

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A**

**(Amendment No. 2)**

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

For the fiscal year ended December 31, 2018

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**

(State of other jurisdiction of incorporation or  
organization)

**98-1067994**

(I.R.S. Employer Identification No.)

**225 Union Blvd., Suite 600**

**Lakewood, Colorado**

(Address of Principal Executive Offices)

**80228**

(Zip Code)

**(303) 389-4130**

(Registrant's Telephone Number, including Area Code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class

**Common Shares, no par value**

Name of Each Exchange on Which Registered

**NYSE American, Toronto Stock Exchange**

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

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 (§ 229.405 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this Chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K.

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 (Check one):

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: \$196.67 million.

The number of common shares of the Registrant outstanding as of March 8, 2019 was 91,505,255.

#### DOCUMENTS INCORPORATED BY REFERENCE

Certain information required for Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K is incorporated by reference to the registrant's definitive proxy statement for the 2019 Annual Meeting of Shareholders.

## **Explanatory Note**

This Amendment No. 2 on Form 10-K/A (the “Amendment”) amends Energy Fuels Inc.’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the “Form 10-K”), as filed with the Securities and Exchange Commission on March 12, 2019, and is being filed solely to correct an administrative error of a missing conformed signature in The Report of Independent Registered Public Accounting Firm under Item 8 of the Form 10-K.

Pursuant to Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, we have repeated the entire text of Item 8 from the Form 10-K in this Amendment. However, there have been no changes to the text of such item other than the change stated in the immediately preceding paragraph.

This Amendment includes new certifications by our Principal Executive Officer and Principal Financial Officer pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as exhibits 31.1, 31.2, 32.1 and 32.2 hereto.

Except as expressly set forth above, this Amendment does not, and does not purport to, amend, update or restate the information in any other item of the Form 10-K or reflect any events that have occurred after the filing of the original Form 10-K.

**PART II**

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

ENERGY FUELS INC.  
CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2018  
Contents

Report of Independent Registered Public Accounting Firms	5
Financial Statements:	
Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2018, December 31, 2017 and December 31, 2016	7
Consolidated Balance Sheets at December 31, 2018 and December 31, 2017	8
Consolidated Statements of Changes in Equity for the years ended December 31, 2018, December 31, 2017 and December 31, 2016	9
Consolidated Statements of Cash Flows for the years ended December 31, 2018, December 31, 2017 and December 31, 2016	11
Notes to the Consolidated Financial Statements	13

## Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Energy Fuels Inc.:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Energy Fuels Inc. and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

### *Change in Accounting Principles*

As discussed in Note 3 to the consolidated financial statements, the Company has changed its method of accounting for revenue with the adoption of ASC Topic 606 - Revenue from Contracts with Customers in 2018.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2017.

Denver, Colorado

March 11, 2019

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders

Energy Fuels Inc.:

We have audited the accompanying consolidated statements of operations and comprehensive loss, changes in equity, and cash flows of Energy Fuels Inc. for the year ended December 31, 2016. These consolidated financial statements are the responsibility of Energy Fuels Inc.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of its operations of Energy Fuels Inc. and its cash flows for the year ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants  
Toronto, Canada  
March 8, 2017

**ENERGY FUELS INC.**
**Consolidated Statements of Operations and Comprehensive Loss**
*(Expressed in thousands of US dollars, except per share amounts)*

	<b>For the years ended December 31,</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Revenues</b>			
Uranium concentrates	\$ 30,789	\$ 24,467	\$ 54,432
Alternate feed materials processing and other	932	6,579	120
<b>Total revenues</b>	<b>31,721</b>	<b>31,046</b>	<b>54,552</b>
<b>Costs and expenses applicable to revenue</b>			
Costs and expenses applicable to uranium concentrates	14,752	14,676	35,315
Costs and expenses applicable to alternate feed materials and other	—	4,729	138
<b>Total costs and expenses applicable to revenue</b>	<b>14,752</b>	<b>19,405</b>	<b>35,453</b>
Impairment of inventories	4,579	3,305	5,362
Development, permitting and land holding	9,912	8,821	21,118
Standby costs	5,112	3,659	10,234
Abandonment of mineral properties	—	287	1,036
Impairment of assets held for sale	—	3,799	—
Accretion of asset retirement obligation	1,835	1,733	906
Selling costs	183	275	379
Intangible asset amortization	2,502	3,297	3,319
General and administration	14,158	14,923	15,519
<b>Total operating loss</b>	<b>(21,312)</b>	<b>(28,458)</b>	<b>(38,774)</b>
Interest expense	(1,722)	(2,101)	(2,289)
Other income (expense)	(2,328)	2,569	1,199
<b>Net loss</b>	<b>(25,362)</b>	<b>(27,990)</b>	<b>(39,864)</b>
<b>Items that may be reclassified in the future to profit and loss</b>			
Foreign currency translation adjustment	1,554	(1,049)	(729)
Unrealized gain on available-for-sale assets	—	30	532
<b>Other comprehensive income (loss)</b>	<b>1,554</b>	<b>(1,019)</b>	<b>(197)</b>
<b>Comprehensive loss</b>	<b>\$ (23,808)</b>	<b>\$ (29,009)</b>	<b>\$ (40,061)</b>
<b>Net loss attributable to:</b>			
Owners of the Company	\$ (25,245)	\$ (27,766)	\$ (39,413)
Non-controlling interests	(117)	(224)	(451)
	<b>\$ (25,362)</b>	<b>\$ (27,990)</b>	<b>\$ (39,864)</b>
<b>Comprehensive loss attributable to:</b>			
Owners of the Company	\$ (23,691)	\$ (28,785)	\$ (39,610)
Non-controlling interests	(117)	(224)	(451)
	<b>\$ (23,808)</b>	<b>\$ (29,009)</b>	<b>\$ (40,061)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.30)</b>	<b>\$ (0.39)</b>	<b>\$ (0.70)</b>

See accompanying notes to the consolidated financial statements.

**ENERGY FUELS INC.**

**Consolidated Balance Sheets**

(Expressed in thousands of US dollars, except share amounts)

	December 31, 2018	December 31, 2017
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 14,640	\$ 18,574
Marketable securities	27,061	1,034
Trade and other receivables, net	1,191	1,253
Inventories, net	16,550	16,550
Prepaid expenses and other assets	1,411	780
Mineral properties held for sale	—	5,000
<b>Total current assets</b>	<b>60,853</b>	<b>43,191</b>
Investments accounted for at fair value	1,107	903
Inventories, net	1,772	—
Plant and equipment, net	29,843	33,076
Mineral properties, net	83,539	83,539
Intangible assets, net	—	2,502
Restricted cash	19,652	22,127
<b>Total assets</b>	<b>\$ 196,766</b>	<b>\$ 185,338</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 7,921	\$ 6,449
Current portion of Warrant liabilities	662	—
Current portion of asset retirement obligation	270	32
Current portion of loans and borrowings	—	3,414
<b>Total current liabilities</b>	<b>8,853</b>	<b>9,895</b>
Warrant liabilities	5,621	3,376
Deferred revenue	2,724	2,474
Asset retirement obligation	18,834	18,248
Loans and borrowings	15,880	24,077
<b>Total liabilities</b>	<b>51,912</b>	<b>58,070</b>
<b>Equity</b>		
Share capital		
Common shares, without par value, unlimited shares authorized; shares issued and outstanding 91,445,066 at December 31, 2018 and 74,366,824 at December 31, 2017	469,303	430,383
Accumulated deficit	(332,058)	(309,287)
Accumulated other comprehensive income	3,843	2,289
<b>Total shareholders' equity</b>	<b>141,088</b>	<b>123,385</b>
Non-controlling interests	3,766	3,883
<b>Total equity</b>	<b>144,854</b>	<b>127,268</b>
<b>Total liabilities and equity</b>	<b>\$ 196,766</b>	<b>\$ 185,338</b>

Commitments and contingencies (Note 19)

See accompanying notes to the consolidated financial statements.



**ENERGY FUELS INC.**
**Consolidated Statements of Changes in Equity**
*(Expressed in thousands of US dollars, except share amounts)*

	Common Stock		Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non- controlling interests	Total equity
	Shares	Amount					
<b>Balance at December 31, 2015</b>	<b>46,519,132</b>	<b>\$ 373,934</b>	<b>\$ (242,108)</b>	<b>\$ 3,505</b>	<b>\$ 135,331</b>	<b>\$ 4,156</b>	<b>\$ 139,487</b>
Net loss	—	—	(39,413)	—	(39,413)	(451)	(39,864)
Other comprehensive income	—	—	—	(197)	(197)	—	(197)
Shares issued for cash by at-the-market offering	200,225	539	—	—	539	—	539
Shares issued for public offerings	13,368,750	22,980	—	—	22,980	—	22,980
Share issuance cost	—	(2,330)	—	—	(2,330)	—	(2,330)
Share-based compensation	—	2,657	—	—	2,657	—	2,657
Shares issued for exercise of stock options	8,369	18	—	—	18	—	18
Shares issued for the vesting of restricted stock units	138,608	—	—	—	—	—	—
Shares issued for acquisition of Alta Mesa	4,551,284	11,378	—	—	11,378	—	11,378
Shares issued for acquisition of 40% interest in Roca Honda	1,212,173	2,679	—	—	2,679	—	2,679
Shares issued for consulting services	206,612	479	—	—	479	—	479
Contributions attributable to non-controlling interest	—	—	—	—	—	37	37
<b>Balance at December 31, 2016</b>	<b>66,205,153</b>	<b>\$ 412,334</b>	<b>\$ (281,521)</b>	<b>\$ 3,308</b>	<b>\$ 134,121</b>	<b>\$ 3,742</b>	<b>\$ 137,863</b>
Net loss	—	—	(27,766)	—	(27,766)	(224)	(27,990)
Other comprehensive income	—	—	—	(1,019)	(1,019)	—	(1,019)
Shares issued for cash by at-the-market offering	7,202,479	14,548	—	—	14,548	—	14,548
Shares issued for the vesting of restricted stock units	752,580	—	—	—	—	—	—
Share issuance cost	—	(394)	—	—	(394)	—	(394)
Share-based compensation	—	3,525	—	—	3,525	—	3,525
Shares issued for consulting services	206,612	370	—	—	370	—	370
Contributions attributable to non-controlling interest	—	—	—	—	—	365	365
<b>Balance at December 31, 2017</b>	<b>74,366,824</b>	<b>\$ 430,383</b>	<b>\$ (309,287)</b>	<b>\$ 2,289</b>	<b>\$ 123,385</b>	<b>\$ 3,883</b>	<b>\$ 127,268</b>
Balance at January 1, 2018 as previously reported	74,366,824	\$ 430,383	\$ (309,287)	\$ 2,289	\$ 123,385	\$ 3,883	\$ 127,268
Impact of change in accounting policy	—	—	\$ 2,474	—	\$ 2,474	—	\$ 2,474
<b>Adjusted balance at January 1, 2018</b>	<b>74,366,824</b>	<b>\$ 430,383</b>	<b>\$ (306,813)</b>	<b>\$ 2,289</b>	<b>\$ 125,859</b>	<b>\$ 3,883</b>	<b>\$ 129,742</b>
Net loss	—	\$ —	\$ (25,245)	\$ —	\$ (25,245)	\$ (117)	\$ (25,362)
Other comprehensive income	—	\$ —	\$ —	\$ 1,554	\$ 1,554	\$ —	\$ 1,554
Shares issued for cash by at-the-market offering	14,283,254	\$ 32,192	\$ —	\$ —	\$ 32,192	\$ —	\$ 32,192
Share-based compensation	—	\$ 2,762	\$ —	\$ —	\$ 2,762	\$ —	\$ 2,762
Shares issued for acquisition of royalties	1,102,840	\$ 3,739	\$ —	\$ —	\$ 3,739	\$ —	\$ 3,739
Shares issued for the vesting of restricted stock units	899,192	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Share issuance cost	—	\$ (922)	\$ —	\$ —	\$ (922)	\$ —	\$ (922)
Shares issued for consulting services	247,485	\$ 569	\$ —	\$ —	\$ 569	\$ —	\$ 569

Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	—	\$	(914)	\$	—	\$	—	\$	(914)	\$	—	\$	(914)
Shares issued for exercise of warrants	187,970	\$	722	\$	—	\$	—	\$	722	\$	—	\$	722
Shares issued for exercise of options	355,092	\$	764	\$	—	\$	—	\$	764	\$	—	\$	764
Shares issued for conversion of Debentures	2,409	\$	8	\$	—	\$	—	\$	8	\$	—	\$	8
<b>Balance at December 31, 2018</b>	<b>91,445,066</b>	<b>\$</b>	<b>469,303</b>	<b>\$</b>	<b>(332,058)</b>	<b>\$</b>	<b>3,843</b>	<b>\$</b>	<b>141,088</b>	<b>\$</b>	<b>3,766</b>	<b>\$</b>	<b>144,854</b>

See accompanying notes to the consolidated financial statements.

**ENERGY FUELS INC.**  
**Consolidated Statements of Cash Flows**  
*(Expressed in thousands of US dollars)*

	<b>December 31, 2018</b>	December 31, 2017	December 31, 2016
<b>OPERATING ACTIVITIES</b>			
Net loss for the period	\$ (25,362)	\$ (27,990)	\$ (39,864)
Items not involving cash:			
Depletion, depreciation and amortization	3,790	4,636	4,258
Stock-based compensation	2,762	3,525	2,657
Change in value of convertible Debentures	612	940	407
Accretion of asset retirement obligation	1,835	1,733	906
Change in value of warrant liabilities	3,470	(784)	—
Unrealized foreign exchange (gain) loss	(218)	(263)	173
Non-cash standby cost accrued	(662)	249	4,186
Impairment of inventories	4,579	3,305	5,362
Abandonment of mineral properties	—	287	1,036
Acquisition of royalty interests	3,622	—	—
Impairment of mineral properties held for sale	—	3,799	—
Other non- cash (income) expense	1,303	1,909	(437)
Changes in assets and liabilities			
(Increase) decrease in inventories	(4,299)	73	13,158
(Increase) decrease in trade and other receivables	(346)	(39)	2,403
(Increase) decrease in prepaid expenses and other assets	(631)	290	(365)
Decrease in accounts payable and accrued liabilities	(613)	(1,410)	(4,007)
Changes in deferred revenue	2,724	135	174
Cash paid for reclamation and remediation activities	(350)	(735)	(2,086)
	<b>(7,784)</b>	<b>(10,340)</b>	<b>(12,039)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of mineral properties and property, plant and equipment	(107)	—	(260)
Purchase of marketable securities	(25,554)	—	—
Acquisition of Alta Mesa, net of cash acquired	—	—	3,242
Acquisition of Roca Honda, net of cash acquired	—	—	101
Proceeds from sale of mineral properties	—	—	845
Cash received from sale of Reno Creek	2,940	—	—
Proceeds from sale of marketable securities	2,554	—	—
	<b>(20,167)</b>	<b>—</b>	<b>3,928</b>

<b>FINANCING ACTIVITIES</b>			
Issuance of common shares for cash, net of issuance costs	31,517	14,154	25,291
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	(914)	—	—
Cash received for notes receivable	500	—	—
Cash received from exercise of stock option	764	—	—
Cash received from exercise of warrants	601	—	18
Repayment of loans and borrowings	(10,855)	(4,095)	(3,168)
Cash received from non-controlling interest	—	365	37
	<b>21,613</b>	<b>10,424</b>	<b>22,178</b>
<b>CHANGE IN CASH, AND CASH EQUIVALENTS AND RESTRICTED CASH DURING THE PERIOD</b>			
Effect of exchange rate fluctuations on cash held in foreign currencies	(71)	541	64
Cash, cash equivalents and restricted cash - beginning of period	40,701	40,076	25,945
<b>CASH, CASH EQUIVALENTS and RESTRICTED CASH- END OF PERIOD</b>	<b>\$ 34,292</b>	<b>\$ 40,701</b>	<b>\$ 40,076</b>
<b>Non-cash investing and financing transactions:</b>			
Issuance of common shares for acquisition of Alta Mesa	—	—	11,378
Issuance of common shares for acquisition of 40% interest in Roca Honda	—	—	2,679
Issuance of common shares for consulting services	569	370	479
<b>Supplemental disclosure of cash flow information:</b>			
Net cash paid during the period for:			
Interest	1,722	2,097	2,029
Warrant liability transferred to equity upon exercise	115	—	—

See accompanying notes to the consolidated financial statements.

**ENERGY FUELS INC.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE YEARS ENDED DECEMBER 31, 2018**

*(Tabular amounts expressed in thousands of US Dollars except share and per share amounts)*

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**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 concentrates (“**U<sub>3</sub>O<sub>8</sub>**” or “**uranium concentrates**”), is sold to customers for further processing into fuel for nuclear reactors. The Company also produces vanadium along with uranium at certain of its Colorado Plateau properties, as market conditions warrant.

The Company is an exploration stage mining company as defined by the United States (“**U.S.**”) Securities and Exchange Commission (“**SEC**”) Industry Guide 7 (“**SEC Industry Guide 7**”) as it has not established the existence of proven or probable reserves on any of our properties.

Energy Fuels is engaged in conventional and In-situ (“**ISR**”) uranium extraction and recovery, along with the exploration, permitting and evaluation of uranium properties in the United States.

***Mining activities***

Mining activities consist of a standalone uranium recovery facility (the “**White Mesa Mill**”), an ISR recovery facility, conventional mining projects and ISR mining projects. The conventional projects are located in the Colorado Plateau, Henry Mountains, Arizona Strip, and the Roca Honda project in New Mexico which are in the vicinity of the White Mesa Mill, and the Sheep Mountain Project in Wyoming. ISR projects include the Nichols Ranch Project, the Jane Dough property and the Hank Project located in Wyoming and the Alta Mesa ISR Project (the “**Alta Mesa Project**”) located in Texas.

At December 31, 2018, other than shaft-sinking and evaluation work at the Company's Canyon Project, and a small-scale test-mining project at the Company’s La Sal complex, the conventional mining projects in the vicinity of the White Mesa Mill and Sheep Mountain are on standby, being evaluated for continued mining activities and/or in process of being permitted. The White Mesa Mill also processes third party uranium bearing mineralized materials from mining and recycling activities.

**2. BASIS OF PRESENTATION**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“**US GAAP**”) and are presented in thousands of US dollars (“**USD**”) except per share amounts. Certain footnote disclosures have share prices which are presented in Canadian dollars (“**Cdn\$**”).

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Use of estimates***

The Company's consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of the Company's consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions relate to expectations of the future price of uranium and estimates of recoverable mineral resources that are the basis for future cash flow estimates utilized in assessing fair value for business combinations and impairment calculations; the determination of whether an acquisition represents a business combination or an asset acquisition; the use of management estimates and assumptions related to environmental, reclamation and closure obligations; marketable securities and derivative instruments; and stock-based compensation expense. Actual results may differ significantly from these estimates.

***Basis of consolidation***

These consolidated financial statements include the accounts of the Company together with subsidiaries controlled by the Company. Inter-company transactions, balances and unrealized gains on transactions between the Company and its subsidiaries are eliminated. The functional currency of the Company's operations is the USD.

### ***Extracting and recovery activities while in the exploration stage***

The Company extracts or recovers mineralized uranium from mining activities, mill tailings pond solutions, and alternate feed materials, resulting in saleable uranium concentrates from its White Mesa Mill and its Nichols Ranch Project. While the Company has established the existence of mineral resources and extracts and processes saleable uranium from these operations, 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. Furthermore, the Company has no current plans to establish proven or probable reserves for any of its uranium projects.

While in the exploration stage, the Company expenses most 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 recovery facilities and advancement of properties are 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.

The White Mesa Mill, and certain conventional mining projects in the vicinity of the White Mesa Mill, and the Nichols Ranch Project (collectively the "**Extracting and Recovery Operations**") were acquired in two unrelated business combinations. These Extracting and Recovery Operations were recorded at fair value on the date of the respective acquisition and included estimated values which included valuing these assets utilizing the Company's estimate of future market prices of uranium and expected recoveries of uranium. The values determined included estimated cash flows associated with value beyond proven and probable reserves to develop, extract and recover the estimated saleable uranium concentrates from these operations.

The fair value of the Extracting and Recovery Operations recorded on the acquisition date is depreciated on a straight-line basis over the estimated useful life of the components of the operation since the Extracting and Recovery Operations do not have proven or probable reserves. Accordingly, all expenditures incurred subsequent to the acquisition dates relating to the preparation of properties for mineral extraction, expansion of or additions to the Extracting and Recovery Operations are expensed as incurred. This includes expenditures relating to activities such as preparing properties for mineral extraction, construction of mine wellfields, header houses and disposal wells and additions to the recovery facilities are expensed as incurred as no proven or probable reserves have been established for these uranium projects.

