

Energy Fuels Completes Sale of Alta Mesa Property to enCore Energy for Total Gross Proceeds of \$120 Million

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Sale provides Energy Fuels with significant non-dilutive funding for expansion of industry-leading US uranium production and completion of 'Phase 1' rare earth separation circuit.

LAKEWOOD, Feb. 15, 2023 - [Energy Fuels Inc.](#) (NYSE American: UUUU) (TSX: EFR) ("Energy Fuels" or the "Company") is pleased to announce that it has completed the sale (the "Closing") of three (3) wholly-owned subsidiaries that together hold Energy Fuels' Alta Mesa ISR Project ("Alta Mesa") to [enCore Energy Corp.](#) ("enCore") for total consideration of \$120 million (the "Transaction"). Unless otherwise indicated, all references to dollar amounts in this press release are references to US\$.

The consideration is comprised of:

1. \$60 million cash at or prior to Closing; and
2. \$60 million in a secured convertible note (the "Note"), payable in two (2) years from the Closing, bearing annual interest of eight percent (8%). The Note will be convertible at Energy Fuels' election into enCore common shares at a conversion price of \$2.9103 per share, being a 20% premium to the 10-day volume-weighted average price of enCore shares ending the day before the Closing. enCore was recently listed on the NYSE American and also trades on the TSX Venture Exchange. The Note is guaranteed by enCore and is fully secured by Alta Mesa. Unless a block trade or similar distribution is executed by Energy Fuels to sell enCore shares received upon conversion of the Note, Energy Fuels will be limited to converting the Note into a maximum of \$10 million principal amount per thirty (30) day period.

In addition, enCore is required to replace the existing reclamation bonds for the Alta Mesa project shortly after the Closing, which will result in Energy Fuels receiving an additional \$3.6 million cash as a return of collateral from those bonds. The Transaction also reduces the Company's holding costs related to Alta Mesa by approximately \$2 million per year.

The Transaction provides Energy Fuels with significant additional cash and working capital, enabling the Company to ramp-up its US industry-leading uranium and rare earth element ("REE") production, while avoiding dilution to shareholders. In addition, the Note provides Energy Fuels with significant exposure to uranium market upside through potential conversion into enCore common shares.

Boosting Industry-Leading US Uranium Production:

Energy Fuels plans to invest a portion of the proceeds from the Transaction into increasing its US industry-leading uranium production. At the current time, the Company's White Mesa Mill (the "Mill") is the only US uranium facility producing material quantities of uranium, having produced 162,000 pounds of U₃O₈ in Q4-2022. The Company is also preparing four (4) of its conventional uranium and uranium/vanadium mines to be ready to resume uranium ore production, including significant workforce expansion and performing needed rehabilitation of surface and underground infrastructure. The exact timing for resumption of ore production from each of these projects will be subject to current and future uranium sales and inventory requirements.

Energy Fuels' 2022 uranium production of 162,000 pounds exceeded its previously announced guidance of 130,000 to 140,000 pounds of U₃O₈. In addition, over the past several months, the Company has invested in additional uranium inventories, having purchased approximately 301,000 pounds of US-origin U₃O₈ at a weighted average price of \$50.08 per pound. In addition, in January 2023, the Company sold 300,000 pounds of U₃O₈ to the US government for the establishment of the strategic Uranium Reserve, earning total gross proceeds of \$18.5 million, or \$61.57 per pound.

As a result of 2022 production, recent purchases, and the sale to the US government, Energy Fuels currently holds approximately 847,000 pounds of U₃O₈ in inventory at a book value of \$29.19 per pound (worth about \$42.5 million at the current weekly uranium spot price as reported by TradeTech). In combination with future uranium production, the Company expects to utilize this inventory to fulfill its delivery obligations under its supply contracts with US nuclear utilities. Energy Fuels is also actively seeking additional uranium sales contracts with nuclear utilities at increasingly higher uranium prices bolstered by improving market fundamentals, including the global energy transition toward less carbon intensive sources of energy, including nuclear, efforts to move away from Russian uranium and nuclear fuel supply, and other factors related to transportation and security of supply. As a result of the Company's strategic moves in the uranium space, the Company believes it is creating significant flexibility by growing and managing its existing

inventories and preparing several of its US assets for near-term production.

