THE National Investor

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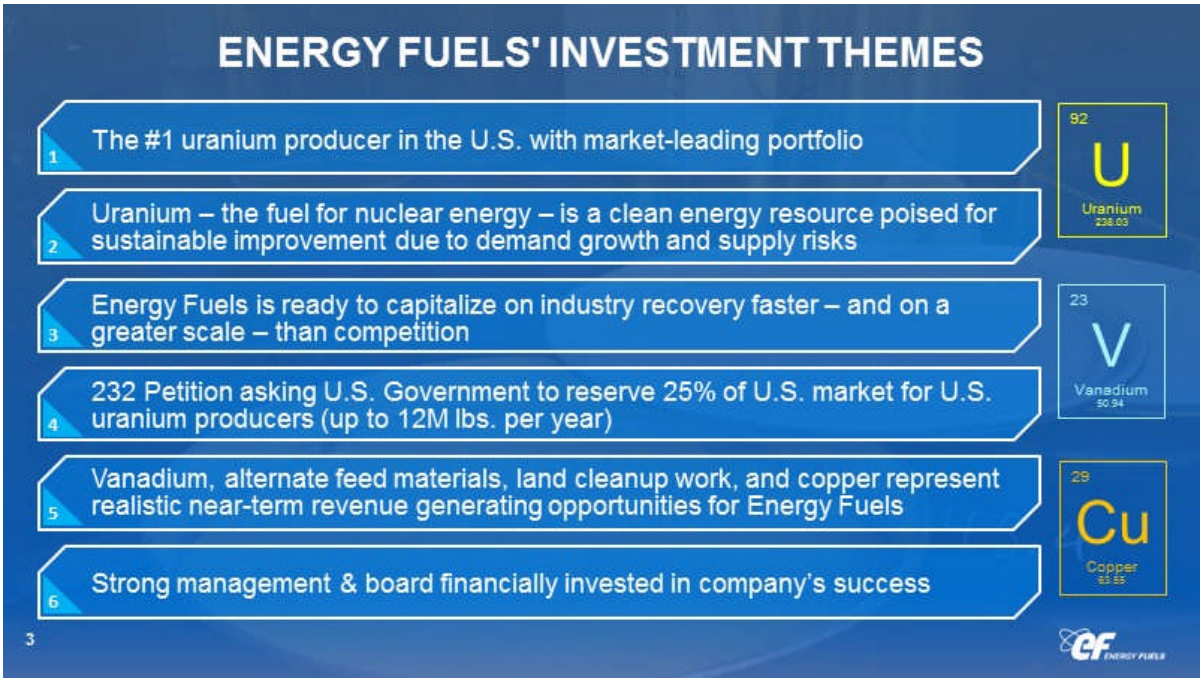
Special Report...Spring, 2018

Energy Fuels, Inc. (TSX-EFR; NYSE Arca-UUUU)



HIGHLIGHTS:

*** Experts believe that the uranium price--depressed since the Fukushima-Daiichi accident back in 2011--will soon move *substantially* higher as long-term demand for fuel from a *globally*-growing nuclear energy sector begins to overwhelm diminishing supply.**

*** It is the *extraordinary* growth slated for many emerging nations--led by China and India--together with modernized reactor technology that is going to lead to what I have termed a coming "Rip Your Face Off Rally" for uranium.**

***Well-capitalized Energy Fuels is BEST situated to benefit from a resumption of healthier U.S. production, and is by far *best-leveraged to a rise in uranium prices*.**

About the Editor -- Chris Temple

Yours truly, at a recent investor conference

First, I would like to thank you, on my behalf as well as on behalf of the management of Energy Fuels, Inc., for your interest in this Special Issue of *The National Investor.*

Before I explain for you my reasons for having Energy Fuels as a recommended opportunity for my Members for a while now, I want to tell you a little about myself...what makes me "tick"...and what else you can expect from our web site and service.

By the time I was a mere 20 years old, I was establishing myself as a financial planner, having already started working with a local firm in my home town of Binghamton, New York. Among other things, I became licensed as a General Securities Principal of our firm's brokerage arm, supervising operational activities.

Already becoming successful as both a manager and financial advisor, I was nevertheless quite unprepared for some of the massive market shifts of the early 1980's. Successful strategies that had helped our clients reap huge rewards during the inflationary times of the late 1970's particularly were turned upside down as interest rates skyrocketed and many previously-hot assets CRASHED.

What STUNNED me was the fact that -- though we can look back now at that change in Federal Reserve policy under then-Chairman Paul Volcker as one of the most abrupt in the central bank's century in existence -- NOBODY saw fit to do anything but continue to sell the same investment products. *As with virtually everyone in the financial industry, you see, I had been trained in selling financial products and generating commissions; not on truly understanding the economy and markets.*

This experience first taught me that I needed to understand what I have since come to call "The Game" of our system and how it and related factors create *often-foreseeable* swings in markets and asset classes. And it is this knowledge, together with specific, actionable strategies and investment recommendations, that I make available to my Members on an ongoing basis. (NOTE: An archived version of my signature essay on all this, entitled *Understanding the Game,* can be accessed with a LOT of related content to enhance your knowledge on my web site, at https://nationalinvestor.com/)

With this foundation, I am happy to tell you that *The National Investor* has become recognized as a leading source of credible, understandable information, commentary and investment strategies for individual investors. Often times, our performance has had us at the very top of the rankings put out by the well-known *Hulbert Financial Digest*, which covered us since 2000, among numerous other well-known advisories.

Further, our careful research on individual companies such as Energy Fuels -- many "off the radar" of Wall Street -- has resulted in a great many winners for our Members as well, and earned *The National Investor* accolades as one of the best "stock picking" services in existence !

In addition to spending some time at *The National Investor* web site, you can follow me:

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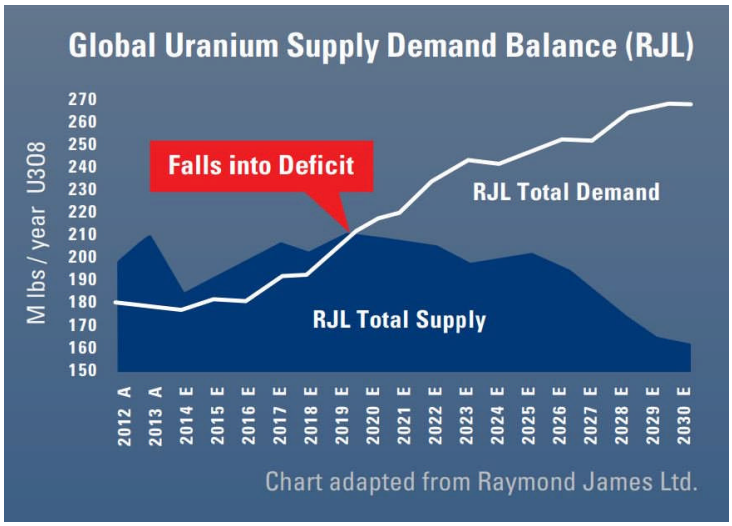
* On Facebook at https://www.facebook.com/TheNationalInvestor/

Internet web site: **http://www.energyfuels.com/**

Follow Energy Fuels on Twitter, at: **https://twitter.com/Energy_Fuels (@Energy_Fuels)**

INTRODUCTION -- BROAD OVERVIEW



Those who have long followed *The National Investor* know that I typically first identify a "macro" or sector theme that I think will have some traction; and then I look at a company(ies) I feel have the best ability to capitalize . . . and make investors like YOU money!