### ***Business combinations***

Business combinations are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with any excess of the purchase consideration over such fair value being recorded as goodwill. If the fair value of the net assets acquired exceeds the purchase consideration, the difference is recognized immediately as a gain in the consolidated statement of operations.

Mining assets, which include mineral properties and rights, operating mines and recovery facilities, are recorded at fair value and includes estimated values of the mining assets beyond proven and probable reserves as well as the Company's estimate of future market prices of uranium. The estimated cash flow used to value the mining assets for operating properties and recovery facilities include the estimated cash outflows required to develop, extract and recover the value beyond proven and probable reserves.

Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets. The acquisition date is the date the Company acquires control over the acquiree. The Company considers all relevant facts and circumstances in determining the acquisition date.

Acquisition related costs, other than costs to issue debt or equity securities of the acquirer, including investment banking fees, legal fees, accounting fees, change in control payments, valuation fees and other professional or consulting fees are expensed as incurred.

### ***Impairment of assets***

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Mineral properties are monitored for impairment based on factors such as mineral prices, government regulation and taxation, the Company's continued right to explore the area, exploration reports, assays, technical reports, drill results and its continued plans to fund exploration programs on the property.

At each reporting date, the Company reviews its assets to determine whether there is any indication of impairment. If any such indication exists, the asset is tested for impairment. Impairment losses are recognized in profit or loss.

Recoverability is measured by comparing the undiscounted future net cash flows to the net book value. When the net book value exceeds future net undiscounted cash flows, the fair value is compared to the net book value and an impairment loss may be measured and recorded based on the excess of the net book value over fair value. Fair value for operating mines is determined using a combined approach, which uses a discounted cash flow model for the existing operations and non-operating properties with available cash flow models and a market approach for the fair value assessment of non-operating and exploration properties where no cash flow model is available. Future cash flows are estimated based on quantities of recoverable mineralized material, expected uranium prices (considering current and historical prices, trends and estimates), production levels, operating costs, capital requirements and reclamation costs, all based on life-of-mine plans. In estimating future cash flows, assets are grouped at the lowest level, for which there are identifiable cash flows that are largely independent of future cash flows from other asset groups. The Company's estimates of future cash flows are based on numerous assumptions and it is possible that actual future cash flows will be significantly different than the estimates, as actual future quantities of recoverable minerals, uranium prices, production levels, costs and capital are each subject to significant risks and uncertainties.

### ***Cash and cash equivalents***

Cash and cash equivalents consist of all cash balances and highly liquid investments with an original maturity of three months or less. Because of the short maturity of these investments, the carrying amounts approximate their fair value. Restricted cash is excluded from cash and cash equivalents and is included in other current or long-term assets, depending on the nature of the restriction.

### ***Marketable securities***

Marketable debt securities consist of excess cash invested in U.S. government notes, U.S. government agencies and tradeable certificates of deposits. We have classified and accounted for our marketable debt securities as available-for-sale. After consideration of our risk versus reward objectives, as well as our liquidity requirements, we may sell these debt securities prior to their stated maturities. As we view these securities as available to support current operations, we classify highly liquid securities with maturities beyond 12 months as current assets under the caption marketable securities on the Consolidated Balance Sheet. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized as a component of other (loss) income in the Consolidated Statements of Operations.

Marketable equity securities consist of investments in publicly traded equity securities. We have classified and accounted for our marketable equity securities as available for sale. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized as a component of other (loss) income in the Consolidated Statements of Operations.

### ***Investments at fair value***

The Company accounts for investments over which the Company exerts significant influence, but not control, over the financial and operating policies through the fair value option of ASC Topic 825 – *Financial Instruments*. The cost of such investments is measured at the fair value of the assets given up, shares issued or liabilities assumed at the date of acquisition plus costs directly attributable to the acquisition. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized in earnings.

Unrealized gains and losses on transactions between the Company and its associates are eliminated to the extent of the Company's interest in its associates.

### ***Inventories***

Expenditures related to the extraction and recovery of uranium concentrates and depreciation of the acquisition cost of the Extracting and Recovery Operations are inventoried as stockpiles and in-process and concentrate inventories.

Stockpiles are comprised of uranium or uranium/vanadium bearing materials that have been extracted from properties and are available for further processing. Extraction costs are added to the stockpile as incurred and removed from the stockpile based upon the average cost per ton of material extracted. The current portion of material in stockpiles represents the amount expected to be processed in the next twelve months.

In-process and concentrate inventories include the cost of the material processed from the stockpile, as well as production costs incurred to extract uranium bearing fluids from the wellfields, and all costs to recover the uranium into concentrates or process through the White Mesa Mill. Finished uranium concentrate inventories also include costs of any finished product purchased from the market. Recovery costs typically include labor, chemical reagents and directly attributable mill and plant overhead expenditures.

Materials and other supplies held for use in the recovery of uranium concentrates are added to the costs of inventories when consumed in the uranium extraction process.

Inventories are valued at the lower of average cost or net realizable value.

### ***Plant and equipment***

#### *a. Recognition and measurement*

Plant and equipment are measured at cost less accumulated depreciation, and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, when it is replaced, and the cost of the replacement asset is expensed.

#### *b. Depreciation and amortization*

Depreciation and amortization are calculated on a straight-line basis to their estimated residual value over an estimated useful life which ranges from 3 to 15 years depending upon the asset type. When assets are retired or sold, the resulting gains or losses are reflected in current earnings as a component of other income or expense. Residual values, method of depreciation and useful lives of the assets are reviewed at least annually and adjusted if appropriate.

Where straight-line depreciation is utilized, the range of useful lives for various asset classes is generally as follows:

• Buildings	15 years
• Shop tools and equipment	3-5 years
• Mining equipment	5 years
• Office equipment	4-5 years
• Furniture and fixtures	5-7 years
• Light trucks & utility vehicles	5 years

The amortization method, residual values, and useful lives of plant and equipment are reviewed annually, and any change in estimate is applied prospectively.

### ***Intangible assets***

Sales contracts acquired in a business combination are recognized initially at fair value at the acquisition date. The Company's intangible assets are recorded at cost less accumulated amortization.

Amortization is recorded as the Company sells inventory under its long-term sales contracts based on units sold and is recognized in the statement of operations.

### ***Non-operating assets***

Non-operating assets consist of mineral properties and rights, along with data and analyses related to the properties, which are in various stages of evaluation and permitting. Costs to acquire the non-operating assets are capitalized at cost or fair value if such assets were a part of a business combination.

Mining activities for non-operating assets involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Expenditures incurred in relation to such mining activities include costs which are directly attributable to researching and analyzing existing exploration data; conducting geological studies, exploratory drilling and sampling; examining and testing extraction and treatment methods; and completing pre-feasibility and feasibility studies. Such expenditures are expensed as incurred.

Mineral properties, that are not held for production, and any related surface access to the minerals generally require periodic payments and/or certain expenditures related to the property in order for the Company to retain its interest in the mineral property (collectively, "**Holding Costs**"). The Company expenses all Holding Costs in the period they are incurred.

### ***Stand-by properties***

Stand-by properties are mineral properties that have extracted mineral resources in the past but are currently non-operating or properties which could extract mineral resources in the future. Expenditures related to these properties are primarily related to maintaining the assets and permits in a condition that will allow re-start of the operations or development given appropriate commodity prices. All costs related to stand-by assets are expensed as incurred.

The White Mesa Mill operates on a campaign basis. When the White Mesa Mill is not recovering material, all related costs are expensed as incurred.



### ***Asset retirement obligations***

The Company's ARO relates to expected mine, wellfield, plant and mill reclamation and closure activities, as well as costs associated with reclamation of exploration drilling. The Company's activities are subject to numerous governmental laws and regulations. Estimates of future reclamation liabilities for ARO are recognized in the period when such liabilities are incurred. These estimates are updated on a periodic basis and are subject to changing laws, regulatory requirements, changing technology and other factors which will be recognized when appropriate. Liabilities related to site restoration include long-term treatment and monitoring costs and incorporate total expected costs net of recoveries. Expenditures incurred to dismantle facilities, restore and monitor closed resource properties are charged against the related AROs.

As the Company has no proven or probable reserves, such costs, discounted to their present value, are expensed as soon as the obligation to incur such costs arises. The present value of AROs is measured by discounting the expected cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest, while taking into account an inflation rate. The decommissioning liability is accreted to full value over time through periodic accretion charges recorded to operations as accretion expense. The Company adjusts the estimate of the ARO for changes in the amount or timing of underlying future cash outflows. The impact of these adjustments to the ARO amounts are expensed as incurred.

### ***Loans and borrowings***

The Company's convertible Debentures are recognized at fair value through the fair value option based on the closing price on the TSX and changes are recognized in earnings as a component of other income (expense). The Company's interest-bearing loans and borrowings are measured at amortized cost using the effective interest method.

### ***Warrant liabilities***

The Company issued several tranches of warrants for various equity transactions in 2016. The Company accounts for its warrants issued in accordance with the U.S. GAAP accounting guidance under FASB ASC Topic 815 *Derivative and Hedging* ("ASC 815") which requires instruments within its scope to be recorded on the balance sheet as either an asset or liability measured at its fair value, with changes in fair value recognized in earnings. In accordance with ASC 815, the Company has classified the warrants as liabilities. The warrants are subject to re-measurement at each balance sheet date, with any change in fair value recognized as a component of other income (expense), net in the statements of operations. The Company estimates the fair value of these warrants using market prices, if available, or the Black-Scholes option pricing model. The Black-Scholes option pricing model is based on the estimated market value of the underlying common stock at the measurement date, the remaining contractual term of the warrant, risk-free interest rates and expected dividends on, and expected volatility of the price of the underlying common stock.

### ***Revenue***

#### ***a. Sale of goods***

Revenue from the sale of mineral concentrates is recognized when it is probable that the economic benefits will flow to the Company and delivery has occurred, title has transferred, the sales price and costs incurred with respect to the transaction can be measured reliably, and collectability is reasonably assured. For uranium concentrates, revenue is typically recognized when delivery is evidenced by book transfer at the applicable uranium storage facility.