Investing in Production of Advanced Rare Earth Materials in the US:

In a February 13, 2023 news release, the Company announced that it had achieved several milestones related to its expanding REE supply chain, including completion of the acquisition of the Bahia Project in Brazil and continued progress on procuring natural monazite sand concentrate. Today, the Company is producing the most advanced REE material in the US and is currently performing modifications and enhancements to the existing solvent extraction ("SX") circuits at the Mill ("Phase 1") that are expected to enable Energy Fuels to annually produce up to 5,000 metric tons ("MT") of total REE oxides ("TREO"), including up to 1,000 MT of neodymium-praseodymium ("NdPr") oxide (or oxalate), subject to receipt of sufficient REE-bearing monazite sand supply and successful commissioning. The "Phase 1" circuit will be in the same SX building where uranium and vanadium is produced at the Mill. If these milestones are achieved, Energy Fuels believes it will be the 'first to market' among US companies with commercial quantities of separated NdPr available to electric vehicle ("EV"), renewable energy, and other companies for offtake, while fully maintaining our uranium and vanadium recovery capabilities. Energy Fuels' "Phase 1" "light" separation circuit is expected to produce commercial quantities of separated NdPr oxide (or oxalate) by later this year or early 2024, followed by planned further enhancements to expand NdPr production capability ("Phase 2") and to produce separated "heavy" REEs, including Dy, Tb, and potentially other REE materials, in the future ("Phase 3") from monazite and potentially other REE-bearing process streams.

Mark S. Chalmers, President and CEO of Energy Fuels stated: "Energy Fuels' sale of the Alta Mesa project for \$120 million of total consideration is highly strategic for a variety of reasons. When combined with our already strong balance sheet, the proceeds from this sale are expected to fully fund our current uranium, vanadium and rare earth business plans through approximately 2024 without the dilution to shareholders one might normally expect, nor depletion of working capital. On the uranium front, this sale provides Energy Fuels with the ability to make the focused investments in infrastructure and human capital required to resume production at our lowest-cost and nearest-term uranium mines and facilities. We believe Energy Fuels will be among the quickest to market with significant new US uranium production and retain our position as the leading US uranium producer for many years to come.

"Of the four (4) conventional mines we are currently preparing for production, three (3) produce both uranium and vanadium. Vanadium prices are currently on the move, having risen from \$7.50 per pound of V₂O₅ in October 2022 to \$10.80 per pound today. Vanadium is important to our uranium business, as strong vanadium prices contribute to the economics of these mines, making them a more attractive option for us as we evaluate which mines to place back into production. Due to today's strong vanadium markets, we are also evaluating the sale of more of our existing vanadium inventory which currently sits at 987,000 pounds of V₂O₅.

"Even though uranium is Energy Fuels' core business, we expect to invest some of the proceeds from the sale of Alta Mesa into our rapidly expanding rare earths business. We have started the modifications and enhancements at our White Mesa Mill in Utah that are expected to produce commercial quantities (500 - 1,000 MT) of NdPr oxide (or oxalate) by later this year or early in 2024, while maintaining our uranium and vanadium capabilities. NdPr oxide is a high-demand advanced material needed in the EV, renewable energy and defense industries. We are not aware of any other US company that will get this far down the US rare earth supply chain as quickly as Energy Fuels. It is also virtually unheard of anywhere else in the world to produce uranium, vanadium and separated rare earths in the same building, which demonstrates the creativity and resourcefulness of the team at the Mill.

"We also expect to invest some of the proceeds from Alta Mesa into advancing our Bahia Project in Brazil, where we plan to continue our comprehensive sonic drill program in 2023 to better define and delineate the titanium (ilmenite and rutile), zirconium (zircon), and of course rare earths (monazite) resources. We believe the Bahia Project has the potential to produce 3,000 to 10,000 MT per year of monazite concentrate for our Mill as soon as 2025 and for decades to come. Bahia, combined with other Company-owned and third-party monazite sources, is expected to supply the feed for 'Phase 1' and 'Phase 2' 'light' rare earth separation, and 'Phase 3' 'heavy' rare earth separation at the Mill.

"We see our rapidly developing REE business as highly complementary to our primary uranium business. We can utilize our existing facilities to recover uranium and REEs from monazite, which increases our uranium production and also allows us to generate margins from multiple commodities. No other US uranium producer has the ability to complement its primary uranium business in this manner.

"Finally, the \$60 million secured convertible note Energy Fuels received from enCore at closing provides the Company with additional uranium market upside through the potential conversion of the Note into enCore Energy shares at an attractive conversion price."