In this report I am going to do both and share some of what I already have with my Members on **the uranium space** generally. . .and on **Energy Fuels, Inc.** specifically. I first want to discuss the reasons for my belief that the uranium price--in the doldrums *still* at the end of a multi-year bear market--appears set to *explode* higher before much longer.

Many of you know that commodities of most kinds go through price cycles over time. First, too much production made possible by *high* prices and excitement for the future lead to a surplus. That oversupply causes the price to come right back down. Too much of, say, crude oil (as we saw when the price of that commodity plunged below $30/barrel in early 2016) then causes events that lead to excess supply being "mopped up." Eventually things "right" themselves; as we have seen with oil, production cut backs (by O.P.E.C. and others chiefly) as well as healthy demand have combined to bring the crude oil price back to some equilibrium, more than double its 2016 low as of this writing.

The same cycle has been playing out with the uranium market; one only a fraction of people--*even investors*--has been following. As I see things, the uranium price at a recent "spot" marker of about $21/pound is every bit as beaten down as was crude oil back at $26/barrel. But unlike oil--which, frankly, I see as vulnerable anew--uranium's coming bullish move is *almost guaranteed* as soaring demand overwhelms diminished supplies of available uranium.

THE BEARISH SET-UP

As you likely remember, the seven year-long implosion of the uranium price was chiefly instigated by the inundation and failure of Japan's Fukushima-Daiichi nuclear power plant in early 2011 (at right, you see International Atomic Energy Agency personnel inspecting the shuttered facility in 2013.) This older facility, *which was slated to be decommissioned*, suffered a catastrophic meltdown **when backup power--*not* the reactors--failed**. Yet this and numerous other facts were minimized as many rushed anew to condemn *all* nuclear power/power plants as unsafe.

Even as much of the developing world continued forward (after some "reviews" in a few cases to mollify critics) with numerous multi-*decade* nuclear energy build-outs (MORE on this later!!), *developed* nations acted as if the nuclear energy industry had been dealt a mortal blow. Always wanting to remain fashionable and politically correct with certain constituencies, many politicians were sounding the death knell for the industry. Japan shut down its *entire* nuclear industry for a while. Germany announced plans to become nuclear power-free. France (which more than any other developed nation is reliant on nuclear energy, with fully 75% of its overall needs met thereby) said it would start to wean itself in favor of other sources. And on it went.

Chiefly due to Japan--a major uranium consumer--going so completely and abruptly off line for a while, **the uranium price began to erode**. As time went on and Japan was moving at a painfully slow rate to the place, now, where it has *finally* started to bring some reactors on line, it 1. in the case of some utilities, suspended contracts to buy uranium fuel and 2. even *sold* what had become unneeded uranium onto the spot market. This took things from bad to worse for the uranium price (not to mention for *uranium miners*!)

Worse still, there had been the years-long, steady bleeding into the market of uranium from decommissioned weapons, etc.; mostly from Russia, but from the U.S. Department of Energy as well. All this, too, caused a greater saturation of the market and even lower prices for uranium (at a few points in the last 18 months or so pushing the spot price to *below* $20/pound; this in stark contrast with a break-even price for most production nearer to *double* that amount!)

Just as was the case with oil in 2015-2016, it was this oversupply that killed the uranium price. Demand did not falter all that much, as you can see on the chart on the previous page. Indeed, it is *accelerating*; and at the same time that there will now be insufficient supply to meet utilities' needs.

REALITY CHECK!

As in so many other areas, starry-eyed idealism on the part of politicians (often in cow-towing to the equally idealistic but often *unrealistic* "green" lobby) has **run into *reality* where nuclear power generation is concerned.** What for a while was the politically fashionable promise to cut nuclear power capacity/reliance has run into the reality of both economics and worsening pollution problems.

Unlike coal and even relatively cleaner (compared to coal, anyway) natural gas, nuclear power emits NO greenhouse gases and is in fact **the cleanest mass-produced and reliable energy source there is**. Japan has ever-so-slowly re-started its idled reactors in recognition of this; and specifically since--for them in particular--the cost to import natural gas is among the highest paid by any nation. Even with the surplus in the world for now of gas--and LNG as well--it is still more cost-effective given the existing generation capacity for Japan to restart and run its nuclear reactors.

On second thought…

France recently *reversed* its previous claim that it would cut back, realizing that it especially has an advantage over other nations in deriving three-fourths of its overall power from nuclear energy (unlike the case with other nations--especially China and India--when have you read about a utility and industry-caused air pollution crisis in *France*?) Indeed, being re-embraced by France, Britain (which plans to build new reactors) and others is the reality that nuclear power generation is itself the most "green" of ANY major, *uninterrupted* source that runs power grids. France's Environment Minister Nicolas Hulot (right), in postponing the 2025 target to reduce France's reliance on nuclear energy admitted it "will be difficult to keep to the 2025 calendar without relaunching energy from fossil fuels." Notably, where Britain's planned Hinckley Point nuclear project in Somerset is concerned, environmental groups have been publicly supportive, likewise viewing nuclear power as the "least bad" of the mass alternatives.

Even here in the United States of America, the will exists to--as best as possible--keep many a nuclear plant operational, rather than shutting them down. In states such as Illinois, Connecticut, New York and--most recently--New Jersey, there has been public support to protect *past* substantial investments in nuclear plants and keep them open.

MASSIVE PRODUCTION CUTS -- A SHOT ACROSS THE BOW, THEIR OWN REALITY CHECK. . .AND A "BELL" RINGING THE END OF THE BEAR MARKET?

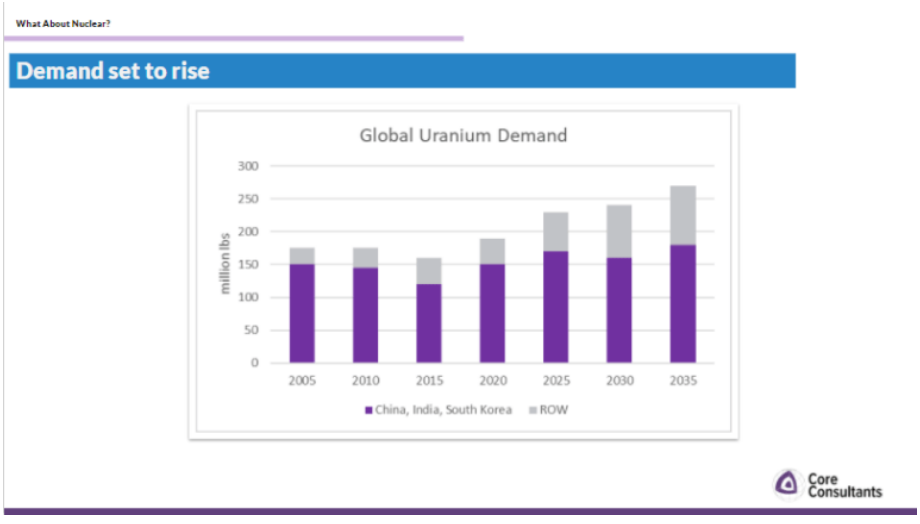
Much as it took the concerted and (for a change!) effective action of both O.P.E.C. and major non-O.P.E.C. producers to cut production in order to reverse an unwanted and unrealistic low oil price, so too have two of the highest-profile producers of uranium on the planet moved recently to *substantially* cut production. More than this--especially in the case of Canadian uranium giant Cameco--they have made clear to utility customers that they do not intend to *give away* their product in the future at below cost.

