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ENERGY FUELS INCORPORATED

PRESENTATION BY STEVE ANTHONY

ON JANUARY 20, 2015

1                   MR. ANTHONY: All right. Good morning.

2           My name is Steve Anthony. I'm the CEO and President  
3           of Energy Fuels Incorporated, a uranium mining company  
4           based in Lakewood, Colorado. And this morning, I'm  
5           going to talk about nuclear energy.

6                   Nuclear is the only way you can produce clean,  
7           carbon-free basic electricity in the United States  
8           today. We expect to see a big growth in nuclear power  
9           throughout the world as the issues of global warming  
10          and electricity demand increase as we go forward in  
11          this decade.

12                   The growth in nuclear power, you know, is  
13          always hampered by, obviously, issues that are out of  
14          our control. I mean, there's been some nuclear power  
15          upsets in the world that have really hampered the  
16          growth. The golden age of nuclear power began in the  
17          '60s -- actually the '50s, went into the '60s and

18 peaked in the '70s in the United States, which became  
19 the largest producer of nuclear power and largest  
20 consumer of U308 which is the fuel for nuclear power.

21 I want you to take away today four things;  
22 that we are a producer, not an explorer, we have the  
23 strongest balance sheet amongst our peers, production  
24 growth potential in the US through permeated assets  
25 that are in a standby state and can be turned on in a

1 short period of time. We've recently announced a  
2 transaction with Uranerz which is an institute uranium  
3 producer, a methodology of extraction that is purported  
4 to be on the lower end of the cost curve. This will  
5 create a company that will be the purely dominant  
6 mining company in the US.

7           These next slides are regulatory compliance  
8 slides. Take a look at 'em at your convenience. Now,  
9 today I'm going to talk about energy fuels. I'll talk  
10 about our most recent acquisition, the Uranerz Company  
11 located in Wyoming. We'll talk a bit about uranium  
12 market dynamics and the Energy Fuel's production  
13 platform. I'll end with some financials and current  
14 guidance for the company.

15           The US nuclear power industry is the  
16 strongest in the world currently. Of course, China is  
17 rapidly closing that gap with an aggressive build of  
18 power plants to service their ever-increasing demand.  
19 As you see on this slide, the area in the yellow is our  
20 operating area predominantly in the Western US.  
21 Historically, this is where the majority of the uranium  
22 production came from and, as I indicated before, we  
23 peaked at around 55 million pounds of production here  
24 in the United States in the late 1970s. You can see  
25 where these nuclear power plants are located. There's

1 about 102 currently operating, two have recently shut  
2 down, but there are five currently under construction  
3 that will come online in the Southeast United States.

4 To service the demand of the nuclear power  
5 industry, we embark on a two-pronged philosophy. That  
6 is, play to our strengths, which is a strong balance  
7 sheet and our long-term contracts, and take advantage  
8 of opportunities in the current downturn in the market  
9 to continue consolidation. We've consolidated five  
10 major companies since 2008 following the financial  
11 crisis, and we took advantage of the consolidation in  
12 the industry because there were many companies out  
13 there in 2007 when the price of uranium peaked at \$138  
14 a pound. It's currently \$36 a pound, so you can see the  
15 rapid and volatile price movement in the market has  
16 caused companies to fall by the wayside that don't have  
17 the strength to survive and others that don't have the  
18 strength to grow in the market.

19 Of course, having the best balance sheet  
20 helps us in this current market situation. Three  
21 long-term contracts currently with the company, and  
22 these contracts average a price of around \$59 a pound.  
23 You can see over the current price of 36 that there's a  
24 substantial buffer there.

25 It -- we have some important strategic

1 alliances with two major players in the world; that is  
2 Kepco which is the Korean Electric Power Company and  
3 Sumitomo, a major Japanese trader.

4           Again, our two part strategy is to manage our  
5 assets with a strong working capital conservatively and  
6 focus on low-cost production centers. Build the  
7 production growth potential by permeating the current  
8 large-scale base load projects which are three projects  
9 that each one individually consists of over 20 million  
10 pounds a year production potential -- or 20 million  
11 pounds of resource base. These three base load  
12 projects will give us a sufficient feed into our  
13 uranium mill to produce what we project to be 4-5  
14 million pounds a year.

