UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2019

or

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

For the transition period from _____ to _____

Commission File Number: 001-36204

ENERGY FUELS INC.

(Exact name of registrant as specified in its charter)

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

225 Union Blvd., Suite 600

Lakewood, Colorado	**80228**
(Address of principal executive offices)	(Zip Code)

(303) 974-2140

(Registrant's telephone number, including area code)

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

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

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

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

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

Large accelerated filer	[ ]	Accelerated filer	[X]
Non-accelerated filer	[ ]	Smaller reporting company	[ ]
Emerging growth company	[X]		

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 [X]

As of August 2, 2019, the registrant had 96,434,010 common shares, without par value, outstanding.

ENERGY FUELS INC.
FORM 10-Q
For the Quarter Ended June 30, 2019
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

Readers are cautioned that it would be unreasonable to rely on any such forward-looking statements and information as creating any legal rights, and that the statements and information are not guarantees and may involve known and unknown risks and uncertainties, and that actual results are likely to differ (and may differ materially) and objectives and strategies may differ or change from those expressed or implied in the forward-looking statements or information as a result of various factors. Such risks and uncertainties include risks generally encountered in the exploration, development, operation, and closure of mineral properties and processing and recovery facilities. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks associated with mineral reserve and resource estimates, including the risk of errors in assumptions or methodologies;
- risks associated with estimating mineral extraction and recovery, forecasting future price levels necessary to support mineral extraction and recovery, and the Company's ability to increase mineral extraction and recovery in response to any increases in commodity prices or other market conditions;
- uncertainties and liabilities inherent to conventional mineral extraction and recovery and/or in-situ uranium recovery operations;
- geological, technical and processing problems, including unanticipated metallurgical difficulties, less than expected recoveries, ground control problems, process upsets, and equipment malfunctions;
- risks associated with the depletion of existing mineral resources through mining or extraction, without replacement with comparable resources;
- risks associated with identifying and obtaining adequate quantities of alternate feed materials and other feed sources required for operation of the White Mesa Mill in Utah;
- risks associated with labor costs, labor disturbances, and unavailability of skilled labor;
- risks associated with the availability and/or fluctuations in the costs of raw materials and consumables used in the Company's production processes;
- risks and costs associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation, and delays in obtaining permits and licenses that could impact expected mineral extraction and recovery levels and costs;
- actions taken by regulatory authorities with respect to mineral extraction and recovery activities;
- risks associated with the Company's dependence on third parties in the provision of transportation and other critical services;
- risks associated with the ability of the Company to obtain, extend or renew land tenure, including mineral leases and surface use agreements, on favorable terms or at all;
- risks associated with the ability of the Company to negotiate access rights on certain properties on favorable terms or at all;
- the adequacy of the Company's insurance coverage;

- uncertainty as to reclamation and decommissioning liabilities;
- the ability of the Company's bonding companies to require increases in the collateral required to secure reclamation obligations;
- the potential for, and outcome of, litigation and other legal proceedings, including potential injunctions pending the outcome of such litigation and proceedings;
- the ability of the Company to meet its obligations to its creditors;
- risks associated with paying off indebtedness at its maturity;
- risks associated with the Company's relationships with its business and joint venture partners;
- failure to obtain industry partner, government, and other third party consents and approvals, when required;
- competition for, among other things, capital, mineral properties, and skilled personnel;
- failure to complete and integrate proposed acquisitions and incorrect assessments of the value of completed acquisitions;
- risks posed by fluctuations in share price levels, exchange rates and interest rates, and general economic conditions;
- risks inherent in the Company's and industry analysts' forecasts or predictions of future uranium, vanadium and copper price levels;
- fluctuations in the market prices of uranium, vanadium and copper, which are cyclical and subject to substantial price fluctuations;
- risks associated with the Company's uranium sales, if any, being required to be made at spot prices, unless the Company is able to enter into new long-term contracts at satisfactory prices in the future;
- risks associated with the Company's vanadium sales, if any, generally being required to be made at spot prices;
- failure to obtain suitable uranium sales terms at satisfactory prices in the future, including spot and term sale contracts;
- failure to obtain suitable vanadium sales terms at satisfactory prices in the future;
- risks associated with asset impairment as a result of market conditions;
- risks associated with lack of access to markets and the ability to access capital;
- the market price of Energy Fuels' securities;
- public resistance to nuclear energy or uranium extraction and recovery;
- risks associated with inaccurate or nonobjective media coverage of the Company's activities and the impact such coverage may have on the public, the market for the Company's securities, government relations, permitting activities and legal challenges, as well as the costs to the Company of responding to such coverage;
- uranium industry competition, international trade restrictions and the impacts on world commodity prices of foreign state subsidized production;
- risks associated with the Company's involvement in industry petitions for trade remedies, including the costs of pursuing such remedies and the potential for negative responses or repercussions from various interest groups, consumers of uranium and participants in other phases of the nuclear fuel cycle;
- risks related to potentially higher than expected costs related to any of the Company's projects or facilities;
- risks associated with the Company's ability to recover vanadium from pond solutions at the White Mesa Mill, with potentially higher than expected costs for any such recoveries, and the Company's ability to sell any recovered vanadium at satisfactory price levels;
- risks related to the Company's ability to recover copper from our Canyon uranium project ores;
- risks related to securities regulations;
- risks related to stock price and volume volatility;
- risks related to the Company's ability to maintain our listing on the NYSE American and Toronto Stock Exchanges;
- risks related to the Company's ability to maintain our inclusion in various stock indices;
- risks related to dilution of currently outstanding shares, from additional share issuances, depletion of assets or otherwise;
- risks related to the Company's lack of dividends;
- risks related to recent market events;
- risks related to the Company's issuance of additional common shares under our At-the-Market ("**ATM**") program or otherwise to provide adequate liquidity in depressed commodity market circumstances;
- risks related to acquisition and integration issues;
- risks related to defects in title to the Company's mineral properties;
- risks related to the Company's outstanding debt; and

- risks related to the Company's securities.

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

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

Cautionary Note to United States Investors Concerning Disclosure of Mineral Resources

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

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

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

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

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

PART I

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

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

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenues				
Uranium concentrates	$ 66	$ 26,777	$ 66	$ 28,015
Vanadium concentrates	773	—	1,941	—
Alternate feed materials processing and other	2,232	196	2,734	212
Total revenues	3,071	26,973	4,741	28,227
Costs and expenses applicable to revenues				
Costs and expenses applicable to uranium concentrates	63	10,670	63	11,908
Costs and expenses applicable to vanadium concentrates	928	—	1,460	—
Costs and expenses applicable to alternate feed materials and other	1,695	—	2,079	—
Total costs and expenses applicable to revenues	2,686	10,670	3,602	11,908
Other operating costs				
Impairment of inventories	4,906	1,339	6,082	2,349
Development, permitting and land holding	1,399	998	5,741	2,598
Standby costs	1,251	1,386	2,335	3,898
Accretion of asset retirement obligation	481	458	994	917
Selling costs	127	23	137	88
Intangible asset amortization	—	2,502	—	2,502
General and administration	3,725	2,477	7,476	7,247
Total operating income (loss)	(11,504)	7,120	(21,626)	(3,280)
Interest expense	(362)	(475)	(691)	(967)
Other income	2,552	499	869	562
Net income (loss)	(9,314)	7,144	(21,448)	(3,685)
Items that may be reclassified in the future to profit and loss				
Foreign currency translation adjustment	(771)	225	(907)	(238)
Unrealized loss on available-for-sale assets	—	(156)	—	(380)
Other comprehensive income (loss)	(771)	69	(907)	(618)
Comprehensive income (loss)	$ (10,085)	$ 7,213	$ (22,355)	$ (4,303)
Net income (loss) attributable to:				
Owners of the Company	$ (9,312)	$ 7,149	$ (21,439)	$ (3,673)
Non-controlling interests	(2)	(5)	(9)	(12)
	$ (9,314)	$ 7,144	$ (21,448)	$ (3,685)
Comprehensive income (loss) attributable to:				
Owners of the Company	$ (10,083)	$ 7,218	$ (22,346)	$ (4,291)
Non-controlling interests	(2)	(5)	(9)	(12)
	$ (10,085)	$ 7,213	$ (22,355)	$ (4,303)
Basic income (loss) per share	$ (0.10)	$ 0.09	$ (0.23)	$ (0.05)
Diluted income (loss) per share	$ (0.10)	$ 0.08	$ (0.23)	$ (0.05)

See accompanying notes to the condensed consolidated financial statements.

