UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 001-36204

ENERGY FUELS INC.
(Exact name of registrant as specified in its charter)

Ontario, Canada	**98-1067994**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

225 Union Blvd., Suite 600	
Lakewood, Colorado	**80228**
(Address of principal executive offices)	(Zip Code)

(303) 974-2140
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares, no par value	UUUU	NYSE American
	EFR	Toronto Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

As of July 31, 2020, the registrant had 125,562,618 common shares, without par value, outstanding.

ENERGY FUELS INC.
FORM 10-Q
For the Quarter Ended June 30, 2020
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report and the exhibits attached hereto (the "Quarterly Report") contain "forward-looking statements" within the meaning of applicable United States ("U.S.") and Canadian securities laws, which are included but are not limited to statements with respect to Energy Fuels Inc.'s (the "Company" or "Energy Fuels") anticipated results and progress of the Company's operations in future periods, planned exploration, if warranted, development of its properties, plans related to its business, and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, schedules, assumptions, future events, or performance (often, but not always, using words or phrases such as "expects" or "does not expect," "is expected," "is likely," "budget," "scheduled," "forecasts," "intends," "anticipates" or "does not anticipate," "continues," "plans," "estimates," or "believes," and similar expressions or variations of such words and phrases or statements stating that certain actions, events or results "may," "could," "would," "might," or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Energy Fuels believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference into, this Quarterly Report should not be unduly relied upon. This information speaks only as of the date of this Quarterly Report.

Readers are cautioned that it would be unreasonable to rely on any such forward-looking statements and information as creating any legal rights, and that the statements and information are not guarantees and may involve known and unknown risks and uncertainties, and that actual results are likely to differ (and may differ materially) and objectives and strategies may differ or change from those expressed or implied in the forward-looking statements or information as a result of various factors. Such risks and uncertainties include global economic risks such as the occurrence of a pandemic and risks generally encountered in the exploration, development, operation, and closure of mineral properties and processing and recovery facilities, as well as risks related to the activities proposed in the President's Budget for fiscal year 2021, including the establishment of a Uranium Reserve for the United States, and risks related to any additional recommendations of the United States Nuclear Fuel Working Group not benefiting the Company in any material way. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- global economic risks, including the occurrence of unforeseen or catastrophic events, such as the emergence of a pandemic or other widespread health emergency (or concerns over the possibility of such an emergency), which could create economic and financial disruptions and require the Company to reduce or cease operations at some or all of its facilities for an indeterminate period of time, and which could have a material impact on the Company's business, operations, personnel and financial condition;
- risks associated with mineral reserve and resource estimates, including the risk of errors in assumptions or methodologies;
- risks associated with estimating mineral extraction and recovery, forecasting future price levels necessary to support mineral extraction and recovery, and the Company's ability to increase mineral extraction and recovery in response to any increases in commodity prices or other market conditions;
- uncertainties and liabilities inherent to conventional mineral extraction and recovery and/or in-situ uranium recovery operations;
- risks associated with the activities proposed in the President's Budget for fiscal year 2021, including the establishment of a Uranium Reserve for the United States, being subject to appropriation by the Congress of the United States, and the details of implementation of the President's Budget not yet having been defined;
- risks associated with any additional recommendations of the U.S. Nuclear Fuel Working Group not benefiting the Company in any material way;
- geological, technical and processing problems, including unanticipated metallurgical difficulties, less than expected recoveries, ground control problems, process upsets, and equipment malfunctions;
- risks associated with the depletion of existing mineral resources through mining or extraction, without replacement with comparable resources;
- risks associated with identifying and obtaining adequate quantities of alternate feed materials and other feed sources required for operation of the White Mesa Mill in Utah;
- risks associated with labor costs, labor disturbances, and unavailability of skilled labor;
- risks associated with the availability and/or fluctuations in the costs of raw materials and consumables used in the Company's production processes;

- risks and costs associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation, and delays in obtaining permits and licenses that could impact expected mineral extraction and recovery levels and costs;
- actions taken by regulatory authorities with respect to mineral extraction and recovery activities;
- risks associated with the Company’s dependence on third parties in the provision of transportation and other critical services;
- risks associated with the ability of the Company to obtain, extend or renew land tenure, including mineral leases and surface use agreements, on favorable terms or at all;
- risks associated with the ability of the Company to negotiate access rights on certain properties on favorable terms or at all;
- the adequacy of the Company's insurance coverage;
- uncertainty as to reclamation and decommissioning liabilities;
- the ability of the Company’s bonding companies to require increases in the collateral required to secure reclamation obligations;
- the potential for, and outcome of, litigation and other legal proceedings, including potential injunctions pending the outcome of such litigation and proceedings;
- the ability of the Company to meet its obligations to its creditors;
- the ability of the Company to access credit facilities on favorable terms;
- risks associated with paying off indebtedness at its maturity;
- risks associated with the Company’s relationships with its business and joint venture partners;
- failure to obtain industry partner, government, and other third-party consents and approvals, when required;
- competition for, among other things, capital, mineral properties, and skilled personnel;
- failure to complete and integrate proposed acquisitions and incorrect assessments of the value of completed acquisitions;
- risks posed by fluctuations in share price levels, exchange rates and interest rates, and general economic conditions;
- risks inherent in the Company’s and industry analysts’ forecasts or predictions of future uranium, vanadium and copper price levels;
- fluctuations in the market prices of uranium, vanadium and copper, which are cyclical and subject to substantial price fluctuations;
- risks associated with the Company's uranium sales, if any, being required to be made at spot prices, unless the Company is able to enter into new long-term contracts at satisfactory prices in the future;
- risks associated with the Company's vanadium sales, if any, generally being required to be made at spot prices;
- failure to obtain suitable uranium sales terms at satisfactory prices in the future, including spot and term sale contracts;
- failure to obtain suitable vanadium sales terms at satisfactory prices in the future;
- risks associated with asset impairment as a result of market conditions;
- risks associated with lack of access to markets and the ability to access capital;
- public resistance to nuclear energy or uranium extraction and recovery;
- Governmental resistance to nuclear energy or uranium extraction or recovery;
- risks associated with inaccurate or nonobjective media coverage of the Company's activities and the impact such coverage may have on the public, the market for the Company's securities, government relations, permitting activities and legal challenges, as well as the costs to the Company of responding to such coverage;
- uranium industry competition, international trade restrictions and the impacts on world commodity prices of foreign state subsidized production;
- risks associated with the Company's involvement in industry petitions for trade remedies, including the costs of pursuing such remedies and the potential for negative responses or repercussions from various interest groups, consumers of uranium and participants in other phases of the nuclear fuel cycle;
- risks associated with governmental actions, policies, laws, rules and regulations with respect to nuclear energy or uranium extraction and recovery;
- risks related to potentially higher than expected costs related to any of the Company's projects or facilities;

- risks associated with the Company’s ability to continue to recover vanadium from pond solutions at the White Mesa Mill, with potentially higher than expected costs for any such recoveries, and the Company’s ability to sell any recovered vanadium at satisfactory price levels;
- risks related to the Company’s ability to recover copper from our Canyon uranium project ores;
- risks related to securities regulations;
- risks related to stock price and volume volatility;
- risks related to the Company's ability to maintain our listing on the NYSE American and Toronto Stock Exchanges;
- risks related to the Company's ability to maintain our inclusion in various stock indices;
- risks related to dilution of currently outstanding shares, from additional share issuances, depletion of assets or otherwise;
- risks related to the Company's lack of dividends;
- risks related to recent market events;
- risks related to the Company's issuance of additional common shares under our At-the-Market ("**ATM**") program or otherwise to provide adequate liquidity in depressed commodity market circumstances;
- risks related to acquisition and integration issues;
- risks related to defects in title to the Company's mineral properties;
- risks related to the Company's outstanding debt;
- risks related to the Company's securities; and
- risks related to any material weakness that may be identified in our internal controls over financial reporting. If we are unable to implement and maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the section heading: Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations of this Quarterly Report. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated, or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as required by law, we disclaim any obligation to subsequently revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. Statements relating to “Mineral Reserves” or “Mineral Resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Reserves and Mineral Resources described may be profitably extracted in the future.

We qualify all the forward-looking statements contained in this Quarterly Report by the foregoing cautionary statements.

Cautionary Note to United States Investors Concerning Disclosure of Mineral Resources

The Company is a U.S. Domestic Issuer for United States ("U.S.") Securities and Exchange Commission ("SEC") purposes, most of its shareholders are U.S. residents, the Company is required to report its financial results under U.S. Generally Accepted Accounting Principles ("U.S. GAAP"), and its primary trading market is the NYSE American. However, because the Company is incorporated in Canada and also listed on the Toronto Stock Exchange ("TSX"), this Quarterly Report contains certain disclosure that satisfies the additional requirements of Canadian securities laws, which differ from the requirements of United States' securities laws. Unless otherwise indicated, all reserve and resource estimates included in this Quarterly Report, and in the documents incorporated by reference herein, have been prepared in accordance with Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators (the "CSA"), which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of SEC Industry Guide 7, and reserve and resource information contained herein, or incorporated by reference in this Quarterly Report, and in the documents incorporated by reference herein, may not be comparable to similar information disclosed by companies reporting reserve and resource information under SEC Industry Guide 7. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve" under SEC Industry Guide 7. Under SEC Industry Guide 7 standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves; the three-year historical average price, to the extent possible, is used in any reserve or cash flow analysis to designate reserves; and the primary environmental analysis or report must be filed with the appropriate governmental authority.

SEC Industry Guide 7 disclosure standards historically have not permitted the inclusion of information concerning "Measured Mineral Resources," "Indicated Mineral Resources" or "Inferred Mineral Resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by SEC Industry Guide 7 standards. United States investors should also understand that "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred Mineral Resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "Inferred Mineral Resources" may not form the basis of feasibility or pre-feasibility studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into mineral reserves. Investors are cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists or is economically or legally mineable.**

Disclosure of "contained pounds" or "contained ounces" in a resource estimate is permitted and typical disclosure under Canadian regulations; however, SEC Industry Guide 7 historically only permitted issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of SEC Industry Guide 7, and reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under SEC Industry Guide 7 standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable to information made public by companies that report in accordance with SEC Industry Guide 7 standards.

On October 31, 2018, the SEC adopted the Modernization of Property Disclosures for Mining Registrants (the "New Rule"), introducing significant changes to the existing mining disclosure framework to better align it with international industry and regulatory practice including NI 43-101. The SEC adopted a two-year transition period for registrants to come into compliance with the New Rule. Accordingly, the Company will need to bring its disclosure into compliance in 2021. At this time, the Company does not know the full effect of the New Rule on its mineral resources and reserves and therefore the disclosure related to the Company's mineral resources and reserves may be significantly different when computed using the requirements set forth in the New Rule.

PART I

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

ENERGY FUELS INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(unaudited) (Expressed in thousands of U.S. dollars, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenues				
Uranium concentrates	$ —	$ 66	$ —	$ 66
Vanadium concentrates	—	773	$ —	$ 1,941
Alternate feed materials processing and other	395	2,232	788	2,734
Total revenues	395	3,071	788	4,741
Costs and expenses applicable to revenues				
Costs and expenses applicable to uranium concentrates	—	63	—	63
Costs and expenses applicable to vanadium concentrates	—	928	—	1,460
Costs and expenses applicable to alternate feed materials and other	—	1,695	—	2,079
Total costs and expenses applicable to revenues	—	2,686	—	3,602
Other operating costs				
Impairment of inventories	428	4,906	1,506	6,082
Development, permitting and land holding	60	1,399	737	5,741
Standby costs	2,729	1,251	4,653	2,335
Accretion of asset retirement obligation	478	481	956	994
Selling costs	—	127	12	137
General and administration	3,170	3,725	7,200	7,476
Total operating loss	(6,470)	(11,504)	(14,276)	(21,626)
Interest expense	(345)	(362)	(695)	(691)
Other (loss) income	(1,375)	2,552	1,117	869
Net loss	(8,190)	(9,314)	(13,854)	(21,448)
Items that may be reclassified in the future to profit and loss				
Foreign currency translation adjustment	(379)	(771)	(227)	(907)
Other comprehensive income (loss)	(379) —	(771) —	(227)	(907)
Comprehensive loss	$ (8,569)	$ (10,085)	$ (14,081)	$ (22,355)
Net loss attributable to:				
Owners of the Company	$ (8,187)	$ (9,312)	$ (13,844)	$ (21,439)
Non-controlling interests	(3)	(2)	(10)	(9)
	$ (8,190)	$ (9,314)	$ (13,854)	$ (21,448)
Comprehensive loss attributable to:				
Owners of the Company	$ (8,566)	$ (10,083)	$ (14,071)	$ (22,346)
Non-controlling interests	(3)	(2)	(10)	(9)
	$ (8,569)	$ (10,085)	$ (14,081)	$ (22,355)
Basic and diluted loss per share	$ (0.08)	$ (0.10)	$ (0.12)	$ (0.23)

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Balance Sheets
(unaudited) (Expressed in thousands of U.S. dollars, except share amounts)

	June 30, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 26,635	$ 12,810
Marketable securities	1,682	4,838
Trade and other receivables, net	853	1,254
Inventories, net	26,576	22,808
Prepaid expenses and other assets	1,274	1,462
Total current assets	57,020	43,172
Inventories, net	1,149	1,149
Operating lease right of use asset	780	922
Investments accounted for at fair value	658	654
Property, plant and equipment, net	24,742	26,203
Mineral properties, net	83,539	83,539
Restricted cash	20,237	20,081
Total assets	$ 188,125	$ 175,720
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 3,045	$ 5,438
Current portion of operating lease liability	273	288
Current portion of asset retirement obligation	46	46
Current portion of loans and borrowings	15,613	16,866
Total current liabilities	18,977	22,638
Warrant liabilities	2,751	2,791
Operating lease liability	618	758
Asset retirement obligation	19,882	18,926
Total liabilities	42,228	45,113
Equity		
Share capital		
Common shares, without par value, unlimited shares authorized; shares issued and outstanding 120,534,705 at June 30, 2020 and 100,735,889 at December 31, 2019	523,196	493,958
Accumulated deficit	(383,880)	(370,036)
Accumulated other comprehensive income	2,762	2,989
Total shareholders' equity	142,078	126,911
Non-controlling interests	3,819	3,696
Total equity	145,897	130,607
Total liabilities and equity	$ 188,125	$ 175,720

Commitments and contingencies (Note 14)