15           Uranerz acquisition; increasing uranium  
16 production through this strategic acquisition allows us  
17 to be perceived on a lower cost of the production  
18 curve. ISR production is solution mining essentially,  
19 contrary to the conventional mining that we've done to  
20 date. ISR production is purported to have a lower  
21 operating cost and that has borne to be true in other  
22 areas of the world such as Kazakhstan which produces  
23 about 40 percent of the world's demand -- supply or  
24 uranium, at lower costs than are typically seen in  
25 hard-rock mines. But ISR production has a certain

1 geological environment that has to be conducive toward  
2 it. It's not uniform. In other words, all uranium  
3 deposits -- the majority of uranium deposits in the  
4 world that are known really have to be mined through  
5 the conventional method.

6 Now, the true cost of production with Uranerz  
7 will lower our overall portfolio of projects and we  
8 will get down to what we feel's a competitive rate to  
9 compete on utility contracts which we feel are going to  
10 increase in the future. Scalability is one of our key  
11 strengths and Uranerz also has scalability which will  
12 add to the production profile of the company as we see  
13 the price come up and allow production to resume.

14 This slide shows the dominant position we  
15 think Energy Fuels has in the industry. By any metric,  
16 both methods of production, supply contracts and sole  
17 focus in the US, we think we rank at the number one  
18 position -- actually number two, second to Cameco,  
19 which is the world's largest producer out of Canada.

20 This is a shot of the Nichols Ranch  
21 processing facility. As you can see, it's a brand new  
22 facility, just came online in April of 2014, has a  
23 licensed capacity of 2 million pounds a year and in the  
24 current production in 2014, was 197,000 pounds. We  
25 project the Nichols Ranch to contribute up to 500

1 million -- or 500,000 pounds a year of production in  
2 2016 as the mine comes up to production design  
3 capacity. It's located in the Powder River Basin of  
4 Wyoming. The Powder River Basin is where Cameco has  
5 its operations which is the largest current producer of  
6 ISR generated uranium in the United States. The  
7 district itself has several other uranium mining  
8 companies that have contributed toward ISR production  
9 in that area.

10           Together, Energy Fuels and Uranerz will offer  
11 a diverse uranium production profile from two separate  
12 production centers, along with six long-term contracts  
13 that deliver through 2020 at an average price of \$59 a  
14 pound. Now, this -- you know, this production and  
15 contract portfolio allows us really to be a revenue  
16 generator and we have actually generated positive cash  
17 flow and reported the first earnings in the history of  
18 the company in third quarter 2014.

19           We have strong board and management, and I  
20 want to emphasize that with the Uranerz acquisition,  
21 which is the largest in the history of the company and  
22 we -- by the way, we've done five -- Uranerz is the  
23 fifth rollup acquisition that we've done in the  
24 business. We started in 2008 with a company called  
25 Magnum and consequently bought or merged with four

1 other companies. Uranerz has the largest and with  
2 Uranerz we got the ISR technical expertise that we  
3 needed to come into this area of production. And, as  
4 you see, Paul Goranson who's a major COO of Uranerz  
5 will come with the company and be in charge of those  
6 operations.

7 Our board of directors is deep in mining  
8 industry experience and uranium specifically, with some  
9 of the major names in the industry on our board.

10 Let's talk a little bit about uranium market  
11 dynamics. There's increasing demand in the world for  
12 clean energy. I'm sure you've seen pictures of  
13 Beijing, China and some of the issues they have with  
14 air quality. Of course, China still depends in large  
15 part on coal production to supply the fuel to their  
16 generating units to supply the electricity to the  
17 populus. But they are the most aggressive builder of  
18 nuclear power plants today. They have some 24 plants  
19 that are under construction and more to come. I mean,  
20 they're -- you know, their whole philosophy is to --  
21 similar to the French in the '70s where they settled on  
22 a reactor type, perfected that reactor type, and the  
23 duplicate that reactor type. It was successful for the  
24 French. They built to be -- to supply 80 percent of  
25 their electrical demand in the 1970s through the most



1 robust program and are still regarded leaders in  
2 technology today.

3 So the geopolitical risk of creating new  
4 uranium supply are substantial. Right now, the areas  
5 of the world that have seen rapid production are  
6 Central Asia in the town -- or excuse me, in the  
7 country of Kazakhstan -- African in Niger, Namibia,  
8 some of the other African countries that have really  
9 seen political unrest which has jeopardized some of the  
10 production sources there. In fact, Areva had a  
11 shutdown of their production facility there until they  
12 got the issue straightened out through local military  
13 intervention.

