America’s Energy Fuels offers investors a way to make the “green” revolution happen in the USA

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This decade is all about converting our society from fossil fuels to green energy and establishing locally sufficient and secure supply chains. If we agree that nuclear is the best form of base-load electricity to get us off of fossil fuels, then that makes uranium the key green energy source. Solar and wind will also play an important role in future years but are at best intermittent sources of electricity so that they require that lithium-ion and vanadium batteries be used for energy storage. Our motor vehicles will increasingly be powered by electric motors of the permanent magnet type, the best of and most efficient of which are those made from the magnet rare earths (Nd, Pr, Dy, Tb) and “fueled” from rechargeable storage batteries onboard the vehicles,

To make the “green” revolution happen in the USA a local supply chain must be developed to supply the key and critical materials to manufacture the electricity required and the batteries required to store that electricity until it is needed. This is why late last month the White House released a fact sheet: “Securing a made in America supply chain for critical minerals.”

We can see by the price action below (for the full year 2021) how demand for key metals is pushing up prices:

- Uranium oxide – Up 38%.
- Neodymium-Praseodymium oxide (NdPr) – Up 112%.

- Vanadium oxide – Up 62%.

Source

Note: Prices for each of these commodities have continued to show significant strength in 2022, especially uranium.

Today's Company is the USA leader in uranium production processing, which also has vanadium production processing, and is a growing rare earths processor, which today is America's only producer of the mixed rare earth carbonates required by the rare earth industry as a feedstock for the manufacturing of individual and blended rare earth chemicals used in the production of rare earth permanent magnets.

Energy Fuels Inc.

Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) has been very busy for the past two years. While others were talking, Energy Fuels was taking action. The Company has been **building up uranium & vanadium inventory and producing and selling mixed rare earths' products,**

Financial results of a net income of US$1.5 million for 2021 are very deceptive, as Energy Fuels chose not to sell uranium and was still in the process of developing its rare earths processing capabilities and securing additional feed sources. In fact, Energy Fuels is sitting very nicely as they state in their March 2022 update:

"At December 31, 2021, the Company had a robust balance sheet with $143.2 million of working capital, including $113.0 million of cash and marketable securities, $30.8 million of inventory, and no short term (or long term) debt. At current commodity prices, the Company's December 31, 2021 product inventory would have a value of approximately $60.6 million…….While the Company chose to not sell any uranium during

2021, it is now actively engaged in pursuing selective long-term uranium sales contracts."

Uranium prices have almost doubled the past year

The current uranium price is US$57.25/lb, almost double that from a year ago when it sat at about US$30/lb. This means it makes sense for Energy Fuels to "actively engaged in pursuing selective long-term uranium sales contracts". This may allow Energy Fuels to dramatically ramp up revenues in 2022.

Furthermore, if we get a uranium supply chain disruption from Russia controlled Kazakhstan (41% of supply) or Russia (6% of supply) we may see uranium prices move well above US$100/lb.

Energy Fuels would be in pole position to start selling their uranium inventory and ramping up U.S based uranium production.

Energy Fuels is the leader in U.S. uranium production used for nuclear fuel that can be used for fossil free U.S. electricity

Source: Energy Fuels website

China dominates rare earths supply

Around 85% of the global supply of rare earths comes from China. Should the USA and China have any type of "trade war" or disagreement over the current Russia-Ukraine war, China could choose to stop exporting rare earths products to the USA. Just as with uranium, this would have crippling consequences for the USA.

There are very few secure and available sources of rare earths outside of China. U.S. based Energy Fuels would suddenly become a key and critical supplier.

Energy Fuels is rapidly moving to grow their range of rare earths products. In their March update the Company stated:

- "The Company produced approximately 270 metric tonnes of mixed rare earth element (**REE**) carbonate (**RE Carbonate**), containing 120 metric tons of total rare earth oxides (**TREO**) during 2021, as it commenced ramping up its REE recovery infrastructure. Energy Fuels' RE Carbonate is the most advanced REE material being produced in the U.S. today.
- The Company is currently in active discussions with several sources of natural monazite sands around the world to significantly increase the supply of feed for its growing REE initiative.
- During Q1-2022, the Company began commercially separating Lanthanum (La) and Cerium (Ce) on a small scale from its RE Carbonate, using an existing solvent extraction circuit at the Mill. This represents the first commercial level REE separation to occur in the U.S. in many years.
- The Company is planning to install a full separation circuit at its White Mesa Mill (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."

Energy Fuels is producing rare earths used in many electric vehicles and wind turbine electric motors

Source: Energy Fuels website

Energy Fuel CEO & President, Mark Chalmers, summed up Energy Fuels nicely, stating:

"In 2021, we believe Energy Fuels **further strengthened its**

position as America's leading multi-commodity, critical mineral company, as we made excellent progress on our uranium, REEs, vanadium and medical isotope initiatives. We are deploying our 'one-of-a-kind' licenses, facilities, and expertise to responsibly recover the critical elements needed for carbon-free nuclear energy, electric vehicle powertrains, wind generation, advanced electronics, grid-scale batteries, other clean energy and advanced technologies, and potentially cancer therapeutics."

Note: Bold emphasis by the author.

Closing remarks

Energy Fuels offers investors a critical materials (uranium, vanadium, rare earths) growth play, as well as an investment that can outperform if either Russia (uranium) or China (rare earths) decide to punish the USA.

What a great combination! Growth as the green revolution takes off and protection from Russia and/or China in the unfortunate case that the geopolitical environment gets worse.

Energy Fuels trades on a market cap of C$1.911 billion (US$1.516 billion).