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

	June 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 16,581	$ 14,640
Marketable securities	11,434	27,061
Trade and other receivables, net	850	1,191
Inventories, net	18,574	16,550
Prepaid expenses and other assets	870	1,411
Total current assets	48,309	60,853
Inventories, net	1,772	1,772
Operating lease right of use asset	1,063	—
Investments accounted for at fair value	721	1,107
Plant, property and equipment, net	28,193	29,843
Mineral properties, net	83,539	83,539
Restricted cash	19,995	19,652
Total assets	$ 183,592	$ 196,766
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 5,369	$ 7,921
Current portion of operating lease liability	308	—
Current portion of warrant liabilities	—	662
Current portion of asset retirement obligation	32	270
Total current liabilities	5,709	8,853
Warrant liabilities	5,412	5,621
Operating lease liability	904	—
Deferred revenue	—	2,724
Asset retirement obligation	20,217	18,834
Loans and borrowings	17,055	15,880
Total liabilities	49,297	51,912
Equity		
Share capital		
Common shares, without par value, unlimited shares authorized; shares issued and outstanding 95,551,357 at June 30, 2019 and 91,445,066 at December 31, 2018	481,053	469,303
Accumulated deficit	(353,497)	(332,058)
Accumulated other comprehensive income	2,936	3,843
Total shareholders' equity	130,492	141,088
Non-controlling interests	3,803	3,766
Total equity	134,295	144,854
Total liabilities and equity	$ 183,592	$ 196,766

Commitments and contingencies (Note 14)

See accompanying notes to the condensed consolidated financial statements.

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

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

	Common Stock						
	Shares	Amount	Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2017	74,366,824	$ 430,383	$ (306,813)	$ 2,289	$ 125,859	$ 3,883	$ 129,742
Net loss	—	—	(10,822)	—	(10,822)	(7)	(10,829)
Other comprehensive loss	—	—	—	(687)	(687)	—	(687)
Shares issued for cash by at-the-market offering	711,253	1,176	—	—	1,176	—	1,176
Share issuance cost	—	(29)	—	—	(29)	—	(29)
Share-based compensation	—	1,202	—	—	1,202	—	1,202
Shares issued for the vesting of restricted stock units	899,192	—	—	—	—	—	—
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	—	(914)	—	—	(914)	—	(914)
Balance at March 31, 2018	75,977,269	$ 431,818	$ (317,635)	$ 1,602	$ 115,785	$ 3,876	$ 119,661
Net loss	—	—	7,149	—	7,149	(5)	7,144
Other comprehensive loss	—	—	—	69	69	—	69
Shares issued for cash by at-the-market offering	10,504,702	21,442	—	—	21,442	—	21,442
Share issuance cost	—	(536)	—	—	(536)	—	(536)
Share-based compensation	—	520	—	—	520	—	520
Shares issued for consulting services	164,538	311	—	—	311	—	311
Balance at June 30, 2018	86,646,509	$ 453,555	$ (310,486)	$ 1,671	$ 144,740	$ 3,871	$ 148,611

See accompanying notes to the condensed consolidated financial statements.

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

	Six months ended June 30,	
	2019	**2018**
OPERATING ACTIVITIES		
Net loss for the period	$ (21,448)	$ (3,685)
Items not involving cash:		
Depletion, depreciation and amortization	625	3,150
Stock-based compensation	1,784	1,722
Change in value of convertible debentures	493	(320)
Change in value of warrant liabilities	(1,115)	1,081
Accretion of asset retirement obligation	994	917
Unrealized foreign exchange losses (gains)	(216)	(236)
Impairment of inventories	6,082	2,349
Revision of asset retirement obligation	151	—
Other non-cash expenses	974	464
Changes in assets and liabilities		
(Increase) decrease in inventories	(7,079)	4,954
Decrease (Increase) in trade and other receivables	343	(2,192)
Decrease (increase) in prepaid expenses and other assets	541	(3,404)
Decrease in accounts payable and accrued liabilities	(2,397)	(1,637)
Cash paid for reclamation and remediation activities		(151)
Changes in deferred revenue	(2,724)	—
	(22,992)	3,012
INVESTING ACTIVITIES		
Purchase of mineral properties and plant, property and equipment	—	(13)
Maturities and sales of marketable securities	16,116	—
Cash received from sale of Reno Creek	—	2,940
	16,116	2,927
FINANCING ACTIVITIES		
Issuance of common shares for cash, net of issuance cost	8,853	22,053
Cash paid to fund employee income tax withholding due upon vesting of restricted stock units	—	(914)
Repayment of loans and borrowings	—	(1,682)
Cash received from exercise of warrants	5	—
Cash received from exercise of stock options	146	—
Cash received from non-controlling interest	46	—
	9,050	19,457
CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH DURING THE PERIOD	2,174	25,396
Effect of exchange rate fluctuations on cash held in foreign currencies	110	(1,264)
Cash, cash equivalents and restricted cash - beginning of period	34,292	40,701
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF PERIOD	$ 36,576	$ 64,833
Supplemental disclosure of cash flow information:		
Net cash paid during the period for:		
Interest	$ 691	$ 988
Warrant liability transferred to equity upon exercise	$ 2	$ —

See accompanying notes to the condensed consolidated financial statements.

1. THE COMPANY AND DESCRIPTION OF BUSINESS

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

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

The Company is 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.

2. BASIS OF PRESENTATION

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP") and are presented in thousands of U.S. dollars, except per share amounts. Certain footnote disclosures have share prices which are presented in Canadian dollars ("Cdn$").

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

In management's opinion, these unaudited condensed consolidated financial statements reflect all adjustments, consisting solely of normal recurring items, which are necessary for the fair presentation of the Company's financial position, results of operations and cash flows on a basis consistent with that of the Company's audited consolidated financial statements for the year ended December 31, 2018. However, the results of operations for the interim periods may not be indicative of results to be expected for the full fiscal year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto and summary of significant accounting policies included in the Company's annual report on Form 10-K for the year ended December 31, 2018 with the following addition to the inventory policy included below.

Inventories

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, recover vanadium concentrates from pond solutions or process through the White Mesa Mill. Finished uranium or vanadium 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.

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

3. MARKETABLE SECURITIES

The following table summarizes our marketable securities by significant investment categories as of June 30, 2019:

	Cost Basis	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
Marketable debt securities[1]	$ 10,198	$ —	$ 98	$ 10,296
Marketable equity securities	1,062	(535)	611	1,138
Marketable securities	$ 11,260	$ (535)	$ 709	$ 11,434

(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 table summarizes 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 [1]	$ 25,523	$ (5)	$ 83	$ 25,601
Marketable equity securities	1,062	(549)	947	1,460
Marketable securities	$ 26,585	$ (554)	$ 1,030	$ 27,061

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

During the six months ended June 30, 2019 and 2018, we did not recognize any other-than-temporary impairment losses.

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

Due in less than 12 months	**$ 8,893**
Due in 12 months to two years	**1,403**
Due in greater than two years	**—**
	$ 10,296

4. INVENTORIES

	June 30, 2019	December 31, 2018
Concentrates and work-in-progress	**$ 16,725**	$ 14,746
Inventory of ore in stockpiles	**749**	883
Raw materials and consumables	**2,872**	2,693
	$ 20,346	$ 18,322
Inventories - by duration		
Current	**$ 18,574**	$ 16,550
Long term - raw materials and consumables	**1,772**	1,772
	$ 20,346	$ 18,322

(a) For the three and six months ended June 30, 2019, the Company recorded an impairment loss of $4.91 million and $6.08 million in the statement of operations related to concentrates and work in progress inventories and iventory of ore in stockpiles (June 30, 2018 - $1.34 million and $2.35 million).

5. PLANT AND EQUIPMENT AND MINERAL PROPERTIES

The following is a summary of plant and equipment:

	June 30, 2019			December 31, 2018		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Plant and equipment						
Nichols Ranch	$ 29,210	$ (13,046)	$ 16,164	$ 29,210	$ (12,021)	$ 17,189
Alta Mesa	13,656	(2,784)	10,872	13,656	(2,319)	11,337
Equipment and other	13,444	(12,287)	1,157	13,444	(12,127)	1,317
Plant and equipment total	$ 56,310	$ (28,117)	$ 28,193	$ 56,310	$ (26,467)	$ 29,843

The following is a summary of mineral properties:

	June 30, 2019	December 31, 2018
Mineral properties		
Uranerz ISR properties	$ 25,974	$ 25,974
Sheep Mountain	34,183	34,183
Roca Honda	22,095	22,095
Other	1,287	1,287
Mineral properties total	$ 83,539	$ 83,539

6. ASSET RETIREMENT OBLIGATIONS AND RESTRICTED CASH

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

	June 30, 2019	December 31, 2018
Asset retirement obligation, beginning of period	$ 19,104	$ 18,280
Revision of estimate	151	(662)
Accretion of liabilities	994	1,835
Settlements	—	(349)
Asset retirement obligation, end of period	$ 20,249	$ 19,104
Asset retirement obligation:		
Current	$ 32	$ 270
Non-current	20,217	18,834
Asset retirement obligation, end of period	$ 20,249	$ 19,104

The asset retirement obligations of the Company are subject to legal and regulatory requirements. Estimates of the costs of reclamation are reviewed periodically by the Company and the applicable regulatory authorities. The above provision represents the Company's best estimate of the present value of future reclamation costs, discounted using credit adjusted risk-free interest rates ranging from 9.5% to 11.5% and an inflation rate of 2.0%. The total undiscounted decommissioning liability at June 30, 2019 is $41.73 million (December 31, 2018 - $41.32 million).