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Statements of Changes in Equity
(unaudited) (Expressed in thousands of U.S. dollars, except share amounts)

	Common Stock						
	Shares	Amount	Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2019	100,735,889	$ 493,958	$ (370,036)	$ 2,989	$ 126,911	$ 3,696	$ 130,607
Net loss	—	—	(5,657)	—	(5,657)	(7)	(5,664)
Other comprehensive loss	—	—	—	152	152	—	152
Shares issued for cash by public offering	13,688,815	20,658	—	—	20,658	—	20,658
Share issuance cost	—	(1,563)	—	—	(1,563)	—	(1,563)
Share-based compensation	—	997	—	—	997	—	997
Shares issued for the vesting of restricted stock units	490,453	—	—	—	—	—	—
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	—	(415)	—	—	(415)	—	(415)
Shares issued for consulting services	30,000	57	—	—	57	—	57
Contributions attributable to non-controlling interest	—	—	—	—	—	133	133
Balance at March 31, 2020	114,945,157	$ 513,692	$ (375,693)	$ 3,141	$ 141,140	$ 3,822	$ 144,962
Net loss	—	—	(8,187)	—	(8,187)	(3)	(8,190)
Other comprehensive loss	—	—	—	(379)	(379)	—	(379)
Shares issued for cash by at-the-market offering	5,559,548	8,969	—	—	8,969	—	8,969
Share issuance cost	—	(202)	—	—	(202)	—	(202)
Share-based compensation	—	704	—	—	704	—	704
Shares issued for consulting services	30,000	33	—	—	33	—	33
Balance at June 30, 2020	120,534,705	$ 523,196	$ (383,880)	$ 2,762	$ 142,078	$ 3,819	$ 145,897

	Common Stock						
	Shares	Amount	Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2018	91,445,066	$ 469,303	$ (332,058)	$ 3,843	$ 141,088	$ 3,766	$ 144,854
Net loss	—	—	(12,127)	—	(12,127)	(7)	(12,134)
Other comprehensive loss	—	—	—	(136)	(136)	—	(136)
Shares issued for cash by public offering	754,712	2,471	—	—	2,471	—	2,471
Share issuance cost	—	(62)	—	—	(62)	—	(62)
Share-based compensation	—	1,121	—	—	1,121	—	1,121
Shares issued for exercise of stock options	33,906	102	—	—	102	—	102
Shares issued for the vesting of restricted stock units	850,150	—	—	—	—	—	—
Shares issued for consulting services	18,848	52	—	—	52	—	52
Balance at March 31, 2019	93,102,682	$ 472,987	$ (344,185)	$ 3,707	$ 132,509	$ 3,759	$ 136,268
Net loss	—	—	(9,312)	—	(9,312)	(2)	(9,314)
Other comprehensive loss	—	—	—	(771)	(771)	—	(771)
Shares issued for cash by at-the-market offering	2,141,817	6,595	—	—	6,595	—	6,595
Shares issued to settle liabilities	266,272	847			847		847
Share issuance cost	—	(151)	—	—	(151)	—	(151)
Share-based compensation	—	663	—	—	663	—	663
Shares issued for exercise of stock options	20,899	44	—	—	44	—	44
Shares issued for exercise of warrants	1,450	5	—	—	5	—	5
Shares issued for consulting services	18,237	63	—	—	63	—	63
Contributions attributable to non-controlling interest	—	—	—	—	—	46	46
Balance at June 30, 2019	95,551,357	$ 481,053	$ (353,497)	$ 2,936	$ 130,492	$ 3,803	$ 134,295

See accompanying notes to the condensed consolidated financial statements.

ENERGY FUELS INC.
Condensed Consolidated Statements of Cash Flows
(unaudited) (Expressed in thousands of U.S. dollars)

	Six months ended June 30,	
	2020	**2019**
OPERATING ACTIVITIES		
Net loss for the period	$ (13,854)	$ (21,448)
Items not involving cash:		
Depletion, depreciation and amortization	1,104	625
Share-based compensation	1,701	1,784
Change in value of Convertible Debentures	—	493
Change in value of warrant liabilities	92	(1,115)
Accretion of asset retirement obligation	956	994
Unrealized foreign exchange gain	(706)	(216)
Impairment of inventories	1,506	6,082
Revision of asset retirement obligation	—	151
Other non-cash expenses	647	974
Changes in assets and liabilities		
Increase in inventories	(4,765)	(7,079)
Decrease in trade and other receivables	401	343
Decrease in prepaid expenses and other assets	188	541
Decrease in accounts payable and accrued liabilities	(3,100)	(2,397)
Changes in deferred revenue	—	(2,724)
	(15,830)	(22,992)
INVESTING ACTIVITIES		
Purchase of mineral properties and property, plant and equipment	(152)	—
Maturities and sales of marketable securities	3,203	16,116
	3,051	16,116
FINANCING ACTIVITIES		
Issuance of common shares for cash, net of issuance cost	27,862	8,853
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	(415)	—
Repayment of loans and borrowings	(484)	—
Cash received from exercise of warrants	—	5
Cash received from exercise of stock options	—	146
Cash received from non-controlling interest	133	46
	27,096	9,050
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH DURING THE PERIOD	14,317	2,174
Effect of exchange rate fluctuations on cash held in foreign currencies	(336)	110
Cash, cash equivalents and restricted cash - beginning of period	32,891	34,292
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF PERIOD	$ 46,872	$ 36,576
Supplemental disclosure of cash flow information:		
Net cash paid during the period for:		
Interest	$ 695	$ 691
Warrant liability transferred to equity upon exercise	$ —	$ 2

See accompanying notes to the condensed consolidated financial statements.

1. THE COMPANY AND DESCRIPTION OF BUSINESS

Energy Fuels Inc. was incorporated under the laws of the Province of Alberta and was continued under the Business Corporations Act (Ontario).

Energy Fuels Inc. and its subsidiary companies (collectively “the Company” or “EFI”) are engaged in uranium extraction, recovery and sales of uranium from mineral properties and the recycling of uranium bearing materials generated by third parties. As a part of these activities the Company also acquires, explores, evaluates and, if warranted, permits uranium properties. The Company’s final uranium product, uranium oxide concentrate (“U_3O_8” or “uranium concentrate”), is sold to customers for further processing into fuel for nuclear reactors. The Company produces vanadium as a co-product of its uranium recovery from certain of its mines as market conditions warrant and from time to time from solutions in its tailing impoundment system. The Company is also evaluating potentially processing rare earth element ("REE") ores for the recovery of REEs and uranium.

The Company is an exploration stage mining company as defined by the U.S. SEC Industry Guide 7 as it has not established the existence of proven or probable reserves on any of its properties.

2. BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States (“U.S. GAAP”) and are presented in thousands of U.S. dollars, except for share and per share amounts. Certain footnote disclosures have share prices which are presented in Canadian dollars (“Cdn$”).

The condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the SEC. Certain information and note disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures included are adequate to make the information presented not misleading.

In management’s opinion, these unaudited condensed consolidated financial statements reflect all adjustments, consisting solely of normal recurring items, which are necessary for the fair presentation of the Company’s financial position, results of operations and cash flows on a basis consistent with that of the Company’s audited consolidated financial statements for the year ended December 31, 2019. However, the results of operations for the interim periods may not be indicative of results to be expected for the full fiscal year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto and summary of significant accounting policies included in the Company’s annual report on Form 10-K for the year ended December 31, 2019.

The condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company accounts and transactions have been eliminated.

3. MARKETABLE SECURITIES

The following table summarizes our marketable securities by significant investment categories as of June 30, 2020:

	Cost Basis	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
Marketable debt securities[1]	$ 993	$ —	$ 14	$ 1,007
Marketable equity securities	824	(580)	431	675
Marketable securities	$ 1,817	$ (580)	$ 445	$ 1,682

(1) Marketable debt securities are comprised primarily of U.S. government notes, and also include U.S. government agencies and tradeable certificates of deposits.

The following table summarizes our marketable securities by significant investment categories as of December 31, 2019:

	Cost Basis	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
Marketable debt securities [1]	$ 4,171	$ —	$ 37	$ 4,208
Marketable equity securities	824	(543)	349	630
Marketable securities	$ 4,995	$ (543)	$ 386	$ 4,838

(1) Marketable debt securities are comprised primarily of U.S. government notes, and also include U.S. government agencies, and tradeable certificates of deposits.

During the six months ended June 30, 2020 and 2019, we did not recognize any other-than-temporary impairment losses.

The following table summarizes the estimated fair value of our investments in marketable debt securities with stated contractual maturity dates, accounted for as available-for-sale securities and classified by the contractual maturity date of the securities:

Due in less than 12 months	$ 1,007
Due in 12 months to two years	—
Due in greater than two years	—
	$ 1,007

4. INVENTORIES

	June 30, 2020	December 31, 2019
Concentrates and work-in-progress[1]	$ 24,771	$ 20,893
Inventory of ore in stockpiles	241	241
Raw materials and consumables	2,713	2,823
	$ 27,725	$ 23,957
Inventories - by duration		
Current	$ 26,576	$ 22,808
Long term - raw materials and consumables	1,149	1,149
	$ 27,725	$ 23,957

(1) For the three and six months ended June 30, 2020, the Company recorded an impairment loss of $0.43 million and $1.51 million in the statement of operations related to concentrates and work in progress inventories (June 30, 2019 - $4.91 million and $6.08 million).

5. PROPERTY, PLANT AND EQUIPMENT AND MINERAL PROPERTIES

The following is a summary of property, plant and equipment:

	June 30, 2020			December 31, 2019		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Property, plant and equipment						
Nichols Ranch	$ 29,210	$ (15,133)	$ 14,077	$ 29,210	$ (14,115)	$ 15,095
Alta Mesa	13,626	(3,634)	9,992	13,626	(3,179)	10,447
Equipment and other	13,052	(12,379)	673	12,900	(12,239)	661
Property, plant and equipment total	$ 55,888	$ (31,146)	$ 24,742	$ 55,736	$ (29,533)	$ 26,203

The following is a summary of mineral properties:

	June 30, 2020	December 31, 2019
Mineral properties		
Uranerz ISR properties	$ 25,974	$ 25,974
Sheep Mountain	34,183	34,183
Roca Honda	22,095	22,095
Other	1,287	1,287
Mineral properties total	$ 83,539	$ 83,539

6. ASSET RETIREMENT OBLIGATIONS AND RESTRICTED CASH

The following table summarizes the Company's asset retirement obligations:

	June 30, 2020	December 31, 2019
Asset retirement obligation, beginning of period	$ 18,972	$ 19,104
Revision of estimate	—	(2,063)
Accretion of liabilities	956	1,931
Asset retirement obligation, end of period	$ 19,928	$ 18,972
Asset retirement obligation:		
Current	$ 46	$ 46
Non-current	19,882	18,926
Asset retirement obligation, end of period	$ 19,928	$ 18,972

The asset retirement obligations of the Company are subject to legal and regulatory requirements. Estimates of the costs of reclamation are reviewed periodically by the Company and the applicable regulatory authorities. The above provision represents the Company's best estimate of the present value of future reclamation costs, discounted using credit adjusted risk-free interest rates ranging from 9.5% to 11.5% and an inflation rate of 2.0%. The total undiscounted decommissioning liability at June 30, 2020 is $41.75 million (December 31, 2019 - $41.75 million).

The following table summarizes the Company's restricted cash:

	June 30, 2020	December 31, 2019
Restricted cash, beginning of period	$ 20,081	$ 19,652
Additional collateral posted	188	429
Restricted cash, end of period	$ 20,237	$ 20,081

The Company has cash, cash equivalents and fixed income securities as collateral for various bonds posted in favor of the applicable state regulatory agencies in Arizona, Colorado, New Mexico, Texas, Utah and Wyoming, and the U.S. Bureau of Land Management and U.S. Forest Service for estimated reclamation costs associated with the White Mesa Mill, Nichols Ranch, Alta Mesa and other mining properties. Cash equivalents are short-term highly liquid investments with original maturities of three months or less. The restricted cash will be released when the Company has reclaimed a mineral property or restructured the surety and collateral arrangements. See Note 14 for a discussion of the Company's surety bond commitments.

Cash, cash equivalents and restricted cash are included in the following accounts at June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2018
Cash and cash equivalents	$ 26,635	$ 12,810
Restricted cash included in other long-term assets	20,237	20,081
Total cash, cash equivalents and restricted cash	$ 46,872	$ 32,891

7. LOANS AND BORROWINGS

The Company’s interest-bearing loans and borrowings, which are recorded at amortized cost, and the Company’s Convertible Debentures, which are recorded at fair value, are as follows.

	June 30, 2020		December 31, 2019	
Current portion of loans and borrowings:				
Convertible Debentures	$	15,613	$	16,382
Notes payable		—		484
Total current loans and borrowings	$	15,613	$	16,866

On July 24, 2012, the Company completed a bought deal public offering of 22,000 floating-rate convertible unsecured subordinated debentures originally maturing June 30, 2017 (the “Convertible Debentures”) at a price of Cdn$1,000 per Debenture for gross proceeds of Cdn$21.55 million (the “Offering”). The Convertible Debentures are convertible into Common Shares at the option of the holder. Interest is paid in cash and in addition, unless an event of default has occurred and is continuing, the Company may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Convertible Debentures, on the date it is payable under the indenture: (i) in cash; (ii) by delivering sufficient common shares to the debenture trustee, for sale, to satisfy the interest obligations in accordance with the indenture in which event holders of the Convertible Debentures will be entitled to receive a cash payment equal to the proceeds of the sale of such common shares; or (iii) any combination of (i) and (ii).

On August 4, 2016, the Company, by a vote of the Debentureholders, extended the maturity date of the Convertible Debentures from June 30, 2017 to December 31, 2020, and reduced the conversion price of the Convertible Debentures from Cdn$15.00 to Cdn$4.15 per Common Share of the Company. In addition, a redemption provision was added that will enable the Company, upon giving not less than 30 days' notice to Debentureholders, to redeem the Convertible Debentures, for cash, in whole or in part at any time after June 30, 2019, but prior to maturity, at a price of 101% of the aggregate principal amount redeemed, plus accrued and unpaid interest (less any tax required by law to be deducted) on such Convertible Debentures up to but excluding the redemption date. A right (in favor of each Debentureholder) was also added which gave the Debentureholders the option to require the Company to purchase, for cash, on the previous maturity date of June 30, 2017, up to 20% of the Convertible Debentures held by the Debentureholders at a price equal to 100% of the principal amount purchased plus accrued and unpaid interest (less any tax required by law to be deducted). In the three months ended June 30, 2017, Debentureholders elected to redeem Cdn$1.13 million ($0.87 million) under this right. No additional purchases are allowed under this right. In addition, certain other amendments were made to the Indenture, as required by the U.S. Trust Indenture Act of 1939, as amended, and with respect to the addition of a U.S. Trustee in compliance therewith, as well as to remove provisions of the Indenture that no longer apply, such as U.S. securities law restrictions.

