(c) information of a technical nature such as ideas, discoveries, inventions, improvements, trade secrets, know-how, manufacturing processes, specifications, writings and other works of authorship;

(d) financial and business information such as the Company's business and strategic plans, earnings, assets, debts, prices, pricing structure, volume of purchases or sales, production, revenue and expense projections, historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, or other financial data whether related to the Company's business generally, or to particular products, services, geographic areas, or time periods;

(e) supply and service information such as goods and services suppliers' names or addresses, terms of supply or service contracts of particular transactions, or related information about potential suppliers to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of a particular supplier, although generally known or available, yields advantages to the Company, the details of which are not generally known;

(f) marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of the Company, sales forecasts or results of marketing efforts or information about impending transactions;

(g) personnel information relating to employees, contractors, or agents, such as personal histories, compensation or other terms of employment or engagement, actual or proposed promotions, hirings, resignations, disciplinary actions, terminations or reasons therefor, training methods, performance, or other employee information;

(h) customer information, such as any compilation of past, existing or prospective customer's names, addresses, backgrounds, requirements, records of purchases and prices, proposals or agreements between customers and the Company, status of customer accounts or credit, or related information about actual or prospective customers;

(i) computer software of any type or form and in any stage of actual or anticipated development, including but not limited to, programs and program modules, routines and subroutines, procedures, algorithms, design concepts, design specifications (design notes, annotations, documentation, flow charts, coding sheets, and the like), source codes, object code and load modules, programming, program patches and system designs; and

(j) all information which becomes known to Employee as a result of Employee's employment by the Company, which Employee acting reasonably, believes or ought to believe is confidential or proprietary information from its nature and from the circumstances surrounding its disclosure to Employee.

5.3. Non-Disclosure. Employee, both during his or her employment and for a period of five (5) years after the termination of his or her employment irrespective of the time, manner or cause of termination, will:

(a) retain in confidence all of the Confidential Information;

(b) refrain from disclosing to any person including, but not limited to, customers and suppliers of the Company, any of the Confidential Information except for the purpose of carrying out Employee's responsibilities with the Company, and

(c) refrain from directly or indirectly using or attempting to use such Confidential Information in any way, except for the purpose of carrying out Employee's responsibilities with the Company.

Employee shall deliver promptly to the Company, at the termination of Employee's employment, or at any other time at the Company's request, without retaining any copies, all documents and other material in Employee's possession relating, directly or indirectly, to any Confidential Information.

It is understood that should Employee be subject to subpoena or other legal process to seek the disclosure of such Confidential Information, Employee will advise the Company of such process and provide the Company with the necessary information to seek to protect the Confidential Information.

5.4. Whistleblower Laws. The foregoing obligations of confidentiality set out in this Article 5 are subject to applicable whistleblower laws, which protect Employee's right to provide information to governmental and regulatory authorities, including communications with the U.S. Securities and Exchange Commission about possible securities law violations. Notwithstanding any other provision in this Agreement, Employee is not required to seek the Company's permission or notify the Company of any communications made in compliance with applicable whistleblower laws, and the Company will not consider any such communications to violate this Agreement or any other agreement between Employer and the Company or any Company policy by which Employee is bound.

ARTICLE 6 NON-SOLICITATION

6.1. Non-Solicitation. Employee agrees that during the period (the "Non-Solicitation Period") commencing on the date of this Agreement and ending twelve (12) months after the effective date of the termination of Employee's employment irrespective of the time, manner or cause of termination, Employee will not, either individually or in partnership or jointly or in conjunction with any other person, entity or organization, as principal, agent, consultant, contractor, employer, employee or in any other manner, directly or indirectly:

(a) solicit business from any customer, client or business relation of the Company, or prospective customer, client or business relation that the Company was actively soliciting, whether or not Employee had direct contact with such customer, client or business relation, for the benefit or on behalf of any person, firm or corporation operating a business which competes with the Company, or attempt to direct any such customer, client or business relation away from the Company or to discontinue or alter any one or more of their relationships with the Company; or

(b) hire or offer to hire or entice away or in any other manner persuade or attempt to persuade any officer, employee, consultant, independent contractor, agent, licensee,

supplier, or business relation of the Company to discontinue or alter any one of their relationships with the Company.