The following table summarizes the Company's restricted cash:

	June 30, 2019	December 31, 2018
Restricted cash, beginning of period	$ 19,652	$ 22,127
Additional collateral posted	343	117
Refunds of collateral	—	(2,592)
Restricted cash, end of period	$ 19,995	$ 19,652

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

Cash, cash equivalents and restricted cash are included in the following accounts at June 30, 2019 and December 31, 2018:

	June 30, 2019	December 31, 2018
Cash and cash equivalents	$ 16,581	$ 14,640
Restricted cash included in other long-term assets	19,995	19,652
Total cash, cash equivalents and restricted cash	$ 36,576	$ 34,292

7. LOANS AND BORROWINGS

The Company's convertible debentures which are measured at fair value, are $17.06 million and $15.88 million as of June 30, 2019 and December 31, 2018, respectively.

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 will enable 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 which gave the Debentureholders the option to require the Company to purchase, for cash, on the previous maturity date of June 30, 2017, up to 20% of the Debentures held by the Debentureholders at a price equal to 100% of the principal amount purchased plus accrued and unpaid interest (less any tax required by law to be deducted). In the three months ended June 30, 2017, Debentureholders elected to redeem Cdn$1.13 million ($0.87 million) under this right. No additional purchases are allowed under this right. In addition, certain other amendments were made to the Indenture, as required by the U.S. Trust Indenture Act of 1939, as amended, and with respect to the addition of a U.S. Trustee in compliance therewith, as well as to remove provisions of the Indenture that no longer apply, such as U.S. securities law restrictions.

The Debentures accrue interest, payable semi-annually in arrears on June 30 and December 31 of each year at a fluctuating rate of not less than 8.5% and not more than 13.5%, indexed to the simple average spot price of uranium as reported on the UxC, LLC ("UxC") Weekly Indicator Price. The 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 three and six months ended June 30, 2019, the Company recorded a gain on revaluation of convertible Debentures of $0.94 million and a loss of $0.49 million respectivly (June 30, 2018 – gain of $0.47 million and $0.32 million for the three and six months ended).

8. LEASES

Effective January 1, 2019, the Company adopted ASU No. 2016-02, *Leases*, and the series of related Accounting Standards Updates that followed (collectively referred to as "ASC 842"). Most prominent among the changes in the standard is the recognition of right-of-use ("ROU") assets and lease liabilities by lessees for those leases classified as operating leases. The accounting for leases where the Company is the lessor remains largely unchanged. In addition, the new standard requires additional qualitative and quantitative disclosures to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

The Company adopted the new standard using the modified retrospective approach with a cumulative effect adjustment on January 1, 2019. Prior comparative periods have not been restated and continue to be reported under the accounting standard in effect for those periods (ASC 840). The Company elected the package of practical expedients permitted under the transition guidance, which among other things, allows us to carry-forward historical lease classifications. The Company also elected the practical expedient to not separate lease components from nonlease components for all asset classes, and we elected the short-term lease recognition exemption whereby ROU assets and lease liabilities will not be recognized for leasing arrangements with terms less than one year.

The adoption of the new standard resulted in the recognition of operating lease ROU assets of $1.14 million, current operating lease liabilities of $0.27 million, and noncurrent operating lease liabilities of $0.96 million. Adoption of this standard had no impact on the statement of operations or retained earnings.

Lessee

The Company's leases primarily include operating leases for corporate offices. These leases have a remaining lease term of less than one year to four years, and include options to extend the leases for up to five years. Certain of our leases include variable payments for lessor operating expenses that are not included within ROU assets and lease liabilities in the Condensed Consolidated Balance Sheets. The Company's lease agreements do not contain any material residual value guarantees or restrictive covenants. We also sublease office space to a third party, which has a remaining term of less than one year.

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

Total lease cost includes the following components:

	Three months ended June 30,	Six months ended June 30,
	2019	
Operating leases	$ 105	$ 210
Short-term leases	$ 65	$ 126
Sublease income	$ (28)	$ (56)
Total Lease Expense	$ 142	$ 280

Total lease expense was $0.17 million and $0.34 million for the three and six months ended June 30, 2018.

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

	Six months ended June 30, 2019
Weighted average remaining lease term of operating leases	3.7 years
Weighted average discount rate of operating leases	9.00%

Supplemental cash flow information related to leases was as follows:

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

Maturities of operating lease liabilities as of June 30, 2019 are as follows:

Years ending December 31:	
2019 (excluding the six months ended June 30, 2019)	$ 232
2020	336
2021	343
2022	351
2023	160
Thereafter	—
Total Lease Payments	$ 1,422
Less: Interest	(210)
Present Value of Lease Liabilities	$ 1,212

9. CAPITAL STOCK

Authorized capital stock

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

Issued capital stock

In the six months ended June 30, 2019, the Company issued 2,896,529 Common Shares under the Company's ATM for net proceeds of $8.85 million.

Share Purchase Warrants

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

Month Issued	Expiry Date	Exercise Price USD$	Warrants Outstanding	Fair value at June 30, 2019
September 2016 (a)	September 20, 2021	2.45	4,166,030	$ 5,412

(a) The warrants issued in September 2016 are classified as Level 1 under the fair value hierarchy (Note 16).

On March 14, 2019, 2,328,925 warrants issued in March 2016 expired unexercised.

10. BASIC AND DILUTED LOSS PER COMMON SHARE

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

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Income (loss) attributable to shareholders	**$ (9,312)**	$ 7,149	**$ (21,439)**	$ (3,673)
Basic weighted average number of common shares outstanding	**93,920,953**	77,513,180	**93,041,783**	77,131,395
Income (loss) per common share	**$ (0.10)**	$ 0.09	**$ (0.23)**	$ (0.05)

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Income (loss) attributable to shareholders	**$ (9,312)**	$ 7,149	**$ (21,439)**	$ (3,673)
Diluted weighted average number of common shares outstanding	**93,920,953**	86,534,484	**93,041,783**	77,131,395
Income (loss) per common share	**$ (0.10)**	$ 0.08	**$ (0.23)**	$ (0.05)

For the six months ended June 30, 2019, nil (June 30, 2018 - 9.02 million) options and warrants and the potential conversion of the Debentures have been excluded from the calculation as their effect would have been anti-dilutive.

11. 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 stock appreciation rights ("SARs"). The Company issues new shares of common stock to satisfy exercises and vesting under all of its stock incentive awards. At June 30, 2019, a total of 9,555,136 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 0.30 million options granted in the six months ended June 30, 2019 (six months ended June 30, 2018 – 0.42 million options). At June 30, 2019, there were 1.60 million options outstanding with 1.35 million options exercisable, at a weighted average exercise price of $3.40 and $3.56 respectively, with a weighted average remaining contractual life of 3.42 years. The aggregate intrinsic value of the fully vested options was $0.67 million.