The Convertible Debentures accrue interest, payable semi-annually in arrears on June 30 and December 31 of each year at a fluctuating rate of not less than 8.5% and not more than 13.5%, indexed to the simple average spot price of uranium as reported on the UxC, LLC ("UxC") Weekly Indicator Price. The Convertible Debentures may be redeemed in whole or part, at par plus accrued interest and unpaid interest by the Company between June 30, 2019 and December 31, 2020 subject to certain terms and conditions, provided the volume weighted average trading price of the common shares of the Company on the TSX during the 20 consecutive trading days ending five days preceding the date on which the notice of redemption is given is not less than 125% of the conversion price.

Upon redemption or at maturity, the Company will repay the indebtedness represented by the Convertible Debentures by paying to the debenture trustee in Canadian dollars an amount equal to the aggregate principal amount of the outstanding Convertible Debentures which are to be redeemed or which have matured, as applicable, together with accrued and unpaid interest thereon.

Subject to any required regulatory approval and provided no event of default has occurred and is continuing, the Company has the option to satisfy its obligation to repay the Cdn$1,000 principal amount of the Convertible Debentures, in whole or in part, due at redemption or maturity, upon at least 40 days’ and not more than 60 days’ prior notice, by delivering that number of common shares obtained by dividing the Cdn$1,000 principal amount of the Convertible Debentures maturing or to be redeemed as applicable, by 95% of the volume-weighted average trading price of the common shares on the TSX during the 20 consecutive trading days ending five trading days preceding the date fixed for redemption or the maturity date, as the case may be.

On July 14, 2020, the Company redeemed Cdn$10.43 million principal amount of the Cdn$20.86 million Debentures. The Debentures were redeemable for an amount equal to 101% plus accrued and unpaid interest thereon, up to but excluding July 14, 2020. Following the partial redemption, Cdn$10.43 million aggregate principal amount of the Debentures remain outstanding and shall continue to be subject to the terms of the Indenture and remain listed on the Toronto Stock Exchange.

The Convertible Debentures are classified as fair value through profit or loss where the Convertible Debentures are measured at fair value based on the closing price on the TSX (a Level 1 measurement) and changes are recognized in earnings. For the three and six months ended June 30, 2020, the Company recorded a loss on revaluation of Convertible Debentures of $0.47 million and $0.00 million (June 30, 2019 – gain of $0.94 million and loss of $0.49 million).

8. LEASES

The Company's leases primarily include operating leases for corporate offices. These leases have remaining lease terms of less than one year to four years, and include options to extend the leases for up to five years. Certain of our leases include variable payments for lessor operating expenses that are not included within right-of-use ("ROU") assets and lease liabilities in the Condensed Consolidated Balance Sheets. The Company's lease agreements do not contain any material residual value guarantees or restrictive covenants.

Beginning January 1, 2019, operating ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Operating leases in effect prior to January 1, 2019 were recognized at the present value of the remaining payments on the remaining lease term as of January 1, 2019. Because most of the Company's leases do not provide an explicit rate of return, the Company's incremental secured borrowing rate based on lease term information available at the commencement date of the lease will be used in determining the present value of lease payments. For purposes of calculating operating lease liabilities, lease terms may be deemed to include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. The Company's operating lease expense is recognized on a straight-line basis over the lease term and is recorded in General and Administration expenses. Short-term leases, which have an initial term of 12 months or less, are not recorded in the Condensed Consolidated Balance Sheets.

Total lease cost includes the following components:

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Operating leases	$ 89	$ 105	$ 184	$ 210
Short-term leases	74	65	149	126
Sublease income	—	(28)	—	(56)
Total Lease Expense	$ 163	$ 142	$ 333	$ 280

The weighted average remaining lease term and weighted average discount rate were as follows:

	Six months ended June 30,	
	2020	**2019**
Weighted average remaining lease term of operating leases	2.9 years	3.7 years
Weighted average discount rate of operating leases	9.0%	9.0%

Supplemental cash flow information related to leases was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Operating cash flow information:				
Cash paid for amounts included in the measurement of operating lease liabilities	$ 101	$ 56	$ 196	$ 138

Future minimum payments of operating lease liabilities as of June 30, 2020 are as follows:

Years Ending December 31:		
2020 (excluding the six months ended June 30, 2020)	$	170
2021		343
2022		350
2023		147
2024		—
Thereafter		—
Total Lease Payments	$	1,010
Less: Interest		(119)
Present Value of Lease Liabilities	$	891

9. CAPITAL STOCK

Authorized capital stock

The Company is authorized to issue an unlimited number of Common Shares without par value, unlimited Preferred Shares issuable in series, and unlimited Series A Preferred Shares. The Series A Preferred Shares issuable are non-redeemable, non-callable, non-voting and with no right to dividends. The Preferred Shares issuable in series will have the rights, privileges, restrictions and conditions assigned to the particular series upon the Board of Directors approving their issuance.

Issued capital stock

On February 20, 2020, the Company completed a bought deal public offering of 11.30 million common shares at a price of $1.47 per share. The Company received net proceeds, after commissions and fees, of $15.14 million.

In the six months ended June 30, 2020, the Company issued 7,948,363 Common Shares under the Company's ATM for net proceeds of $13.02 million after share issuance costs.

Share Purchase Warrants

The following table summarizes the Company's share purchase warrants denominated in U.S. dollars. These warrants are accounted for as derivative liabilities as the functional currency of the entity issuing the warrants, Energy Fuels Inc., is Canadian dollars.

Month Issued	**Expiry Date**	**Exercise Price USD$**	**Warrants Outstanding**		**Fair value at June 30, 2020**
September 2016(1)	September 20, 2021	2.45	4,166,030	$	2,751

(1) The warrants issued in September 2016 are classified as Level 1 under the fair value hierarchy (Note 16). Each warrant is exercisable until September 20, 2021 and entitles the holder thereof to acquire one common share upon exercise at an exercise price of $2.45 per common share. These warrants are accounted for as a derivative liability, as the functional currency of the entity issuing the warrant is Cdn$.

10. BASIC AND DILUTED LOSS PER COMMON SHARE

The calculation of basic and diluted earnings per share after adjustment for the effects of all potential dilutive common shares, is as follows:

	Three months ended June 30,				**Six months ended June 30,**			
		2020		**2019**		**2020**		**2019**
Loss attributable to shareholders	$	(8,187)	$	(9,312)	$	(13,844)	$	(21,439)
Basic and diluted weighted average number of common shares outstanding		102,322,778		93,920,953		112,868,921		93,041,783
Loss per common share	$	(0.08)	$	(0.10)	$	(0.12)	$	(0.23)

For the six months ended June 30, 2020, 6.10 million (June 30, 2019 - 8.09 million) options and warrants and the potential conversion of the Convertible Debentures have been excluded from the calculation as their effect would have been anti-dilutive.

11. SHARE-BASED PAYMENTS

The Company, under the 2018 Amended and Restated Omnibus Equity Incentive Compensation Plan (the "Compensation Plan"), maintains an equity incentive plan for directors, executives, eligible employees and consultants. Equity incentive awards include employee stock options, restricted stock units ("RSUs") and stock appreciation rights ("SARs"). The Company issues new shares of common stock to satisfy exercises and vesting under all of its equity incentive awards. At June 30, 2020, a total of 12,053,470 Common Shares were authorized for equity incentive plan awards.

Employee Stock Options

The Company, under the Compensation Plan, may grant options to directors, executives, employees and consultants to purchase Common Shares of the Company. The exercise price of the options is set as the higher of the Company's closing share price on the day before the grant date or the five-day volume weighted average price ("VWAP"). Stock options granted under the Compensation Plan generally vest over a period of two years or more and are generally exercisable over a period of five years from the grant date not to exceed 10 years. The value of each option award is estimated at the grant date using the Black-Scholes Option Valuation Model. There were 0.30 million options granted in the six months ended June 30, 2020 (June 30, 2019 – 0.30 million options). At June 30, 2020, there were 1.94 million options outstanding with 1.58 million options exercisable, at a weighted average exercise price of $2.87 and $3.06 respectively, with a weighted average remaining contractual life of 3.52 years. The fully vested options had no intrinsic value at June 30, 2020.

The fair value of the options granted under the Compensation Plan for the six months ended June 30, 2020 was estimated at the date of grant, using the Black-Scholes Option Valuation Model, with the following weighted average assumptions:

Risk-free interest rate	1.6%
Expected life	5.0 years
Expected volatility	61.6% *
Expected dividend yield	—%
Weighted average expected life of option	5.0 years
Weighted average grant date fair value	$0.64

* Expected volatility is measured based on the Company's historical share price volatility over a period equivalent to the expected life of the options.

The summary of the Company's stock options at June 30, 2020 and December 31, 2019, and the changes for the fiscal periods ending on those dates is presented below:

	Range of Exercise Prices	Weighted Average Exercise Price	Number of Options
Balance, December 31, 2018	$1.70 - $15.61	$ 3.84	1,732,754
Granted	2.92	2.92	296,450
Exercised	1.70 - 2.92	2.27	(54,805)
Forfeited	1.70 - 7.42	3.94	(342,866)
Expired	6.97	6.97	(144,100)
Balance, December 31, 2019	$1.70 - $15.61	$ 3.43	1,487,433
Granted	1.76	1.76	566,102
Exercised	—	—	—
Forfeited	4.44 - 5.18	4.49	(19,251)
Expired	4.12 - 5.22	4.40	(98,512)
Balance, June 30, 2020	$1.70 - $15.61	$ 2.87	1,935,772

A summary of the status and activity of non-vested stock options for the six months ended June 30, 2020 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested December 31, 2019	223,381	$ 1.32
Granted	566,102	0.64
Vested	(435,973)	0.85
Forfeited	—	—
Non-vested June 30, 2020	353,510	$ 0.82

Restricted Stock Units

The Company grants RSUs to directors, executives and eligible employees. Awards are determined as a target percentage of base salary and generally vest over periods of three years. Prior to vesting, holders of restricted stock units do not have voting rights. The RSUs are subject to forfeiture risk and other restrictions. Upon vesting, the employee is entitled to receive one share of the Company's common stock for each RSU for no additional payment. During the six months ended June 30, 2020, the Company's Board of Directors issued 0.74 million RSUs under the Compensation Plan (June 30, 2019 - 0.72 million).

A summary of the status and activity of non-vested RSUs at June 30, 2020 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested December 31, 2019	1,315,536	$ 2.45
Granted	735,146	1.66
Vested	(746,477)	2.46
Forfeited	—	—
Non-vested June 30, 2020	1,304,205	$ 2.01

The total intrinsic value and fair value of RSUs that vested and were settled for equity in the six months ended June 30, 2020 was $1.54 million (June 30, 2019 – $2.44 million).

Stock Appreciation Rights

During the six months ended June 30, 2019, the Company's Board of Directors issued 2.20 million stock appreciation rights (SARs) under the Compensation Plan with a fair value of $1.25 per SAR. These SARs are intended to provide additional long-term performance-based equity incentives for the Corporation's senior management. The SARs are performance based, because they only vest upon the achievement of performance goals designed to significantly increase shareholder value.

Each SAR outstanding entitles the holder, on exercise, to a payment in cash or shares (at the election of the Company) equal to the difference between the market price of the Common Shares at the time of exercise and $2.92 (the market price at the time of grant) over a five-year period, but vest only upon the achievement of the following performance goals: as to one-third of the SARs granted upon the VWAP of the Common Shares on the NYSE American equaling or exceeding $5.00 for any continuous 90-calendar day period; as to an additional one-third of the SARs granted, upon the VWAP of the Common Shares on the NYSE American equaling or exceeding $7.00 for any continuous 90 calendar-day period; and as to the final one-third of the SARs granted, upon the VWAP of the Common Shares on the NYSE American equaling or exceeding $10.00 for any continuous 90 calendar-day period. Further, notwithstanding the foregoing vesting schedule, no SARs may be exercised by the holder for an initial period of one year from the Date of Grant; the date first exercisable being January 22, 2020.

The share-based compensation recorded during the three and six months ended June 30, 2020 was $1.00 million and $1.70 million (three and six months ended June 30, 2019 - $0.66 million and $1.78 million).

At June 30, 2020, there were $0.13 million, $1.68 million and $1.05 million of unrecognized compensation costs related to the unvested stock options, RSU awards and SARs, respectively. These costs are expected to be recognized over a period of approximately two years.

12. INCOME TAXES

As of June 30, 2020, the Company does not believe it is more likely than not that it will fully realize the benefit of the deferred tax assets. As such, the Company recognized a full valuation allowance against the net deferred tax assets as of June 30, 2020 and December 31, 2019.

13. SUPPLEMENTAL FINANCIAL INFORMATION

The components of other income are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Interest income	$ 56	$ 142	$ 128	$ 252
Change in value of investments accounted for at fair value	527	(362)	136	13
Change in value of warrant liabilities	(1,238)	1,846	(92)	1,115
Change in value of Convertible Debentures	(465)	943	—	(493)
Foreign exchange (loss) gain	(255)	(16)	981	(19)
Other	—	(1)	(36)	1
Other (loss) income	$ (1,375)	$ 2,552	$ 1,117	$ 869

14. COMMITMENTS AND CONTINGENCIES

General legal matters

Other than routine litigation incidental to our business, or as described below, the Company is not currently a party to any material pending legal proceedings that management believes would be likely to have a material adverse effect on our financial position, results of operations or cash flows.

White Mesa Mill

In January 2013, the Ute Mountain Ute tribe filed a Petition to Intervene and Request for Agency Action challenging the Corrective Action Plan approved by the State of Utah Department of Environmental Quality (“UDEQ”) relating to nitrate contamination in the shallow aquifer at the White Mesa Mill site. This challenge is currently being evaluated and may involve the appointment of an administrative law judge to hear the matter. The Company does not consider this action to have any merit. If the petition is successful, the likely outcome would be a requirement to modify or replace the existing Corrective Action Plan. At this time, the Company does not believe any such modification or replacement would materially affect our financial position, results of operations or cash flows. However, the scope and costs of remediation under a revised or replacement Corrective Action Plan have not yet been determined and could be significant.