#### ***b. Rendering of services***

Revenue from toll milling services is recognized as material is processed in accordance with the specifics of the applicable toll milling agreement. Revenue and unbilled accounts receivable are recorded as related costs are incurred using billing formulas included in the applicable toll milling agreement. Deferred revenues represent proceeds received from processing of toll materials where the company has not delivered the material to the customer.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

### ***Share-based compensation***

The Company records share based compensation awards exchanged for employee services at fair value on the date of the grant and expenses the awards in the consolidated statement of operations over the requisite employee service period in capital stock. The fair value of stock options is determined using the Black-Scholes valuation model. The fair value of restricted stock units ("RSUs") is based on the Energy Fuels' stock price on the date of grant. The fair value of stock appreciation rights ("SARs") with performance conditions is based on a Monte Carlo simulation performed by a third-party valuation firm. Stock based compensation expense related to awards with only service conditions has a graded vesting schedule which are recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was, in substance, multiple awards,

while all other awards are recognized on a straight-line basis. The Company's estimates may be impacted by certain variables including, but not limited to, stock price volatility, employee stock option exercise behaviors, additional stock option grants, estimates of forfeitures, the Company's performance, and related tax impacts.

### ***Foreign currency***

Transactions in foreign currencies are translated to the respective functional currency of the Company's subsidiaries and joint ventures at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate as of the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

The assets and liabilities of entities whose functional currency is not the U.S. dollar are translated into the U.S. dollar at the exchange rate as of the reporting date. The income and expenses of such entities are translated into the U.S. dollar using average exchange rates for the reporting period. Exchange differences on foreign currency translations are recorded in other comprehensive income (loss). The Company's functional currency is the U.S. dollar.

### ***Income taxes***

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recorded based on differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward. Deferred income tax assets and liabilities are measured using the enacted tax rates which will be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted.

The Company records a valuation allowance to reduce deferred income tax assets to the amount that is believed more likely than not to be realized. When the Company concludes that all or part of the deferred income tax assets are not realizable in the future, the Company makes an adjustment to the valuation allowance that is charged to income tax expense in the period such determination is made.

### ***Net loss per share***

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all potential dilutive instruments.

## **Recently Adopted Accounting Pronouncements**

### ***Investments***

In January 2016, ASU No. 2016-01 was issued related to financial instruments. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and early adoption is not permitted. Adoption of this standard has no impact on the Company's financial statements as the Company had previously elected to account for these investments using the fair value option.

### ***Revenue recognition***

In May 2014, the FASB issued ASU No. 2014-09, as amended by ASU No. 2016-12, "Revenue from Contracts with Customers (Topic 606)," which requires revenue to be recognized based on the amount an entity is expected to be entitled to for promised goods or services provided to customers. The standard also requires expanded disclosures regarding contracts with customers. The guidance in this standard supersedes the revenue recognition requirements in Topic 605, "Revenue Recognition," and most industry-specific guidance. Adoption of the standard may be applied retrospectively to each prior period presented (full retrospective method) or retrospectively with the cumulative effect recognized as of the date of initial application (modified retrospective method). The Company adopted this guidance effective January 1, 2018 and applied the modified retrospective method with the as if revenue were recognized under Topic 605 See Note 22 for further discussion.

### ***Statement of cash flows***

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash" which became effective beginning January 1, 2018. This standard requires us to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows and will no longer require transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. As a result of including restricted cash with cash and cash equivalents when reconciling the beginning-of-period and end-of period total amounts presented on the condensed consolidated state of cash flows, net cash flows for the year ended December 31, 2017, decreased by \$1.04 million, net cash flows for the year ended December 31, 2016, increased by \$10.20 million.

### **Recently Issued Accounting Pronouncements not yet adopted**

The FASB has issued the following standards which are not yet effective:

#### ***Leases***

In February 2016, the FASB issued ASU 2016-02, "Leases" ("ASU 2016-02") to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. The accounting for leases where we are lessor remain largely unchanged.

ASU 2016-02 is effective for annual and interim periods beginning January 1, 2019, with early adoption permitted. We will adopt the standard effective January 1, 2019 using the modified retrospective approach with a cumulative effect approach on the effective date of adoption at January 1, 2019. Therefore periods prior to the effective date of adoption will continue to be reported using current GAAP (ASC 840).

We will elect the package of practical expedients permitted under the transition guidance within the new standard on adoption, which among other things, allows us to carry-forward the historical lease classification. We will not separate non-lease components from lease components.

While we are still finalizing our adoption procedures, we estimate the primary impact to our consolidated balance sheet upon adoption will be the recognition of a right of use asset and lease liability of approximately \$1.0 million to \$1.5 million. We do not anticipate that adoption of the new standard will have a significant impact on our net earnings or cash flows.

#### ***Non-Employee Share-Based Payment***

In June 2018, the FASB issued ASU 2018-07, which more closely aligns the accounting for employee and non-employee share-based payments. This standard more closely aligns the accounting for non-employee share-based payment transactions to the guidance for awards to employees except for specific guidance on certain inputs to an option-pricing model and the attribution of cost. This standard is effective for public business entities for annual and interim periods in fiscal years beginning after December 15, 2018. Early adoption is permitted, but no earlier than an entity's adoption date of Topic 606. We do not anticipate that adoption of the new standard will have a significant impact on our net earnings.

#### ***Fair Value Measurement***

In August 2018, the 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 should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for all companies for fiscal years, and interim periods within those years, beginning after December 15, 2019. Early adoption is permitted for all amendments. Further, a company may elect to early adopt the removal or modification of disclosures immediately and delay adoption of the new disclosure requirements until the effective date. The Company plans to adopt all disclosure requirements effective January 1, 2020.

## **4. ACQUISITION OF THE ALTA MESA ISR PROJECT**

On June 16, 2016, the Company acquired 100% of the membership interests of EFR Alta Mesa LLC ("Alta Mesa") (formerly named "Mesteña Uranium, LLC") and its related companies, together referred to as "Alta Mesa". Under the terms of the acquisition agreement, the sellers of Alta Mesa received 4,551,284 common shares of the Company.

Alta Mesa's primary asset is the Alta Mesa ISR Project (the "Alta Mesa Project") located in Texas. The Alta Mesa Project is a fully-permitted and licensed production facility that is not currently operating. The acquisition was accounted for as a purchase of assets as Alta Mesa did not meet the definition of a business under ASC Topic 805, Business Combinations because the assets in Alta Mesa do not have developed wellfields which are a key process for extraction of uranium. The development can only commence once uranium prices improve and economic feasibility of the Alta Mesa Project is established. The measurement of the purchase consideration was based on the market price of the Company's common stock on June 16, 2016 of \$2.50 per share. The total transaction costs incurred through June 30, 2016 by the Company were \$1.29 million which were capitalized as part of the purchase consideration.

The aggregate fair values of assets acquired and liabilities assumed were as follows on the acquisition date:

Issuance of 4,551,824 common shares	\$	11,378
Transaction costs		1,290
<b>Purchase consideration</b>	<b>\$</b>	<b>12,668</b>
The purchase price was allocated as follows:		
Plant and equipment (a)	\$	13,626
Inventories		177
Restricted cash		4,532
Accounts payable and accrued liabilities		(213)
Asset retirement obligation		(5,454)
<b>Net identifiable assets</b>	<b>\$</b>	<b>12,668</b>

- (a) The plant and equipment include the value ascribed to the processing plant and equipment. The mineral properties, which were acquired as part of the acquisition of Alta Mesa in 2016, do not have proven and probable reserves under SEC Industry Guide 7. Accordingly, all subsequent expenditures at the Alta Mesa Project and equipment, which do not have any alternative use, and expenditures on mineral properties will be expensed as incurred.

## 5. MARKETABLE SECURITIES

The following tables summarize our marketable securities by significant investment categories as of December 31, 2018:

	Cost Basis	Gross Unrealized losses	Gross Unrealized gains	Fair Value
Marketable debt securities <sup>(1)</sup>	25,523	(5)	83	25,601
Marketable equity securities	1,062	(549)	947	1,460
<b>Marketable securities</b>	<b>\$ 26,585</b>	<b>\$ (554)</b>	<b>\$ 1,030</b>	<b>\$ 27,061</b>

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

The following tables summarize our marketable securities by significant investment categories as of December 31, 2017:

	Cost Basis	Gross Unrealized losses	Gross Unrealized gains	Fair Value
Marketable equity securities	\$ 1,062	—	\$ 378	\$ 1,034
<b>Marketable securities</b>	<b>\$ 1,062</b>	<b>—</b>	<b>\$ 378</b>	<b>\$ 1,034</b>

During the years ended December 31, 2018 and 2017, we did not recognize any other-than-temporary impairment losses. Losses on impairment are included as a component of other (loss) income in the Consolidated Statements of Operations.

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	\$	17,434
Due in 12 months to two years		8,167
	\$	25,601

## 6. RECEIVABLES

	December 31, 2018	December 31, 2017
Trade receivables - other	848	403
Notes receivable, net	\$ 343	\$ 850
	\$ 1,191	\$ 1,253

During the year ended December 31, 2014 the Company received two notes with a combined principal totaling \$1.05 million due in 2018 in connection with the sale of certain assets previously recorded as held for sale. The note with principal totaling \$0.50 million was collected during the year ended December 31, 2018. Alternatively, the note with a principal payment of \$0.55 million due November 7, 2018 was not paid and the Company notified the issuing party ("**Default Party**") of its default on November 9, 2018. This note, which remains outstanding as of the date of this Form 10-K carries a 3% annual interest payment plus default interest of 18% per annum, which continues to accrue. The Company has a reserve of \$0.22 million as of December 31, 2018 (2017 - \$0.22 million) against the collectability of this note. The promissory note is secured by all issued and outstanding stock and all of the assets sold to the default party.

## 7. INVESTMENTS ACCOUNTED FOR AT FAIR VALUE

	December 31, 2018	December 31, 2017
Investments accounted for at fair value	1,107	903
	\$ 1,107	\$ 903

Investments accounted for at fair value includes the Company's 16.5% investment in Virginia Uranium, Inc.

## 8. INVENTORIES

	December 31, 2018	December 31, 2017
Concentrates and work-in-progress (a)	\$ 14,746	\$ 14,118
Inventory of ore in stockpiles	883	—
Raw materials and consumables	2,693	2,432
	\$ 18,322	\$ 16,550
<b>Inventories - by duration</b>		
Current	\$ 16,550	\$ 16,550
Long term - raw materials and consumables	\$ 1,772	\$ —
	\$ 18,322	\$ 16,550

- (a) For the year ended December 31, 2018, the Company recorded an impairment loss of \$4.58 million in the statement of operations related to concentrates and work in progress inventories (December 31, 2017 - \$3.31 million).