* Kazatamprom, uranium-rich Kazakhstan's state uranium producer, pledged to reduce its annualized production last year by some five million pounds, or cumulatively, about 20% (on top of cuts back in 2016) of its overall world-leading production level (according to the World Nuclear Association, in 2016 the country produced just shy of 25 million pounds.) Similarly to the dynamic where Saudi Aramco and the crude oil price are concerned, **Kazatomprom intends to do a public offering of some shares before long in an effort to bring some public market money into the company**. It has no intention of doing so in a still-weak pricing market; and it clearly has additional room to cut to get its message across--and the spot price higher--if it sees fit..

* Likewise, Cameco Corp.--the big fish among producers in Canada, the globe's second-largest uranium producer--announced a short while ago that it was suspending production at its McArthur River mine. Further, its Key Lake property is reducing output by 20% over the next three years. And the company's management strongly suggested that--as painful as it may be short-term--it stands ready to take even more production off the market to 1. shore up the price of uranium to something closer to the realistic cost of production again and 2. make clear to utility customers that neither it nor anyone else wishes to basically *give away* their product.

Discussing his company's production cutting moves and ongoing strategy last year, Cameco's C.E.O. Tim Gitzel said, in part (on a company conference call), "Our strategy remains to curtail higher-cost production and focus on our best margin assets. We've consistently acknowledged the near-to-medium term challenges on both the demand and supply side. We are cautiously optimistic, however, *because today's uranium price is too low to incentivize the investment required to ensure that adequate uranium production is in the market.*" (*Emphasis* added.)

What is happening here is that utilities--many of whom have long-term uranium supply contracts coming due before much longer--are hopeful of tying up years more of supplies at something close to the current spot price. **That is unrealistic on a few counts**. In the first place, the "spot" price is a bit of a misnomer anyway; it is more a measure of "fringe" transactions of physical uranium for stop gap or (interestingly, as time goes on) speculative purposes. By and large, a price is set for several years' duration between a producer (mining company) and consumer (utility); *most of them in existence now have a price of either side of $50/pound as their contract price*.

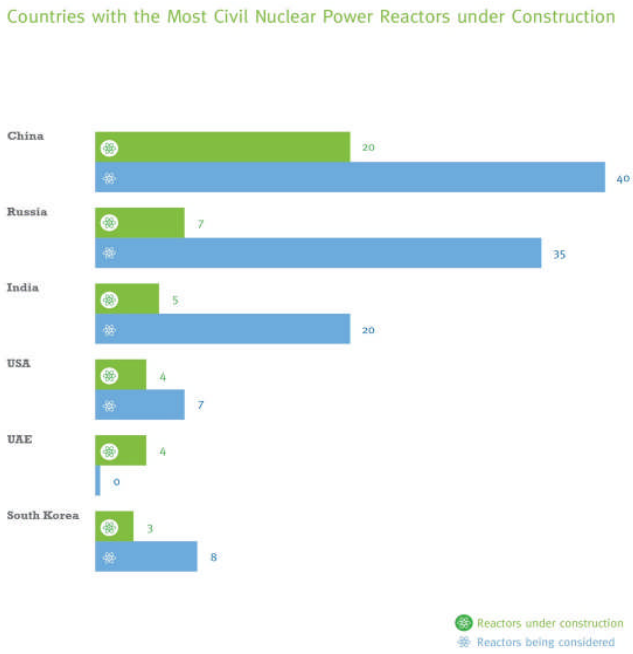


But now, utility customers who sooner rather than later need to tie up more supply are playing a game of "chicken" with uranium producers as fundamentals are shifting back in favor of the latter. Even low-cost producers like Kazatamprom and Cameco with their large, uber-rich mines have thrown down the gauntlet and made clear they will *eat* their production before selling more of it below cost. And this doesn't

figure in the added production from other/broader sources that will be needed as time goes on to feed the rapidly-growing demand for uranium from present and planned reactors *the world over*.

THE DEVELOPING WORLD…AND NEW TECHNOLOGY

Indeed--though the developed world and its existing (and increasingly antiquated, in the case of America especially) nuclear energy industries are unlikely to move the needle very much, it is in the developing world that the nuclear power industry is EXPLODING. Indeed, according to one industry source, in the East especially uncontracted uranium demand is set to SOAR; from a reported 4.1 million pounds last year to *over 50 million pounds* around 2020. As you see from the chart at right, China, Russia and India are leading the way.



This is one of the more remarkable things about the latest ugly bear market for uranium; that long-term demand for the fuel *has been rising and will only be accelerating*, even as the price has continued to fall. As Energy Fuels' own Vice President for Corporate Development Curtis Moore explained in an excellent industry presentation not long ago that I attended, *this has never happened before*. And it strengthens the belief that many of us have that--once the market begins to rebalance itself as utilities present and future scramble for what are now greatly diminished available supplies--the rebound in the price of uranium may well be *violent*.

While a big part of the debate in the U.S. has been of the enormous cost for the average nuclear power plant (based, in part, on near-archaic technology and engineering) elsewhere, State of the art, cheaper and more efficient reactors are being built by the "Big Three" leading the charge: Russia, China and now Argentina. Russia is especially helping India with its own aggressive build-out of future nuclear power capacity; at left, Russian President Putin and India's Prime Minister Modi mark their deal.

Almost everywhere you look, just about everyone *but* the U.S. and Europe are increasingly looking to a future where clean, no-emission nuclear energy is an increasing part of overall public power supplies. In the cases of

India and China especially, **reducing dangerous air pollution caused by coal and other fuel sources is a pressing need and policy objective**. Those two countries have taken turns having the dubious distinction of having the most polluted cities in the world. And they--and others--know that nuclear power *must* be a larger part of their overall mix to ameliorate this public health hazard.

China is especially astonishing to watch in this surge in the East for nuclear power. While a former leader such as the U.S.A. has allowed its nuclear industry to slide into embarrassing disrepair (more on this below) China is rivaling Russia as the "one stop shop" of the world for the future; encompassing pretty much everything along the supply chain. A comprehensive look at this from the World Nuclear Association can be read at http://www.world-nuclear.org/information-library/country-profiles/countries-a-f/china-nuclear-power.aspx.

While investors of all kinds have largely yawned through this sector's doldrums for several years now, not everyone has been asleep. Indeed, it was *breathtaking* back in mid-2015 to see the off-the-charts demand for the I.P.O. of China National Nuclear Power Company, that country's second largest atomic power operator. Months before the offering, China Nuclear said it was looking to raise about $2.2 billion. But as you can read at https://www.smh.com.au/business/chinas-ipo-frenzy-lures-353b-to-china-national-nuclear-power-co-stock-offering-20150604-ghgu4r.html, **bids totaling a staggering $353 billion came in from those wanting a piece of the future nuclear energy industry**.

What China isn't working on, Russia is. Owning perhaps THE most advanced reactor technology on Earth it has--besides India and even cooperation with China--been signing deals with the likes of Turkey, Saudi Arabia, Bangladesh, Egypt and others. You can learn more about Russia's big national nuclear company Rosatom at http://www.rosatom.ru/

THE U.S.A. HAS FALLEN BADLY BEHIND. . .BUT MAY NOW TRIGGER A BULLISH MOVE

What planet does Pence live on?

Last June, in remarks to the U.S.-India Business Council, Vice President Mike Pence suggested the Trump Administration would like to be of help to India's fast-growing economy and its biggest population on the planet by having U.S. companies help with their energy needs, *including nuclear power technology*. To be sure, American companies and know-how could well supply India with such things as LNG and some refined petroleum products. But unless India wants the equivalent of a horse and buggy for its people who want cars, it will probably pass on the rest!