On January 19, 2018, UDEQ renewed, and on February 16, 2018 reissued with minor corrections, the White Mesa Mill’s license for another ten years, and Groundwater Discharge Permit for another five years, after which renewal periods further applications for renewal for the license and permit will need to be submitted. During the review period for each application for renewal, the Mill can continue to operate under its then existing license and permit until such time as the renewed license or permit is issued. In March 2018, the Grant Canyon Trust, Ute Mountain Ute Tribe and Uranium Watch (the “Petitioners”) served Petitions for Review challenging UDEQ’s renewal of the license and permit. Petitioners subsequently filed with UDEQ Requests for Appointment of an Administrative Law Judge, which they later agreed to suspend pursuant to a Stipulation and Agreement with UDEQ, effective June 4, 2018. The Company has met with representatives from all parties in order to determine whether pending administrative proceedings can be settled. Discussions are ongoing. The Company does not consider these challenges to have any merit. If such challenges are heard by the agency and are successful, the likely outcome would be a requirement to modify the renewed license and/or permit. At this time, the Company does not believe any such modification would materially affect its financial position, results of operations or cash flows.

Canyon Project

In March of 2013, the Center for Biological Diversity, the Grand Canyon Trust, the Sierra Club and the Havasupai Tribe (the “Canyon Plaintiffs”) filed a complaint in the U.S. District Court for the District of Arizona (the “District Court”) against the Forest Supervisor for the Kaibab National Forest and the U.S. Forest Service (“USFS”) seeking an order (a) declaring that the USFS failed to comply with environmental, mining, public land, and historic preservation laws in relation to our Canyon Project, (b) setting aside any approvals regarding exploration and mining operations at the Canyon Project, and (c) directing operations to cease at the Canyon Project and enjoining the USFS from allowing any further exploration or mining-related activities at the Canyon Project until the USFS fully complies with all applicable laws. In April 2013, the Plaintiffs filed a Motion for Preliminary Injunction, which was denied by the District Court in September 2013. On April 7, 2015, the District Court issued its final ruling on the merits in favor of the Defendants and the Company and against the Canyon Plaintiffs on all counts. The Canyon Plaintiffs appealed the District Court's ruling on the merits to the United States Court of Appeals for the Ninth Circuit (the "Ninth Circuit") and filed motions for an injunction pending appeal with the District Court. Those motions for an injunction pending appeal were denied by the District Court on May 26, 2015. Thereafter, Plaintiffs filed urgent motions for an injunction pending appeal with the Ninth Circuit Court of Appeals, which were denied on June 30, 2015.

The hearing on the merits at the Court of Appeals was held on December 15, 2016. On December 12, 2017, the Ninth Circuit Court of Appeals issued its ruling on the merits in favor of the Defendants and the Company and against the Canyon Plaintiffs on all counts. The Canyon Plaintiffs petitioned the Ninth Circuit Court of Appeals for a rehearing *en banc*. On October 25, 2018, the Ninth Circuit panel ruled on the petition for rehearing *en banc*. The panel withdrew its prior opinion and filed a new opinion, which affirmed with one exception the District Court's decision. The one exception relates to one of the Plaintiffs' claims, which had been dismissed by the District Court for lack of standing. The Ninth Circuit panel reversed itself on its standing analysis, concluded that the Plaintiffs have standing to assert this claim and remanded the claim back to the District Court to hear the merits of Plaintiffs' claim. On September 11, 2019, the Canyon Plaintiffs filed their Motion for Summary Judgment and Memorandum in Support with the District Court, after which the Company filed its Intervenors-Defendants' Motion for Summary Judgment on October 23, 2019. On November 15, 2019, the Canyon Plaintiffs filed their Reply in Support of their Motion for Summary Judgment. On May 22, 2020, the District Court issued its final order in favor of the Company and the U.S. Forest Service.

On July 20, 2020, the Plaintiffs filed their Notice of Appeal of the District Court's final order and, on July 21, 2020, the Ninth Circuit issued its Time Schedule Order setting due dates for the parties' briefs and actions required to perfect the appeal. As a part of the appeal, the Company may be required to maintain the Canyon Project on standby pending resolution of the matter. Such a prolonged delay of mining activities could have a significant impact on our future operations.

<u>Daneros Project</u>

On February 23, 2018, the BLM issued the Environmental Assessment ("EA"), Decision Record and FONSI for the Mine Plan of Operations Modification for the Daneros Mine. On March 29, 2018, the Southern Utah Wilderness Alliance and Grand Canyon Trust (together, the "Appellants") filed a Notice of Appeal to the Interior Board of Land Appeals ("IBLA") regarding the BLM's Decision Record and FONSI and challenging the underlying EA, and the Company was subsequently permitted to intervene. This matter has been briefed and remains under consideration by IBLA at this time. The Company does not consider these challenges to have any merit; however, the scope and costs of amending or redoing the EA have not yet been determined and could be significant.

<u>Surety Bonds</u>

The Company has indemnified third-party companies to provide surety bonds as collateral for the Company's asset retirement obligation. The Company is obligated to replace this collateral in the event of a default and is obligated to repay any reclamation or closure costs due. The Company currently has $20.24 million posted against an undiscounted asset retirement obligation of $41.75 million (December 31, 2019 - $20.08 million posted against an undiscounted asset retirement obligation of $41.75 million).

<u>Commitments</u>

The Company is contractually obligated under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all vanadium pentoxide produced by the Company.

15. RELATED PARTY TRANSACTIONS

On May 17, 2017, the Board of Directors of the Company appointed Robert W. Kirkwood and Benjamin Eshleman III to the Board of Directors of the Company.

Mr. Kirkwood is a principal of the Kirkwood Companies, including Kirkwood Oil and Gas LLC, Wesco Operating, Inc., and United Nuclear LLC ("United Nuclear"). United Nuclear, owns a 19% interest in the Company's Arkose Mining Venture while the Company owns the remaining 81%. The Company acts as manager of the Arkose Mining Venture and has management and control over operations carried out by the Arkose Mining Venture. The Arkose Mining Venture is a contractual joint venture governed by a venture agreement dated as of January 15, 2008 entered into by Uranerz Energy Corporation (a subsidiary of the Company) and United Nuclear (the "Venture Agreement").

United Nuclear contributed $0.13 million to the expenses of the Arkose Joint Venture based on the approved budget for the six months ended June 30, 2020 (June 30, 2019 - $46 thousand).

Mr. Benjamin Eshleman III is President of Mesteña LLC, which became a shareholder of the Company through the Company's acquisition of Mesteña Uranium, L.L.C. (now EFR Alta Mesa LLC) in June 2016. Pursuant to the Purchase Agreement, the Alta Mesa Properties are subject to a royalty of 3.125% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price of $65.00 per pound or less, 6.25% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price greater than $65.00 per pound and up to and including $95.00 per pound, and 7.5% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price greater than $95.00 per pound. The royalties are held by Mr. Eshleman and his extended family. In addition, Mr. Eshleman and certain members of his extended family are parties to surface use agreements that entitle them to surface use payments from the Acquired Companies in certain circumstances. The Alta Mesa Properties are currently being maintained on care and maintenance to enable the Company to restart operations as market conditions warrant. Due to the price of U_3O_8, the Company did not pay any royalty payments to the Sellers or to Mr. Eshleman or his immediate family members in the six months ended June 30, 2020 and does not anticipate paying any royalty payments to the Sellers or to Mr. Eshleman or his immediate family members during the remainder of 2020. The Company makes surface use payments on an annual basis to Mr. Eshleman and his immediate family members and has accrued $0.23 million as of June 30, 2020.

16. FAIR VALUE ACCOUNTING

Assets and liabilities measured at fair value on a recurring basis

The following tables set forth the fair value of the Company's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy as of June 30, 2020. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As of June 30, 2020, the fair values of cash and cash equivalents, restricted cash, short-term deposits, receivables, accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments.

	Level 1	Level 2	Level 3	Total
Investments at fair value	$ 658	$ —	$ —	$ 658
Marketable equity securities	675	—	—	675
Marketable debt securities	—	1,007	—	1,007
Warrant liabilities	(2,751)	—	—	(2,751)
Convertible Debentures	(15,631)	—	—	(15,631)
	$ (17,049)	$ 1,007	$ —	$ (16,042)

The Company's investments are marketable equity securities which are exchange traded and are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the investments is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

17. SUBSEQUENT EVENTS

Sale of shares in the Company's ATM program.

From July 1, 2020 through July 31, 2020, the Company issued 5.00 million common shares at an average price of $1.75 for net proceeds of $8.53 million using the ATM.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements for the three and six-month period ended June 30, 2020, and the related notes thereto, which have been prepared in accordance with U.S. GAAP. Additionally, the following discussion and analysis should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2019. This Discussion and Analysis contains forward-looking statements and forward-looking information that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements and information as a result of many factors. See "Cautionary Statement Regarding Forward-Looking Statements" above.

While the Company has uranium extraction and recovery activities and generates revenue, it is considered to be in the Exploration Stage (as defined by SEC Industry Guide 7) as it has no Proven or Probable Reserves within the meaning of SEC Industry Guide 7. Under U.S. GAAP, for a property that has no Proven or Probable Reserves, the Company capitalizes the cost of acquiring the property (including mineral properties and rights) and expenses all costs related to the property incurred subsequent to the acquisition of such property. Acquisition costs of a property are depreciated over its estimated useful life for a revenue generating property or expensed if the property is sold or abandoned. Acquisition costs are subject to impairment if so indicated.

All dollar amounts stated herein are in U.S. dollars, except share and per share amounts and currency exchange rates unless specified otherwise. References to Cdn$ refer to Canadian currency, and $ to United States currency.

Overview

We provide the raw materials for the generation of clean nuclear electricity. Our primary product is a uranium concentrate ("U_3O_8"), or yellowcake, which when further processed becomes the fuel for nuclear energy. According to the Nuclear Energy Institute, nuclear energy provides nearly 20% of the total electricity, and 55% of the clean, carbon-free electricity, generated in the United States. The Company generates revenues from extracting and processing materials for our own account, as well as from toll processing materials for others.

Our uranium concentrate is produced from multiple sources:

- Conventional recovery operations at our White Mesa Mill (the "Mill") including:
  - Processing ore from uranium mines; and
  - Recycling of uranium bearing materials that are not derived from conventional ore ("Alternate Feed Materials");
- In-situ recovery ("ISR") operations.

In addition, the Company has a long history of conventional vanadium recovery at the Mill, when vanadium prices support those activities. The Company recently completed a campaign to recover vanadium from solutions in the tailings management systems at the Mill ("Pond Return") from which it recovered over 1.8 million pounds of high-quality vanadium. The Company is also evaluating opportunities for copper recovery from our Canyon Project and the extraction of REEs from uranium-bearing ores.

The Mill, located near Blanding, Utah, processes ore mined from the Four Corners region of the United States, as well as Alternate Feed Materials that can originate worldwide. We have the only operating uranium mill in the United States, which is also the last operating facility left in the U.S. with the ability to recover vanadium from primary ore sources. The Mill is licensed to process an average of 2,000 tons of ore per day and to produce approximately 8.0 million pounds of U_3O_8 per year. The Mill has separate circuits to process conventional uranium and vanadium ores as well as Alternate Feed Materials.

For the last several years, no mines have operated commercially in the vicinity of the Mill due to low uranium prices. As a result, in recent years, Mill activities have focused on processing Alternate Feed Materials for the recovery of uranium, under multiple toll processing arrangements as well as Alternate Feed Materials for our own account. Additionally, in recent years, the Mill has recovered dissolved uranium and vanadium from the Mill's tailings management system that was not fully recovered during the Mill's prior forty years of operations ("Pond Return"). During the six months ended June 30, 2020, Mill activities focused primarily on the recovery of vanadium, along with relatively small amounts of uranium, from Pond Returns as well as the recovery of uranium from Alternate Feed Materials. The Company is actively pursuing additional Alternate Feed Materials for processing at the Mill.

The Mill also continues to pursue additional sources of feed materials. For example, a significant opportunity exists for the Company to potentially participate in the clean-up of abandoned uranium mines in the Four Corners Region of the U.S. The U.S. Justice Department and Environmental Protection Agency have announced settlements in various forms in excess of $1.5 billion to fund certain clean-up activities on the Navajo Nation. Additional cleanup settlements with other parties are also pending. Our Mill is within economic trucking distance and is uniquely positioned in this region to receive uranium-bearing materials from these cleanups and thus recycle the contained U_3O_8, while at the same time permanently disposing of the cleanup materials outside the boundaries of the Navajo Nation in our licensed tailing management system. There are no other facilities in the U.S capable of providing this service. In addition, as previously announced, during the second quarter of 2019, the Company began receiving shipments of material generated in the cleanup of a large, historically producing conventional uranium mine located in northwest New Mexico. The Company expects to generate significant revenue from this project, as well as demonstrate the responsible operations of the Mill for cleanup projects similar to those required on the Navajo Nation.

Energy Fuels is also currently conducting process test work and evaluating minor modifications to its operations, complementary to its uranium business, to potentially enable the processing of uranium- and thorium-bearing REE ores at the Mill. These ores are expected to come from third parties, either through ore purchase, tolling, or other arrangements, and Energy Fuels expects to produce a commercially viable rare earth concentrate or concentrates, while also recycling and recovering uranium from these ores. The rare earth concentrates would then be available for commercial sale to third party REE oxide separation and recovery facilities in the U.S. and elsewhere, and/or potentially for further refinement and REE separation and recovery at the Mill (see **Recent Developments** - *Update on Rare Earth Element Initiative*, below).

The Company's ISR operations consist of our recently producing Nichols Ranch Project and our standby operation at the Alta Mesa Project. At our Nichols Ranch Project, the Company placed its ninth header house into production in March 2017. In order to save cash and resources, the Company is deferring additional wellfield development until uranium prices recover. The Project is now on standby. The Alta Mesa Project will remain on standby in the current uranium price environment.

We believe the current spot price of uranium does not support production for the majority of global uranium producers and, accordingly, we believe that prices will recover at some point in the future, either as a result of improving market fundamentals or in response to U.S. government action to support domestic uranium production which began with the Company's Section 232 Petition submitted on January 16, 2018 (see **Recent Developments** - *U.S. Nuclear Fuel Working Group Update,* below). In anticipation of potential price recoveries or other actions that could support increased U.S. uranium mining, we continue to maintain and advance our resource portfolio. Once prices recover or other supportive actions are taken, we stand ready to resume wellfield construction at our Nichols Ranch Project; resume wellfield construction, perform plant upgrades, conduct exploration, and resume production at our Alta Mesa facility; and mine and process resources from our Canyon Project, Daneros Project, La Sal Project and/or Whirlwind Project. The Company believes we can bring this new production to the market within approximately six to eighteen months of a positive production decision. Longer term, we expect to resume production at our other conventional mines on standby and develop our large conventional mines at Roca Honda, Henry Mountains, and/or Sheep Mountain.

