

Energy Fuels Inc. (TSX:EFR)

Development Update

January 16, 2026

Phase 2 BFS to Help Finance White Mesa's 50 ktpa Monazite Processing

(Currency is US\$ unless noted otherwise)

Closing Price (C\$/sh)	\$29.05
Rating	BUY
Target (C\$/sh)	\$45.50
Return to Target	57%
52 Week Low / High (C\$/sh)	\$4.59 / \$38.37
CAPITALIZATION	Basic Diluted
Shares Outstanding (M)	237.3
Market Capitalization (C\$M)	\$6,893.2
Enterprise Value (C\$M)	\$6,836.4
Cash and Cash Equivalents (C\$M)	\$1,029.0
Total Debt (C\$M)	\$972.2

STOCK CHART



RELATIVE PERFORMANCE



RELATIVE VALUATION	US\$ EV/lb U ₃ O ₈	P/NAV
Energy Fuels Inc.	46.41	0.96x
Peers *	19.36	1.20x

* S&P Capital IQ Pro

MAJOR SHAREHOLDERS

Management (5%), ALPS Advisors, Inc. (5.67%), BlackRock, Inc. (5.37%), The Vanguard Group, Inc. (5.01%)

 DISCLOSURE CODE: 1,2
 (Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, S&P Capital IQ Pro

Company Description

Energy Fuels is a U.S.-based uranium mining company, supplying U₃O₈ to major nuclear utilities. The company also produces vanadium from certain of its projects, as market conditions warrant, and in July 2021 started the commercial production of a mixed REE carbonate. Energy Fuels holds two of America's key uranium production centers: the White Mesa mill in Utah, and the Nichols Ranch in-situ recovery ("ISR") project in Wyoming.

Impact: Very Positive

Energy Fuels (EFR) announced a Class 3 Bankable Feasibility Study (BFS) for the Phase 2 expansion of REE processing at its White Mesa mill in Utah. The study outlined a 40-year operation processing 50,000 tpa of monazite feed to produce ~5,500 tpa NdPr ox., 48 tpa Tb ox., 165 tpa Dy ox., 748 tpa SEG (Sm, Eu, Ga) conc., 1,080 tpa Ho+ (Ho, Er, Tm, Yb, Lu, & Y) conc. and 198k lbs pa U₃O₈ with a post-tax NPV_{8%} of US\$1.9B, IRR of 33% and payback period of 6.36 years. **With an NPV ranging from US\$1.9 to US\$3.7B (when combined with the Vara Mada project) pending additional REE source mine studies, this shows well compared to our former C\$2.8B NPV_{8%} assumption for White Mesa Mill Phase 2. This study should help provide real context for investors and for EFR to take its argument to the US Government in trying to drum up external financial support. A recent convertible debt raise easily surpassed the initial Capex requirements for the project and otherwise we believe the company could self-fund the project from its existing uranium production, at a time when uranium prices continue to firm.**

- **Phase 2 (Class 3) BFS showing excellent economics.** The US\$410M initial capex is lower than anticipated. Phase 2 will expand installed REE capacity from 1,000 tpa NdPr oxide to >6,000 tpa of NdPr (plus ~66 tpa of terbium (Tb) and 240 tpa of dysprosium (Dy)). This excludes the recently announced Vara Mada project and its other HMS/monazite projects, all of which are expected to supply REE ore to the mill for processing into REE oxides. The study is not NI 43-101 compliant.
- **Standalone Phase 2 \$311M ave. annual EBITDA for first 15 years,** not including any other REE or uranium operations. EBITDA increases to \$765M for the first 15 years when combined with the recently announced expected EBITDA from Vara Mada. All-in costs (including transportation) equate to \$29.39/kg NdPr equivalent for up to 32 ktpa from Vara Mada alone and \$59.80/kg NdPr oxide equivalent for 50 ktpa monazite from all modeled sources including Vara Mada.
- **Commissioning possible as early as Q1/29,** with regulatory approval expected by mid-2027. This is on track to accommodate expected monazite deliveries from Donald JV (expected as early as Q1 2028), Vara Mada project (expected as early as Q1 2029, subject to completion of permitting and Madagascar government approvals), and Bahia Project (expected in 2030, subject to permitting).
- **Updating our model.** We project Phase 2 production with 50,000 tpa of monazite feed to commence in Q1/29 after an initial capex of \$450M incurred over 1.5 years. We assume a flat \$95/kg NdPr oxide price, blending the BFS' \$75/kg starting price and \$110/kg floor price offered by the US Gov't to MP Materials Inc. (NASDAQ:MP, Not Rated), and a flat processing cost of \$1,700/tonne monazite. We match the BFS' 25.5% tax rate and ~\$25M pa sustaining Capex.