14 Has the market turned the corner? Well, if  
15 you look at all the other sources of fuel that have  
16 gone down here in the last six months, uranium's the  
17 only one that actually has risen in price. We've seen  
18 prices rise 25 percent since July. Now, a lot of this  
19 is predicated on the Japanese reactor restarts because  
20 we all know that the Japanese nuclear power situation  
21 at Fukushima caused worldwide concern, both in safety  
22 and in the resumption of nuclear power in Japan. We  
23 thought, in the industry, that it would maybe be a year  
24 or two because the Japanese had a very dedicated  
25 political base to develop nuclear power. They were

1 second to the United States. They had some 54 reactors  
2 and, of course, they shut them all down after Fukushima  
3 and not -- and that was in March of 2011 and not one  
4 has restarted yet. The latest projection is for the  
5 Chennai nuclear power plant, two reactors at that  
6 location to start up here in the first quarter of '15.

7           So time will tell on that. But, of course,  
8 with the Japanese shutdowns came major production  
9 cutbacks around the world. Some of the biggest  
10 producers of U308, our product, are Rio Tinto, BHP,  
11 Paladin and Cameco. They're all down as far as their  
12 production that they've brought to the market. So this,  
13 consequently, will have a lagging effect on the price,  
14 which we believe, you know, has got to increase because  
15 the world supply right now isn't being met by  
16 production and, of course, that bridge -- that gap is  
17 being bridged by secondary -- what they call secondary  
18 supplies in the market, which is a fairly complex  
19 situation around the world; stems from the de-blending  
20 program, the arms treaty with the Russians and a lot  
21 comes out of what we call enrichment facilities on,  
22 essentially, secondary supplies that come out of that.  
23 Underfeeding is the term where they can produce more  
24 than they have to.

25           China continues to aggressively buy uranium

1 and stockpile it. They've got the longest runway look  
2 in the industry and India also is a major -- country  
3 with a major demand for nuclear power that they go  
4 along at a different pace than China, but we expect  
5 them to enter into the market with increased production  
6 -- with increased demand, excuse me.

7           Uranium, the beacon in darkness; when you  
8 look at the -- all the current price decreases that  
9 have occurred; some are on this -- this list here  
10 where, you know, crude oil is off 57 percent, natural  
11 gas 9, heating oil 46, gasoline 54; you obviously see  
12 that everything has been going down with the energy  
13 price situation in the world, but uranium increased 25  
14 percent from its low of \$28 in early '14.

15           I'd like to talk a little bit about uranium  
16 -- the operating platform for uranium -- or for Energy  
17 Fuels. The pictures you see here are really the  
18 fundamental basis of our company. We are an operating  
19 company. We have mines. They are permitted. We  
20 employ people. In fact, our payroll peaked at 350  
21 people between mines and mill and exploration and  
22 development staff in early 2014. We've since had  
23 cutbacks with the uranium production being cut back  
24 just to meet our contracts, but nevertheless, this  
25 gives you a picture of the real world as we operate.

1                   The White Mesa Mill is truly our strategic  
2                   asset. It was built in the early '80s, but maintained  
3                   in excellent condition and currently supplies 20 to 25  
4                   percent of the US production. US production is down to  
5                   4 million pounds a year from 55 in the '70s as I said  
6                   before, but of that we produce about a million pounds a  
7                   year. The remainder is being produced by Cameco and  
8                   ISR producers that don't require a hard rock convention  
9                   uranium mill. You can see our annual production for  
10                  the last five years has averaged around a million  
11                  pounds a year. So we've put the product in the can,  
12                  converted it to revenue through our contracts and, you  
13                  know, we are truly an operating company from that  
14                  standpoint.

15                  When you look at our mill, it gives us an  
16                  opportunity for alternate feed which, in the depressed  
17                  times in the market, is a way to generate additional  
18                  revenue by essentially taking waste streams or streams  
19                  that have to be reprocessed, and they can be delivered  
20                  and -- or they can be disposed of in our NRC regulated  
21                  tailings cells. So it gives us a little bit of a  
22                  sideline as a value added business.