Recent Developments

COVID-19

The Company is evaluating the effects of the global, novel coronavirus ("COVID-19") crisis on the Company's objectives and projections. Due to the current uncertainty, the Company is engaged in cost-cutting measures, while retaining the operational readiness of the Company's main production assets. The Company is also continuing to work to secure U.S. government support for U.S. uranium miners. To date, although the Company has made some operational adjustments to ensure its workforce remains protected, the Company has not been required to shut down any operations as a result of COVID-19. The Company has evaluated any potential shut down of Company production facilities as a result of COVID-19, and has determined that any such shut down could be accommodated by the Company in a manner consistent with a typical shut down of Company facilities as a result of depressed commodity prices. Management believes the Company is well-capitalized and is able to withstand any facility shutdowns or depressed share prices as a result of COVID-19 for at least the next twelve months.

Partial Redemption of Convertible Debentures

On July 14, 2020, the Company redeemed Cdn$10.43 million principal amount of the Cdn$20.86 million Debentures outstanding for approximately $7.78 million. The Debentures were redeemable for an amount equal to 101% plus accrued and unpaid interest thereon, up to but excluding July 14, 2020. Following the partial redemption, Cdn$10.43 million aggregate principal amount of the Debentures remain outstanding and will continue to be subject to the terms of the Indenture and remain listed on the Toronto Stock Exchange. The remaining Debentures may be retired at any time in whole or in part at a price equal to 101% of their face value or at maturity at their face value either through the payment of cash or the issuance of Common Shares based on a 5% discount to the then prevailing market price of the Common Shares, at the Company's option. See "*Note 11 to the Financial Statements: Loans and Borrowings.*"

The Company is proactively managing its outstanding indebtedness to ensure it has the ability to pay it off on the Company's own timing and terms and with minimal disruption. The Company decided to redeem half of the Debentures prior to maturity because the U.S.-Canada exchange rate is currently favorable, the Company has sufficient cash available, and the Company will avoid approximately US$0.35 million in interest payments in 2020 by doing so. The Company intends to address the remaining Cdn$10.43 million balance over the next several months when it believes the timing is most appropriate.

Agreement to Acquire Prompt Fission Neutron (PFN) Borehole Logging Technology and Equipment

On May 6, 2020, the Company announced it had entered into an agreement to acquire from GeoInstruments Logging LLC ("GIL") all of its Prompt Fission Neutron ("PFN") technology and equipment, including all of its related intellectual property, giving Energy Fuels the exclusive right to use, license, and service this particular PFN technology globally. PFN is critical to successful uranium production particularly from many *in situ* recovery ("ISR") deposits, as it more accurately measures downhole in-situ U_3O_8 ore grade versus traditional Total Gamma and Spectral Gamma methods. On July 31, 2020, the parties closed the transaction and all such equipment and technology was transferred to the Company by way of a duly executed Assignment and Bill of Sale.

The PFN equipment and technology acquired by Energy Fuels includes: four (4) PFN tools; nine (9) gamma tools; two (2) low-mileage, heavy-duty logging trucks with logging and associated equipment; power supplies, computers, communication, and other technology; and all associated intellectual property, and the sole right to utilize and license the acquired PFN technology globally. The total consideration paid by Energy Fuels to GIL was $0.5 million cash, of which $0.15 million was paid in the second quarter of 2020 and the remainder was paid at closing.

Energy Fuels currently has some PFN equipment in various states of repair, which it has used for its mining operations in the past, as do other companies in the U.S. and around the world. With the acquisition of this additional PFN equipment and technology from GIL, Energy Fuels is not only able to utilize the additional equipment to ramp-up production from its ISR properties more quickly and efficiently in the event of improved market conditions, but has also secured the ability to service, repair and maintain PFN equipment currently held by the Company and others, as well as license this technology to others in the future.

Update on Rare Earth Element Initiative

On April 13, 2020, the Company announced its intent to enter the REE market following several months of review and testing, including discussions with various technical experts and the U.S. government. The U.S. government is actively seeking a domestic source of REE minerals, which are needed for national defense among other applications.

REEs are a group of 17 chemical elements (the 15 elements in the lanthanum series, plus yttrium and scandium) that have a variety of industrial, energy, military and defense uses, including automotive components, communications technology, clean energy production, consumer electronics, weapons systems, advanced magnets, lasers and numerous of other applications. According to a 2017 report by the United States Geological Survey ("USGS"), China has controlled more than 90% of the global supply of REEs since the late-1990s and has placed restrictions on REE exports since 2010.

Energy Fuels believes the White Mesa Mill is uniquely suited to potentially receive and process a number of different types of ores for the recovery of REEs (along with uranium), which, if achievable on a commercial basis and subject to the receipt of any required license amendments, would eliminate the current need to ship those ores to China for processing. If successful, the Company expects to offer customers tolling or processing arrangements at the White Mesa Mill. Energy Fuels does not plan to mine REE ore itself at this time.

On May 21, 2020, the Company announced it had entered into consulting agreements with Constantine Karayannopoulos and Brock O'Kelley, two REE industry experts who each have decades of experience producing commercially viable rare earth products, to aid in the development and implementation of commercial and technical REE strategies for the Company’s REE program. A chemical engineer by training with more than 25 years of experience in the rare earth industry, Mr. Karayannopoulos, was at the time of the announcement Chairman of Neo Performance Materials (TSX:NEO) (“Neo”), one of the world's leading producers of advanced industrial materials, including rare earth-based engineered products, for multiple global markets. Mr. O'Kelley played a key role in the operation of the Mountain Pass, California rare earth processing facility during the 1990s and 2000s. Both are industry veterans with extensive knowledge of REE processing facility design, start-up, operations, and downstream value-added manufacturing of advanced REE products. On July 7, 2020, Mr. Karayannopoulos was appointed President and CEO of Neo, positions he held previously with Neo. As a result of his new executive roles with Neo, his consulting agreement with the Company will end on August 6, 2020. On July 31, 2020, the Company entered into a non-exclusive Letter of Intent with Neo, under which: (i) Mr. Karayannopoulos and other Neo personnel will continue to assist Energy Fuels in developing commercial and technical aspects of the Company’s REE strategy, including the potential production of a rare earth oxide concentrate at the Mill that can be sold to REE separation facilities; and (ii) the Company and Neo will work together toward potentially creating a longer term mutually beneficial relationship, which may involve commitments to buy and sell all or a portion of the REE concentrate produced at the Mill or other commercial arrangements.

Energy Fuels is currently conducting process test work and evaluating minor modifications to its White Mesa Mill operations, complementary to its uranium business, to enable the processing of uranium- and thorium-bearing rare earth ores at the Mill. These ores are expected to come from third parties, either through ore purchase, tolling, or other arrangements, and Energy Fuels expects to produce a commercially viable rare earth concentrate or concentrates, while also recycling and recovering uranium from these ores. The rare earth concentrates would then be available for commercial sale to third party REE oxide separation and recovery facilities in the U.S. and elsewhere, and/or potentially for further refinement and REE separation and recovery at the Mill.

Removal and recovery of the uranium and thorium from rare earth ores is the key aspect of Energy Fuels' value proposition, as many REE separation and recovery facilities are not able to handle uranium or thorium from a technical or regulatory standpoint. The White Mesa Mill has a 40-year history of responsibly handling, processing and recycling uranium and thorium bearing materials. Therefore, it has the potential to provide a crucial link in a commercially viable U.S REE supply chain.

U.S. Nuclear Fuel Working Group Update

On January 16, 2018, the Company participated in the joint filing of a Petition for Relief under Section 232 of the Trade Expansion Act of 1962 (as amended) from Imports of Uranium Products that Threaten National Security (the "Petition"). The Petition describes how uranium and nuclear fuel from state-owned and state-subsidized enterprises in Russia, Kazakhstan, Uzbekistan and China are believed to represent a threat to U.S. national security.

On July 18, 2018, the U.S. Department of Commerce ("DOC") initiated the investigation (the "Section 232 Investigation").

On April 14, 2019, the DOC completed the Section 232 Investigation, and the Secretary of Commerce submitted a report to the President of the United States (the "President") containing his findings (the "Section 232 Report").

On July 12, 2019, in response to the Section 232 Report, the President issued a memorandum, where he stated that "I agree with the Secretary that the United States uranium industry faces significant challenges in producing uranium domestically and that this is an issue of national security." In order "to address the concerns identified by the Secretary regarding domestic uranium production and to ensure a comprehensive review of the entire domestic nuclear supply chain," the President formed the United States Nuclear Fuel Working Group (the "Working Group") to "examine the current state of domestic nuclear fuel production to reinvigorate the entire nuclear fuel supply chain, consistent with United States national security and nonproliferation goals." The President instructed the Working Group to "develop recommendations for reviving and expanding domestic nuclear fuel production," and to submit a report to the President within 90 days "setting forth the Working Group's findings and making recommendations to further enable domestic nuclear fuel production if needed."

On February 10, 2020, the President published his Budget for fiscal year 2021 (October 1, 2020 through September 30, 2021). The President's Budget "Supports Nuclear Fuel Cycle Capabilities," and states that "[o]n July 12, 2019, the President determined that '...the United States uranium industry faces significant challenges in producing uranium domestically and that this is an issue of national security.' The President's Budget establishes a Uranium Reserve for the United States to provide additional assurances of availability of uranium in the event of a market disruption." Table 25-1 of the President's Budget seeks congressional appropriations of $150 million per year over the next 10 years (totaling $1.5 billion over that time frame) for uranium purchases. For fiscal 2021 (October 1, 2020 through September 30, 2021), the President's Budget seeks an appropriation of $150 million, "to remain available until expended," as the appropriation for the first year of this 10-year program. The President's Budget states that "Establishing a Uranium Reserve provides assurance of availability of uranium in the event of a market disruption and supports strategic U.S. fuel cycle capabilities. This action addresses immediate challenges to the production of domestic uranium and reflects the Administration's Nuclear Fuel Working Group (NFWG) priorities. The NFWG will continue to evaluate issues related to uranium supply chain and fuel supply."

On April 23, 2020, the Working Group published its report: *Restoring America's Competitive Nuclear Energy Advantage: A strategy to assure U.S. national security*. This comprehensive strategy seeks to revive and strengthen U.S. nuclear fuel capabilities, starting with uranium mining, with the goals of supporting U.S. energy and national security, preventing geopolitical adversaries (particularly those in Russia) from using their nuclear capabilities to influence the U.S. and the world, and promoting global non-proliferation objectives and nuclear safety. The report states that "the clear outcome of the Working Group's efforts is confirmation that it is in the nation's national security interests to preserve the assets and investments of the entire U.S. nuclear enterprise and to revitalize the sector to regain U.S. global nuclear leadership." The report recommends government purchases to establish a Uranium Reserve as contemplated by the President's Budget and other actions aimed to strengthen the entire nuclear fuel cycle.

The appropriations process is currently underway.

The proposed budgeted activities are subject to appropriation by the Congress of the United States, and the details of implementation of activities pursuant to the President's Budget have not yet been defined. As a result, there can be no certainty of the outcome of the President's Budget or any further evaluations of the Working Group. Therefore, the outcome of this process remains uncertain. If the required appropriations are not made by Congress, or if the U.S. President does not implement the activities contemplated by the President's Budget, or implements them in a way that does not provide the required support for the Company's activities, and uranium and vanadium markets do not otherwise improve, or as general market conditions may otherwise dictate, we may reduce our operational activities as required in order to minimize our cash expenditures while preserving our asset base for increased production in the future as market conditions may warrant.

Uranium Market Update

According to monthly price data from TradeTech LLC ("TradeTech"), uranium spot prices rose significantly during the first quarter of 2020. The uranium spot price began the quarter at $27.30 per pound on March 31, 2020 and rose 21% to $33.00 per pound by the end of the quarter on June 30, 2020. The uranium spot price reached a high of $34.25 during the week ended May 22, 2020, and a low of $27.30 at the beginning of the quarter. TradeTech price data also indicates that long-term U_3O_8 prices rose $5.00 during the quarter, beginning the quarter at $34.00 per pound and ending the quarter at $39.00 per pound. On July 31, 2020, UxC LLC reported a spot price of $32.35 per pound.

During the quarter, significant production cuts were announced in response to the global COVID-19 crisis, including uranium facilities in Canada, Kazakhstan, and Namibia. Although Cameco Corporation recently announced it intends to reopen its Cigar Lake mine in Saskatchewan, Canada, at the beginning of September 2020, it is unknown at this time exactly how long the other shutdowns will last or how much uranium production will ultimately be removed from the market as a result of these shutdowns. The Company believes that certain uranium supply and demand fundamentals continue to point to higher uranium prices in the future, including significant production cuts, and increased demand from utilities, financial entities, traders, and producers. It is the Company's belief that the recent shutdowns are going to further tighten the market. The Company also continues to believe a large degree of uncertainty exists in the market, primarily due to the size of mobile uranium inventories, transportation issues, premature reactor shutdowns in the U.S., trade issues, and the length of time of any uranium mine, conversion or enrichment shut-downs.

Vanadium Market Update

During the three months ended June 30, 2020, the mid-point price of vanadium in Europe fell 5% from $5.58 per pound to $5.30 per pound. According to Metal Bulletin, vanadium prices rose dramatically in the second half of 2018 due to anticipated increased demand in China, which implemented new standards requiring increased quantities of vanadium in rebar. However, in late-2018, prices began to drop sharply "when market participants realized the enforcement of the revised rebar policy was not as stringent as had been expected and after steel mills increased their use of ferro-niobium to reduce consumption of more costly vanadium" (Metal Bulletin, January 20, 2020). During the first half of 2020 prices have generally been flat, however prices jumped in April 2020 after an "extended South Africa lockdown sparks supply concerns." (Metal Bulletin, April 17, 2020). As of July 31, 2020, the mid-point spot price of vanadium in Europe was $5.30 per pound.