Indeed, while Americans can in some ways be proud of the way in which the country has become more of a power house and exporter where crude oil, natural gas and their ancillary products are concerned, **America's *nuclear energy* industry is a disgrace in comparison**. While China Nuclear, Rosatom and Argentina's state company (with Russian help) now lead the world, the U.S.' best-known

company when it comes to reactor technology and construction--Westinghouse--is *going through bankruptcy protection*; and after having left several prospective or in-construction new reactors in the U.S. in limbo.

This is in contrast to even a country such as Argentina which--as stated above--is coming on as well in nuclear reactor technology. An interesting discussion about that--and other aspects of the industry--was had at a recent resource industry conference by Dr. Richard Spencer, President and C.O.O. of U308 Corporation; see https://www.youtube.com/watch?time_continue=2&v=_rWxLXmPdc0 for this *very* eye-opening discussion. And for a broader-still look at Argentina and its ascendance, go to http://www.world-nuclear.org/information-library/country-profiles/countries-a-f/argentina.aspx.

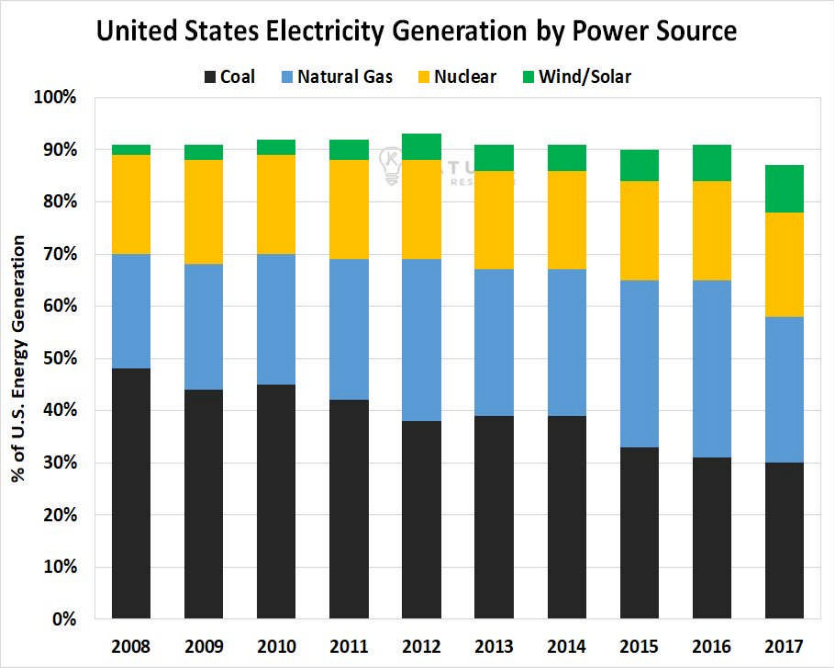
For the U.S.A., its abdication and lack of even any "maintenance" of its nuclear industry in the recent past has brought **both strategic and economic risks**. Whether in wars of a military or economic nature, when one side effectively surrenders, the other is going to fill the void. And that has been the case where countries such as Russia in particular have been making long-term energy allies out of many countries, *including some that are ostensibly American allies otherwise*.

Perhaps no single deal has tilted the balance of power in Russia's favor more than its deal last December with Turkey. At right you will see, among others, Alexey Likhachov, Rosatom's Director General (center at podium) with Turkey's First Deputy Minister of Energy and Natural resources, Fatih Donmez (right.) They were hailing the announced construction of the new Akkuyu nuclear power plant; an inaugural facility billed as just the beginning of "a 100-year collaboration" between Russia and Turkey.

Unless you've paid no attention to the recent news on everything from European Union squabbles. . .to Syria and Iraq. . .to refugee transit areas, Turkey has re-emerged as a KEY "swing" country militarily and strategically. Between the U.S. and the European Union (the latter which has had overtures on and off the table for years to make it part of Europe in one fashion or another) alternately pushing Turkey away, that country has fallen back more into an "Eastern" mind set; and Russia is capitalizing on that.

Further, as President Donald Trump retreats from his more sober, realistic assessment of the limits on U.S. adventurism abroad and is won over by the "chicken hawks" and war-hungry neoconservatives in Washington, the risk is that America's dependence on Russian-influenced uranium--necessary to supply the majority of our utilities--may come back to bite us.

While roughly 20% of America's overall power grid is supplied by nuclear power, some 97% of the uranium used to fuel those reactors comes from outside the U.S. *despite the mothballed resources and production capacity here*. And the majority of *that* uranium comes from what we might call Russia's orbit. Russia has already threatened--if relations with the U.S. and what it feels are unwarranted provocations and bad blood in many areas persist or worsen--to look at withholding from



the U.S. key industrial materials, *including uranium*; (check out one especially sobering analysis of this at https://investorintel.com/market-analysis/market-analysis-intel/russia-may-restrict-supplies-key-industrial-materials-us/) In any event--and again, thanks in large part to those who run U.S. foreign policy and the political establishment preferring Russia as an enemy--it seems inevitable that uranium from that part of the world will increasingly stay there to feed the growing demand on the immediate horizon. *Either way, America's ability to supply the fuel for one-fifth of our power grid isn't hanging by very much!*

As usual, this looming problem is one the average American doesn't understand--if at all--beyond the almost circus-like politics. In the case of uranium, whatever problems we have (so the story goes) is because of the "scandal" involving Uranium One and "the theft" by the Russians, abetted by then-Secretary of State Hillary Clinton especially, of 20% of our national stock pile of uranium. Now, I'm one of the last people to defend or support Mrs. Clinton; a candidate so corrupt and phony to even many progressives that she couldn't defeat the *second* worst presidential candidate in recent memory. **But the *Faux (Fox) News* and related story lines on Uranium One are embellished at best**; I spoke to that at https://nationalinvestor.com/1361/clinton-uranium-one-scandal/

Ever so slowly, the Trump Administration has seemed to acknowledge that the nuclear energy sector in the U.S. has not only been made a shambles of, but that in the process we have become extremely vulnerable to a cut-off of uranium from overseas should Russia choose to play that card. Last year the Nuclear Energy Institute was one body hoping to push the debate along and provide a forum for Department of Energy Secretary Rick Perry (right) especially; one of their articles on this should be read at https://www.nei.org/News-Media/News/News-Archives/Trump-Puts-Nuclear-First-on-America-s-Energy-Agend?utm. It quotes Perry as saying that, "One of the things we want to do at DOE is to make nuclear energy cool again."

