

# Energy Fuels Files Updated Preliminary Feasibility Study for Sheep Mountain Uranium Project

written by Raj Shah | February 29, 2020



NYSE AMERICAN: UUUU  
TSX: EFR

February 28, 2020 ([Source](#)) – **Energy Fuels Inc.** (NYSE American: UUUU; TSX: [EFR](#)) (“Energy Fuels” or the “Company”), a leading producer of uranium in the United States, is pleased to announce that it has filed an updated technical report,

including a Preliminary Feasibility Study (“PFS”), for its Sheep Mountain Project in Fremont County, Wyoming (the “Project”) on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com) in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and in accordance with Canadian Institute Mining’s (“CIM”) *Best Practice Guidelines for the Estimation of Mineral Resources and Mineral Reserves*.

The technical report, entitled “Updated Preliminary Feasibility Study National Instrument 43-101 Technical Report Amended and Restated” and dated February 28, 2020, was authored by Douglas L. Beahm, P.E., P.G., Principal Engineer of BRS Engineering, Inc., who is independent of the Company and a Qualified Person pursuant to NI 43-101. The technical report references and updates the “Sheep Mountain Uranium Project, Fremont County, Wyoming, USA, Updated Preliminary Feasibility Study, National Instrument 43-101, Technical Report” dated April 13,

2012, previously filed the Company. The updated PFS incorporates recent changes in CIM mineral resource requirements and changes in the Sheep Mountain Project mine plan.

The Sheep Mountain Project consists of the Congo Pit, a proposed open pit mine, and the re-opening of the Sheep Underground mine. The Congo Pit is estimated to contain a total of 3,955,000 tons of Probable Mineral Reserves with an average grade of 0.115%  $\text{eU}_3\text{O}_8$  containing 9,117,000 pounds of uranium, and the Sheep Underground is estimated to contain 3,498,000 tons of Probable Mineral Reserves with an average grade of 0.132%  $\text{eU}_3\text{O}_8$  containing 9,248,000 pounds of uranium.

The updated PFS estimates that, based on an assumed uranium selling price of \$60 per pound, the Project will recover an average of approximately 1.4 million pounds of uranium per year over a 12-year mine life at an average operating cost of \$36.80 per pound of recovered uranium. Capital expenditures are expected to total \$152.6 million (all \$ expressed in U.S. dollars) during the life of the Project, including \$120.8 million of initial capital, representing \$9.04 per pound of recovered uranium. Key changes in the updated PFS versus the 2012 PFS include the following. While Probable Mineral Reserves for the Project did not change (18.4 million pounds of uranium contained in 7.5 million tons of ore with an average grade of 0.123%  $\text{U}_3\text{O}_8$ ), the total Project Mineral Resources decreased by 2.4 million pounds of  $\text{U}_3\text{O}_8$ , all of which are in the Indicated Mineral Resource category. In addition, the pre-tax internal rate of rate of return decreased from 35% to 28%, and the net present value (at a 7% discount rate) decreased from \$173.5 million to \$114.5 million. The lowered economics are mainly due to a decrease in the assumed uranium sales price from \$65 per pound to \$60 per pound, an increase in direct costs from \$32.31 per pound to \$36.80 per pound, and an increase in

total capital expenditures from \$122.4 million to \$152.6 million.

Douglas L. Beahm, P.E., P.G., Principal Engineer of BRS Engineering, Inc., the author of the technical report, is an independent Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the content of this press release.

**About Energy Fuels:** *Energy Fuels is a leading U.S.-based uranium mining company, supplying  $U_3O_8$  to major nuclear utilities. The Company also produces vanadium from certain of its projects, as market conditions warrant. Its corporate offices are in Lakewood, Colorado – a part of the Denver Metro Area, and all of its assets and employees are in the United States. Energy Fuels holds three of America's key uranium production centers, the White Mesa Mill in Utah, the Nichols Ranch In-situ Recovery ("ISR") Project in Wyoming, and the Alta Mesa ISR Project in Texas. The White Mesa Mill is the only conventional uranium mill operating in the U.S. today, has a licensed capacity of over 8 million pounds of  $U_3O_8$  per year, and has the ability to produce vanadium when market conditions warrant. The Nichols Ranch ISR Project is in operation and has a licensed capacity of 2 million pounds of  $U_3O_8$  per year. The Alta Mesa ISR Project is currently on standby. In addition to the production facilities mentioned above, Energy Fuels also has one of the largest NI 43-101 compliant uranium resource portfolios in the U.S., and several uranium and uranium/vanadium mining projects on standby and in various stages of permitting and development. The primary trading market for Energy Fuels' common shares is the NYSE American under the trading symbol "UUUU," and the Company's common shares are also listed on the Toronto Stock Exchange under the trading symbol "EFR." Energy Fuels' website is [www.energyfuels.com](http://www.energyfuels.com).*

**Cautionary Note Regarding Forward-Looking Statements:** Certain information contained in this news release constitutes forward-looking information within the meaning of applicable securities legislation (collectively, "forward-looking statements"), including any information relating to: the Company being a leading producer of uranium in the U.S.; any expectations regarding the resource estimate, economics, conclusions and assumptions contained in the preliminary feasibility study for the Sheep Mountain Project; any expectations regarding future uranium production from the Sheep Mountain Project and whether such production will be economic; future uranium price forecasts; and any other statements regarding Energy Fuels' future expectations, beliefs, goals or prospects. All statements in this news release that are not statements of historical fact (including statements containing the words "expects," "does not expect," "plans," "anticipates," "does not anticipate," "believes," "intends," "estimates," "projects," "potential," "scheduled," "forecast," "budget," and similar expressions) should be considered forward-looking statements. All such forward-looking statements are subject to important risk factors and uncertainties, many of which are beyond Energy Fuels' ability to control or predict. A number of important factors could cause actual results or events to differ materially from those indicated or implied by such forward-looking statements, including without limitation factors relating to: the Company being a leading producer of uranium in the U.S.; the Company being a leading producer of uranium in the U.S.; any expectations regarding the resource estimate, economics, conclusions and assumptions contained in the preliminary feasibility study for the Sheep Mountain Project; any expectations regarding future uranium production from the Sheep Mountain Project and whether such production will be economic; future uranium price forecasts; and other risk factors as described in Energy Fuels' most recent annual report on Form

10-K and quarterly financial reports. Energy Fuels assumes no obligation to update the information in this communication, except as otherwise required by law. Additional information identifying risks and uncertainties is contained in Energy Fuels' filings with the various securities commissions which are available online at [www.sec.gov](http://www.sec.gov) and [www.sedar.com](http://www.sedar.com). Forward-looking statements are provided for the purpose of providing information about the current expectations, beliefs and plans of the management of Energy Fuels relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. Readers are also cautioned not to place undue reliance on these forward-looking statements, that speak only as of the date hereof.