The fair value of the options granted under the Compensation Plan for the six months ended June 30, 2019 was estimated at the date of grant, using the Black-Scholes Option Valuation Model, with the following weighted-average assumptions:

Risk-free interest rate	2.620
Expected life	5.0 years
Expected volatility	59.4 *
Expected dividend yield	0.00%
Weighted-average expected life of option	5.00
Weighted-average grant date fair value	$1.54

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

The summary of the Company's stock options at June 30, 2019 and December 31, 2018, and the changes for the fiscal periods ending on those dates is presented below:

	Range of Exercise Prices	Weighted Average Exercise Price	Number of Options
Balance, December 31, 2017	$1.77 - $15.61	$ 4.48	2,028,847
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)
Balance, December 31, 2018	$1.70 - $15.61	$ 3.84	1,732,754
Granted	2.92	2.92	296,450
Exercised	1.70 - 2.92	2.27	(54,805)
Forfeited	1.70 - 7.42	5.27	(239,402)
Expired	6.77	6.92	(144,100)
Balance, June 30, 2019	**$1.70 - $15.61**	**$ 3.40**	**1,590,897**

A summary of the status and activity of non-vested stock options for the six months ended June 30, 2019 is as follows:

	Number of shares	Weighted Average Grant- Date Fair Value
Non-vested December 31, 2018	297,044	$ 1.06
Granted	296,450	1.54
Vested	(345,921)	1.28
Forfeited	(8,632)	1.81
Non-vested June 30, 2019	**238,941**	**$ 1.31**

Restricted Stock Units

The Company grants RSUs to executives and eligible employees. Awards are determined as a target percentage of base salary and generally vest over periods of three years. Prior to vesting, holders of restricted stock units do not have the right to vote the underlying shares. The RSUs are subject to forfeiture risk and other restrictions. Upon vesting, the employee is entitled to receive one share of the Company's common stock for each RSU for no additional payment. During the six months ended June 30, 2019, the Company's Board of Directors issued 0.72 million RSUs under the Compensation Plan (June 30, 2018 - 1.19 million).

A summary of the status and activity of non-vested RSUs at June 30, 2019 is as follows:

	RSU	
	Number of shares	Weighted Average Grant- Date Fair Value
Non-vested December 31, 2018	1,580,187	$ 1.99
Granted	721,750	2.92
Vested	(839,348)	1.99
Forfeited	(204,707)	2.36
Non-vested June 30, 2019	**1,257,882**	**$ 2.47**

The total intrinsic value and fair value of RSUs that vested and were settled for equity in the six months ended June 30, 2019 was $2.44 million (June 30, 2018 – $2.41 million).

Share Appreciation Rights

During the six months ended June 30, 2019, the Company's Board of Directors issued 2.20 million SARs under the Compensation Plan (June 30, 2018 - $nil) with a fair value of $1.25 per SAR. These SARs are intended to provide additional long-term performance-based equity incentives for the Corporation's senior management. The SARs are purely performance based, because they only vest upon the achievement of aggressive performance goals designed to significantly increase shareholder value.

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

The share-based compensation recorded during the three and six months ended June 30, 2019 was $0.66 million and $1.78 million (three and six months ended June 30, 2018 - $0.52 million and $1.72 million, respectively).

At June 30, 2019, there were $0.11 million, $1.29 million and $2.04 million of unrecognized compensation costs related to the unvested stock options, RSU awards and SARs, respectively. These costs are expected to be recognized over a period of approximately two years.

12. INCOME TAXES

As of June 30, 2019, the Company does not believe it is more likely than not that it will fully realize the benefit of the deferred tax assets. As such, the Company recognized a full valuation allowance against the net deferred tax assets as of June 30, 2019 and December 31, 2018.

13. SUPPLEMENTAL FINANCIAL INFORMATION

The components of other income are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	**2018**	**2019**	**2018**
Interest income	**$ 142**	$ 24	**$ 252**	$ 74
Change in value of investments accounted for at fair value	**(362)**	667	**13**	443
Change in value of warrant liabilities	**1,846**	(1,445)	**1,115**	(1,081)
Change in value of convertible debentures	**943**	465	**(493)**	320
Sale of surplus assets	**—**	265	**—**	279
Foreign exchange gain (loss)	**(16)**	134	**(19)**	111
Gain on sale of assets held for sale	**—**	341	**—**	341
Other	**(1)**	48	**1**	75
Other income	**$ 2,552**	$ 499	**$ 869**	$ 562

14. COMMITMENTS AND CONTINGENCIES

General legal matters

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

White Mesa Mill

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

On January 19, 2018, UDEQ renewed, and on February 16, 2018 reissued with minor corrections, the Company's White Mesa Mill license for another ten years, and Groundwater Discharge Permit for another five years, after which renewal periods further applications for renewal for the license and permit will need to be submitted. During the review period for each application for renewal, the Mill can continue to operate under its then existing license and permit until such time as the renewed license or permit is issued. In March 2018, the Grand Canyon Trust, Ute Mountain Ute Tribe and Uranium Watch served Petitions for Review challenging UDEQ's renewal of the license and permit. Then, in May and June 2018, Uranium Watch, the Grand Canyon Trust and the Ute Mountain Ute Tribe filed with UDEQ Requests for Appointment of an Administrative Law Judge, which they subsequently 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 the pending administrative proceedings can be settled. Discussions are ongoing. The Company does not consider these challenges to have any merit. If the challenges 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 our financial position, results of operations or cash flows.

Canyon Project

In March of 2013, the Center for Biological Diversity, the Grand Canyon Trust, the Sierra Club and the Havasupai Tribe (the "Canyon Plaintiffs") filed a complaint in the U.S. District Court for the District of Arizona (the "District Court") against the Forest Supervisor for the Kaibab National Forest and the U.S. Forest Service ("USFS") seeking an order (a) declaring that the USFS failed to comply with environmental, mining, public land, and historic preservation laws in relation to our Canyon Project, (b) setting aside any approvals regarding exploration and mining operations at the Canyon Project, and (c) directing operations to cease at the Canyon Project and enjoining the USFS from allowing any further exploration or mining-related activities at the Canyon Project until the USFS fully complies with all applicable laws. In April 2013, the Plaintiffs filed a Motion for Preliminary Injunction, which was denied by the District Court in September 2013. On April 7, 2015, the District Court issued its final ruling on the merits in favor of the Defendants and the Company and against the Canyon Plaintiffs on all counts. The Canyon Plaintiffs appealed the District Court's ruling on the merits to the 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 petitioned the Ninth Circuit Court of Appeals for a rehearing *en banc*. On October 25, 2018, the Ninth Circuit panel ruled on the petition for rehearing en banc. The panel withdrew its prior opinion and filed a new opinion, which affirmed with one exception the District Court's decision. The one exception relates to Plaintiffs' fourth claim, which was dismissed by the District Court for lack of standing. The Ninth Circuit panel reversed itself on its standing analysis, concluded that the Plaintiffs have standing to assert this claim and remanded the claim back to the District Court to hear the merits of Plaintiffs' claim. A schedule for briefing on the matter is expected to be set within the third quarter of 2019. If the Canyon Plaintiffs are successful on their fourth claim, the Company may be required to maintain the Canyon Project on standby pending resolution of the matter. Such a required prolonged stoppage of mining activities could have a significant impact on our future operations.

On March 21, 2019, the Havasupai Tribe filed a Petition for a Writ of Certiorari regarding its claims in this matter with the Supreme Court of the United States, requesting that the Supreme Court hear this case. The Petition was placed on the docket on March 25, 2019 and, on May 20, 2019, the Supreme Court of the United States denied the Havasupai Tribe's March 21, 2019 Petition. That portion of the case is now over.

Daneros Project

On February 23, 2018, the BLM issued the Environmental Assessment ("EA"), Decision Record and FONSI for the Mine Plan of Operations Modification for the Daneros Mine. On March 29, 2018, the Southern Utah Wilderness Alliance and Grand Canyon Trust (together, the "Appellants") filed a Notice of Appeal to the Interior Board of Land Appeals ("IBLA") regarding the BLM's Decision Record and FONSI and challenging the underlying EA, and the Company was subsequently permitted to intervene. This

matter has been briefed and remains under consideration by IBLA at this time. The Company does not consider these challenges to have any merit; however, the scope and costs of amending or redoing the EA have not yet been determined and could be significant.

Surety Bonds

The Company has indemnified third-party companies to provide surety bonds as collateral for the Company's asset retirement obligation. The Company is obligated to replace this collateral in the event of a default, and is obligated to repay any reclamation or closure costs due. The Company currently has $20.00 million posted against an undiscounted asset retirement obligation of $41.73 million (December 31, 2018 - $19.65 million posted against an undiscounted asset retirement obligation of $41.32 million).

Commitments

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

15. RELATED PARTY TRANSACTIONS

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

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

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

Mr. Benjamin Eshleman III is President of Mesteña LLC, which became a shareholder of the Company through the Company's acquisition of Mesteña Uranium, L.L.C (now EFR Alta Mesa LLC) in June 2016 through the issuance of 4,551,284 common shares of the Company to the direction of 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 required 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). As of June 30, 2019, the Company paid the Grantors $0.30 million in cash and $0.30 million in common stock, representing 97,786 shares. 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_3O_8 from the Alta Mesa Properties sold at a price of $65.00 per pound or less, 6.25% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price greater than $65.00 per pound and up to and including $95.00 per pound, and 7.5% of the value of the recovered U_3O_8 from the Alta Mesa Properties sold at a price greater than $95.00 per pound. The royalties are held by 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_3O_8, the Company did not pay any royalty payments to the Sellers or to Mr. Eshleman or his immediate family members in the three months ended June 30, 2019 and does not anticipate paying any royalty payments to the Sellers or to Mr. Eshleman or his immediate family members during the remainder of 2019. Pursuant to the Purchase Agreement, surface use payments from June 2016 through December 31, 2018 were deferred until June 2019 at which time the Company made a payment totaling $1.03 million consisting $0.51 million in cash and $0.51 million in common stock, representing 168,486 shares, to settle this obligation. The Company will now make surface use payments on an annual basis to Mr. Eshleman and his immediate family members and has accrued $0.18 million as of June 30, 2019.