Operations Update and Outlook for Year Ending December 31, 2020

Overview

Operations and Sales Outlook Overview

In response to the Congressional appropriations for the creation of a U.S. uranium reserve, the potential extension of the Russian Suspension Agreement, and/or implementation of policy recommendations contained in the Working Group's report, the Company is evaluating activities aimed towards increasing uranium production at all or some of its production facilities, including the currently operating White Mesa Mill, the recently operating Nichols Ranch ISR Facility, and the Alta Mesa ISR Facility, La Sal Complex and Canyon Mine, which are all currently on standby, as market conditions may warrant. The Company may commence such activities, prior to confirmation of Congressional appropriations and prior to the definition of all implementation details, as market conditions may warrant, recognizing that there can be no guarantee that the required appropriations will be forthcoming or that the implementation details will be satisfactory, and that the outcome of this process is therefore uncertain. Alternatively, the Company may defer any such activities until further clarification on implementation of the U.S. uranium reserve and/or Congressional appropriations are obtained, or market conditions otherwise warrant. No decisions on any project-specific actions to be taken in response to U.S. government actions have been made at this time.

Subject to any actions the Company may take in response to U.S. government actions or market conditions, the Company plans to extract and/or recover limited amounts of uranium from its Nichols Ranch Project in 2020, which was placed on standby in the first quarter of 2020 due to the depletion of its existing wellfields. In addition, during 2020 the Company expects to recover uranium at the White Mesa Mill from in-circuit uranium inventories extracted from the recent vanadium Pond Return campaign, from Alternate Feed Materials and from other Pond Return activities. The vanadium Pond Return campaign conducted in 2019 was brought to a close in early 2020.

Subject to any actions the Company may take in response to U.S. government actions, both ISR and conventional uranium recovery is expected to be maintained at reduced levels, as a result of current uranium market conditions, until such time when market conditions improve sufficiently. Subject to any actions the Company may take in response to U.S. government actions, until such time that improvement in uranium market conditions is observed or suitable sales contracts can be entered into, the Company expects to defer further wellfield development at its Nichols Ranch Project. In addition, subject to any actions the Company may take in response to U.S. government actions, the Company expects to keep the Alta Mesa Project and its conventional mining properties on standby.

The Company is also seeking new sources of revenue, including new sources of Alternate Feed Materials and new fee processing opportunities at the White Mesa Mill that can be processed under existing market conditions (i.e., without reliance on current uranium sales prices), and is evaluating opportunities to potentially recover REEs at the White Mesa Mill. The Company will also continue its support of U.S. governmental activities to support the U.S. uranium mining industry and will evaluate additional acquisition and disposition opportunities that may arise.

Extraction and Recovery Activities Overview

During the six months ended June 30, 2020, the Company recovered approximately 83,000 pounds of U_3O_8, all of which were for the account of the Company. In the year ending December 31, 2020, the Company expects to recover a quantity of uranium within its previously published guidance of 125,000 to 175,000 pounds of U_3O_8. The Company also recovered approximately 67,000 pounds of high-purity vanadium pentoxide ("V_2O_5" or "black flake") during the six months ended June 30, 2020 from its vanadium Pond Return campaign, which was suspended during the first quarter of 2020.

The Company has strategically opted not to enter into any uranium sales commitments for 2020. Therefore, subject to any actions the Company may take in response to U.S. government actions and general market conditions, all 2020 uranium production is expected to be added to existing inventories. Subject to any actions the Company may take in response to U.S. government actions, both ISR and conventional uranium extraction and/or recovery is expected to continue to be maintained at reduced levels until such time that improvements in uranium market conditions are observed or suitable sales contracts can be entered into. All V_2O_5 production is expected to be sold on the spot market if prices rise significantly above current levels, but otherwise maintained in inventory.

ISR Activities

During the six months ended June 30, 2020, the Company extracted and recovered approximately 6,000 pounds of U_3O_8 from its Nichols Ranch Project, which was placed on standby during the first quarter of 2020, due to the depletion of its existing wellfields. This amount of uranium production falls within the Company's published guidance of approximately 6,000 pounds of U_3O_8 from Nichols Ranch during the year ended December 31, 2020.

As of June 30, 2020, the Nichols Ranch wellfields had nine header houses that previously extracted uranium, which are now depleted. Subject to any actions the Company may take in response to U.S. government actions, until such time as improvement in uranium market conditions is observed or suitable sales contracts can be procured, the Company expects to defer development of further header houses at its Nichols Ranch Project. The Company currently holds 34 fully-permitted, undeveloped wellfields at Nichols Ranch, including four additional wellfields at the Nichols Ranch wellfield, 22 wellfields at the adjacent Jane Dough wellfield, and eight wellfields at the Hank Project, which is fully permitted to be constructed as a satellite facility to the Nichols Ranch Plant.

Subject to any actions the Company may take in response to U.S. government actions, the Company expects to continue to keep the Alta Mesa Project on standby until such time as improvements in uranium market conditions are observed or suitable sales contracts can be procured.

Conventional Activities

Conventional Extraction and Recovery Activities

During the six months ended June 30, 2020, the Company produced 67,000 pounds of high-purity V_2O_5 from its Mill Pond Return program and 77,000 pounds of uranium from Alternate Feed Materials. During 2020, the Company expects to recover approximately 120,000 to 170,000 pounds of U_3O_8 at the White Mesa Mill from in-circuit uranium inventories extracted from the recent vanadium Pond Return campaign, from Alternate Feed Materials and from other Pond Return activities. In addition, there remains an estimated 1.5 to 3 million pounds of solubilized recoverable V_2O_5 inventory remaining in the tailings management facility awaiting future recovery from Pond Return as market conditions may warrant, placing the Company in a unique position to restart vanadium production quickly.

The White Mesa Mill has historically operated on a campaign basis whereby uranium and/or vanadium recovery is scheduled as mill feed, cash needs, contract requirements, and/or market conditions may warrant. The Company currently expects that planned uranium production from Alternate Feed Materials, Pond Return, and the receipt of uranium-bearing materials from mine cleanup activities will keep the Mill in operation through all or most of 2020. The Company is also actively pursuing opportunities to process new and additional Alternate Feed Material sources and new and additional low-grade ore from third parties in connection with various uranium clean-up requirements. Successful results from these activities would allow the Mill to extend the current campaign through 2020 and beyond. In addition, if improvements in uranium market conditions are observed, or conventional mines are ramped up in response to U.S. government actions to support domestic uranium mining and/or recommendations of the Working Group, the Company would expect to be able to keep the Mill operating over a considerably longer period of time.

However, subject to any actions the Company may take in response to U.S. government actions, in the event the Company is unable to justify full operation of the Mill through 2020, the Company expects to place uranium and/or vanadium recovery activities at the Mill on standby at that time. While on standby, the Mill would continue to dry and package material from the Nichols Ranch Plant, if operating, and continue to receive and stockpile Alternate Feed Materials for future milling campaigns. Each future milling campaign would be subject to receipt of sufficient mill feed and resulting cash flow that would allow the Company to operate the Mill on a profitable basis or to recover all or a portion of the Mill's standby costs.

Conventional Standby, Permitting and Evaluation Activities

During the six months ended June 30, 2020, standby and environmental compliance activities continued to occur at the Canyon Project. Subject to any actions the Company may take in response to U.S. government actions and general market conditions, during 2020, the Company plans to continue carrying out engineering, metallurgical testing, procurement and construction management activities at its low-cost Canyon Project. Subject to any actions the Company may take in response to U.S. government actions, the timing of the Company's plans to extract and process mineralized materials from this project will be based on the results of this additional evaluation work, along with market conditions, available financing, sales requirements, and/or permits required for copper recovery at the Mill.

The Company is selectively advancing certain permits at its other major conventional uranium projects, such as the Roca Honda Project, a large, high-grade conventional project in New Mexico. The Company will also maintain required permits at the Company's conventional projects, including the Sheep Mountain Project, La Sal Complex, and Tony M, Whirlwind and Daneros mines. In addition, the Company will continue to evaluate the Bullfrog Property at its Henry Mountains Project. Expenditures for certain of these projects have been adjusted to coincide with expected dates of price recoveries based on the Company's forecasts. All of these projects serve as important pipeline assets for the Company's future conventional production capabilities, as market conditions warrant.

Sales

During the six months ended June 30, 2020, the Company completed no uranium sales. The Company currently has no remaining contracts, and therefore all existing uranium inventory and future production is fully unhedged to future uranium price increases.

During the six months ended June 30, 2020, the Company did not complete the sale of any vanadium. The Company expects to continue to sell finished vanadium product, when justified, into the metallurgical industry, as well as other markets that demand a higher purity product, including the aerospace, chemical, and potentially the vanadium battery industries. The Company expects to sell to a diverse group of customers in order to maximize revenues and profits. The vanadium produced in the recent Pond Return campaign was a high-purity vanadium product of 99.6%-99.7% V_2O_5. The Company believes there may be opportunities to sell certain quantities of this high-purity material at a premium to reported spot prices. The Company may also retain vanadium product in inventory for future sale, depending on vanadium spot prices and general market conditions.

The Company also continues to pursue new sources of revenue, including additional Alternate Feed Materials and other sources of feed for the White Mesa Mill, in addition to evaluating the potential to recover REEs at the Mill.

The Company's Plans in Response to U.S. Government Actions

As stated above, in response to U.S. government actions to support domestic uranium mining, the Company is evaluating activities aimed towards increasing uranium production at all or some of its facilities, subject to general market conditions. No decisions on any project-specific actions have been made at this time.

Continued Efforts to Minimize Costs

The Company will continue to seek ways to minimize the costs of maintaining its critical properties in a state of readiness for potential improvements in market conditions and is evaluating whether additional cost-cutting measures may be warranted at this time as a result of general market conditions.

Results of Operations

The following table summarizes the results of operations for the three and six months ended June 30, 2020 and 2019 (in thousands of U.S. dollars):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenues				
Uranium concentrates	$ —	$ 66	$ —	$ 66
Vanadium concentrates	—	773	$ —	$ 1,941
Alternate feed materials processing and other	395	2,232	788	2,734
Total revenues	395	3,071	788	4,741
Costs and expenses applicable to revenues				
Costs and expenses applicable to uranium concentrates	—	63	—	63
Costs and expenses applicable to vanadium concentrates	—	928	—	1,460
Costs and expenses applicable to alternate feed materials and other	—	1,695	—	2,079
Total costs and expenses applicable to revenues	—	2,686	—	3,602
Impairment of inventories	428	4,906	1,506	6,082
Gross loss	(33)	(4,521)	(718)	(4,943)
Other operating costs and expenses				
Development, permitting and land holding	60	1,399	737	5,741
Standby costs	2,729	1,251	4,653	2,335
Accretion of asset retirement obligation	478	481	956	994
Total other operating costs and expenses	3,267	3,131	6,346	9,070
Selling, general and administration				
Selling costs	—	127	12	137
General and administration	3,170	3,725	7,200	7,476
Total selling, general and administration	3,170	3,852	7,212	7,613
Total operating loss	(6,470)	(11,504)	(14,276)	(21,626)
Interest expense	(345)	(362)	(695)	(691)
Other (loss) income	(1,375)	2,552	1,117	869
Net loss	$ (8,190)	$ (9,314)	$ (13,854)	$ (21,448)
Basic and diluted loss per share	$ (0.08)	$ (0.10)	$ (0.12)	$ (0.23)

Revenues

Previously, the Company’s revenues from uranium were based on delivery schedules under long-term contracts, which could vary from quarter to quarter. As of December 31, 2018, the Company no longer had any uranium sales contacts. Any future sales of uranium will be subject to sale in the spot market until a time when the Company can agree to terms for long-term sales contracts or potentially pursuant to direct government purchases as contemplated by the President's Budget. In the year ended December 31, 2019, the Company initiated the selling of vanadium recovered from Pond Return at the White Mesa Mill under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all vanadium pentoxide produced by the Company.

Revenues for the three months ended June 30, 2020 totaled $0.40 million, all of which was related to fees for ore received from a third-party uranium mine.

Revenues for the three months ended June 30, 2019 totaled $3.07 million, of which $0.77 million was related to sales of 98,000 pounds of vanadium concentrates and $2.23 million related to toll processing of uranium concentrates for third parties.

Revenues for the six months ended June 30, 2020 totaled $0.79 million, all of which was related to fees for ore received from a third-party uranium mine.

Revenues for the six months ended June 30, 2019 totaled $4.74 million; $1.94 million was related to sales of 150,000 pounds of vanadium concentrates and $2.73 million was related to toll processing of uranium concentrates.

Operating Expenses

Uranium and Vanadium recovered and costs and expenses applicable to revenue

In the three months ended June 30, 2020, the Company recovered 200 pounds of U_3O_8 from ISR recovery activities for the Company's own account and zero pounds of V_2O_5 from Pond Return. In the three months ended June 30, 2019, the Company recovered 19,000 pounds of U_3O_8 from ISR recovery activities for the Company's own account and 437,000 pounds of V_2O_5 from the Company's pond solutions.

There are no costs and expenses applicable to revenue for the three months ended June 30, 2020 as the Company did not make any concentrate sales of U_3O_8 or V_2O_5 and only collected a fee to receive ore from a third-party uranium mine for which the Company incurred *de minimis* costs, compared with $2.69 million for the three months ended June 30, 2019. Costs and expenses applicable to revenue for the three months ended June 30, 2019 consisted of $0.93 million from V_2O_5 and $1.70 million related to Alternate Feed Materials.

In the six months ended June 30, 2020, the Company recovered six thousand pounds of U_3O_8 from ISR recovery activities for the Company's own account and 67,000 pounds of V_2O_5 from Pond Return. In the six months ended June 30, 2019, the Company recovered 40,000 pounds of U_3O_8 from ISR recovery activities for the Company's own account and 765,000 pounds of V_2O_5 from the Company's pond solutions.

There are no costs and expenses applicable to revenue for the six months ended June 30, 2020 as the Company did not make any concentrate sales of U_3O_8 or V_2O_5 and only collected a fee to receive ore from a third-party uranium mine for which the Company incurred *de minimis* costs, compared with $3.60 million for the six months ended June 30, 2019. Costs and expenses applicable to revenue for the six months ended June 30, 2019 consisted of $1.46 million from V_2O_5 and $2.08 million related to Alternate Feed Materials.

Other Operating Costs and Expenses

Development, permitting and land holding

For the three months ended June 30, 2020, the Company spent $0.06 million for development of the Company's properties. For the three months ended June 30, 2019, the Company spent $1.40 million primarily due to the development of the V_2O_5 test-mining program at the La Sal Project as well as expenses associated with ramping up V_2O_5 production at the White Mesa Mill.