ABOUT ENERGY FUELS

Energy Fuels is a leading US-based critical minerals company. The Company mines uranium and produces natural uranium concentrates that are sold to major nuclear utilities for the production of carbon-free nuclear energy. Energy Fuels recently began production of advanced rare earth element ("REE") materials, including mixed REE carbonate, and plans to produce commercial quantities of separated REE oxides in the future. Energy Fuels also produces vanadium from certain of its projects, as market conditions warrant, and is evaluating the recovery of radionuclides needed for emerging cancer treatments. Its corporate offices are in Lakewood, Colorado, near Denver, and substantially all its assets and employees are in the United States. Energy Fuels holds two of America's key uranium production centers: the White Mesa Mill in Utah and the Nichols Ranch in-situ recovery ("ISR") Project in Wyoming. The White Mesa Mill is the only conventional uranium mill operating in the US today, has a licensed capacity of over 8 million pounds of U₃O₈ per year, has the ability to produce vanadium when market conditions warrant, as well as REE products, from various uranium-bearing ores. The Nichols Ranch ISR Project is on standby and has a licensed capacity of 2 million pounds of U₃O₈ per year. The Company recently acquired the Bahia Project in Brazil, which is believed to have significant quantities of titanium (ilmenite and rutile), zirconium (zircon) and REE (monazite) minerals. In addition to the above production facilities, Energy Fuels also has one of the largest NI 43-101 compliant uranium resource portfolios in the US 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.

CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING STATEMENTS

This news release contains "forward-looking information" within the meaning of applicable securities laws in the United States and Canada. Forward-looking information may relate to future events or future performance of Energy Fuels. All statements in this release, other than statements of historical facts, with respect to Energy Fuels' objectives and goals, as well as statements with respect to its beliefs, plans, objectives, expectations, anticipations, estimates, and intentions, are forward-looking information. Specific forward-looking statements in this discussion include, but are not limited to, the following: any expectation that the Company will receive an additional \$3.6 million cash as a return of collateral from the Alta Mesa reclamation bonds; any expectation that the conversion price of the Note may be attractive or that the Company will convert all or any portion of the Note; any expectation that the proceeds from the sale of Alta Mesa will fully fund the Company's current uranium, vanadium and REE business plans through approximately 2024 without dilution to shareholders or depletion of working capital; any expectation that the Company will invest a portion of the proceeds of the Transaction into its uranium production; any expectation that the Company will successfully prepare any of its mines to resume ore production or that any of its mines will enter into production in the near term or at all; any expectation that the Company will utilize any of its inventories to fulfill delivery obligations under its existing supply contracts or will be successful in obtaining any additional supply contracts; any expectation as to the quantities of uranium and heavy minerals, including monazite, NdPr, Dy and Tb contained in the Bahia Project; any expectation as to the potential annual supply of monazite sands from the Bahia Project to the Mill, the contained MT of TREO per year, or the number of years or decades of such potential supply; any expectation as to the timing of mining at the Bahia Project; any expectation that the Company will complete its Phase 1, Phase 2 and/or Phase 3 separation facilities on the time frames indicated, if at all; any expectation as to the expected throughput rates, production capability, and REEs to be produced; any expectation that the Company will be the first to market among US companies with commercial quantities of separated NdPr available to EV, renewable energy and other companies for offtake; any expectation that the Company will retain its position as the leading US uranium producer for many years to come; any expectations as to vanadium or other commodity prices; any expectation that the Company will sell any of existing inventory at attractive prices or at all; any expectation that the Company will be able to utilize the Mill to generate margins from recovering uranium and REEs from monazite sands and other ores independent of the price of uranium; any expectation that the Company's REE business may become a profitable stand-alone business for the Company, or provide commodity price diversification for the Company; and any expectation that the Mill is a unique and highly strategic asset in the US. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Factors that could cause actual results to differ materially from those anticipated

in these forward-looking statements include risks associated with: technical difficulties; mining or processing difficulties and upsets; licensing, permitting and regulatory delays; litigation risks; competition from others; political actions or instability in foreign countries; and market factors, including future demand for and prices realized from the sale of uranium, vanadium and REEs. Forward-looking statements contained herein are made as of the date of this news release, and Energy Fuels disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements. Energy Fuels assumes no obligation to update the information in this communication, except as otherwise required by law.

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