16. FAIR VALUE ACCOUNTING

Assets and liabilities measured at fair value on a recurring basis

The following tables set forth the fair value of the Company's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy as of June 30, 2019. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

As of June 30, 2019, the fair values of cash and cash equivalents, restricted cash, short-term deposits, receivables, accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments.

	Level 1	Level 2	Level 3	Total
Investments at fair value	$ 721	$ —	$ —	**$ 721**
Marketable equity securities	1,138	—	—	**1,138**
Marketable debt securities	—	10,296	—	**10,296**
Warrant liabilities	(5,412)	—	—	**(5,412)**
Convertible debentures	(17,055)	—	—	**(17,055)**
	$ (20,608)	**$ 10,296**	**$ —**	**$ (10,312)**

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

17. SUBSEQUENT EVENTS

Sale of shares in the Company's 'At-the-Market' program ("ATM").

From July 1, 2019 through August 2, 2019, the Company issued 0.86 million common shares at an average price of $3.12 for proceeds of $2.70 million using the ATM.

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

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements for the three and six month periods ended June 30, 2019, and the related notes thereto, which have been prepared in accordance with U.S. GAAP. Additionally, the following discussion and analysis should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2018. This Discussion and Analysis contains forward-looking statements and forward-looking information that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements and information as a result of many factors. See "Cautionary Statement Regarding Forward-Looking Statements" above.

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

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

Overview

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

Our uranium concentrate is produced from multiple sources:

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

In addition, the Company has a long history of conventional vanadium recovery at the Mill, when vanadium prices support those activities. The Company commenced a campaign to recover vanadium from pond solutions at the Mill in December 2018 and has been recovering vanadium from pond solutions since that time. The Company is also evaluating opportunities for copper recovery from our Canyon Project.

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

For the last several years, no mines have operated commercially in the vicinity of the Mill due to low uranium prices. As a result, in recent years, Mill activities have focused on processing Alternate Feed Materials for the recovery of uranium, under multiple toll processing arrangements as well as Alternate Feed Materials for our own account. Additionally, in recent years, the Mill has recovered dissolved uranium and vanadium from the Mill's tailings management system that was not fully recovered during the Mill's prior thirty-plus years of operations ("Pond Return"). During the six months ended June 30, 2019, Mill activities focused primarily on the recovery of vanadium, along with relatively small amounts of uranium, from Pond Returns. The Company is actively pursuing additional toll and Alternate Feed Materials for processing at the Mill, as well as additional clean-up materials from third party mines.

The Mill also continues to pursue additional sources of feed materials. For example, a significant opportunity exists for the Company to potentially participate in the clean-up of abandoned uranium mines in the Four Corners Region of the U.S. The U.S. Justice Department and Environmental Protection Agency has announced settlements in various forms in excess of $1.5 billion to fund certain clean-up activities on the Navajo Nation. Additional settlements with other parties are also pending. Our Mill is within close trucking distance and is uniquely positioned in this region to receive uranium-bearing materials from these cleanups and thus recycle the contained U_3O_8, while at the same time permanently disposing of the cleanup materials outside the boundaries of the Navajo Nation. There are no other facilities in the U.S capable of providing this service.

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

We believe the current spot price of uranium does not support production for the majority of global uranium producers and, accordingly, we believe that prices will recover at some point in the future, either as a result of improving market fundamentals or in response to the Company's Section 232 Petition (see **Recent Developments** -- *Section 232 Update - Memorandum Issued by the President of the United States*). In anticipation of potential price recoveries or other actions that could support increased U.S. uranium mining, we continue to maintain and advance our resource portfolio. Once prices recover or other supportive actions are taken, we stand ready to resume wellfield construction at our Nichols Ranch Project, develop wellfields and resume production at our Alta Mesa facility, as well as mine and process resources from our Canyon Project, Daneros Project, La Sal Project and Whirlwind Project. The Company believes we could start bringing this new production to the market within approximately six to twelve months of a positive production decision. Longer term, we expect to resume production at our other conventional mines on standby and develop our large conventional mines at Roca Honda, Henry Mountains, and/or Sheep Mountain.

Recent Developments

Court Challenges to Canyon Mine Authorizations

On May 20, 2019, the Supreme Court of the United States denied the Havasupai Tribe's March 21, 2019 Petition for a Writ of Certiorari regarding the Tribe's challenges to the US Forest Service's authorizations at the Company's Canyon Mine project, requesting that the Supreme Court hear those challenges. That portion of the case is now over.

White Mesa Processing Agreement

On June 10, 2019, the Company, through its wholly owned subsidiaries EFR White Mesa LLC and Energy Fuels Resources (USA) Inc., entered into a Processing Agreement (the "Agreement") with the owner of a formerly operating uranium mine in New Mexico. The owner is currently completing various cleanup and reclamation activities at the mine, including the removal and disposal of low-grade uranium ore (the "Ore") located at the site. Under the Agreement, the owner will deliver Ore to Energy Fuels' White Mesa Mill for the processing and recovery of uranium, and the disposal of the resulting tailings. Revenues payable to the Company are expected to be between $700,000 and approximately $3,500,000, depending on the amount of Ore delivered to the White Mesa Mill. As additional consideration, the Company will retain title to any uranium (or other minerals) recovered from the Ore for its own account, currently estimated to be approximately 8,000-70,000 lbs. of U_3O_8, valued at approximately $200,000-$1,750,000 at current uranium prices. Deliveries of Ore began in late-June 2019. Energy Fuels has proposed similar processing and disposal services to assist in the cleanup of Cold War era abandoned uranium mines on the Navajo Nation and other nearby lands. The Agreement represents the first agreement for the processing and disposal of those types of clean-up materials at the White Mesa Mill. The Ore is currently being stockpiled at the Mill for recovery in a future conventional mill processing campaign.

Section 232 Update - Memorandum Issued by the President of the United States

In January 2018, the Company participated in the joint filing of a Petition for Relief under Section 232 of the Trade Expansion Act of 1962 (as amended) from Imports of Uranium Products that Threaten National Security (the "Petition"). The Petition describes how uranium and nuclear fuel from state-owned and state-subsidized enterprises in Russia, Kazakhstan, Uzbekistan and China potentially represent a threat to U.S. national security. The Petition proposed a remedy that would set a quota to limit imports of uranium into the U.S., which, if implemented, would effectively reserve 25% of the U.S. nuclear market for U.S. uranium production. Additionally, the Petition suggested implementation of a requirement for U.S. federal utilities and agencies to buy U.S. uranium in accordance with the President's Buy American Policy. The remedies, if granted, would be expected to strengthen the U.S. uranium mining industry, bolster national defense, and improve supply diversification for U.S. utilities and their customers. On July 18, 2018, the U.S. Department of Commerce ("DOC") initiated the investigation (the "Section 232 Investigation"). On April 14, 2019, the DOC completed the Section 232 Investigation and the Secretary of Commerce submitted a report to the President

of the United States containing his findings (the "Section 232 Report"). In response to the Section 232 Report, on July 12, 2019, the President of the United States issued a memorandum, where he stated that "I agree with the Secretary that the United States uranium industry faces significant challenges in producing uranium domestically and that this is an issue of national security." In order "to address the concerns identified by the Secretary regarding domestic uranium production and to ensure a comprehensive review of the entire domestic nuclear supply chain," the President formed the United States Nuclear Fuel Working Group (the "Working Group") to "examine the current state of domestic nuclear fuel production to reinvigorate the entire nuclear fuel supply chain, consistent with United States national security and nonproliferation goals." The President instructed the Working Group to "develop recommendations for reviving and expanding domestic nuclear fuel production," and to submit a report to the President within 90 days "setting forth the Working Group's findings and making recommendations to further enable domestic nuclear fuel production if needed." The Company looks forward to the Working Group's study and recommendations. The Company believes this initiative has the potential to result in actions that could provide meaningful support to the uranium mining industry, including all or some of the remedies proposed in the Petition. It should be noted, however, that there can be no certainty of the outcome of the Working Group's study and recommendations. No action could be taken or remedies granted and any actions taken may not result in a meaningful or material remedy to the uranium mining industry. Therefore, the outcome of this process is uncertain.