6.2. Remedies for Breach of Restrictive Covenants. Employee acknowledges that in connection with Employee's employment he or she will receive or will become eligible to receive substantial benefits and compensation. Employee acknowledges that Employee's employment by the Company and all compensation and benefits from such employment will be conferred by the Company upon Employee only because and on the condition of Employee's willingness to commit Employee's best efforts and loyalty to the Company, including protecting the Company's confidential information and abiding by the non-solicitation covenants contained in this Agreement. Employee understands that his obligations set out in Article 5 and this Article 6 will not unduly restrict or curtail Employee's legitimate efforts to earn a livelihood following any termination of his or her employment with the Company. Employee agrees that the restrictions contained in Article 5 and this Article 6 are reasonable and valid and all defenses to the strict enforcement of these restrictions by the Company are waived by Employee. Employee further acknowledges that a breach or threatened breach by Employee of any of the provisions contained in Article 5 or this Article 6 would cause the Company irreparable harm which could not be adequately compensated in damages alone. Employee further acknowledges that it is essential to the effective enforcement of this Agreement that, in addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, the Company will be entitled to seek and obtain, in a summary manner, from any Court having jurisdiction, interim, interlocutory, and permanent injunctive relief, specific performance and other equitable remedies, without bond or other security being required. In addition to any other remedies to which the Company may be entitled at law or in equity or otherwise, in the event of a breach of any of the covenants or other obligations contained in this Agreement, the Company will be entitled to an accounting and repayment of all profits, compensation, royalties, commissions, remuneration or benefits which Employee directly or indirectly, has realized or may realize relating to, arising out of, or in connection with any such breach. Should a court of competent jurisdiction declare any of the covenants set forth in Article 5 or this Article 6 unenforceable, the court shall be empowered to modify and reform such covenants so as to provide relief reasonably necessary to protect the interests of the Company and Employee and to award injunctive relief, or damages, or both, to which the Company may be entitled.

ARTICLE 7 GENERAL PROVISIONS

7.1. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Colorado.

7.2. Assignability. This Agreement is personal to Employee and without the prior written consent of the Company shall not be assignable by Employee other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives and heirs. This Agreement shall also inure to the benefit of and be binding upon the Company and its successors and assigns.

7.3. Withholding. The Company may withhold from any amounts payable under this Agreement such federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

7.4. Entire Agreement; Amendment. This Agreement constitutes the entire agreement and understanding between Employee and the Company with respect to the subject matter hereof and, except as otherwise expressly provided herein, supersedes any prior agreements or understandings, whether written or oral, with respect to the subject matter hereof, including without limitation all employment, severance or change of control agreements previously entered into between Employee and the Company. Except as may be otherwise provided herein, this Agreement may not be amended or modified except by subsequent written agreement executed by both parties hereto.

7.5. Section 409A. This Agreement is intended to comply with Section 409A to the extent Section 409A is applicable to this Agreement. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be interpreted, operated and administered by the Company in a manner consistent with such intention and to avoid the pre-distribution inclusion in income of amounts deferred under this Agreement and the imposition of any additional tax or interest with respect thereto. Notwithstanding any other provision of this Agreement to the contrary, to the extent that any payment under this Agreement constitutes “nonqualified deferred compensation” under Section 409A, the following shall apply to the extent Section 409A is applicable to such payment:

(a) Any payable that is triggered upon the Employee’s termination of employment shall be paid only if such termination of employment constitutes a “separation from service” under Section 409A; and

(b) All expenses or other reimbursements paid pursuant to this Agreement that are taxable income to Employee shall be paid no later than the end of the calendar year next following the calendar year in which Employee incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (a) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (b) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (c) such payments shall be made on or before the last day of Employee’s taxable year following the taxable year in which the expense occurred. For purposes of Section 409A, Employee’s right to receive installment payments of any severance amount, if applicable, shall be treated as a right to receive a series of separate and distinct payments.

In the event that Employee is deemed on the date of termination to be a “specified employee” as defined in Section 409A, then with regard to any payment or the provision of any benefit that is subject to Section 409A and is payable on account of a separation from service (as defined in Section 409A), such payment or benefit shall be delayed for until the earlier of (a) the first business day of the seventh calendar month following such termination of employment, or (b) Employee’s death. Any payments delayed by reason of the prior sentence shall be paid in a single lump sum, without interest thereon, on the date indicated by the previous sentence and any remaining payments due under this Agreement shall be paid as otherwise provided herein.

7.6. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, but all of which together shall constitute one Agreement.

7.7. Notices. Any notice provided for in this Agreement shall be deemed delivered upon deposit in the United States mails, registered or certified mail, addressed to the party to whom directed at the addresses set forth below or at such other addresses as may be substituted therefor by notice given hereunder. Notice given by any other means must be in writing and shall be deemed delivered only upon actual receipt.

If to the Company:

c/o Energy Fuels Resources (USA) Inc.
225 Union Blvd., Suite 600
Lakewood, CO 80228

Attention: President and Chief Executive Officer

If to Employee:

Tom L. Brock
6991 Winter Ridge Place
Castle Pines, CO 80108

7.8. Waiver. The waiver of any term or condition of this Agreement, or any breach thereof, shall not be deemed to constitute the waiver of the same or any other term or condition of this Agreement, or any breach thereof.

7.9. Severability. In the event any provision of this Agreement is found to be unenforceable or invalid, such provision shall be severable from this Agreement and shall not affect the enforceability or validity of any other provision of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other that would render the provision valid, then the provision shall have the construction that renders it valid.

