A profitable Energy Fuels acquires a rare earth project in Brazil and leads the way for critical minerals in the USA

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Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) ("Energy Fuels") has been going from strength to strength in 2023. As the leading US uranium producer, recent expansion to rare earths processing has made Energy Fuels a leading US supplier of critical minerals.

Energy Fuels produces uranium and vanadium from their White Mesa Mill in Utah, USA and since March 2022 the Company has also been active with rare earths separation and production of mixed rare earths carbonate containing 32%-34% NdPr. All of this has now started to flow through to revenues and profits for Energy Fuels in 2023.

Energy Fuels White Mesa Mill in Utah, USA and key critical minerals mined or processed

Source: Energy Fuels May 2023 company presentation

Energy Fuels Financial results – Q1, 2023 sees a return to profitability

As announced on March 8, 2023, Energy Fuels reported full-year 2022 positive sales revenue but a net loss of US$59.85 million.

The loss was primarily due to additional expenses for various one-off items including costs from preparing four uranium mines for production, development expenses associated with developing commercial rare earth element separation capabilities, etc.

2023 has brought a new dawn for Energy Fuels with a rapid turnaround to become profitable.

As announced on May 5, 2023, Energy Fuels delivered a net profit of US$114.26 million. The profit was significantly boosted by the one-off sale of Energy Fuels' Alta Mesa Project and reduced by some costs related to various development costs.

Energy Fuels stated ($ refers to US$):

> *"The Company sold 300,000 pounds of uranium at a gross margin of 58%, 79,344 pounds of vanadium at a gross margin of 37%, and the Alta Mesa property for a total gain of $116.45 million; Working capital increased, total assets increased, and total liabilities decreased."*

Looking out to the rest of 2023 Market Screener forecasts that Energy Fuels will achieve full year 2023 net profit of C$129 million, and a PE of 18.26.

2024 won't have the Alta Mesa Project sale boost, but should hopefully be a good result if Energy Fuels continues to ramp production and sales from their large inventory.

As of March 31, 2023, the Company held 847,000 pounds of finished U_3O_8, 906,000 pounds of finished V_2O_5, and 250 metric tons of finished high-purity, partially separated mixed REE carbonate in inventory. The Company holds an additional 394,000 pounds of U_3O_8 as raw materials and work-in-progress inventory and 1-3 million pounds of solubilized V_2O_5 in tailings solutions

that could be recovered in the future.

Energy Fuels state ($ refers to US$):

> *"As of March 31, 2023, the Company had a robust balance sheet with $143.61 million of working capital (versus $116.97 million at December 31, 2022), including $43.83 million of cash and cash equivalents, $60.44 million of marketable securities, $38.00 million of inventory, and no debt. At current commodity prices, the Company's product inventory has a value of $52.53 million."*

Expansion plans and vertical integration from the newly acquired Bahia Heavy Mineral Sand & Rare Earth Project in Brazil

Energy Fuels' new Bahia Project in Brazil is a well known heavy mineral sand deposit that has the potential to supply 3,000 – 10,000 metric tons ("MT") of natural monazite concentrate per year for decades to Energy Fuels' White Mesa Mill in Utah for processing into high-purity rare earth element oxides and other materials.

Energy Fuels state:

> *"While Energy Fuels' primary interest in acquiring the Bahia Project is the REE-bearing monazite, the Bahia Project is also expected to produce large quantities of high-quality titanium (ilmenite and rutile) and zirconium (zircon) minerals that are also in high demand. 3,000 – 10,000 MT of monazite concentrate contains roughly 1,500 – 5,000 MT of total REE oxides ("**TREO**"), including 300 – 1,000 MT of neodymium-praseodymium ("**NdPr**") and*

> *significant commercial quantities of dysprosium ("**Dy**") and terbium ("**Tb**")……..The uranium contained in the monazite, which is expected to be comparable to typical Colorado Plateau uranium deposits, will also be recovered at the Mill."*

Energy Fuels expects to receive monazite concentrates from the Bahia Project at a very low cost within the next few years.

Bahia Heavy Mineral Sand & Rare Earth Project in Brazil

Source: Energy Fuels May 2023 company presentation

Closing remarks

Energy Fuels has turned the corner becoming profitable again in 2023. Energy Fuels now has US$143.61 million of working capital which will greatly assist the Company progress with its aggressive plans to rapidly grow its USA rare earths processing business and vertical integration via the Bahia Heavy Mineral Sand and Rare Earth Project in Brazil. Added to this are the uranium and vanadium sales from their Utah Mill.

At a time when so many people are talking about the need to ramp up a supply chain of critical minerals, Energy Fuels is taking action to do just that.

Energy Fuels trades on a market cap of US$903 million or C$1.226 billion.