Uranium Market Update

According to monthly price data from TradeTech LLC ("TradeTech"), uranium spot prices were relatively flat during Q2-2019. The uranium spot price began the quarter at $24.90 per pound on March 31, 2019 and dropped slightly (2%) to $24.50 per pound by the end of the quarter on June 30, 2019. The uranium spot price reached a high of $25.85 per pound during the week of April 12, 2019, and a low of $24.00 during the week of May 31, 2019. TradeTech price data also indicates that long-term U_3O_8 prices dropped slightly, beginning the quarter at $32.00 per pound and ending the quarter at $31.00 per pound. On July 25, 2019, TradeTech reported a spot price of $25.50 per pound and a long-term price of $31.00 per pound. According to TradeTech, April 2019 "[b]uying activity in the uranium spot market was muted … as buyers and sellers continue[d] to face potential U.S. government intervention in the market." (TradeTech, NMR, April 30, 2019). TradeTech also indicated that "the downward price pressure seen in the first quarter of 2019 appears to have abated, as mounting uncertainty brought by the Section 232 investigation in the USA intersects with emerging demand." (TradeTech, NMR, April 30, 2019). May 2019 saw lower prices as "[b]uying activity in the uranium spot market declined … as uncertainty surrounding potential U.S. government intervention in the market, alongside the looming potential for premature nuclear power plant shutdowns in several U.S. states, have kept many buyers at bay." (TradeTech, NMR, May 31, 2019). June saw increased uncertainty in the market due to a number of factors, including Ohio lawmakers failing to reach agreement on nuclear subsidies and a number of views within the industry on the range of potential outcomes of the Section 232 Investigation, which "created an environment in which buyers and sellers found it increasingly difficult to reach agreement not just on price, but on all manner of terms and conditions, such as origins, location and offer validity. Consequently market activity … stalled." (TradeTech, NMR, June 30, 2019). Following the President's decision to create the Working Group, uranium spot prices firmed somewhat, reaching $25.25 by July 19, 2019. However, the Company believes considerable uncertainty remains in the market, and participants may not make significant moves in the market until more certainty materializes around the possible outcomes of the Working Group.

On July 23, 2019, there was a major positive development in the U.S. nuclear sector as another state voted to bailout its nuclear power plants. Ohio Governor Mike DeWine signed HB6 into law, providing $1.1 billion of subsidies for two previously struggling nuclear power plants, Davis-Besse and Perry. As a result, Ohio joins New York, Illinois, New Jersey, and Connecticut in providing significant financial support for their state's nuclear power plants. However, in Pennsylvania the legislature adjourned for the summer without passing legislation to support that state's nuclear power plants. As a result, Exelon announced the closure of Three Mile Island Unit 1 by September 30, 2019.

The Company believes that certain uranium supply and demand fundamentals are pointing to higher prices in the future, including significant production cuts and increased demand from utilities, financial entities, traders, and producers. However, the Company also believes that while uranium market conditions have improved over the past year, they still remain weak primarily as a result of excess uranium supplies caused by large quantities of secondary uranium supplies, excess inventories, and thus far insufficient primary production cut-backs, particularly from State Owned Enterprises. The Company also continues to believe that the Company's joint filing of the Section 232 Petition injected uncertainty into the market, causing utilities and other market participants to be less aggressive in their buying and selling activities at this time. The Company continues to believe a large degree of uncertainty continues in the market with the President's creation of the Working Group, along with the potential for sanctions on Iran which could affect deliveries to U.S. utilities from Russian-backed entities.

Vanadium Market Update

During Q2-2019, a disparity between V_2O_5 prices in China versus Europe began to develop, which accelerated into July 2019. According to weekly price data from Metal Bulletin, the mid-point spot price for V_2O_5 in China was $13.50 per pound on March 28, 2019 and $8.00 per pound of V_2O_5 on June 28, 2019, representing a drop of 41% during the quarter. By August 1, 2019, the spot price in China had risen back to $9.25 per pound of V_2O_5. During the same period, according to weekly price data from Metal Bulletin, the mid-point spot price for V_2O_5 in Europe was $12.63 per pound on March 28, 2019 and $7.48 per pound of V_2O_5 on June 28, 2019, again representing a drop of 41%. However, by July 26, 2019, the spot price in Europe had further dropped to $7.10 per pound of V_2O_5. As can be seen from the month-end data for July, vanadium prices in China were approximately 7% higher than in Europe. However, by August 2, 2019, the gap widened considerably, as the V_2O_5 price in China was approximately 23% higher than in Europe.

The Company believes a shortage of raw material in China continues due to production cutbacks and new potential demand due to the rebar standards implemented in China in late-2018. After the announcement of the new standards, global vanadium prices rose significantly to $28.83 per pound in Europe and $32.00 per pound in China. However, as vanadium prices rose to multi-year highs, the Company believes Chinese steel mills began to substitute niobium for vanadium, thereby causing demand for vanadium, and hence prices, to drop off their highs. In recent weeks, the Company believes niobium substitution has abated, and that this, combined with recently reported strong growth in China, has firmed vanadium prices in China, causing the 23% disparity between Chinese and European prices being observed today. At the same time, the Company believes that the European and Russian steel industries are stressed, mainly due to the effects of sanctions on Russia and tariffs in the U.S. This has created less demand, and hence lower prices, for vanadium in Europe and Russia. Because of continued tightness in China, it is the Company's belief that Russian and European producers and traders may redirect some of their vanadium stocks into China, thereby leading to higher prices in Europe and possibly somewhat lower prices in China.

The Company believes that in 2018, global production cutbacks caused vanadium supply to fall below demand, thereby creating a deficit in the market, leading to significant price increases. In the short term, the Company believes that the market dynamics that led to the increased prices in 2018 generally still exist, including increased demand due to new Chinese rebar standards, continued economic growth in China, and decreased supply due to environmental regulations. However, as vanadium prices rise, substitution (primarily niobium) is likely to continue to occur, thereby moderating potential price increases somewhat. In addition, Russian, European, and US steel industries are experiencing lower levels of activity, which is also likely to have a moderating influence on further price increases. Longer-term, the Company expects vanadium prices to continue to be volatile, and mainly dictated by policies in, and the economy of, China. The Company also believes there could be increased demand for vanadium in the energy storage industry.

Operations Update and Outlook for Year Ending December 31, 2019

Overview

Operations and Sales Outlook Overview

The Company plans to extract and recover uranium from its Nichols Ranch Project in 2019 at reduced levels as its existing wellfields become depleted. This will continue until such time as the incremental cost of production exceeds the value of the pounds recovered. In addition, the Company expects to continue to extract and recover vanadium and uranium from pond solutions at its White Mesa Mill through September 2019, assuming vanadium prices remain at current levels or higher. If vanadium prices improve significantly from existing prices, the Company will evaluate continuing vanadium production beyond that time.

As a result of current low uranium market conditions, both ISR and conventional uranium recovery are being maintained at reduced levels until such time as market conditions improve sufficiently, either as a result of potential relief from the Working Group study and recommendations, or through improved uranium market fundamentals. Until such time as improvements in uranium market conditions are observed or suitable sales contracts can be entered into, the Company expects to defer further wellfield development at its Nichols Ranch Project. In addition, the Company will keep the Alta Mesa ISR Project and its conventional mining properties on standby. The Company is also seeking new sources of revenue, including new sources of Alternate Feed Materials and new fee processing opportunities at the Mill that can be processed under existing market conditions, largely unrelated to uranium sales prices. The Company will also continue its support of the Working Group, and will evaluate additional acquisition and disposition opportunities that may arise.

Extraction and Recovery Activities Overview

During the six months ended June 30, 2019, the Company recovered approximately 40,000 pounds of U_3O_8. In the year ending December 31, 2019, the Company expects to recover approximately 50,000 to 125,000 pounds of U_3O_8. The Company also recovered approximately 760,000 pounds of high-purity vanadium pentoxide ("V_2O_5" or "black flake") during the six months ended June 30, 2019 and expects to continue to recover approximately 160,000 to 200,000 pounds of V_2O_5 per month during the

third quarter of 2019, at which time the Company expects to place vanadium recovery operations at the Mill on standby, pending improvements in vanadium prices.

The Company has entered into no uranium sales commitments for 2019 thus far. Therefore, all 2019 uranium production is expected to be added to existing inventories. All V_2O_5 production is expected to be sold on the spot market or maintained in inventory.