Perry seems to get things. He decried the fact that not only where uranium production is concerned *but otherwise* we have fallen behind on nuclear energy to countries like China and Russia. "This is a lot bigger than Westinghouse," he added, in reference to that company's financial woes. Basically, he is of the opinion that his department needs to reinvigorate a nuclear power sector right here in America; with U.S. reactor (especially the modern, small-module such as Argentina is focusing on, akin

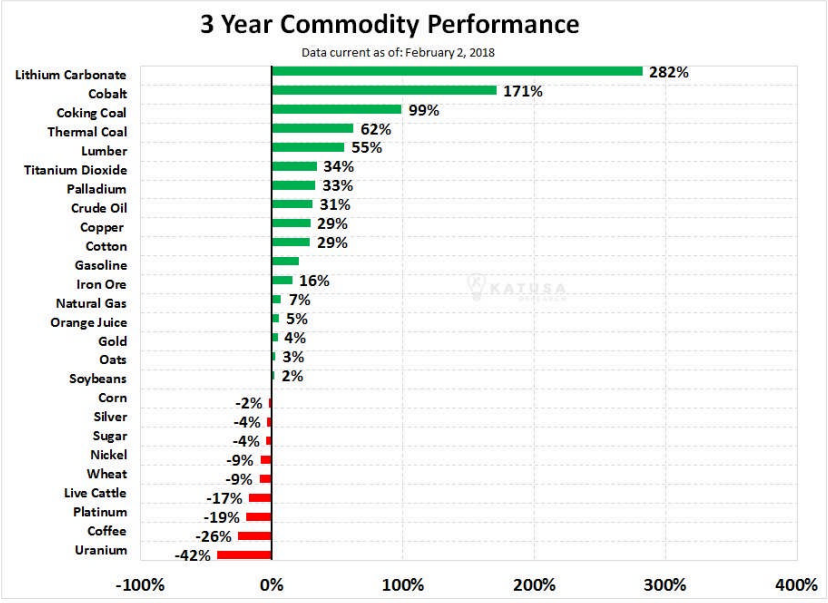
to the size in nuclear submarines) technology and U.S.-sourced uranium a bigger part of the equation again.

Energy Fuels recently--together with fellow U.S.-oriented producer/explorer Ur Energy--formalized in a complaint to the Commerce Department exactly the crisis Perry (and even the president) has acknowledged. Back on January 16, the companies submitted a Petition to the U.S. Department of Commerce for Relief Under Section 232 of the Trade Expansion Act of 1962 (as amended) from Imports of Uranium Products that Threaten National Security. (This is the same law, of course, under which steel and aluminum producers are presently pressing their case; and under which President Trump has already promised tariffs on some imports of those metals.) For Energy Fuels' announcement, see http://www.energyfuels.com/news-pr/energy-fuels-ur-energy-jointly-file-section-232-petition-u-s-commerce-department-investigate-effects-uranium-imports-u-s-national-security/ for all the particulars.

The press has picked up on this potential next significant protection coming from the Trump Administration; one that would be reinvigorating the businesses of Energy Fuels and other companies with U.S.-domiciled uranium resources at the same time it would *mitigate the risk of the supply disruptions to come*. A representative story from *Bloomberg* on this can be viewed at https://www.bloomberg.com/news/articles/2018-03-22/first-solar-then-steel-is-trump-s-next-trade-target-nuclear.

I say "mitigate the risk of the supply disruptions to come" because one way or another they WILL come. Industry-wide and *world*-wide, as you have read earlier, more rapidly-growing generative capacity will overwhelm present diminishing sources of uranium. And arguably more than any other country with a sizeable nuclear component to its power grid, **the U.S.--the world's single-largest uranium consumer, by country**--is most vulnerable as we import 97% of our needs for uranium; uranium for which demand will shortly be dramatically increasing.

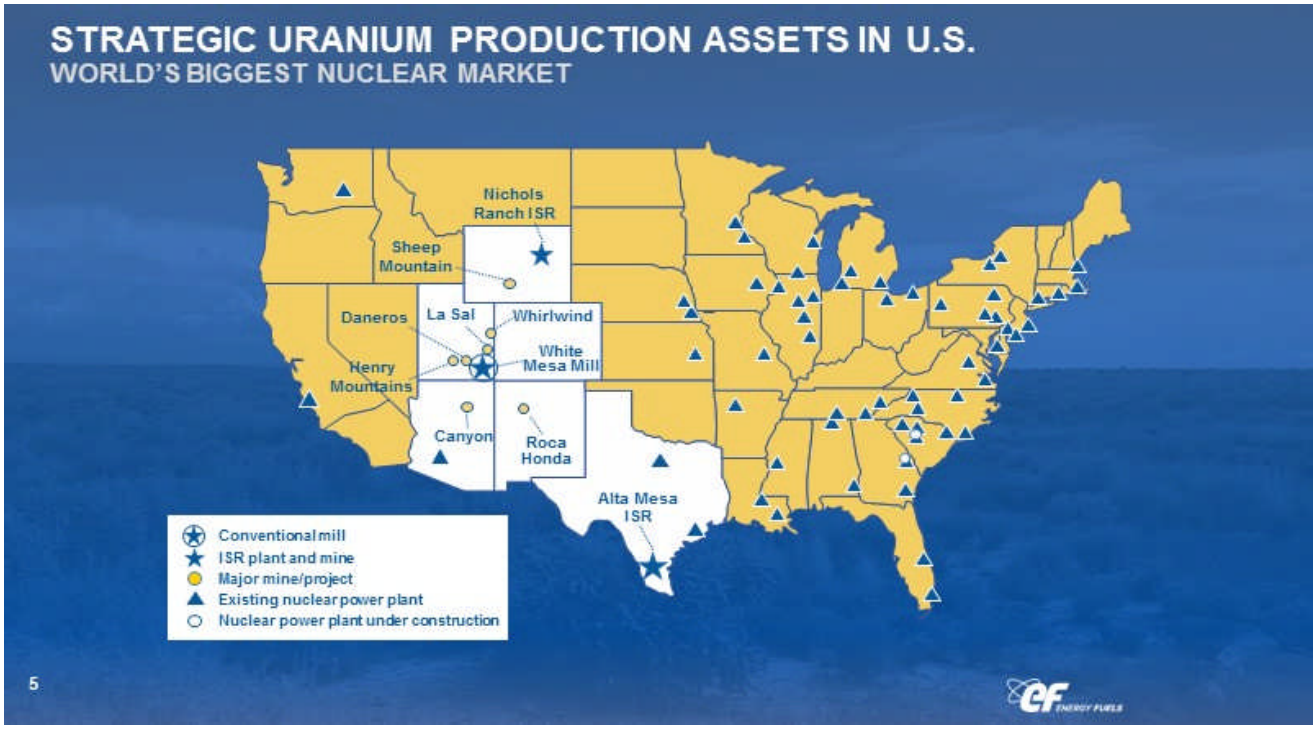
WHY ENERGY FUELS?



As I said early on, a great part of what I do is to find a theme I can embrace and then the company(ies) or trades, as the case may be, to capitalize on them. **And part of finding themes is looking for what is *presently* out of favor, especially if it looks as if there are reasons for that to change.**

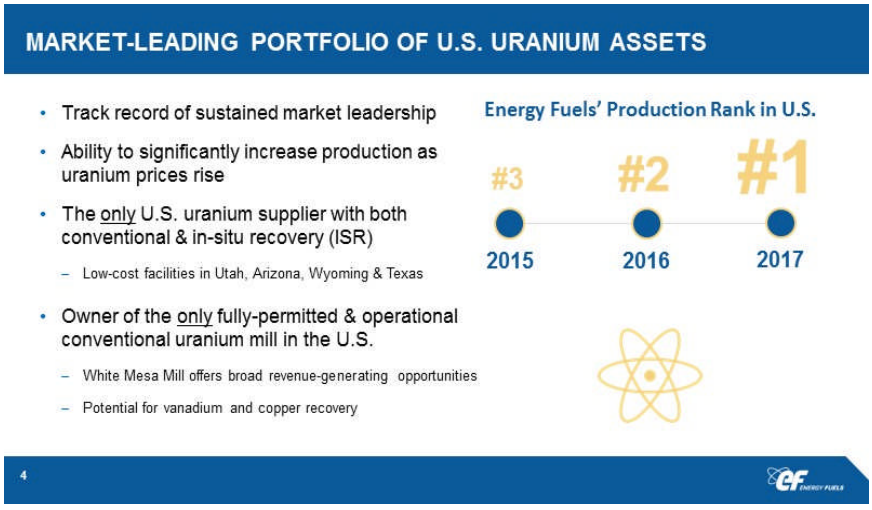
Where uranium is concerned there is no commodity that has been so bloodied in the last several years, save for crude oil which has now recovered a fair bit. As I have made the case above, I see that situation changing--*perhaps dramatically*--before much longer. That,

of course, renders uranium and related companies attractive places to put some of your portfolio generally. And in light of the foregoing, it *especially* suggests that companies with uranium assets and upside potential where exploration, production or both is concerned *in the U.S.* may benefit even more, if what seems an inevitable move in favor of more U.S.-sourced fuel comes about.