7.10. Arbitration of Disputes. Except for disputes and controversies arising under Articles 5 or 6 or involving equitable or injunctive relief, any dispute or controversy arising under or in connection with this Agreement shall be conducted in accordance with the Colorado Rules of Civil Procedure and, unless the parties mutually agree on an arbitrator shall be arbitrated by striking from a list of potential arbitrators provided by the Judicial Arbitrator Group in Denver, Colorado. If the parties are unable to agree on an arbitrator, the arbitrator will be selected from a list of seven (7) potential arbitrators provided by the Judicial Arbitrator Group in Denver. The Company and Employee will flip a coin to determine who will make the first strike. The parties will then alternate striking from the list until there is one arbitrator remaining, who will be the selected arbitrator. Unless the parties otherwise agree and subject to the availability of the arbitrator, the arbitration will be heard within sixty (60) days following the appointment, and the decision of the arbitrator shall be binding on Employee and the Company and will not be subject to appeal. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

7.11. Currency. Except as expressly provided in this Agreement, all amounts in this Agreement are stated and shall be paid in United States dollars (\$US).

7.12. Company's Maximum Obligations. The compensation set out in this Agreement represents the Company's maximum obligations, and other than as set out herein, Employee will not be entitled to any other compensation, rights or benefits in connection with Employee's employment or the termination of Employee's employment.

7.13. Full Payment; No Mitigation Obligation. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall be subject to any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Employee.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

ENERGY FUELS INC.

By: /s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer

Date: July 11, 2022

ENERGY FUELS RESOURCES (USA) INC.

By: /s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer

Date: July 11, 2022

/s/ Tom L. Brock
Name: Tom L. Brock

Title: Chief Financial Officer

Date: July 11, 2022

EXHIBIT A
JOB DESCRIPTION

Employee shall be responsible for overseeing and managing the financial and accounting activities of Energy Fuels Inc. and its subsidiaries.

Essential duties and responsibilities include:

- as requested by the CEO, contributing to the development and achievement of strategic objectives for the Company
- overseeing the preparation and timely filing of the Company's financial statements and MD&A in compliance with regulations and providing certification as required by applicable securities laws
- overseeing all technical accounting and SEC reporting matters
- overseeing the Company's internal control procedures and integrated audit (SOX)
- overseeing the Company's internal audit function
- overseeing the Company's financial planning, analysis, budgeting and forecasting processes
- overseeing management and cost accounting and the preparation of periodic reports to management
- overseeing risk management and insurance processes
- overseeing information technology systems and processes
- overseeing treasury, banking and cash management processes
- overseeing all U.S., Canadian and international tax planning, compliance and other tax matters
- along with the CEO, playing a key role in executing public and private market capital-raising initiatives
- as requested by the CEO, playing a role along with the CEO in developing and maintaining relationships with investment banking firms
- managing relationships with potential lenders to the Company
- as requested by the CEO, playing a role in the Company's investor relations activities
- as requested by the CEO, assisting the CEO with the identification, negotiating and execution of M&A and/or similar transactions
- ensuring the Company has adequate financial, accounting and internal control software and systems in place to allow for the efficient and timely preparation of financial statements, management accounting reports, budgets and forecasts and for the performance of internal controls
- ensuring the Company's finance and accounting department is adequately staffed, with sufficient redundancy, and has job and process descriptions in place as required to accommodate staff vacancies, absences, leave and transitions as they may arise

Employee shall report to the President and Chief Executive Officer of the Company. This position will be located in the Lakewood, CO office with frequent travel as required.

Performance is to be based on Board-approved Performance Goals in accordance with the Company's STIP and LTIP, which will be evaluated once per year.

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 June 30, 2022 (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 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: August 5, 2022

**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: August 5, 2022

/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: August 5, 2022

/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 June 30, 2022 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: August 5, 2022

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 June 30, 2022 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: August 5, 2022

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 April 1, 2022 through June 30, 2022 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 ¹ | Nil | Nil | Nil | Nil | Nil | \$0.00 | Nil | No | Nil | Nil | Nil |
| Beaver ¹ | Nil | Nil | Nil | Nil | Nil | \$0.00 | Nil | No | Nil | Nil | Nil |
| Pinyon Plain 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 |
| Whirlwind ¹ | Nil | Nil | Nil | Nil | Nil | Pending | Nil | No | Nil | Nil | Nil |

The Company’s Arizona 1 Project, La Sal Project comprised of the Beaver property, Energy Queen property and Pandora property, Pinyon Plain Mine and Whirlwind Project were each on standby and were not mined during the period (though the Whirlwind Project was brought out of temporary cessation during the period to resume “Mining Operations” as defined by the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for Hard Rock, Metal, and Designated Mining Operations).

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.