For the six months ended June 30, 2020, the Company spent $0.74 million for development of the Company's properties. For the six months ended June 30, 2019, the Company spent $5.74 million primarily due to the development of the V_2O_5 test-mining program at the La Sal Project as well as expenses associated with ramping up V_2O_5 production at the White Mesa Mill.

While we expect the amounts relative to the items listed above have added future value to the Company, we expense these amounts as we do not have proven or probable reserves at any of the Company's projects under SEC Industry Guide 7.

Standby costs

The Company’s La Sal and Daneros Projects were placed on standby in 2012, as a result of market conditions. In February 2014, the Company placed its Arizona 1 Project on standby. In the beginning of 2018 as well as the beginning of 2020, the White Mesa Mill was operated at lower levels of uranium recovery, including prolonged periods of standby. Costs related to the care and maintenance of the standby mines, along with standby costs incurred while the White Mesa Mill was operating at low levels of uranium recovery or on standby, are expensed.

For the three months ended June 30, 2020, standby costs totaled $2.73 million compared with $1.25 million in the prior year. For the six months ended June 30, 2020, standby costs totaled $4.65 million compared with $2.34 million in the prior year. The increase is primarily related to a reduction in recovery activities at the Nichols Ranch.

Accretion

Accretion related to the asset retirement obligation for the Company’s properties were $0.48 million and $0.96 million for the three and six months ended June 30, 2020 compared with $0.48 million and $0.99 million for the three and six months ended June 30, 2019, respectively. This decrease is primarily due to the Company delaying the timing of estimated reclamation activities at some of its projects.

Selling, general and administrative

Selling, general and administrative expenses include costs associated with marketing uranium, corporate, general and administrative costs and intangible asset amortization from favorable contracts. Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, contract and professional services, share-based compensation expense and other overhead expenditures. Selling, general and administrative expenses totaled $3.17 million and $7.21 million for the three and six months ended June 30, 2020 compared to $3.85 million and $7.61 million for the three and six months ended June 30, 2019, respectively.

Impairment of Inventories

For the three and six months ended June 30, 2020, the Company recognized $0.43 million and $1.51 million, respectively, in impairment charges related to inventory. For the three and six months ended June 30, 2019, the Company recognized $4.91 million and $6.08 million, respectively, in inventory impairment. The impairment of inventories is due to continued lower uranium prices versus our cost to produce at the Nichols Ranch Project.

Interest Expense and Other Income and Expenses

Interest expense

Interest expense for the three months ended June 30, 2020 was $0.35 million compared with $0.36 million for the three months ended June 30, 2019, respectively. Interest expense for the six months ended June 30, 2020 was $0.70 million compared with $0.69 million for the six months ended June 30, 2019, respectively.

Other income and expense

For the three months ended June 30, 2020, other income and expense was $1.38 million loss, net. These amounts primarily consist of a mark-to-market loss on the change in the fair value of the Convertible Debentures of $0.47 million, a mark-to-market loss on the increase in fair value of warrant liabilities of $1.24 million, and a loss on foreign exchange of $0.26 million, offset by a $0.53 million mark-to-market gain on investments accounted for at fair value and interest income of $0.06 million.

For the three months ended June 30, 2019, other income and expense was $2.55 million income, net. These amounts primarily consist of a mark-to-market gain on the change in fair value of the Convertible Debentures of $0.94 million, a mark-to-market gain on the decrease in fair value of warrant liabilities of $1.85 million, and interest income of $0.14 million, offset by a $0.36 million mark-to-market loss on investments accounted for at fair value.

For the six months ended June 30, 2020, other income and expense was $1.12 million income, net. These amounts primarily consist of a gain on foreign exchange of $0.98 million, a $0.14 million mark-to-market gain on investments accounted for at fair value, and interest income of $0.13 million, offset by a mark-to-market loss on the increase in fair value of warrant liabilities of $0.09 million.

For the six months ended June 30, 2019, other income and expense was $0.87 million income, net. These amounts primarily consist of a mark-to-market gain on the decrease in fair value of warrant liabilities of $1.12 million, a $0.01 million mark-to-market gain on investments accounted for at fair value and interest income of $0.25 million, offset by a mark-to-market loss on the change in fair value of the Convertible Debentures of $0.49 million.

LIQUIDITY AND CAPITAL RESOURCES

Shares issued for cash

On November 5, 2018, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to $24.50 million in aggregate common shares under the ATM. Then, on the same date, the Company filed a base shelf prospectus whereby the Company may sell any combination of the "Securities" as defined thereunder in one or more offerings up to an initial aggregate offering price of $150.00 million. On May 5, 2019, the prospectus supplement to its U.S. registration statement expired, and was replaced on May 7, 2019 by a new prospectus supplement in the same amount, qualifying for distribution up to $24.50 million in aggregate common shares under the ATM. On December 31, 2019, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to $30.00 million in additional common shares under the ATM.

From July 1, 2020 through July 31, 2020, the Company issued 5.00 million Common Shares at an average price of $1.75 for net proceeds of $8.5 million using the ATM.

Working capital at June 30, 2020 and future requirements for funds

At June 30, 2020, the Company had net working capital of $38.04 million, including $26.64 million in cash, $1.68 million of marketable securities, approximately 575,000 pounds of uranium finished goods inventory and approximately 1,675,000 pounds of vanadium finished goods inventory. The Company believes it has sufficient cash and resources to carry out its business plan for at least the next twelve months.

The Company is actively focused on its forward-looking liquidity needs, especially in light of the current depressed uranium markets. The Company is evaluating its ongoing fixed cost structure as well as decisions related to project retention, advancement and development. If current uranium prices persist for any extended period of time, the Company will likely be required to raise capital or take other measures to fund its ongoing operations. Significant development activities, if warranted, will require that we arrange for financing in advance of planned expenditures. In addition, we expect to continue to augment our current financial resources with external financing as our long-term business needs require. We cannot provide any assurance that we will pursue any of these transactions or that we will be successful in completing them on acceptable terms or at all.

The Company manages liquidity risk through the management of its working capital and its capital structure.

Cash and cash flows

Six months ended June 30, 2020

Cash, cash equivalents and restricted cash were $46.87 million at June 30, 2020, compared to $32.89 million at December 31, 2019. The increase of $13.98 million was due primarily to cash provided by financing activities of $27.10 million, cash provided by investing activities of $3.05 million, offset by cash used in operating activities of $15.83 million and loss on foreign exchange on cash held in foreign currencies of $0.34 million.

Net cash used in operating activities of $15.83 million is comprised of the net loss of $13.85 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were $1.10 million of depreciation and amortization of property, plant and equipment, $1.51 million impairment on inventory, share-based compensation expense of $1.70 million, accretion of asset retirement obligation of $0.96 million, other non-cash expenses of $0.65 million, a decrease in trade and other receivables of $0.40 million, a decrease in prepaid expenses and other assets of $0.19 million, a $0.09 million change in warrant liabilities, offset by unrealized foreign exchange gain of $0.71 million, an increase in inventories of $4.77 million and a decrease in accounts payable and accrued liabilities of $3.10 million.

Net cash provided by investing activities was $3.05 million comprised of $3.20 million cash received from maturities of marketable securities and $0.15 million cash used for the purchase of mineral properties and property, plant and equipment.

Net cash provided by financing activities totaled $27.10 million consisting of $27.86 million net proceeds from the issuance of common shares from public offerings and $0.13 million cash received from non-controlling interest partially offset by $0.42 million cash paid to fund employee income tax withholding due upon vesting of restricted stock units and $0.48 million to repay loans and borrowings.

Six months ended June 30, 2019

Cash, cash equivalents and restricted cash were $36.58 million at June 30, 2019, compared to $34.29 million at December 31, 2018. The increase of $2.17 million was due primarily to cash provided by financing activities of $9.05 million, cash provided by investing activities of $16.12 million, offset by cash used in operating activities of $22.99 million and loss on foreign exchange on cash held in foreign currencies of $0.11 million.

Net cash used in operating activities of $22.99 million is comprised of the net loss of $21.45 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were $0.63 million of depreciation and amortization of property, plant and equipment, $6.08 million impairment on inventory, stock based compensation expense of $1.78 million, accretion of asset retirement obligation of $0.99 million, $1.12 million change in warrant liabilities, $0.49 million change in value of convertible debentures, other non-cash expenses of $0.97 million, a decrease in trade and other receivables of $0.34 million, a decrease in prepaid expenses and other assets of $0.54 million, unrealized foreign exchange gain of $0.22 million, offset by a decrease in accounts payable and accrued liabilities of $2.40 million, a decrease in inventories of $7.08 million and changes in deferred revenue of $2.72 million.

Net cash provided by financing activities totaled $9.05 million consisting of $8.85 million proceeds from the issuance of stock using the Company's ATM offering, fifty thousand in cash received from non-controlling interests and $0.15 million cash received from exercise of stock options.

Net cash provided by investing activities was $16.12 million, related to cash received from the sale and maturities of marketable securities.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with U.S. GAAP requires the use of certain critical accounting estimates and judgments that affect the amounts reported. It also requires management to exercise judgment in applying the Company’s accounting policies. These judgments and estimates are based on management’s best knowledge of the relevant facts and circumstances taking into account previous experience. Although the Company regularly reviews the estimates and judgments made that affect these financial statements, actual results may be materially different.

Significant estimates made by management include:

a. Exploration Stage

SEC Industry Guide 7 defines a reserve as “that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.” The classification of a reserve must be evidenced by a bankable feasibility study using the latest three-year price average. While the Company has established the existence of mineral resources and has successfully extracted and recovered saleable uranium from certain of these resources, the Company has not established proven or probable reserves, as defined under SEC Industry Guide 7, for these operations or any of its uranium projects. As a result, the Company is in the Exploration Stage as defined under Industry Guide 7. Furthermore, the Company has no plans to establish proven or probable reserves for any of its uranium projects.

While in the Exploration Stage, among other things, the Company must expense all amounts that would normally be capitalized and subsequently depreciated or depleted over the life of the mining operation on properties that have proven or probable reserves.

Items such as the construction of wellfields and related header houses, additions to our recovery facilities and advancement of properties will all be expensed in the period incurred. As a result, the Company’s consolidated financial statements may not be directly comparable to the financial statements of mining companies in the development or production stages.

b. Resource estimates utilized

The Company utilizes estimates of its mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the deposits requires complex geological judgments to interpret the data. The estimation of future cash flows related to resources is based upon factors such as estimates of future uranium prices, future construction and operating costs along with geological assumptions and judgments made in estimating the size and grade of the resource. Changes in the mineral resource estimates may impact the carrying value of mining and recovery assets, goodwill, reclamation and remediation obligations and depreciation and impairment.

c. Depreciation of mining and recovery assets acquired

For mining and recovery assets actively extracting and recovering uranium we depreciate the acquisition costs of the mining and recovery assets on a straight-line basis over our estimated lives of the mining and recovery assets. The process of estimating the useful life of the mining and recovery assets requires significant judgment in evaluating and assessing available geological, geophysical, engineering and economic data, projected rates of extraction and recovery, estimated commodity price forecasts and the timing of future expenditures, all of which are, by their very nature, subject to interpretation and uncertainty.

Changes in these estimates may materially impact the carrying value of the Company’s mining and recovery assets and the recorded amount of depreciation.

d. Impairment testing of mining and recovery assets

The Company undertakes a review of the carrying values of its mining and recovery assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and net cash flows. An impairment loss is recognized when the carrying value of a mining or recovery asset is not recoverable based on this analysis. In undertaking this review, the management of the Company is required to make significant estimates of, among other things, future production and sale volumes, forecast commodity prices, future operating and capital costs and reclamation costs to the end of the mining asset’s life. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of mining and recovery assets.

e. Asset retirement obligations

Asset retirement obligations are recorded as a liability when an asset that will require reclamation and remediation is initially acquired. For disturbances created on a property owned that will require future reclamation and remediation the Company records asset retirement obligations for such disturbance when occurred. The Company has accrued its best estimate of its share of the cost to decommission its mining and milling properties in accordance with existing laws, contracts and other policies. The estimate of future costs involves a number of estimates relating to timing, type of costs, mine closure plans, and review of potential methods and technical advancements. Furthermore, due to uncertainties concerning environmental remediation, the ultimate cost of the Company's decommissioning liability could differ from amounts provided. The estimate of the Company's obligation is subject to change due to amendments to applicable laws and regulations and as new information concerning the Company's operations becomes available. The Company is not able to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future. Additionally, the expected cash flows in the future are discounted at the Company's estimated cost of capital based on the periods the Company expects to complete the reclamation and remediation activities. Differences in the expected periods of reclamation or in the discount rates used could have a material difference in the actual settlement of the obligations compared with the amounts provided.

Recently Adopted Accounting Pronouncements

Fair Value Measurement

In August 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-13, which amended the fair value measurement guidance by removing and modifying certain disclosure requirements, while also adding new disclosure requirements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty would be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments would be applied retrospectively to all periods presented upon their effective date. The Company adopted this pronouncement effective January 1, 2020.

Recently Issued Accounting Pronouncements Not Yet Adopted

Financial Instruments - Credit Losses

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326)." The new standard is effective for reporting periods beginning after December 15, 2022 (January 1, 2023 for the Company) for Smaller Reporting Companies. The standard replaces the incurred loss impairment methodology under current GAAP with a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss model for accounts receivables, loans, and other financial instruments. The standard requires a modified retrospective approach through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The Company is currently evaluating the impact the adoption of ASU 2016-13 will have on its consolidated financial statements.

Income Taxes - Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued ASU 2019-12, "Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)," which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 will be effective for interim and annual periods beginning after December 15, 2020 (January 1, 2021 for the Company). Early adoption is permitted. The Company is currently evaluating the impact the adoption of ASU 2019-12 will have on its consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to risks associated with commodity prices, interest rates, foreign currency exchange rates and credit. Commodity price risk is defined as the potential loss that we may incur as a result of changes in the market value of uranium or vanadium. Interest rate risk results from our debt and equity instruments that we issue to provide financing and liquidity for our business. The foreign currency exchange rate risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates. Credit risk arises from the extension of credit throughout all aspects of our business. Industry-wide risks can also affect our general ability to finance exploration, and development of exploitable resources; such effects are not predictable or quantifiable. Market risk is the risk to the Company of adverse financial impact due to change in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. The Company currently does not have any contracts in place for the sale of vanadium.