ISR Activities

During the six months ended June 30, 2019, we extracted and recovered approximately 40,000 pounds of U_3O_8 from the Nichols Ranch Project. In the year ending December 31, 2019, the Company expects to produce approximately 50,000 to 70,000 pounds of U_3O_8 from Nichols Ranch.

As of June 30, 2019, the Nichols Ranch wellfields had nine header houses extracting uranium. Until such time as improvement in uranium market conditions is observed or suitable sales contracts can be procured, the Company intends to defer development of further header houses at its Nichols Ranch Project. The Company currently holds 34 fully-permitted, undeveloped wellfields at Nichols Ranch, including four additional wellfields at the Nichols Ranch wellfields, 22 wellfields at the adjacent Jane Dough wellfields, and eight wellfields at the Hank Project, which is fully permitted to be constructed as a satellite facility to the Nichols Ranch Plant. The Company currently expects to continue running the Nichols Ranch Project through the end of 2019. However, if market conditions do not improve significantly by that time as a result of the Working Group recommendations or otherwise, the Company expects to place this project on standby in early 2020.

The Company expects to continue to keep the Alta Mesa ISR Project on standby until such time as improvements in uranium market conditions are observed or suitable sales contracts can be procured.

Conventional Activities

Conventional Extraction and Recovery Activities

During the six months ended June 30, 2019, the Company produced 760,000 pounds of high-purity V_2O_5 from its Mill Pond Return program, as well as captured 7,700 pounds of U_3O_8 in the mill circuit. The Company is currently producing at full production rates of 160,000 to 200,000 pounds of V_2O_5 per month and approximately 6,500 pounds of U_3O_8 per month under this program. The Company expects to continue to recover vanadium and uranium at these rates during the third quarter of 2019, at which time the Company expects to place this program on standby, pending improvements in vanadium prices and taking into account seasonal considerations. Despite currently low vanadium prices, the Company plans to continue this program through the end of the third quarter of 2019, rather than place it on standby at this time, for two reasons: first, vanadium recoveries from Pond Returns are highest in the warm summer months, due to the higher concentrations of dissolved vanadium in the solutions as a result of the normal evaporative process during the warm summer months and other chemical reasons, thereby enabling us to produce vanadium at the lowest cost possible, with the marginal cost of production not including fixed Mill overhead currently at or near V_2O_5 spot prices; and secondly, the Company believes the price of vanadium is likely to increase at some point in the future, and running the program through the end of the third quarter will provide the Company with a significant quantity of V_2O_5 produced that can be sold opportunistically as future price volatility occurs. One of the benefits of the Mill's vanadium Pond Return program is that it can be stopped and restarted relatively quickly in response to changes in vanadium market conditions.

If vanadium and uranium recovery operations from the current Mill Pond Return program are put on standby at the end of the third quarter of 2019, as expected under current vanadium pricing conditions, the Company plans to utilize the resulting available Mill capacity by processing stockpiled Alternate Feed Materials in the fourth quarter of 2019.

The White Mesa Mill has historically operated on a campaign basis whereby uranium and/or vanadium recovery is scheduled as mill feed, cash needs, contract requirements, and/or market conditions may warrant. The Company currently expects that planned vanadium and other processing activities will keep the Mill in operation through the end of 2019 and into 2020. The Company is also actively pursuing opportunities to process new and additional Alternate Feed Material sources and low-grade ore from third parties in connection with various uranium clean-up requirements. Successful results from these activities would allow the Mill to extend the current campaign through 2020 and beyond. In addition, if improvements in uranium market conditions are observed as a result of the Working Group recommendations or otherwise, the Company would expect to be able to procure suitable long-term sales contracts to keep the Mill operating over a considerably longer period of time.

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

Conventional Standby, Permitting and Evaluation Activities

During the six months ended June 30, 2019, the Company continued its test-mining and refurbishment program targeting vanadium at the fully-permitted La Sal Complex located on the Colorado Plateau. We completed the test-mining by the end of April 2019, and continued to pursue enhanced operational readiness targeting future commercial production. The goal of the program was to evaluate different mining approaches in previously mined out areas that selectively target high-grade vanadium zones, thereby potentially increasing productivity and mined grades for vanadium and decreasing mining costs per pound of V_2O_5 and U_3O_8. During this program, the Company refurbished the La Sal and Pandora mines within the La Sal Complex and extracted approximately 11,000 tons of mineralized material. The Company expects to continue readiness activities through the third quarter of 2019. In addition, the Company completed a surface and underground drilling program at the La Sal Complex during the quarter ended June 30, 2019 in order to potentially expand the known uranium and/or vanadium resources available to mine.

During 2019, the Company plans to continue carrying out engineering, metallurgical testing, procurement and construction management activities at its Canyon Project, including additional bench and pilot plant scale metallurgical test work of the uranium/copper mineralization, and to continue pursuing any additional permitting actions that may be required to potentially recover copper at the White Mesa Mill. The timing of the Company's plans to extract and process mineralized materials from this project will be based on the results of this additional evaluation work, along with market conditions, available financing, sales requirements, and/or permits required for copper recovery at the Mill.

The Company is selectively advancing certain permits at its other major conventional uranium projects. The Company plans to accelerate the licensing and permitting of the Roca Honda Project, a large, high-grade conventional project in New Mexico, with the Record of Decision currently scheduled to be completed in 2021. The Company will also maintain required permits at the Company's conventional projects, including the Sheep Mountain Project and the Daneros Project. In addition, the Company will continue to evaluate the Bullfrog Property at its Henry Mountains Project. Expenditures for certain of these projects have been adjusted to coincide with expected dates of price recoveries based on the Company's forecasts. All of these projects serve as important pipeline assets for the Company's future conventional production capabilities, as market conditions warrant.

Sales

During the six months ended June 30, 2019, the Company completed no uranium sales of significance. The Company currently has no remaining contracts and is therefore fully unhedged to future uranium price increases.

The Company continued V_2O_5 shipments during the six months ended June 30, 2019 with initial quantities being allocated for conversion to ferrovanadium ("FeV"), which was sold into spot metallurgical markets on a selective basis. At the current time, the Company is selling only small quantities of vanadium, while mainly focusing on building V_2O_5 inventory for sale in the future as prices are expected to increase. During the six months ended June 30, 2019, the Company completed sales of 150,000 pounds of vanadium at an average price of $12.83 per pound. The Company expects to continue to sell finished vanadium product when justified into the metallurgical industry, as well as other markets that demand a higher purity product, including the aerospace, chemical, and potentially the vanadium battery industries. The Company expects to sell to a diverse group of customers in order to maximize revenues and profits. The Company is continuing to produce a high-purity vanadium product of 99.6%-99.7% V_2O_5. The Company believes there may be opportunities to sell certain quantities of this high-purity material at a premium to reported spot prices. The Company may also retain vanadium product in inventory for future sale, depending on vanadium spot prices at the time of production.

The Company also continues to pursue new sources of revenue, including additional Alternate Feed Materials and other sources of feed for the White Mesa Mill.

Trade Petition and Unites States Nuclear Fuel Working Group

The Company looks forward to the United States Nuclear Fuel Working Group's study and recommendations. The Company believes this initiative has the potential to result in actions that could provide meaningful support to the uranium mining industry, including all or some of the remedies proposed in the Petition. It should be noted, however, that there can be no certainty of the outcome of the Working Group's study and recommendations. No action could be taken or remedies granted, and any actions taken may not result in a meaningful or material remedy to the uranium mining industry. Therefore, the outcome of this process is uncertain.

Results of Operations

The following table summarizes the results of operations for the three and six months ended June 30, 2019 and 2018 (in thousands of U.S. dollars):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenues				
Uranium concentrates	$ 66	$ 26,777	$ 66	$ 28,015
Vanadium concentrates	773	—	1,941	—
Alternate feed materials processing and other	2,232	196	2,734	212
Total revenues	3,071	26,973	4,741	28,227
Costs and expenses applicable to revenues				
Costs and expenses applicable to uranium concentrates	63	10,670	63	11,908
Costs and expenses applicable to vanadium concentrates	928	—	1,460	—
Costs and expenses applicable to alternate feed materials and other	1,695	—	2,079	—
Total costs and expenses applicable to revenues	2,686	10,670	3,602	11,908
Impairment of inventories	4,906	1,339	6,082	2,349
Gross profit (loss)	(4,521)	14,964	(4,943)	13,970
Other operating costs and expenses				
Development, permitting and land holding	1,399	998	5,741	2,598
Standby costs	1,251	1,386	2,335	3,898
Accretion of asset retirement obligation	481	458	994	917
Total other operating costs and expenses	3,131	2,842	9,070	7,413
Selling, general and administration				
Selling costs	127	23	137	88
Intangible asset amortization	—	2,502	—	2,502
General and administration	3,725	2,477	7,476	7,247
Total selling, general and administration	3,852	5,002	7,613	9,837
Total operating income (loss)	(11,504)	7,120	(21,626)	(3,280)
Interest expense	(362)	(475)	(691)	(967)
Other income	2,552	499	869	562
Net income (loss)	$ (9,314)	$ 7,144	$ (21,448)	$ (3,685)
Basic income (loss) per share	$ (0.10)	$ 0.09	$ (0.23)	$ (0.05)
Diluted income (loss) per share	$ (0.10)	$ 0.08	$ (0.23)	$ (0.05)

Revenues

The Company's revenues from uranium were previously based on delivery schedules under long-term contracts, which could vary from quarter to quarter. As of December 31, 2018, the Company no longer has any uranium sales contacts. Any future sales of uranium will be subject to sale in the spot market until a time when the Company can agree to terms for long-term sales contracts. In the six months ended June 30, 2019, the Company initiated the selling of vanadium recovered from its pond solution at the White Mesa Mill under a Sales and Agency Agreement appointing an exclusive sales and marketing agent for all vanadium pentoxide produced by the Company.