We maintain our BUY rating and maintain our C\$45.50 target price. We updated our model for the White Mesa Phase 2 BFS. Our target continues to be based on a 1.5x multiple on our C\$30.27 NAVPS estimate. **Upcoming catalysts:** 1) White Mesa mill ramp-up, 2) Permitting at Roca Honda, EZ, 3) Donald FID (H1/26), 4) Vara Mada permitting, FID (H1/26), and 5) Bahia MRE (2026) and FID (H1/26).

Figure 1: Updated NAV Summary

Asset	Status	Resource (M lb U ₃ O ₈)	Valuation Method	Fair Value Estimate	
				C\$ M	C\$/sh
White Mesa REE (100%-owned)	Processing monazite ore	NA	DCF at 8%	3,301.50	13.71
White Mesa uranium (100%-owned) ¹	Producing	22.45	DCF at 8%	857.98	3.56
Nichols Ranch, Hank & Jane Dough (100%-owned)	Standby	7.87	DCF at 8%	380.64	1.58
Vara Mada Heavy Mineral Sands (100%-owned)	Development		DCF at 8%	2,107.12	8.75
Bahia Mineral Sands (100%)	Development	NA	Book Value	45.30	0.19
Donald JV (49%)	Development	NA	2025 Economic Study	230.91	0.96
Sheep Mountain (100%-owned) ²	Development	27.94	In-situ - US\$2.80/lb U ₃ O ₈	108.64	0.45
Roca Honda (100%-owned)	Development	31.46	2022 Economic Study	416.67	1.73
Standby mines ³	Standby	3.87	In-situ - US\$2.80/lb U ₃ O ₈	15.06	0.06
Other projects ⁴	Development	12.73	In-situ - US\$2.80/lb U ₃ O ₈	49.52	0.21
Project NAV		106.32		7,513.32	31.19
<u>Corporate adjustments:</u>					
Cash				1,028.01	4.27
Debt				(972.22)	(4.04)
Kwale Rehabilitation and Closure Liability				(44.26)	(0.18)
G&A				(265.57)	(1.10)
Equity Investments ⁵				32.45	0.13
Corporate NAV				7,291.74	30.27
Target NAV Multiple					1.50x
NAVPS x Target Multiple					45.40

¹ Includes Pinyon Plain, Henry Mountain and La Sal Complex (comprises La Sal, Pandora, Energy Queen and Redd Block)

² Sheep Mountain has 27.9M lbs in resources which includes 18.4M lbs in probable reserves

³ Standby mines include the Whirlwind project

⁴ Other projects include West North Butte, North Rolling Pin, Wate, EZ Complex and Arkose Mining Venture

⁵ Equity investments includes shares in IsoEnergy Ltd.

Source: RCS Estimates



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Disclosure Statement
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Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target	Status	%
2021-09-07	BUY	10.25	BUY	44%
2024-02-12	BUY	15.00	BUY (S)	29%
2024-02-26	BUY	15.00	HOLD	0%
2024-03-04	BUY	15.00	TENDER/ SELL	1%
2024-04-24	BUY	16.50	NA	24%
2024-05-07	BUY	16.50	UNDER REVIEW	1%
2024-06-05	BUY	16.50		
2024-06-11	BUY	16.50		
2024-06-18	BUY	16.50		
2024-09-06	BUY	16.50		
2024-11-04	BUY	16.00		
2024-11-22	BUY	16.00		
2024-11-29	BUY	16.00		
2024-12-05	BUY	16.00		
2025-01-07	BUY	17.00		
2025-01-30	BUY	17.00		
2025-03-18	BUY	16.50		
2025-04-21	BUY	16.50		
2025-05-02	BUY	16.50		
2025-05-07	BUY	16.50		
2025-05-09	BUY	15.50		
2025-06-04	BUY	15.50		
2025-06-26	BUY	16.50		
2025-07-18	BUY	16.50		
2025-08-08	BUY	17.00		
2025-08-22	BUY	17.00		
2025-08-27	BUY	17.00		
2025-09-10	BUY	20.40		
2025-10-27	BUY	38.00		
2025-11-07	BUY	38.00		
2025-12-22	BUY	38.00		
2026-01-09	BUY	45.50		
2026-01-16	BUY	45.50		

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Company Name	Ticker Symbol	Disclosures
Energy Fuels Inc.	TSX:EFR	1,2

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