Commodity Price Risk

The Company is subject to market risk related to the market price of U_3O_8 and V_2O_5. The Company's existing long-term uranium contracts have expired, following the Company's April 2018 deliveries, and all uranium sales will now be required to be made at spot prices until the Company enters into new long-term contracts at satisfactory prices in the future. Future revenue beyond our current contracts will be affected by both spot and long-term U_3O_8 price fluctuations, which are affected by factors beyond our control, including: the demand for nuclear power; political and economic conditions; governmental legislation in uranium producing and consuming countries; and production levels and costs of production of other producing companies. The Company continuously monitors the market to determine its level of extraction and recovery of uranium and vanadium in the future.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash equivalents, deposits, restricted cash, and debt. Our interest income is earned in the United States dollars and is not subject to interest rate risk. The Company is exposed to an interest rate risk associated with the Convertible Debentures, which is based on the spot market price of U_3O_8. These Convertible Debentures mature in December 2020. The Company does not expect the spot market price of U_3O_8 to exceed $54.99 per pound prior to the Convertible Debentures' maturity and, accordingly, does not believe there is any significant interest rate risk related to these Convertible Debentures. In the event uranium prices realized by the Company exceed $54.99 per pound U_3O_8 as a result of implementation of the President's Budget or any other recommendations of the Working Group, the interest rate on the Convertible Debentures could potentially increase, but the risk of any resulting increase in interest rates on the Convertible Debentures would be expected to be offset, at least in part, by other cash flow improvements for the Company. The Company does not use derivatives to manage interest rate risk. The following chart displays the interest rate applicable to our Convertible Debentures at various U_3O_8 price levels.

UxC U_3O_8 Weekly Indicator Price	Annual Interest Rate
Up to $54.99	8.5%
$55.00–$59.99	9%
$60.00–$64.99	9.5%
$65.00–$69.99	10%
$70.00–$74.99	10.5%
$75.00–$79.99	11%
$80.00–$84.99	11.5%
$85.00–$89.99	12%
$90.00–$94.99	12.5%
$95.00–$99.99	13%
$100 and above	13.5%

Currency Risk

The foreign currency exchange rate risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates. As the U.S. Dollar is the functional currency of our U.S. operations, the currency risk has been reduced. We maintain a nominal balance in foreign currency, resulting in a low currency risk relative to our cash balances. Our Convertible Debentures are denominated in Canadian Dollars and, accordingly, are exposed to currency risk.

The following table summarizes, in United States dollar equivalents, the Company's major foreign currency (Cdn$) exposures as of June 30, 2020 ($000):

Cash and cash equivalents	$	5,255
Accounts payable and accrued liabilities		(540)
Loans and borrowings		(15,613)
Total	$	(10,898)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to our financial instruments as of June 30, 2020 with all other variables held constant. It shows how net income would have been affected by changes in the relevant risk variables that were reasonably possible at that date.

('000s)	Change for Sensitivity Analysis	Increase (decrease) in other comprehensive income
Strengthening net earnings	+1% change in US dollar $	(149)
Weakening net earnings	-1% change in U.S. dollar $	149

Credit Risk

Credit risk relates to cash and cash equivalents, investments available for sale, trade, and other receivables that arise from the possibility that any counterparty to an instrument fails to perform. The Company only transacts with highly rated counterparties and a limit on contingent exposure has been established for any counterparty based on that counterparty's credit rating. The Company's sales are attributable mainly to multinational utilities. The Company carries credit risk insurance relating to its vanadium sales, which it considers to be adequate. As of June 30, 2020, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, investments available for sale, trade receivables and taxes recoverable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the U.S. SEC and to ensure that information required to be disclosed is accumulated and communicated to management, including our principal executive and financial officers, to allow timely decisions regarding disclosure. The Chief Executive Officer and the Chief Financial Officer, with assistance from other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of June 30, 2020 and, based on their evaluation, have concluded that the disclosure controls and procedures were not effective as of such date due to material weaknesses in internal control over financial reporting that was disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) that occurred during the second quarter of fiscal year 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Remediation

As previously described in Part II, Item 9A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, we began implementing a remediation plan to address the material weakness described therein. The weakness will not be considered remediated, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed prior to the end of fiscal year 2020.

PART II

ITEM 1. LEGAL PROCEEDINGS.

We are not aware of any material pending or threatened litigation or of any proceedings known to be contemplated by governmental authorities that are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole that was not disclosed in the Company's Form 10-K for the year ended December 31, 2019, or in this Form 10-Q for the quarter ended June 30, 2020.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2019.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURE.

The mine safety disclosures required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K are included in Exhibit 95.1 of this Quarterly Report, which is incorporated by reference into this Item 4.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibits

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Articles of Continuance dated September 2, 2005 (1)
3.2	Articles of Amendment dated May 26, 2006 (2)
3.3	Bylaws (3)
4.1	The Amended and Restated Convertible Debenture Indenture dated August 4, 2016 between Energy Fuels Inc., BNY Trust Company of Canada and the Bank of New York Mellon providing for the issuance of debentures (4)
4.2	Shareholder Rights Plan between Energy Fuels Inc. and CIBC Mellon Trust Company dated February 3, 2009 (5)
4.3	Warrant Indenture between Energy Fuels Inc. and CST Trust Co. providing for the issue of common share purchase warrants dated March 14, 2016 (6)
4.4	First Supplemental Indenture among Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated April 14, 2016 (7)
4.5	Warrant Indenture between Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated September 20, 2016 (8)
4.6	Energy Fuels Inc. Omnibus Compensation Plan dated January 28, 2015 (9)
4.7	Amended and Restated Shareholder Rights Plan Agreement between Energy Fuels Inc. and AST Trust Company, dated March 29, 2018 and effective as of May 30, 2018 by shareholder vote (10)
4.8	2018 Omnibus Equity Incentive Compensation Plan, as amended and restated as of March 29, 2018 (11)
10.1	Sales Agreement by and among Energy Fuels Inc., Cantor Fitzgerald & Co., H.C. Wainwright & Co., LLC and Roth Capital Partners, LLC, dated May 6, 2019 (12)
10.2	Employment Agreement by and between Energy Fuels Inc. and Mark Chalmers dated March 28, 2019 (13)
10.3	Employment Agreement by and between Energy Fuels Inc. and David C. Frydenlund dated March 28, 2019 (14)
10.4	Employment Agreement by and between Energy Fuels Inc. and W. Paul Goranson dated March 28, 2019 (15)
10.5	Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated March 29, 2018 and effective October 1, 2017 (16)
10.6	October 2018 Amended and Restated Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated October 1, 2018 (17)
10.7	October 2019 Second Extension to Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated October 1, 2019 (18)
23.1	Consent of Mark S. Chalmers
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)) under the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mine Safety Disclosure
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension – Schema
101.CAL	XBRL Taxonomy Extension – Calculations
101.DEF	XBRL Taxonomy Extension – Definitions
101.LAB	XBRL Taxonomy Extension – Labels
101.PRE	XBRL Taxonomy Extension – Presentations

(1) Incorporated by reference to Exhibit 3.1 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(2) Incorporated by reference to Exhibit 3.2 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(3) Incorporated by reference to Exhibit 3.3 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(4) Incorporated by reference to Exhibit 4.1 of Energy Fuels' Form 10-Q filed with the SEC on August 5, 2016.
(5) Incorporated by reference to Exhibit 10.9 to Energy Fuels' Form F-4 filed on May 8, 2015.
(6) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on March 14, 2016.
(7) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on April 20, 2016.
(8) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on September 20, 2016.
(9) Incorporated by reference to Exhibit 4.12 to Energy Fuels' Form S-8 filed on June 24, 2015.
(10) Incorporated by reference to Schedule B to Energy Fuels' Schedule 14A filed on April 11, 2018.
(11) Incorporated by reference to Schedule C to Energy Fuels' Schedule 14A filed on April 11, 2018.
(12) Incorporated by reference to Exhibit 10.1 to Energy Fuels' Form 10-Q filed with the SEC on August 5, 2019.
(13) Incorporated by reference to Exhibit 10.3 to Energy Fuels' Form 10-Q filed with the SEC on May 8, 2019.
(14) Incorporated by reference to Exhibit 10.4 to Energy Fuels' Form 10-Q filed with the SEC on May 8, 2019.
(15) Incorporated by reference to Exhibit 10.5 to Energy Fuels' Form 10-Q filed with the SEC on May 8, 2019.
(16) Incorporated by reference to Exhibit 1.1 to Energy Fuels' Form 8-K filed on April 3, 2018.
(17) Incorporated by reference to Exhibit 14.16 to Energy Fuels' Form 10-Q filed with the SEC on November 5, 2018.
(18) Incorporated by reference to Exhibit 10.10 to Energy Fuels' Form 10-K filed with the SEC on March 17, 2020.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the *Securities Exchange Act of 1934*, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ENERGY FUELS INC.
(Registrant)

Dated: July 31, 2020	By:	/s/ Mark S. Chalmers
		Mark S. Chalmers
		President & Chief Executive Officer
Dated: July 31, 2020	By:	/s/ David C. Frydenlund
		David C. Frydenlund
		Chief Financial Officer

EXHIBIT 23.1

CONSENT OF MARK S. CHALMERS

I consent to the inclusion in the Quarterly Report on Form 10-Q of Energy Fuels Inc. (the "Company") for the quarter ended June 30, 2020 (the "Quarterly Report") of technical disclosure regarding the properties of the Company, including sampling, analytical and test data underlying such disclosure (the "Technical Information") and of references to my name with respect to the Technical Information being filed with the United States Securities and Exchange Commission (the "SEC") under cover of Form 10-Q.

I also consent to the filing of this consent under cover of Form 10-Q with the SEC and of the incorporation by reference of this consent and the Technical Information into the Company's Registration Statements on Form S-3 (File Nos. 333-228158 and 333-226878), as amended, and into the Company's Registration Statements on Form S-8 (Nos. 333-217098, 333-205182, 333-194900 and 333-226654), and any amendments thereto, filed with the SEC.

/s/ Mark S. Chalmers
Name: Mark S. Chalmers
Title: President and Chief Executive Officer,
Energy Fuels Inc.

Date: July 31, 2020

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, Mark S. Chalmers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2020

/s/ Mark S. Chalmers
Mark S. Chalmers
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, David C. Frydenlund, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2020

/s/ David C. Frydenlund

David C. Frydenlund
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark S. Chalmers, President and Chief Executive Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark S. Chalmers
Mark S. Chalmers
President and Chief Executive Officer
(Principal Executive Officer)

Date: July 31, 2020

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Frydenlund, Chief Financial Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David C. Frydenlund

David C. Frydenlund
Chief Financial Officer
(Principal Financial Officer)

Date: July 31, 2020

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 95.1

Mine Safety Disclosure

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States, and that is subject to regulation by the Federal Mine Safety and Health Administration under the Mine Safety and Health Act of 1977 ("**Mine Safety Act**"), are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities.

The following table sets out the information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd Frank Wall Street Reform and Consumer Protection Act for the period April 1, 2020 through June 30, 2020 covered by this report:

Property	Section 104(a) S&S Citations[2] (#)	Section 104(b) Orders[3] (#)	Section 104(d) Citations and Orders[4] (#)	Section 110(b) (2) Violations[5] (#)	Section 107(a) Orders[6] (#)	Total Dollar Value of MSHA Assess-ments Proposed[7] ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations or Potential Thereof Under Section 104(e)[8] (yes/no)	Legal Actions Pending as of Last Day of Period[9] (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Arizona 1	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Beaver/ La Sal[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Canyon	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Daneros[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Energy Queen[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Pandora[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Rim[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Tony M[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil
Whirlwind[1]	Nil	Nil	Nil	Nil	Nil	$0.00	Nil	No	Nil	Nil	Nil

1. The Company's Arizona 1 Mine, Canyon Mine, Daneros Project, Energy Queen Property, Rim Project, Tony M Property, Whirlwind Project, Beaver/La Sal Property and Pandora Property were each on standby and were not mined during the period.
2. Citations and Orders are issued under Section 104 of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 814) ("**MSHA**") for violations of MSHA or any mandatory health or safety standard, rule, order or regulation promulgated under MSHA. A Section 104(a) "Significant and Substantial" or "S&S" citation is considered more severe than a non-S&S citation and generally is issued in a situation where the conditions created by the violation do not cause imminent danger, but the violation is of such a nature as could significantly and substantially contribute to the cause and effect of a mine safety or health hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.
3. A Section 104(b) withdrawal order is issued if, upon a follow up inspection, an MSHA inspector finds that a violation has not been abated within the period of time as originally fixed in the violation and determines that the period of time for the abatement should not be extended. Under a withdrawal order, all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area of the mine until the inspector determines that the violation has been abated.
4. A citation is issued under Section 104(d) where there is an S&S violation and the inspector finds the violation to be caused by an unwarrantable failure of the operator to comply with a mandatory health or safety standard. Unwarrantable failure is a special negligence finding that is made by an MSHA inspector and that focuses on the operator's conduct. If during the same inspection or any subsequent inspection of the mine within 90 days after issuance of the citation, the MSHA inspector finds another violation caused by an unwarrantable failure of the operator to comply, a withdrawal order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.
5. A flagrant violation under Section 110(b)(2) is a violation that results from a reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonable could have been expected to cause, death or serious bodily injury.
6. An imminent danger order under Section 107(a) is issued when an MSHA inspector finds that an imminent danger exists in a mine. An imminent danger is the existence of any condition or practice which could reasonably be expected to cause death or

serious physical harm before such condition or practice can be abated. Under an imminent danger order, all persons, other than those required to abate the condition or practice and certain others, are required to be withdrawn from and are prohibited from entering the affected area until the inspector determines that such imminent danger and the conditions or practices which caused the imminent danger no longer exist.

7. These dollar amounts include the total amount of all proposed assessments under MSHA relating to any type of violation during the period, including proposed assessments for non-S&S citations that are not specifically identified in this exhibit, regardless of whether the Company has challenged or appealed the assessment.
8. A Notice is given under Section 104(e) if an operator has a pattern of S&S violations. If upon any inspection of the mine within 90 days after issuance of the notice, or at any time after a withdrawal notice has been given under Section 104(e), an MSHA inspector finds another S&S violation, an order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.
9. There were no legal actions pending before the Federal Mine Safety and Health Review Commission as of the last day of the period covered by this report. In addition, there were no pending actions that are (a) contests of citations and orders referenced in Subpart B of 29 CFR Part 2700; (b) complaints for compensation referenced in subpart D of 29 CFR Part 2700; (c) complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700; (d) applications for temporary relief referenced in Subpart F of 29 CFR Part 2700; or (e) appeals of judges' decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of 29 CFR Part 2700.