Given all that, I know of no other single company with the "optionality" to capitalize on a recovery in the uranium market generally *and for U.S. producers specifically* than Energy Fuels. Though it's officially domiciled in Toronto, Ontario, Canada, its key corporate headquarters is in Lakewood, Colorado. More important, all of its assets--several past, present and/or prospective uranium producers and considerable milling/processing facilities--are all in the United States of America, highlighted on the map above as you see.

I used the term "optionality"; and Energy Fuels has it *in spades*. That term in the context of a resource company essentially means the best leverage--and most dramatic returns--if the value of the underlying commodity were to rise. Similarly to buying an option on, say, a stock or an E.T.F., your profits rise exponentially if you are *really* right.



In 2017, Energy Fuels produced about 650,000 pounds of uranium (of the total U.S.-based production of about 1.5 million pounds.) And said V.P.

Moore in a recent presentation, the company did this, ". . .really, with our foot off the gas." **Its existing resource base, milling capacity and the rest would allow for an increase of *many* times this annualized rate of production; realistically to nearer *three million* pounds with relatively little in the way of expansion and related costs.** Obviously, once the market is back into better balance--let alone if a mad scramble causes even higher prices for uranium than many forecast--Energy Fuels' revenues and earnings would see *dramatic* increases. (NOTE: That comment from Moore cited above specifically came during a *very* comprehensive presentation on the company at March's 30th Anniversary ROTH Conference in California; go to http://wsw.com/webcast/roth32/uuuu/index.aspx for a *far* better overview than I'm qualified to give!)

Part and parcel of Energy Fuels' strength is that it is one of only three companies in the world with *both* conventional and in situ recovery (the other two are Cameco and France-based Areva.) It is the only one in the U.S. so equipped. As you can see on the company's web site, it has not only current production from its in situ resource areas (check out http://www.energyfuels.com/operations/in-situ-operations/ for more details on several such properties, where uranium is recovered *in situ*, without the need to be hauled to a different location and milled conventionally) *but also is already permitted to expand that production once the market recovers*.

More tantalizing to the company's growth prospects--not only from its own conventional (where the uranium is a part of more complex ore and must be conventionally mined and milled) uranium resources but otherwise, is its White Mesa Mill in Southeastern Utah. The only conventional uranium and vanadium mill in the U.S. it, too, has capacity that is not being used in this weak market, but could be; both for Energy Fuels' own uranium ore and that of others'.

But there's more.

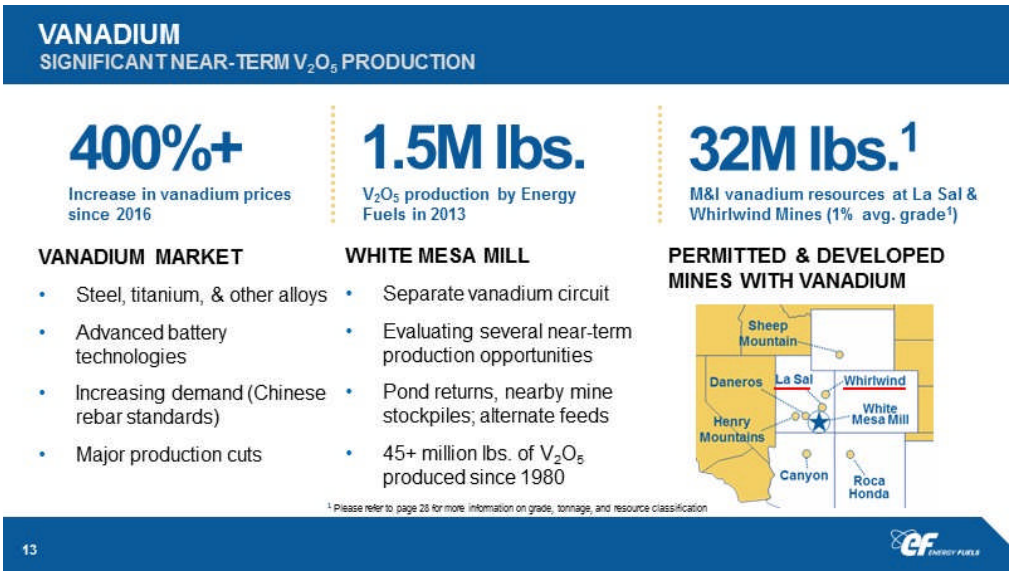
There have been discussions with the U.S. Environmental Protection Agency over the possibility of Energy Fuels "cleaning up" (and recovering uranium in the process) unreclaimed areas of past uranium mining in the Southwestern U.S. The E.P.A. is charged with administering some $2 billion now sitting in trust, the purpose of which is to clean up years-old "dump" material in the Four Corners area. For a long time, the federal government itself was *the* lone customer for a lot of the uranium that was mined there (and elsewhere.) At long last, the Navajo people--and many others, for that matter--want these old areas reclaimed. **Energy Fuels' possible involvement in this positive project is as the owner of the White Mesa Mill; again, the only fully licensed and operating *conventional* uranium mill in the country.**

This discussion with the E.P.A. has been ". . .a big focus of ours here for the last six months," Moore told me when we caught up by phone recently. Given that White Mesa is only operating at a fraction of its full, normal capacity, the E.P.A. could contract with the company to process these old materials on some kind of favorable basis; whether on a flat fee for the tonnage, a fee plus the value of any recoverable uranium, or what have you.

As of this writing, nothing has been signed, sealed and delivered yet. The company's management feels there is a reasonable chance of being "hired" by the E.P.A. in the coming months, however; something which--if it happens--could benefit Energy Fuels likely starting in 2019.

"KICKERS" FROM VANADIUM AND COPPER LATER?