## 9. INTANGIBLE ASSETS

The following is a summary of changes in intangible assets related to favorable sales contracts acquired in business combinations for the years ended December 31, 2018 and December 31, 2017:

	December 31, 2018	December 31, 2017
<b>Sales Contracts</b>		
<b>Cost</b>		
<b>Balance at beginning of period</b>	\$ 10,599	\$ 15,034
Sales contracts fulfilled	(10,599)	(4,435)
<b>Balance, end of period</b>	—	10,599
<b>Accumulated amortization, beginning of period</b>	8,097	9,235
Amortization of sales contracts	2,502	3,297
Sales contracts fulfilled	(10,599)	(4,435)
<b>Accumulated amortization, end of period</b>	—	8,097
<b>Net book value</b>	\$ —	\$ 2,502

The sales contracts when acquired were recorded at their acquisition date fair value, which are the incremental cash flows available to the Company arising from above-market pricing of the contracts.

## 10. PLANT AND EQUIPMENT AND MINERAL PROPERTIES

The following is a summary of plant and equipment:

	December 31, 2018			December 31, 2017		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Plant and equipment						
Nichols Ranch	\$ 29,210	\$ (12,021)	\$ 17,189	\$ 29,210	\$ (9,971)	\$ 19,239
Alta Mesa	13,656	(2,319)	11,337	13,626	(1,388)	12,238
Equipment and other	13,444	(12,127)	1,317	13,367	(11,768)	1,599
<b>Plant and equipment total</b>	<b>\$ 56,310</b>	<b>\$ (26,467)</b>	<b>\$ 29,843</b>	<b>\$ 56,203</b>	<b>\$ (23,127)</b>	<b>\$ 33,076</b>

The net book value for Nichols Ranch Project includes the value beyond proven and probable reserves ascribed to the processing plant, the Nichols Ranch wellfields and the Jane Dough project upon acquisition.

For the year ended December 31, 2018, the Company recorded \$2.05 million (2017 - \$3.17 million) of depreciation expense related to Nichols Ranch, which is included in the costs and expenses applicable to revenue in the Statement of the operations and comprehensive income for the year ended December 31, 2018.

### Acquisition of Royalties

On August 14, 2018, the Company issued 1.10 million shares for consideration of \$3.74 million to acquire a 6% – 8% sliding-scale gross proceeds production royalty on its Nichols Ranch, Hank and Doughstick properties (Doughstick is a part of the Company's Jane Dough Project expansion area) and extinguished the royalty. This royalty also applied to the nearby Niles Ranch, Willow Creek, and Verna Ann properties, which are important pipeline uranium properties also owned by the Company. Acquisition of this royalty is expected to significantly decrease the Company's cost of production at Nichols Ranch. As the Company does not have any reserves as defined by SEC Industry Guide 7, the Company has expensed this as development, permitting and land holding costs in the statement of operations and comprehensive loss.

The following is a summary of mineral properties:

	December 31, 2018	December 31, 2017
<b>Mineral properties</b>		
Uranerz ISR properties (a)	\$ 25,974	\$ 25,974
Sheep Mountain	34,183	34,183
Roca Honda	22,095	22,095
Other (a)	1,287	1,287
<b>Mineral properties total</b>	<b>\$ 83,539</b>	<b>\$ 83,539</b>

- a) In the year ended December 31, 2018 the Company renewed all mineral leases and therefore did not record abandonment expense in the statement of operations. In the year ended December 31, 2017 the Company did not renew certain mineral leases and recorded abandonment expense of \$0.29 million (December 31, 2016 – \$1.04 million) in the statement of operations.

## 11. IMPAIRMENTS

### *Impairment of plant and equipment, mineral properties and mineral properties held for sale*

The Company conducts a review of potential triggering events for all its mineral properties on a quarterly basis. When events or changes in circumstances indicate that the related carrying amounts may not be recoverable, the Company carries out a review and evaluation of its long-lived assets in accordance with its accounting policy. No impairment of plant and equipment, mineral properties and mineral properties held for sale recorded in the year ended December 31, 2018.

In the year ended December 31, 2017 the Company entered into an agreement to sell certain non-core uranium properties. The Company re-classified these properties as held for sale and recorded an impairment of \$3.80 million. The impaired properties are in the Reno Creek area. The impairment was based on the estimate of its fair value determined using the market approach less estimated selling costs.

## 12. ASSET RETIREMENT OBLIGATIONS AND RESTRICTED CASH

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

	December 31, 2018	December 31, 2017
Asset retirement obligation, beginning of period	\$ 18,280	\$ 17,033
Revision of estimate	(662)	249
Accretion of liabilities	1,835	1,733
Settlements	(349)	(735)
<b>Asset retirement obligation, end of period</b>	<b>\$ 19,104</b>	<b>\$ 18,280</b>
Asset retirement obligation:		
Current	\$ 270	\$ 32
Non-current	18,834	18,248
<b>Asset retirement obligation, end of period</b>	<b>\$ 19,104</b>	<b>\$ 18,280</b>

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 December 31, 2018 is \$41.32 million.

The following table summarizes the Company's restricted cash:

	December 31, 2018	December 31, 2017
Restricted cash, beginning of period	\$ 22,127	\$ 23,175
Refunds of collateral	(2,592)	(14,657)
Additional collateral posted	117	13,609
Restricted cash, end of period	\$ 19,652	\$ 22,127

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 19 for a discussion of the Company's surety bond commitments.

### 13. LOANS AND BORROWINGS

The contractual terms of 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.

	December 31, 2018	December 31, 2017
Current portion of loans and borrowings:		
Wyoming Industrial Development Revenue Bond loan (b)	—	3,414
<b>Total current loans and borrowings</b>	<b>\$ —</b>	<b>\$ 3,414</b>
Long-term loans and borrowings:		
Convertible Debentures (a)	\$ 15,880	\$ 16,636
Wyoming Industrial Development Revenue Bond loan (b)	—	7,441
<b>Total long-term loans and borrowings</b>	<b>\$ 15,880</b>	<b>\$ 24,077</b>

#### *Terms and debt repayment schedule*

Terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest rate	Year of maturity	December 31, 2018		December 31, 2017	
				Face value	Carrying amount	Face value	Carrying amount
Convertible debentures (a)	CDN\$	8.5%	2020	\$15,298	\$15,880	\$16,636	\$16,636
Wyoming Industrial Development Revenue Bond loan (b)	USD	5.8%	2020	—	—	10,855	10,855
				<b>\$15,298</b>	<b>\$15,880</b>	<b>\$27,491</b>	<b>\$27,491</b>

(a) 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 "Debentures") at a price of Cdn\$1,000 per Debenture for gross proceeds of Cdn\$21.55 million (the "Offering"). The 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 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 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 Debentures from June 30, 2017 to December 31, 2020, and reduced the conversion price of the Debentures from Cdn\$15.00 to Cdn\$4.15



per common share of the Company. In addition, a redemption provision was added that enables the Company, upon giving not less than 30 days' notice to Debentureholders, to redeem the 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 Debentures up to but excluding the redemption date. A right (in favor of each Debentureholder) was also added to give 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 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).

The 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 Weekly Indicator Price. The 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 Debentures by paying to the debenture trustee in Canadian dollars an amount equal to the aggregate principal amount of the outstanding 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 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 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.

The Debentures are classified as fair value through profit or loss where the 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 year ended December 31, 2018 the Company recorded a loss on revaluation of convertible Debentures of \$0.61 million (December 31, 2017 – \$0.94 million).

(b) The Company, upon its acquisition of Uranerz in 2015, assumed a loan through the Wyoming Industrial Development Revenue Bond program (the "Loan"). The Loan had an annual interest rate of 5.75% and was repayable over seven years, maturing on October 15, 2020. The Loan originated on December 3, 2013 and required the payment of interest only for the first year, with the amortization of principal plus interest over the remaining six years. The Loan was secured by most of the assets of the Company's wholly owned subsidiary, Uranerz, including mineral properties, the processing facility, and equipment as well as an assignment of all of Uranerz' rights, title and interest in and to its product sales contracts and other agreements. Uranerz was also subject to dividend restrictions. Principal and interest were paid on a quarterly basis on the first day of January, April, July and October. In September 2018, the Company repaid and retired the entire outstanding balance of \$8.30 million of the loan and the mortgage on the Company's assets was released.

## 14. 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 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*

The significant transactions relating to capital stock issued during 2018, 2017, and 2016 are:

- a) In the year ended December 31, 2018, the Company issued 14,283,254 common shares under the Company's "at-the-market" offering (the "ATM") for proceeds of \$32.19 million. In the year ended December 31, 2017, the Company issued 7,202,479 common shares under the Company's "at-the-market" offering (the "ATM") for proceeds of \$14.55 million. In the year ended December 31, 2016, the Company issued 200,225 common shares under the Company's ATM for proceeds of \$0.54 million.

- b) On August 14, 2018 the Company issued 1.10 million shares with a value of \$3.74 million to acquire a production royalty on its Nichols Ranch, Hank and Doughstick properties.
- c) On March 14, 2016, the Company completed a public offering of 5,031,250 units at a price of \$2.40 per unit for gross proceeds of \$12.08 million. Each Unit consisted of one common share and one half of one common share purchase warrant, or a total of 5,031,250 common shares and 2,515,625 warrants. Each warrant is exercisable until March 14, 2019 and entitles the holder thereof to acquire one common share upon exercise at an exercise price of US\$3.20 per common share. These warrants are accounted for as a derivative liability, as the functional currency of the entity issuing the warrant is Cdn\$.

The following weighted average assumptions were used for the Black-Scholes option pricing model to calculate the \$2.09 million of fair value for the 2,515,625 warrants issued in connection with the public offering in March 2016.

Risk-free rate	1.15%
Expected life	3.0 years
Expected volatility	106.0%*
Expected dividend yield	0%

\* Expected volatility is measured based on the Company's historical share price volatility over the expected life of the warrants.

- d) On May 27, 2016, the Company issued 1,212,173 shares to acquire the remaining 40% interest of the Roca Honda Joint Venture for share consideration of \$2.68 million.
- e) On June 16, 2016 the Company issued 4,551,284 shares to acquire Alta Mesa with a value of \$11.38 million.
- f) On September 20, 2016, the Company completed a public offering of 8,337,500 units at a price of \$1.80 per unit for gross proceeds of \$15.01 million. Each Unit consisted of one common share and one half of one common share purchase warrant, or a total of 8,337,500 Shares and 4,168,750 Warrants. 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 US\$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\$.

