

ENERGY FUELS INC.

First Commercial Shipment of Rare Earth Carbonate

EVENT

Under the strategic production initiative with Neo Performance Materials (NEO-TSX, Not Covered) originally announced on March 1 (note [here](#)), this morning, Energy Fuels announced that its White Mesa mill has produced the first container (~20 tonnes) of mixed rare earth carbonate (RE Carbonate). This is the first of 15 containers of commercial scale RE Carbonate and is currently enroute to NEO's separation facility in Estonia.

BOTTOM LINE

Modest Positive – This is another step forward as Energy Fuels advances, grows, and de-risks its U.S. Rare Earths business.

FOCUS POINTS

- **U.S.-to-Europe Rare Earth Supply Chain** – Monazite ore mined in Georgia (U.S.) by Chemours (CC-NYSE, Not Covered) is transported to Energy Fuels' White Mesa facility in Utah (U.S.) where it is processed into RE Carbonate. Commercial scale containers of RE Carbonate are then shipped to Neo Performance Materials' Silmet facility in Estonia (Europe) and separated into individual rare earth elements (REEs) including Neodymium and Praseodymium (NdPr).
- **Definitive Supply Agreement Signed** – UUUU and NEO have also signed a supply agreement whereby UUUU will ship *all* or a portion of its RE Carbonate to NEO's Silmet facility, up from the 80% level initially outlined in the March 1 strategic production initiative.
- **Maintaining Buy Rating and Target** – We value Energy Fuels' REE business segment at \$270 MM or \$1.84/C\$2.30/share. This is unchanged. We continue to rate the stock a Buy with a target price of \$6.25/C\$8.00/share.

Recommendation:

BUY

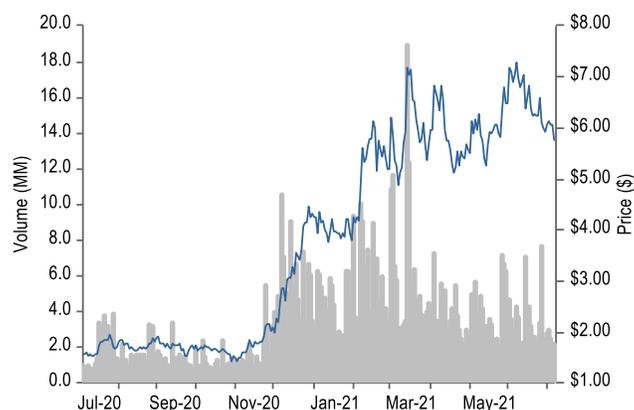
Symbol/Exchange: UUUU-NYSE/EFR-TSX
Sector: Metals & Mining
All dollar values in US\$ unless otherwise noted.
Current price: \$5.74/C\$7.17
One-year target: \$6.25/C\$8.00
Return to Target: 8.9%
Cash and Equivalents: \$42.7 MM

Financial summary

Shares O/S (MM)	146.8	52-week range	\$1.38-\$7.83	
Market cap (MM\$)	\$842.7	30D avg. vol. (000)	3,535	
Market float (MM\$)	\$829.0	Fiscal year-end	31-Dec	
Calendar Year	2018A	2019A	2020A	2021E
Uranium Production* (K lb)	493	130	197	35
Uranium Sales (K lb)	650	N/A	N/A	N/A
Realized U ₃ O ₈ Price (\$/lb)	\$32.20	N/A	N/A	N/A
Cash Operating Costs (\$/lb)	\$22.69	N/A	N/A	N/A
Basic EPS, dil., adj.	(\$0.30)	(\$0.40)	(\$0.23)	(\$0.32)
Dividends per share	-	-	-	-
CFPS (before W/C)	(\$0.05)	(\$0.21)	(\$0.21)	(\$0.24)
Free CFPS	(\$0.35)	(\$0.21)	(\$0.22)	(\$0.25)

*includes U₃O₈e from Alternate Feed circuit

Source: Company Reports and Cantor Fitzgerald Estimates



Company profile: Energy Fuels is an integrated uranium, vanadium, and REE mining company focusing on production and development exclusively in the U.S.

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See disclosure and a description of our recommendation structure at the end of this report.

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BUY (Speculative): The stock is attractively priced relative to the company’s fundamentals, however investment in the security carries a higher degree of risk.

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