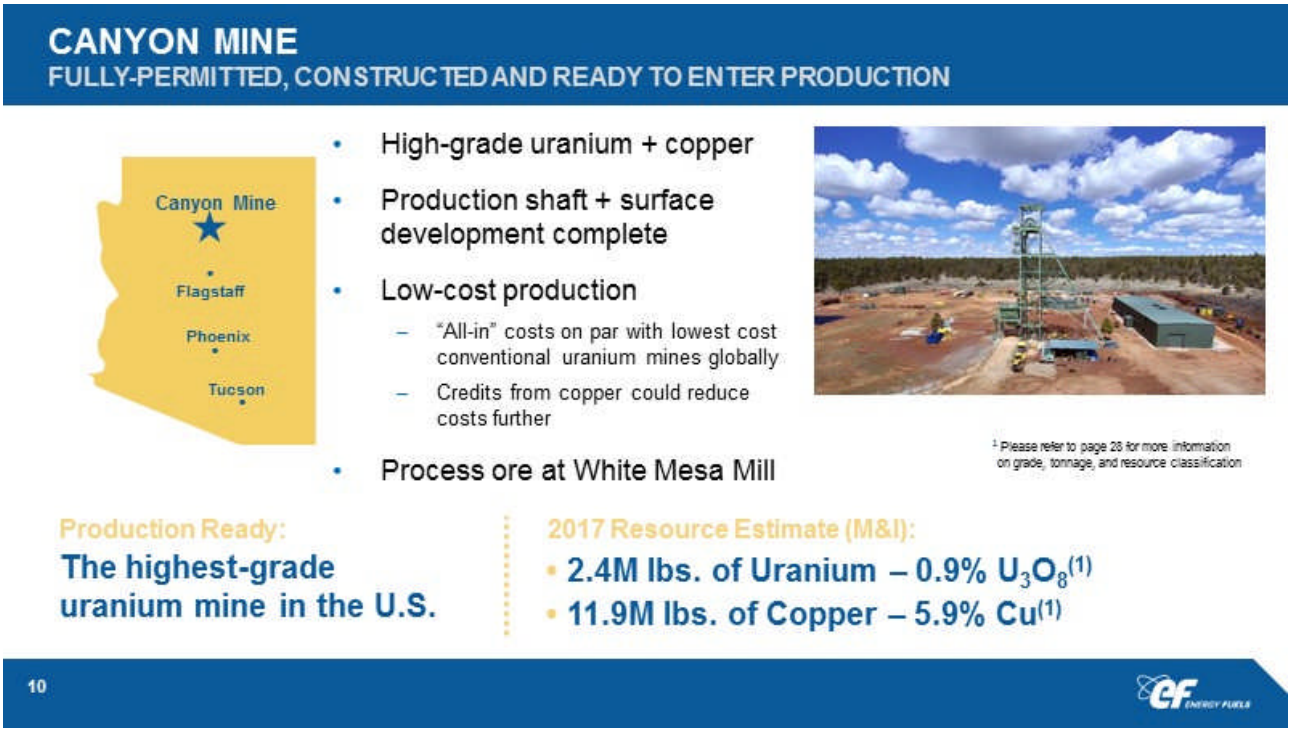
Moore also reminded me recently--and is now telling his various audiences, as that particular market has been on fire--that Energy Fuels also has resources of (and has in the past sold) **vanadium**. In fact, he pointed out, the White Mesa Mill has in the past produced more vanadium (albeit at a lower price) *than even uranium*. And the potential exists for more.



As seems to be happening increasingly these days, advances in technology, metallurgy and more occasionally bring a previously inconsequential metal or mineral to the lime light. Think lithium. . .cobalt. . .graphite. . .and others. *Even tin* recently has been said--in a prestigious study put out by the Massachusetts Institute of Technology--to be the next metal most positively impacted by advances in battery, automobile and alternative energy technologies (perhaps also positively impacting another of my Featured Opportunity companies, all of which you can find--along, of course, with Energy Fuels--at https://nationalinvestor.com/featured-opportunities/)

Given both its modest resources of vanadium and additional exploration upside (and clearly motivated by vanadium's huge price rise of the last couple years!) Energy Fuels may have

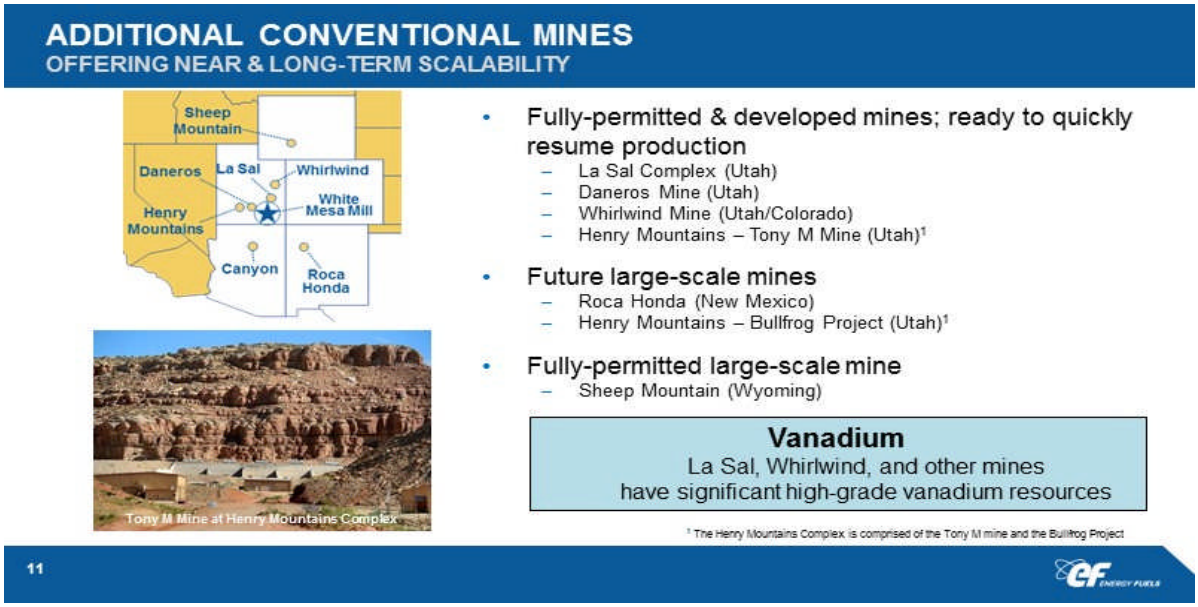
renewed production of this metal on its plate soon. Provided that price surge holds (and that has been brought about by dramatically *lower* production from places like South Africa and China), Moore has told me, ". . .We'd need to get a couple of our standby mines going (LaSal, Whirlwind, Daneros) with minimal capital, but we could theoretically be selling V within a year. So we're definitely following this closely to determine how best to react."



While doing some work at its Canyon Mine in Arizona (the highest-grade uranium mine in the U.S.) a couple years ago, **the company decided to assay for copper; and found astonishingly high grades.** As it wrote after the initial discovery, ". . .now that extensive high-grade copper mineralization has been discovered within the deposit – with exploration results to date *averaging* 8.75% Cu and one intercept hitting 5-feet of 31.69% Cu – the Company is now expanding the scope of the evaluation of the Canyon deposit to analyze recovering copper as a byproduct of uranium recovery, *which has the potential to make the economics of the Canyon Mine even better*." (*Emphasis* added.)

In the latter part of last year, Energy Fuels updated both its uranium resource and the inaugural copper one at Canyon. As you see above, while the updated resource is by no means huge, it is much greater than previously reported, makes the mine far more economic and *still has considerable potential for further expansion.* Virtually all of the updated resource is through and primarily included in what has been dubbed the "Main Zone" as you can see at http://www.energyfuels.com/news-pr/energy-fuels-announces-new-estimate-uranium-copper-resources-canyon-mine/, the press release where the company made the updated resource public.

For present purposes, what had been 1.6 million pounds of uranium identified there are **now 2.4 million pounds.** Further, the majority of this is in an upgraded Measured and Indicated category; all of the smaller resource previously was inferred.



