

LAKWOOD, CO, Sept. 22, 2016 /CNW/ - [Energy Fuels Inc.](#) (NYSE MKT: UUUU; TSX: EFR) ("Energy Fuels" or the "Company"), a leading producer of uranium in the United States, is pleased to present a Letter to Shareholders from President and CEO, Stephen P. Antony:

Dear Fellow Shareholders:

I don't have to tell you that these are frustrating times in global uranium markets. As you are likely aware, spot uranium prices are presently at about \$25 per pound. These are the lowest levels observed since early 2005 or earlier, if you adjust for inflation. The simple fact is that the World is currently oversupplied with uranium. Utilities appear to be well-covered for now. When fuel buyers purchase uranium today at least in relatively small quantities it has been widely available to them on the open market at low prices. There is even a view among some that nothing will change for the foreseeable future and hence, prices will remain low and oversupply will persist indefinitely. 'Complacency' is a word that comes to mind. As a result, there is limited urgency for utilities to cover the large uncovered needs that start to emerge later in this decade and early next decade.

However, many of us who have worked in this industry for a long time have seen this type of behavior before. In earlier times of low prices, uranium production dropped, exploration expenditures plummeted, and there was little new investment in needed large new mines. The last time these conditions prevailed was in the early 2000's right before the last major increase in uranium prices which peaked in June 2007. In my view, today's market activity is laying the groundwork for the next recovery in uranium prices, and uranium buyers are being complacent at their peril.

We recently completed a second round of financing this year: \$15 million (gross). The two financings Energy Fuels has completed this year were our first major financings since 2013, and as a partial result, our share price has declined in the equity markets. Therefore, I felt compelled to reach out to you to discuss why we strongly believe our recent actions are in the best interests of our shareholders. Please also keep in mind that Energy Fuels' shareholders include our Board and Management who are substantial shareholders themselves. Indeed, I am a significant security-holder. The terms of the financing were a reflection of the difficult state of the equity market for uranium, and I can assure you that this financing was carefully considered. But, the primary purpose of the financing was to enable us to properly invest in our best and lowest-cost projects, preparing the Company for a better future.

From the perspective of advancing our projects and expanding our uranium production capabilities, things are very positive at Energy Fuels. This financing allows us to complete the shaft and resource evaluation at our Canyon Mine, which is expected to have the highest-grade uranium resources in the U.S. It allows us to complete the current wellfield at Nichols Ranch, and delay any wellfield development expenditures for a year or more, while maintaining current levels of production. And, it allows us to keep our key asset portfolio and production profile intact, so that we can continue to offer investors leverage to anticipated increases in uranium prices. As we stated in our September 12 operational update, we believe that investing in the Canyon Mine and the Nichols Ranch Project are investments in the future of the Company. For instance, if the ongoing evaluation at the Canyon deposit is able to significantly increase the mineable resource and lower projected costs of production, we believe we will have significantly enhanced shareholder value. If we are able to maintain production levels at Nichols Ranch without incurring significant sustaining capital expenditures, we believe we will have enhanced shareholder value.

Our acquisition earlier this year of Mesteña is another good example of this strategy, as we expect the Alta Mesa Project to be one of the lowest cost sources of sustained uranium production in our entire portfolio. We are also cutting other costs and rationalizing our asset portfolio, including the pending sale of two non-core assets Gas Hills and Juniper Ridge for cash. We are seeking new sources of uranium production and revenue, including the pond returns discussed in the September 12 news release, which we expect to result in approximately 300,000 pounds of production in 2017 at a low cost. We are working on acquiring additional sources of alternate feed material, which have no associated mining costs, and which we expect to bring additional funds into the treasury. Finally, we are continuing to explore new and imaginative contracting practices and joint venture possibilities. All of these activities and more are responses to today's market realities. But, they also represent rational investments that we believe will create shareholder value over the long-term.