The following weighted average assumptions were used for the Black-Scholes option pricing model to calculate the \$3.17 million of fair value for the 4,168,750 warrants issued in connection with the public offering in September 2016.

Risk-free rate	1.2%
Expected life	5.0 years
Expected volatility	145.2%*
Expected dividend yield	0%

\* Expected volatility is measured based on the Company's historical share price volatility over the expected life of the warrants.

### Share Purchase Warrants

The following table summarizes the Company's share purchase warrants denominated in US 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 USDS	Warrants Outstanding	Fair value at December 31, 2018
March 2016 (1)	March 14, 2019	3.20	2,328,925	\$ 662
September 2016 (2)	September 20, 2021	2.45	4,167,480	5,621
				\$ 6,283

(1) These US dollar-based warrants are classified as Level 3 under the fair value hierarchy (Note 21).

(2) These US dollar-based warrants are classified as Level 1 under the fair value hierarchy as they are traded on an active market.

The following weighted average assumptions were used for the Black-Scholes option pricing model to calculate the \$0.66 million of fair value for the 2,328,925 warrants at December 31, 2018.

Risk-free rate	2.63%
Expected life	0.2 years
Expected volatility	80.5%*
Expected dividend yield	0%

\* Expected volatility is measured based on the Company's historical share price volatility over the expected life of the warrants.

## 15. BASIC AND DILUTED LOSS PER COMMON SHARE

The following is a reconciliation of weighted average shares outstanding for the years ended December 31, 2018, 2017, 2016, respectively:

	Years Ended December 31,		
	2018	2017	2016
Issued common shares at beginning of period	74,366,824	66,205,153	46,519,132
Effect of share options exercised	115,330	—	3,471
Effect of shares issued for settlement of vesting of restricted share units	829,610	831,393	196,242
Effect of shares issued for exercise of share purchase warrants	44,185	—	—
Shares issued for consulting services	122,854	—	—
Effect of shares issued in asset acquisitions	419,986	—	3,184,175
Effect of shares issued for conversion of debentures	323	—	—
Effect of shares issued in public offerings	7,576,288	3,822,561	6,538,038
Weighted average shares outstanding	83,475,400	70,859,107	56,441,058

### Basic and diluted loss per share

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

	Years Ended December 31,		
	2018	2017	2016
Net loss to owners of the Company	\$ (25,245)	\$ (27,766)	\$ (39,413)
Basic and diluted weighted average number of common shares outstanding	83,475,400	70,859,107	56,441,058
<b>Loss per common share</b>	<b>\$ (0.30)</b>	<b>\$ (0.39)</b>	<b>\$ (0.70)</b>

For the three years ended December 31, 2018, 2017 and 2016, 8.23 million, 8.71 million and 10.19 million options and warrants, respectively, and the potential conversion of the Debentures have been excluded from the calculation as their effect would have been anti-dilutive.

## 16. SHARE-BASED PAYMENTS

The Company, under the 2018 Omnibus Equity Incentive Compensation Plan (the "Compensation Plan"), maintains a stock incentive plan for directors, executives, eligible employees and consultants. Stock incentive awards include employee stock options, restricted stock units ("RSUs"), and share appreciation rights ("SARs"). The Company issues new shares of common stock to satisfy exercises and vesting under all of its stock incentive awards. At December 31, 2018, a total of 9,144,507 common shares were authorized for stock 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. 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 0.42 million options granted in the year ended December 31, 2018 (December 31, 2017 – 0.74 million, December 31, 2016 - 0.45 million). At December 31, 2018, there were 1.71 million options outstanding with 1.44 million options exercisable, at a weighted average exercise price of \$3.85 and \$4.21 respectively, with a weighted average remaining contractual life of 3.59 years. The aggregate intrinsic value of the fully vested shares was \$0.41 million.

The summary of the Company's stock options at December 31, 2018, 2017 and 2016, respectively, and the changes for the fiscal periods ending on those dates are presented below:

	Range of Exercise Prices \$	Weighted Average Exercise Price \$	Number of Options
<b>Balance, December 31, 2015</b>	<b>2.55 - 32.10</b>	<b>6.54</b>	<b>2,122,897</b>
Granted	2.12 - 2.22	2.13	449,537
Exercised	2.12	2.12	(8,369)
Forfeited	2.12 - 18.99	5.52	(317,960)
Expired	2.95 - 32.03	8.03	(200,962)
<b>Balance, December 31, 2016</b>	<b>2.12 - 15.61</b>	<b>5.69</b>	<b>2,045,143</b>
Granted	1.77 - 2.35	2.34	738,893
Exercised	—	—	—
Forfeited	2.12 - 11.94	2.93	(316,289)
Expired	4.48 - 12.55	8.42	(438,900)
<b>Balance, December 31, 2017</b>	<b>1.77 - 15.61</b>	<b>4.48</b>	<b>2,028,847</b>
Granted	1.70 - 2.88	1.75	442,956
Exercised	1.70 - 2.55	2.15	(355,092)
Forfeited	1.70 - 6.63	3.96	(213,393)
Expired	5.86 - 10.36	8.18	(170,564)
<b>Balance, December 31, 2018</b>	<b>1.70 - 15.61</b>	<b>3.84</b>	<b>1,732,754</b>

As of December 31, 2018, the outstanding stock options denominated in Cdn\$ were as follows:

Options outstanding					Options exercisable			
Exercise price	Quantity	Weighted average price	Weighted average remaining contractual life	Intrinsic Value	Quantity	Weighted average price	Weighted average remaining contractual life	Intrinsic Value
\$5.00 to \$9.99	210,550	8.01	0.39	—	210,550	8.10	0.39	—
	210,550			\$ —	210,550			\$ —

As of December 31, 2018, the outstanding stock options denominated in USD\$ were as follows:

Options outstanding				Options exercisable				
Exercise price	Quantity	Weighted average price	Weighted average remaining contractual life	Intrinsic Value	Quantity	Weighted average price	Weighted average remaining contractual life	Intrinsic Value
\$0.00 to \$4.99	1,240,177	\$ 2.83	3.90	\$ 415	943,133	\$ 3.08	3.98	\$ 415
\$5.00 to \$9.99	255,762	6.00	3.10	—	255,762	6.00	3.10	—
\$10.00 to \$14.99	13,515	12.59	2.27	—	13,515	12.59	2.27	—
\$15.00 to \$19.99	12,750	\$ 15.61	2.03	—	12,750	\$ 15.61	2.03	—
	1,522,204			\$ 415	1,225,160			\$ 415

In the year ended December 31, 2018, the Company issued 355,092 shares upon exercise of stock options at an average exercise price of \$2.15 for proceeds of \$0.76 million. These options had an intrinsic value of \$0.41 million.

In the year ended December 31, 2017, no shares were issued due to the exercise of stock options.

In the year ended December 31, 2016 the Company issued 8,369 shares upon exercise of stock options at an average exercise price of \$2.12 for proceeds of \$0.02 million. These options had an intrinsic value of \$0.01 million.

The share-based compensation recorded during the years ended December 31, 2018, 2017 and 2016 are as follows:

	Years ended December 31,		
	2018	2017	2016
Share-based compensation <sup>(1)(2)</sup>	\$ 2,762	\$ 3,525	\$ 2,657
<b>Value of stock options and RSUs granted</b>	<b>\$ 2,762</b>	<b>\$ 3,525</b>	<b>\$ 2,657</b>

(1) The fair value of the options granted under the Compensation Plan for the years ended December 31, 2018, 2017 and 2016 was estimated at the date of grant, using the Black-Scholes Option Valuation Model, with the following weighted-average assumptions:

	2018	2017	2016
Risk-free interest rate	2.84%	1.93%	1.03% - 1.43%
Expected life	5.0 years	5.0 years	5.0 years
Expected volatility	59.00%*	63.0%*	64.7% - 74.8%*
Expected dividend yield	0%	0%	0%
Weighted-average expected life of option	5.00	5.00	5.00
Weighted-average grant date fair value	\$0.96	\$1.20	\$1.22 - \$1.23

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

(2) The fair value of the RSUs granted under the Compensation Plan for the years ended December 31, 2018, 2017 and 2016, was estimated at the date of grant, using the stated market price.

A summary of the status and activity of non-vested stock options at December 31, 2018 is as follows:

	Number of shares	Weighted Average Grant- Date Fair Value
Non-vested December 31, 2015	177,698	3.44
Granted	449,537	1.29
Vested	(331,482)	2.26
Forfeited	(68,575)	1.56
Non-vested December 31, 2016	227,178	1.48
Granted	738,893	1.18
Vested	(486,386)	1.30
Forfeited	(114,505)	1.22
Non-vested December 31, 2017	365,180	1.20
Granted	442,956	0.96
Vested	(448,662)	1.10
Forfeited	(62,430)	0.96
Non-vested December 31, 2018	297,044	1.06

#### *Restricted Stock Units*

The Company grants RSUs to executives and eligible employees. Awards are determined as a target percentage of base salary and vest over periods of three years. Prior to vesting, holders of restricted stock units do not have the right to vote the underlying shares. The restricted stock units 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 restricted stock unit for no additional payment. During the year ended December 31, 2018, the Company's Board of Directors approved the issuance of 1.19 million RSUs under the Compensation Plan (2017 – 1.39 million, 2016 - 1.21 million).

A summary of the status and activity of non-vested RSUs at December 31, 2018 is as follows:

	Number of shares	Weighted Average Grant- Date Fair Value
Non-vested December 31, 2015	272,866	4.03
Granted	1,205,336	2.14
Vested	(138,608)	4.65
Forfeited	(9,125)	5.39
Non-vested December 31, 2016	1,330,469	2.37
Granted	1,390,705	2.09
Vested	(752,580)	2.35
Forfeited	(59,118)	2.29
Non-vested December 31, 2017	1,909,477	2.17
Granted	1,191,132	1.70
Vested	(1,486,126)	2.24
Forfeited	(34,296)	2.00
Non-vested December 31, 2018	1,580,187	\$ 1.99

The total fair value of RSUs that vested and were settled for equity in the year ended December 31, 2018 was \$1.49 million (2017 – \$1.69 million, 2016 - \$0.30 million). At December 31, 2018, there was \$0.05 million and \$0.88 million of unrecognized compensation costs related to the unvested stock options and RSU awards, respectively. This cost is expected to be recognized over a period of approximately three years.

#### *Share Appreciation Rights*

No SARs were issued during the year ended December 31, 2018, or in any prior years.