In the copper area the M&I resource is of 12 million pounds *so far*. **What the copper presence does here based on the present picture of pricing and such is to *lower the cost to mine the uranium* by an impressive $5-6 per pound.** This, as V.P. Moore pointed out to me not long after the announcement, will bring Canyon down into the lower tier of cost on an AISC (All-in sustaining cost) basis; and theoretically, will hasten the point at which it will again be economical to have Canyon producing. Meanwhile, the company is doing some metallurgical work on the material, in great part to come up with the best recovery regimen for the copper, and is also looking at mine planning work itself.

Clearly, things are coming together for a multi-faceted rebound in Energy Fuels' businesses. . .its stature. . .and--shareholders hope--its depressed share price.

CONCLUSION; MORE RESOURCES

It is testimony to the management of Energy Fuels--and a sign of the underlying strength of its businesses--that it has been a survivor during perhaps the worst bear market *ever* for uranium. Now, the company is ready for the turnaround; and--as I argue above--in a better place to profit from it than any other uranium producer I know of.

It's important to know that Energy Fuels ended 2017 with $32.4 million in working capital (of which $18.6 million was cash and equivalents) as well as 595,000 pounds of uranium concentrate inventory. Clearly, it not only has a lot of ability still to weather the weak environment until the inevitable turnaround comes, but also is in a place where it can spend a little money where it sees fit.

Not long ago, newly-installed C.E.O. Mark Chalmers issued an early-year Letter to Shareholders; I encourage you to read it at http://www.energyfuels.com/news-pr/energy-fuels-issues-letter-shareholders-3/. Just as important, you can learn more of Chalmers' past experience in the industry--in part, in growing production and assets the world over for several different companies--at http://www.energyfuels.com/corporate/executive-bios/

I hope I have made the case for the uranium market generally that it's but a question of time before supply crunches come that will benefit miners of the nuclear fuel generally, *and U.S.-based ones especially*. And if you agree, I urge you to digest this report--do your own homework as well at Energy Fuels' own site and elsewhere--*and act accordingly*. For as you can see below, there is no company cheaper at its recent market cap/share price (in comparison to its uranium resources) than is Energy Fuels.

ENERGY FUELS' STRONG COMPETETIVE POSITIONING

PROVEN TRACK RECORD OF PRODUCTION & SALES

Positioning in North American Uranium Space – As of February 26, 2018

COMPANY	MARKET CAP (US$MM)[1]	IN-GROUND URANIUM RESOURCES M&I (MM LBS.)[2]	IN-GROUND URANIUM RESOURCES INFERRED (MM LBS.)[2]	MKT. CAP PER LB. M&I (US$MM)	WORKING CAPITAL (US$MM)[3]	FY-2017 U_3O_8 PRODUCTION (MM LBS.)	COMMERCIAL-SCALE PRODUCTION ISR	COMMERCIAL-SCALE PRODUCTION CONVENTIONAL	MULTIPLE SALES CONTRACTS
Cameco	$3,665	902	248	$4.06	$1,363[4]	24.0	✓	✓	✓
NexGen	$721[4]	180	122	$4.00	$138[4]	✗	✗	✗	✗
Denison	$274	67	29	$4.45	$32	✗	✗	✗	✗
Fission	$272[4]	81	27	$3.36	$34[4]	✗	✗	✗	✗
Uranium Energy	$215	54	43	$3.98	$19	✗	✗	✗	✗
Energy Fuels	**$113**	**85**	**50**	**$1.33**	**$32**	**0.6**	✓	✓	✓
Ur-Energy	$98	22	6	$4.45	$1	0.3	✓	✗	✓
Peninsula Energy	$53[5]	39[6]	72[6]	$1.37	($14)	0.1	✓	✗	✓

[1] As of February 26, 2018
[2] See Slide 28 for tons, grade and resource classification for Energy Fuels
[3] For most recently reported period; Dec. 31, 2017 for Energy Fuels
[4] CdnS1 = US$0.79
[5] AuS = US$0.78
[6] In accordance with JORC; not NI 43-101 compliant

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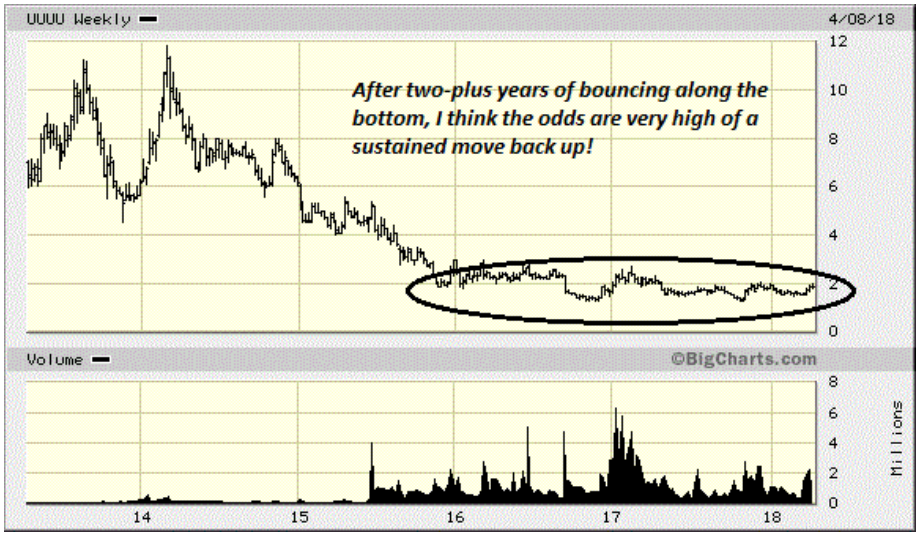
I also urge you to keep up with my ongoing updates and commentary on Energy Fuels as I put them out. When I spoke with V.P. Moore as I was finishing this report, he reminded me that--if successful--the 232 Petition in front of the Commerce Department should lead to an "allotment" (my word, neither his nor a legal one necessarily!) of 12 million pounds of uranium to be produced annually *in the U.S.* While this would still only be 25% or so of the total used by U.S. utilities, it dwarfs last year's production of just 1.5 million pounds; and will mean *a lot* to Energy Fuels and a few others.



Investing legend Warren Buffett has famously said that you should, "Be fearful when others are greedy and be greedy when others are fearful." The late, great global investor John Templeton said "The time of maximum pessimism is the best time to buy and the time of maximum optimism is the best time to sell." I could go on, but hopefully you get the point! I can personally count

on the fingers of one hand the other times in my own nearly 40 years now in and around the investment markets when a sector was so bloodied and out of favor. . .and yet, when the case for a turn around was so clear, compelling *and virtually cer*tain.

Anchored by the building of new reactors the world over that will significantly augment uranium demand going forward, **we are approaching a perfect storm for a new bull market in uranium**. The benefit that YOU, dear reader, have right now is that by and large the markets are oblivious to this; so you are truly getting in on the ground floor at present levels for the best uranium-related companies out there, like Energy Fuels!

A few more resources:

* C.E.O. Mark Chalmers -- on a recent *Proactive Investors* interview, at https://www.youtube.com/watch?v=dQwZ9trhRmY&feature=youtu.be

* From the recent PDAC conference in Toronto, an interview of V.P. Moore with *Commodity-TV,* at http://www.commodity-tv.net/c/mid,38655,PDAC_2018/?v=298224

* Yet another analyst's view that Energy Fuels has the best "optionality" to a recovery/bull market in uranium, at http://www.theenergyreport.com/pub/na/uranium-producer-seen-as-top-leverage-pick-to-the-expected-uranium-price-recovery

Last but not least, if you have ANY questions or comments on this Special Report, e-mail them to me at chris@nationalinvestor.com

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