Despite today's very low prices, there remain positive long-term market fundamentals in the space, including most recently, the UK approving the Hinkley Point C proposal, Kazakhstan announcing that they will not be increasing uranium production for the foreseeable future, continued production cuts and delays at certain major uranium mines around the World, and a Chinese government official announcing that China plans to build 30 new reactors in the next five years and 60 in the next decade. The key in today's uranium mining market is having the "staying power" to last until the expected uranium price recovery occurs. To get from here to there, we must manage our assets and operations conservatively. And, we may need to do financings from time-to-time, though I hope not at the size or frequency of the last two.

As shareholders, together we own a one-of-a-kind uranium asset portfolio, including near- and long-term production capabilities with attractive costs. There are no other junior uranium companies with three licensed and operational production centers. Indeed, there are not many companies left in the junior uranium sector, which is a testament to what we (including our shareholders) have accomplished in this tough market.

The management team and I are proud of what we have built, and together we believe in the long term outlook for uranium

markets. However, today's uranium market continues to be difficult. Spot and mid-term prices are not incentivizing current production & much less new project development or exploration. As uranium resources are mined, there is little to indicate that they will be replaced. There are some attractive, large deposits that get a lot of people excited, but they are not likely to go into production for many years, due to price uncertainties, permitting timelines, and financing constraints. Yet, because nuclear reactor construction and uranium demand is increasing, we fully expect that uranium markets will recover. And, Energy Fuels plans to be one of the first companies to benefit when this happens.

Thank you for your continued support.

Sincerely,

Stephen P. Antony
President, CEO and Shareholder in Energy Fuels

About Energy Fuels: Energy Fuels is a leading integrated US-based uranium mining company, supplying U₃O₈ to major nuclear utilities. Energy Fuels holds three of America's key uranium production centers, the White Mesa Mill in Utah, the Nichols Ranch Processing Facility in Wyoming, and the Alta Mesa Project in Texas. The White Mesa Mill is the only conventional uranium mill operating in the U.S. today and has a licensed capacity of over 8 million pounds of U₃O₈ per year. The Nichols Ranch Processing Facility is an ISR production center with a licensed capacity of 2 million pounds of U₃O₈ per year. Alta Mesa is an ISR production center currently on care and maintenance. Energy Fuels also has the largest NI 43-101 compliant uranium resource portfolio in the U.S. among producers, and uranium mining projects located in a number of Western U.S. states, including one producing ISR project, mines on standby, and mineral properties in various stages of permitting and development. The Company's common shares are listed on the NYSE MKT under the trading symbol "UUUU", and on the Toronto Stock Exchange under the trading symbol "EFR".

Cautionary Note Regarding Forward-Looking Statements: Certain information contained in this news release, including any information relating to: the Company being a leading producer of uranium in the U.S.; the Company's expectations with regard to global uranium markets, current and future supplies, current and future prices, and utility and fuel buyer behavior; the use of proceeds for the recently completed financing; the Company's opinions and beliefs about the costs and production potential of its projects, including the Canyon mine, the Nichols Ranch ISR Project, the Alta Mesa ISR Project, and the Company's alternate feed business; the Company's expectations with regard to increasing shareholder value; the Company's beliefs with regard to other uranium juniors; the Company's expectation that it will be one of the first companies to benefit from an improvement in uranium markets; and any other statements regarding Energy Fuels' future expectations, beliefs, goals or prospects; constitute forward-looking information within the meaning of applicable securities legislation (collectively, "forward-looking statements"). 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's expectations with regard to global uranium markets, current and future supplies, current and future prices, and utility and fuel buyer behavior; the use of proceeds for the recently completed financing; the Company's opinions and beliefs about the costs and production potential of its projects, including the Canyon mine, the Nichols Ranch ISR Project, the Alta Mesa ISR Project, and the Company's alternate feed business; the Company's expectations with regard to increasing shareholder value; the Company's beliefs with regard to other uranium juniors; the Company's expectation that it will be one of the first companies to benefit from an improvement in uranium markets; 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 and 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.

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