## 17. INCOME TAXES

A reconciliation of income tax expense and the product of accounting income before income tax, multiplied by the combined Canadian federal and provincial income tax rate (the rate applicable to the Canadian parent company) is as follows:

	Year ended		
	December 31,		
	2018	2017	2016
Loss before income taxes	\$ (25,364)	\$ (27,990)	\$ (39,864)
Combined federal and provincial rate	26.50%	26.50%	26.50%
Expected income tax recovery	(6,721)	(7,400)	(10,600)
Stock based compensation	623	934	704
Other non-deductible/non-taxable items	597	(1,303)	—
Foreign tax rate differences	—	—	(2,962)
Unrecognized deferred tax assets	5,501	7,769	12,858
Income tax expense	\$ —	\$ —	\$ —

The components of the net deferred tax assets and liabilities as of December 31, 2018, 2017 and 2016 are as follows:

	Year ended	
	December 31,	
	2018	2017
<b>Current deferred tax assets</b>		
Inventories	1,812	2,148
Short-term investments	209	1,216
<b>Total current deferred tax assets</b>	<b>2,021</b>	<b>3,364</b>
<b>Non-current deferred tax assets</b>		
Operating loss carry forwards	80,290	74,644
Capital loss carry forwards	14,903	15,286
Deferred revenue and other	3,622	3,695
Mineral properties and deferred costs	28,317	28,080
Asset retirement obligations	5,062	4,844
Intangibles and other	—	(663)
Property, plant and equipment	1,549	845
<b>Total non-current deferred tax assets</b>	<b>133,743</b>	<b>126,731</b>
Subtotal deferred tax asset	135,764	130,095
Less: valuation allowance	(135,764)	(130,095)
Net deferred tax asset	\$ —	\$ —

At December 31, 2018, and 2017, the Company recorded a valuation allowance against the net deferred tax assets for the above related items in the financial statements as management did not consider it more likely than not that the Company will be able to realize the deferred tax assets in the future.

The following table summarizes the changes to the valuation allowance:

<b>For the Year Ended December 31,</b>	<b>Balance at Beginning of Period</b>	<b>Additions (a)</b>	<b>Deductions (b)</b>	<b>Balance at End of Period</b>
<b>2018</b>	130,095	7,469	(1,800)	135,764
<b>2017</b>	163,666	4,259	(37,830)	130,095

- a) The additions to the valuation allowance result from additional losses incurred and increases to other tax assets such as mineral property and property, plant and equipment. Management does not feel these additions meet the more-likely-than-no criterion for recognition.
- b) The reductions to the valuation allowance result primarily from the decreases to other tax assets such as inventories, short-term investments and deferred revenue.

The following table summarizes the Company's capital losses and net operating losses as of December 31, 2018 that can be applied against future taxable profit.

<b>Country</b>	<b>Type</b>	<b>Amount</b>	<b>Expiry Date</b>
Canada	Non-capital losses	\$ 37,018	2027 - 2036
Canada	Allowable Capital losses	3,293	None
Canada	Investment Tax Credits	1,213	2023-2027
United States	Pre-2018 Net Operating losses	250,370	2026-2036
United States	Post-2017 Net Operating losses	15,949	None
United States	Capital losses	52,591	2019
	Section 163j Disallowed Interest	353	None

Utilization of the United States loss carry forwards will be limited in any year as a result of previous changes in ownership. For the Energy Fuels Holding Corporation and Subsidiaries consolidated group, management estimates that approximately \$75 million in net operating losses will expire unutilized as a result of these limitations.

In addition, as a result of the Tax Cuts and Jobs Act, United States net operating loss carryforwards generated after December 31, 2017 will be limited to usage at 80% of taxable income and will be permitted to be carried forward indefinitely.

Utilization of the Canadian loss carry forwards will be subject to the Acquisition of Control Rules in any year as a result of previous changes in ownership.

## **18. SUPPLEMENTAL FINANCIAL INFORMATION**

The components of revenues are as follows:

The Company had three major customers to which its sales for the year were as follows: 2018 - \$24.52 million; \$5.03 million; \$1.24 million; (2017 (three major customers) - \$13.08 million; \$6.99 million; \$4.40 million); (2016 (three major customers) - \$33.36 million; \$8.69 million; \$7.00 million).

The Company's revenues by country of customer for the current year were as follows: 2018 - \$25.76 million - U.S.; Other - \$5.03 million; (2017 - \$20.07 million - U.S.; Other - \$4.40 million) (2016 - \$50.76 million - U.S.; Other - \$3.69 million).

Deferred revenue at December 31, 2018 of \$2.72 million (2017 - \$2.47 million) relates to proceeds received on toll materials in advance of required activity.



The components of other (expense) income are as follows:

	Years ended December 31,		
	2018	2017	2016
Interest income	\$ 336	\$ 161	\$ 143
Change in value of marketable securities	769	509	—
Change in value of warrant liabilities	(3,469)	784	420
Change in value of convertible Debentures	(612)	(940)	(407)
Gain on settlement of loans and borrowings	—	—	424
Gain on assets held for sale	341	—	—
Insurance settlement	—	—	223
Sales and property tax refunds	—	—	176
Gain on sale of mineral properties	—	—	316
Sale of surplus assets	293	1,913	—
Other	14	142	(96)
<b>Other (expense) income</b>	<b>\$ (2,328)</b>	<b>\$ 2,569</b>	<b>\$ 1,199</b>

The components of accounts payable and accrued liabilities are as follows:

	December 31, 2018	December 31, 2017
Accounts payable	\$ 1,881	\$ 762
Payroll liabilities	1,928	835
Other accrued liabilities	4,112	4,852
<b>Accounts payable and accrued liabilities</b>	<b>\$ 7,921</b>	<b>\$ 6,449</b>

## 19. 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, the White Mesa Mill’s license for another ten years and Groundwater Discharge Permit for another five years. In March of 2018, the Grant Canyon Trust, Ute Mountain Ute Tribe and Uranium Watch (the “Petitioners”) filed 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 (“ALJ”), 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, 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 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 Ninth Circuit Court of Appeals 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 then petitioned the Ninth Circuit Court of Appeals for a rehearing *en banc*. On October 25, 2018, the Ninth Circuit panel denied the petition for rehearing *en banc* but withdrew its prior opinion and filed a new opinion affirming three of the claims and remanding the fourth claim back to the District Court to hear on the merits. The Company does not consider this action to have any merit. If the petition is successful, the likely outcome would be a requirement to cease mining or mining-related projects at the Canyon Project until the USFS was found to have fully complied with all applicable laws. At this time, the scope and costs of ceasing work on the Canyon Project have not yet been determined and could significantly impact our future operations.

On December 26, 2018, the Havasupai Tribe filed an Application for an Extension of Time to File a Petition for a Writ of Certiorari with the Supreme Court of the United States. This Application is currently being evaluated. The Company does not consider this action to have any merit.

### **Daneros Mine**

On February 23, 2018, the BLM issued the 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.

#### *Mineral property commitments*

The Company enters into commitments with federal and state agencies and private individuals to lease mineral rights. These leases are renewable annually and annual renewal costs are expected to total \$1.43 million for the year ended December 31, 2019.

#### *Surety bonds*

The Company has indemnified third-party companies to provide surety bonds as collateral for the Company’s ARO. 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 \$19.65 million posted against an undiscounted ARO of \$41.32 million (December 2017 - \$22.13 million posted against undiscounted asset retirement obligation of \$43.46 million).

#### *Commitments*

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

## 20. UNAUDITED SUPPLEMENTARY QUARTERLY INFORMATION

The following table summarizes unaudited supplementary quarterly information for the years ended December 31, 2018, and December 31 2017.

	<b>Three months ended</b>			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
	(unaudited) (in thousands, except share and per share amounts)			
Net Sales	\$ 1,254	\$ 26,973	\$ 451	\$ 3,043
Gross Profit (loss)	\$ (994)	\$ 14,964	\$ (263)	\$ (1,317)
Net (loss) income	\$ (10,829)	\$ 7,144	\$ (13,897)	\$ (7,780)
Basic Net (loss) income per share	\$ (0.14)	\$ 0.09	\$ (0.16)	\$ (0.09)
Diluted Net (loss) income per share	\$ (0.14)	\$ 0.08	\$ (0.16)	\$ (0.09)
Net (loss) income attributable to Owners of the Company	\$ (10,822)	\$ 7,149	\$ (13,812)	\$ (7,760)
Basic Net (loss) attributable to owners of the Company per share	(0.14)	0.09	(0.16)	(0.09)
Diluted Net (loss) income attributable to Owners of the Company per share	(0.14)	0.08	(0.16)	(0.09)
Weighted average shares outstanding Basic	75,209,456	77,513,180	87,197,294	91,105,260
Weighted average shares outstanding Diluted	75,209,456	86,534,484	87,197,294	91,105,260

  

	<b>Three months ended</b>			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
	(unaudited) (in thousands, except share and per share amounts)			
Net Sales	\$ 3,756	\$ 17,883	\$ 5,499	\$ 3,908
Gross Profit (loss)	\$ 1,685	\$ 4,855	\$ 1,931	\$ (135)
Net loss	\$ (10,596)	\$ (4,480)	\$ (4,884)	\$ (8,030)
Net loss per share	\$ (0.15)	\$ (0.06)	\$ (0.07)	\$ (0.11)
Net loss attributable to Owners of the Company	\$ (10,508)	\$ (4,470)	\$ (4,766)	\$ (8,022)
Net loss attributable to Owners of the Company per share	\$ (0.15)	\$ (0.06)	\$ (0.07)	\$ (0.11)
Weighted average shares outstanding Basic and Diluted	68,761,350	70,423,642	71,436,413	72,164,932

## 21. 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 at December 31, 2018. 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.

Fair value accounting utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities

Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Our financial instruments include cash and cash equivalents, restricted cash, accounts receivable, accounts payable and current accrued liabilities. These instruments are carried at cost, which approximates fair value due to the short-term maturities of the instruments. Allowances for doubtful accounts are recorded against the accounts receivable balance to estimate net realizable value. The fair value of the Company's Debentures are measured at fair value based on the closing price on the TSX (a Level 1 measurement) and changes are recognized in other income (expense). The Company's investments in 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 Company's investments are marketable debt securities which are exchange traded and are valued using quoted prices of a pricing service and such are classified within Level 2 of the fair value hierarchy. The Company's warrants are classified as liabilities. The warrants are subject to re-measurement at each balance sheet date, with any change in fair value recognized as a component of other income (expense), in the statements of operations. The warrants issued in September 2016 are classified as Level 1 under the fair value hierarchy using quoted market prices in active markets.