23                  So this is kind of a snapshot of our  
24                  production platform from the mining standpoint. We  
25                  operate in the five western states and one mine is

1 currently under production at Pinenut. These are  
2 underground -- or shaft-access mines. We have a mine  
3 in development in Canyon which is also on the south  
4 side of the Grand Canyon. I must note that we operate  
5 in highly-sensitive environmental areas that the bar  
6 for us to get approved, I think, and I've -- I've  
7 personally been in coal, I've been in copper, I've been  
8 in vanadium in my career; it's the highest bar as far  
9 as environmental. The rules may seem the same, but  
10 they're regulated by a separate US agency, the Nuclear  
11 Regulatory Commission.

12           So the Canyon mine has got five -- produced  
13 3-4 million pounds of potential resource. We've  
14 developed the mine based on only knowing 1.4 million  
15 pounds. Large-scale products, that's what we need to  
16 average down the cost of processing at the White Mesa  
17 Mill and, as you see, we have three mines that are in  
18 this category what we call base load production  
19 potential and that's Sheep Mountain Wyoming, Roca Honda  
20 in New Mexico and Henry Mountains in Utah. Sheep  
21 Mountain is permitted from the mining standpoint. Roca  
22 Honda is -- is in permitting, and Henry Mountains we  
23 will continue permitting these areas, and we're all  
24 comfortable we can get operating permits there. Roca  
25 Honda and Henry Mountains are within trucking distance

1 of the White Mesa Mill. It'll allow us to utilize the  
2 underutilized capacity in that facility.

3 We have other smaller mines up in what's  
4 called the Colorado Plateau area that are currently  
5 being maintained on standby situations and can be  
6 brought back to production as early as three to six  
7 months. Keep in mind, when we acquired Denison, a major  
8 acquisition in 2012 that brought us into the production  
9 world, we -- they were mining about 1.5 million pounds  
10 a year and as the price was \$52 a pound then, dropped  
11 precipitously lower below the cost of production, we  
12 shut in those mines, but they were fully permitted,  
13 equipped and manned and mining at that rate at that  
14 time. So we're comfortable we can bring those back up  
15 should the price support it.

16 This is a picture of resource summary. We  
17 have the largest 43-101 resource base in the United  
18 States; both conventional, and we've added Uranerz  
19 here, which you'll see what they add to our -- about  
20 another 16 million pounds to our resource portfolio.

21 Again, financial highlights for the nine  
22 months ended September 30th, we had 800,000 pounds of  
23 sales. We produced 770, almost balancing there. The  
24 rest came out of inventory. We put another 800,000  
25 pounds in inventory for revenues of 46 million as you

1 can see, and \$45 million of working capital. Currently,  
2 cash is 13 million pounds.

3 Capitalization summary; as you can see, you  
4 know, we feel we're in a strong position with our cash  
5 and cash equivalence; \$45 million working capital.  
6 Everybody asks me are you raising money? Well, the  
7 price of the stock keeps going down and we don't think  
8 it's prudent to do that at this time, but I think you  
9 always have to be -- you always have to be ready to  
10 take advantage of the market and in this volatile price  
11 environment that we're in and volatile price stock  
12 movement, you know, we are all well aware of monitoring  
13 that and trying to capitalize it to the best interests  
14 of the company. We're covered by six analysts, a  
15 couple of majors out of Canada and here in the US  
16 Cantor, Roth and Cowen Securities cover us.

17 Guidance for '14-'15, we'll sell again  
18 800,000 pounds of resource at \$57. We'll produce 770  
19 pounds of that and in 2015 we'll have another 800,000  
20 pounds of sales. These are on the existing contracts.  
21 Production will drop to 125,000 pounds and spot  
22 purchases will be 300,000 which will serve into one of  
23 our longer-term contracts where we can, essentially,  
24 bridge the difference between spot and our contract  
25 price.

1                   We're going to campaign the mill in 2015.  
2    Campaigning, essentially, is when you get a sufficient  
3    amount of resource stockpile so you can make an  
4    economic operation of the mill. I mean, these mills,  
5    you can't turn them on for one month. You have to  
6    stockpile material until you can get a minimum of a  
7    three-month run, and that's what we mean by  
8    campaigning.

9                   In summary, we have a strong balance sheet,  
10   current uranium production, significant growth  
11   potential and a proposed acquisition of Uranerz gives  
12   us a new entry into the ISR area. We're going to  
13   create the leading producer in the United States and,  
14   as you see in this picture, this is our end product.  
15   Drums of U308 ready to go to the converter. Each one of  
16   these drums is about 50,000 pounds value as it sits. So  
17   I'm going to leave that with you and answer any  
18   questions at this time. Yes?