The warrants issued in March 2016 are classified as Level 3 under the fair value hierarchy as they are valued with Level 3 (Level 3 fair value is determined using the entity's own assumptions about the inputs that market participants would use in pricing an asset or liability) inputs and the Black-Scholes option model.

As at December 31, 2018 and 2017, 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.

December 31, 2018	Level 1	Level 2	Level 3	Total
Investments at fair value	\$ 1,107	\$ —	\$ —	\$ 1,107
Marketable equity securities	1,460	—	—	1,460
Marketable debt securities	—	25,601	—	25,601
Warrant liabilities (Note 14)	(5,621)	—	(662)	(6,283)
Convertible Debentures (Note 13)	(15,880)	—	—	(15,880)
	\$ (18,934)	\$ 25,601	\$ (662)	\$ 6,005

December 31, 2017	Level 1	Level 2	Level 3	Total
Investments	\$ 1,937	\$ —	\$ —	\$ 1,937
Warrant liabilities (Note 14)	(2,991)	—	(385)	(3,376)
Convertible debentures (Note 13)	(16,636)	—	—	(16,636)
	\$ (17,690)	\$ —	\$ (385)	\$ (18,075)

The following table presents the activity for those items measured at fair value on a recurring basis using Level 3 inputs for the year ended December 31, 2018:

	Level 3 Warrant Liabilities
Fair Value at December 31, 2017	385
Fair value of warrants exercised	(120)
Change in fair value (1)	397
<b>Fair Value at December 31, 2018</b>	<b>662</b>

(1) The gain (loss) recognized in included in Other Income (Expense) on the Consolidated Statement of Operations.

There were no transfers into or out of Level 3 during the year ended December 31, 2018.

## 22. REVENUE RECOGNITION AND CONTRACTS WITH CUSTOMERS

### Adoption

On January 1, 2018, the Company adopted new guidance on revenue from contracts with customers using the modified retrospective method applied to contracts that were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under the new guidance, while prior period amounts are not adjusted and continue to be reported in accordance with previous guidance.

We recorded a net decrease to opening accumulated deficit of \$2.47 million as of January 1, 2018, for the cumulative impact of adopting the new guidance. The impact primarily related to the change in accounting for alternate feed contracts, resulting in the recognition of \$2.47 million of deferred revenue.

	Balance at December 31, 2017	New Revenue Standard Adjustment	Balance at January 1, 2018
<b>Liabilities</b>			
Deferred revenue	\$ 2,474	\$ (2,474)	\$ —
<b>Equity</b>			
Accumulated deficit	\$ (309,287)	\$ 2,474	\$ (306,813)

Under the modified retrospective method of adoption, we are required to disclose the impact to revenues had we continued to follow our accounting policies under the previous revenue recognition guidance. There is no impact to revenues for the year ended December 31, 2018 as we did not receive any alternate feed material which would have been classified as deferred revenue in the period.

All revenue recognized is a result of contracts with customers either through sales contracts or alternate feed agreements.

The Company applied Topic 606 retrospectively using the practical expedient, under which the Company does not disclose the amount of consideration allocated to the remaining performance obligations or an explanation of when the Company expects to recognize that amount as revenue for all reporting periods presented before the date of the initial application – i.e. January 1, 2018. As of December 31, 2018, the Company has one customer contract with material performance obligations remaining. The Company's has yet to deliver material from its toll processing activities to the customer. At the time of delivery we will recognize the deferred revenue. The Company's remaining performance obligations are expected to be completed within 2019. The Company's estimated revenue expected to be recognized in the future related to performance obligations that are partially unsatisfied at December 31, 2018 is \$2.74 million. The Company's existing long term contracts expired following the Company's 2018 deliveries, and all uranium sales after 2018 will be required to be made at spot prices until the Company enters into new long-term contracts at satisfactory prices in the future. Revenue beyond our current contracts will be affected by both spot and long-term U<sub>3</sub>O<sub>8</sub> price fluctuations which are 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.

## 23. 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 \$nil to the expenses of the Arkose Joint Venture based on the approved budget for the twelve months ended December 31, 2018.

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 Alta Mesa LLC) in June 2016 through the issuance of 4,551,284 common shares of the Company to the direction of the Sellers (of which 4,303,032 common shares of the Company are currently held by the Sellers). In connection with the Purchase Agreement, one of the Acquired Companies, Leoncito Project, L.L.C. entered into an Amended and Restated Uranium Testing Permit and Lease Option Agreement with Mesteña Unproven, Ltd., Jones Ranch Minerals Unproven, Ltd and Mesteña Proven, Ltd. (collectively the "Grantors"), which requires Leoncito Project, L.L.C., to make a payment in the amount of \$0.60 million to the Grantors in June 2019 (of which up to 50% may be paid in common shares of the Company at the Company's election). At December 31, 2018, the Company has accrued \$0.50 million of this liability on the balance sheet. The Grantors are managed by Mesteña LLC.

Pursuant to the Purchase Agreement, the Alta Mesa Properties held by the Acquired Companies are subject to a royalty of 3.125% of the value of the recovered U<sub>3</sub>O<sub>8</sub> 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<sub>3</sub>O<sub>8</sub> 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<sub>3</sub>O<sub>8</sub> from the Alta Mesa Properties sold at a price greater than \$95.00 per pound. The royalties are held by the Sellers, and Mr. Eshleman and his extended family hold all of the ownership interests in the Sellers. 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<sub>3</sub>O<sub>8</sub>, the Company did not pay any royalty payments or surface use payments to the Sellers or to Mr. Eshleman or his immediate family members in the year ended December 31, 2018. Pursuant to the Purchase Agreement, surface use payments from June 2016 through December 31, 2018 have been deferred until June 30, 2019 at which time the Company will pay \$1.35 million to settle this obligation. As of December 31, 2018, the Company has accrued \$1.35 million of this liability on the balance sheet.

## 24. SUBSEQUENT EVENTS

### *Issuance of stock options and RSUs*

On January 22, 2019 the Company granted 0.35 million stock options with an exercise price of \$2.92 per share, 2.20 million stock appreciation rights ("**SARs**") at a grant price of \$2.92 per share, and 0.72 million RSUs to its employees, directors and consultants. The options carry a five-year life and vest as follows: 50% immediately; 25% on January 23, 2019; 25% on January 23, 2020. The SARs have a term of five years and vest as follows: one-third of the SARs granted, automatically upon the volume weighted average price of the Company's common shares on the NYSE American equaling or exceeding US\$5.00 for any continuous 90-day period; one-third of the SARs granted, automatically upon the volume weighted average price of the Company's common shares equaling or exceeding US\$7.00 for any continuous 90-day period; and one-third of the SARs granted, automatically upon the volume weighted average price of the Company's common shares equaling or exceeding US\$10.00 for any continuous 90-day period. None of the SARs may be exercised before January 22, 2020. The RSUs vest as follows: 50% on January 27, 2020; 25% on January 27, 2021; and 25% on January 27, 2022.

## Exhibits

Where an exhibit is filed by incorporation by reference to a previously filed registration statement or report, such registration statement or report is identified in parentheses.

<b>Exhibit No.</b>	<b>Document Description</b>
23.1	<a href="#"><u>Consent of KPMG LLP, Independent Registered Public Accountants, U.S.</u></a>
23.23	<a href="#"><u>Consent of KPMG LLP, Independent Registered Public Accountants, Canada</u></a>
31.1	<a href="#"><u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act</u></a>
31.2	<a href="#"><u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act</u></a>
32.1	<a href="#"><u>Certification of Chief Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
32.2	<a href="#"><u>Certification of Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>



## 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.

By: /s/ Mark S. Chalmers

\_\_\_\_\_  
Mark S. Chalmers, President & Chief Executive  
Officer

Principal Executive Officer

Date: March 13, 2019

By: /s/ David C. Frydenlund

\_\_\_\_\_  
David C. Frydenlund  
Chief Financial Officer

Date: March 13, 2019

**Consent of Independent Registered Public Accounting Firm**

The Board of Directors  
Energy Fuels Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 333-217098, 333-205182, 333-194900, and No. 333-226654) on Form S-8 and registration statements (No. 333-226878, and No. 333-210782) on Form S-3 of Energy Fuels Inc. of our report dated March 11, 2019, with respect to the consolidated balance sheet of Energy Fuels Inc. as of December 31, 2018 and 2017, the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2018, and the related notes (collectively, the consolidated financial statements), which report appears in the December 31, 2018 annual report on Form 10-K of Energy Fuels Inc.

**/s/ KPMG LLP**

Denver, Colorado  
March 11, 2019



**KPMG LLP**  
**Chartered Accountants**  
Bay Adelaide Centre  
Suite 4600  
333 Bay Street  
Toronto ON M5H 2S5

Telephone (416) 777-8500  
Fax (416) 777-8818  
www.kpmg.ca

## **CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors  
Energy Fuels Inc.

We consent to the incorporation by reference in the Registration Statements (No. 333-210782, No. 333-228158, and No. 333-226878) on Form S-3 and Registration Statements (No. 333-217098, 333-205182, 333-194900, and No. 333-226654) on Form S-8 of Energy Fuels Inc. of our report dated March 8, 2017, with respect to the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2016, which report appears in the December 31, 2018 Annual Report on Form 10-K of Energy Fuels Inc.

**/s/ KPMG LLP**

Chartered Professional Accountants, Licensed Public Accountants  
March 11, 2019  
Toronto, Canada

**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 annual report on Form 10-K/A (Amendment 2) 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: March 13, 2019

/s/ Mark S. Chalmers  
\_\_\_\_\_  
Mark S. Chalmers  
*Chief Executive Officer*  
(Principal Executive Officer)

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**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 annual report on Form 10-K/A (Amendment 2) 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: March 13, 2019

/s/ David C. Frydenlund

David C. Frydenlund

*Chief Financial Officer*

(Principal Financial Officer)

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**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 Annual Report of Energy Fuels Inc. (the "Company") on Form 10-K/A (Amendment 2) for the period ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark S. Chalmers, 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

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Mark S. Chalmers

*Chief Executive Officer*

(Principal Executive Officer)

Date: March 13, 2019

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.

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**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 Annual Report of Energy Fuels Inc. (the "Company") on Form 10-K/A (Amendment 2) for the period ended December 31, 2018 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: March 13, 2019

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.

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