19                  MALE SPEAKER: Germany pushing back and what  
20   are your feelings about that? Are they actually going  
21   to be free of nuclear energy?

22                  MR. ANTHONY: Well, Germany's on record for,  
23   you know, dismantling their nuclear power plants and  
24   removing, you know, the nuclear power component from  
25   their electrical supply. If they do it, it remains to



1 be seen. That's the current political position that  
2 they took, but keep in mind, you know, that the  
3 hypocrisy there is that they get all their electricity  
4 that they shut down nuclear wise, they get it across  
5 the rind from France whose 80 percent nuclear  
6 generation. So, you know, that's part of the deal  
7 there with Germany.

8 Whether they do it or not; again, economics  
9 will tie into that because, you know, they're like  
10 Japan having to buy hydrocarbons and things like that.  
11 So that's what I think there. Yes?

12 MALE SPEAKER: Is it determined that Japan is  
13 going to be turning their facilities back on? I read  
14 that they've made a bigger commitments to, or want to,  
15 to L&G [phonetic]?

16 MR. ANTHONY: Mm-hm.

17 MALE SPEAKER: So that's question number one.  
18 Two is what percentage of your end market goes to  
19 batteries and things other than nuclear energy? And,  
20 third, can you just talk about incentives and how much  
21 stock insiders own?

22 MR. ANTHONY: Mm-hm. Well, first -- first  
23 one on -- I believe the first one you entered on Japan.  
24 Japan, politically, is set to turn on their nuclear  
25 reactors. They did have 54 operating. Our best

1 estimate is that they'll turn on 33, which are the most  
2 modern design, what they call a boiling point reactors,  
3 not the -- you know, not the -- excuse me, the pressure  
4 reactors, not the boiling water reactors. So, you  
5 know, it's a political game with -- you know, with the  
6 Japanese. The Japanese, culturally, have usually  
7 followed step with what the government has said. Of  
8 course, Fukushima disrupted that greatly, so there's a  
9 factor between the populus and the people, but they're  
10 paying dearly in their economy on the cost of power. So  
11 we think they will come online and to -- we'll find the  
12 first quarter's going to really tell that.

13 And your second question was about --

14 MALE SPEAKER: End market.

15 MR. ANTHONY: Excuse me?

16 MALE SPEAKER: End markets in terms of any  
17 end markets for --

18 MR. ANTHONY: Oh yeah, for vanadium. Yeah,  
19 we -- it was little touched on here, but part of our  
20 resource base has a vanadium component to it. In fact,  
21 White Mesa Mill had a vanadium processing circuit at  
22 it. One of the few -- one of the only ones in the  
23 country and we did produce vanadium as a value add, and  
24 as vanadium is getting more attention for the new  
25 generation of batteries, we feel that, you know, that's

1 going to be an opportunity. But we really don't push  
2 that because it's going to come at a different place  
3 than we're tied into as far as our core business.

4 And the other one on insiders, I think  
5 insiders have about, when you add it up, it's somewhere  
6 around 5 percent.

7 MALE SPEAKER: Okay. Thank you.

8 MR. ANTHONY: So I appreciate you coming  
9 today. Thanks so much. I have one -- I have one pop  
10 quiz question though. Here's my pop quiz question.  
11 When you always talk about nuclear and this dark side,  
12 tell me what powered the USS Enterprise in the series  
13 Star Trek? What was the fuel? It was nuclear. Don't  
14 you remember that? Nuclear powered starship on its  
15 20-year voyage. I always liked that one, you know?

16 And the other one, two -- second point is the  
17 United States Navy, you know, which is -- which is  
18 elemental to the security of this country, runs their  
19 major ships off nuclear, and they haven't had any major  
20 upsets in the history since Admiral Rickover brought  
21 the nuclear generation into the Navy. So what can I  
22 say about nuclear? It's safe. Thank you.

23  
24  
25

## **Important Information for Investors and Stockholders**

This communication is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell the shares of common stock of Uranerz or a solicitation of any proxy, vote or approval. Energy Fuels will file with the United States Securities and Exchange Commission ( SEC ) a registration statement on Form F-4 that will include a proxy statement of Uranerz that also constitutes a prospectus of Energy Fuels. Energy Fuels and Uranerz also plan to file with or furnish other documents to securities regulatory authorities in Canada and the United States regarding the proposed transaction.

**INVESTORS AND STOCKHOLDERS OF URANERZ ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

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