Revenues for the three months ended June 30, 2019 totaled $3.07 million compared with $26.97 million in the three months ended June 30, 2018. Of the revenues for the three months ended June 30, 2019, $0.77 million was related to sales of 98,000 pounds of vanadium concentrates and $2.23 million related to toll processing of uranium concentrates.

Revenues for the three months ended June 30, 2018 included sales of 400,000 pounds of U_3O_8 pursuant to a term contract at an average price of $61.30 and sales of 100,000 pounds pursuant to a contract where the price was based on the spot market at a price of $22.57 per pound.

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

Revenues for the six months ended June 30, 2018 totaled $28.23 million, which included sales of 400,000 pounds of U_3O_8 pursuant to a term contract at an average price of $61.30, sales of 50,000 pounds of U_3O_8 at a price of $24.75 per pound and sales of 100,000 pounds pursuant to a contract where the price was based on the spot market at a price of $22.57 per pound.

Operating Expenses

Uranium and Vanadium recovered and costs and expenses applicable to revenue

In the three months ended June 30, 2019, the Company recovered 19,000 pounds of U_3O_8 from ISR recovery activities for the Company's own account and 437,000 pounds of V_2O_5 from the Company's pond solutions. In the three months ended June 30, 2018, the Company recovered 39,000 pounds of U_3O_8 from ISR recovery activities for the Company's own account, and 89,000 pounds from the Company's alternate feed sources.

Costs and expenses applicable to revenue for the three months ended June 30, 2019 were $2.69 million, compared with $10.67 million for the three months ended June 30, 2018. Costs and expenses applicable to revenue for the three months ended June 30, 2019 consisted of $0.93 million from V_2O_5 and $1.70 million related to Alternate Feed Materials. All costs and expenses applicable to revenue for 2018 were related to uranium concentrates.

In the six months ended June 30, 2019, the Company recovered 40,000 pounds of U_3O_8 from ISR recovery activities for the Company's own account and 765,000 pounds of V_2O_5 from the Company's pond solutions. In the six months ended June 30, 2018, the Company recovered 82,000 pounds of U_3O_8 from the Nichols Ranch Project and 89,000 pounds from the Company's alternate feed sources.

Costs and expenses applicable to revenue for the six months ended June 30, 2019 were $3.60 million, compared with $11.91 million for the six months ended June 30, 2018. Costs and expenses applicable to revenue for the six months ended June 30, 2019 consisted of $1.46 million from V_2O_5 and $2.08 million related to Alternate Feed Materials. All costs and expenses applicable to revenue for 2018 were related to uranium concentrates.

The decrease in the cost of sales was primarily attributable to having no significant uranium sales as well as just beginning to sell vanadium from the Company's vanadium program.

Other Operating Costs and Expenses

Development, permitting and land holding

For the three months ended June 30, 2019, the Company spent $1.40 million for development of the Company's properties. This is primarily due to the development of the V_2O_5 test-mining program at the La Sal Project as well as expenses associated with ramping up V_2O_5 production at the White Mesa Mill. For the three months ended June 30, 2018, the Company spent $1.00 million for development of the Canyon Project and permitting and land holding costs related to this and other projects.

For the six months ended June 30, 2019, the Company spent $5.74 million for development of the Company's properties. This is primarily due to the development of the V_2O_5 test-mining program at the La Sal Project as well as expenses associated with ramping up V_2O_5 production at the White Mesa Mill. For the six months ended June 30, 2018, the Company spent $2.60 million for development of the Canyon Project and permitting and land holding costs related to this and other projects.

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

Standby cost

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

For the three months ended June 30, 2019, standby costs totaled $1.25 million compared with $1.39 million in the prior year. For the six months ended June 30, 2019, standby costs totaled $2.34 million compared with $3.90 million in the prior year. The decrease is primarily related to increased Alternate Feed Materials processing and toll milling activities at the White Mesa Mill.

Accretion

Accretion related to the asset retirement obligation for the Company's properties increased for the three and six months ended June 30, 2019, which were $0.48 million and $0.99 million compared with the prior year three and six months ended of $0.46 million and $0.92 million, respectively. This increase is primarily due to normal accretion activity.

Selling, general and administrative

Selling, general and administrative expenses include costs associated with marketing uranium, corporate and general and administrative costs and intangible asset amortization from favorable contracts. Selling, general and administrative expenses consist primarily of payroll and related expenses for personnel, contract and professional services, stock-based compensation expense and other overhead expenditures. Selling, general and administrative expenses totaled $3.85 million and $7.61 million for the three and six months ended June 30, 2019 compared to $5.00 million and $9.84 million for the three and six months ended June 30, 2018, respectively. The decrease is a result of the the Company not recognizing any intangible amortization cost from favorable contracts in the six months ended June 30, 2019 as the Company does not have any additional contract sales offset by an increase in spending on the Section 232 petition of $0.47 million.

Impairment of Inventories

For the three and six months ended June 30, 2019, the Company recognized $4.91 million and $6.08 million, respectively, in impairment charges related to inventory. For the three and six months ended June 30, 2018, the Company recognized $1.34 million and $2.35 million, respectively, in inventory impairment. The impairment of inventories is due to continued lower uranium prices versus our cost to produce at the Nichols Ranch Project, and the decrease in the market price of vanadium recovered from pond solutions.

Interest Expense and Other Income and Expenses

Interest expense

Interest expense for the three months ended June 30, 2019 was $0.36 million compared with $0.48 million for the three months ended June 30, 2018, respectively. Interest expense for the six months ended June 30, 2019 was $0.69 million compared with $0.97 million for the six months ended June 30, 2018, respectively. This decrease was due to the payoff of the Wyoming revenue bond loan and the put option conversion of the Company's Convertible Debentures (the "Debentures").

Other income and expense

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

For the three months ended June 30, 2018, other income and expense totaled $0.50 million income, net. These amounts primarily consist of a gain on investments accounted for at fair value of $0.67 million, gain on sale of assets held for sale of $0.34 million, a gain on the change in the mark-to-market values of the Debentures of $0.47 million, foreign exchange gain of $0.13 million, sale of surplus assets of $0.27 million, offset by the loss on the decrease in warrant liabilities of $1.45 million.

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

For the six months ended June 30, 2018, other income and expense totaled $0.56 million income, net. These amounts primarily consist of a gain on investments accounted for at fair value of $0.44 million, gain on sale of assets held for sale of $0.34 million, a gain on the change in the mark-to-market values of the Debentures of $0.32 million, foreign exchange gain of $0.11 million, sale of surplus assets of $0.28 million, offset by the loss on the decrease in warrant liabilities of $1.08 million.

LIQUIDITY AND CAPITAL RESOURCES

Funding of major business and property acquisitions

Over the past six years the Company has funded major business and property acquisitions with capital provided by issuance of its common shares. In 2012 we acquired Titan Uranium Inc. and the US Mining Division of Denison, in 2013 we acquired Strathmore Minerals Corp, in 2015 we acquired Uranerz and in 2016 we acquired Mesteña, each in exchange for newly issued shares.

We intend to continue to acquire assets utilizing common shares when we can do so under attractive terms.

Shares issued for cash

On December 29, 2017, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to $30.00 million in additional common shares under the ATM. On November 5, 2018, the Company filed a prospectus supplement to its U.S. registration statement, qualifying for distribution up to $24.50 million in aggregate common shares under the ATM. Then, on the same date, the Company filed a base shelf prospectus whereby the Company may sell any combination of the "Securities" as defined thereunder in one or more offerings up to an initial aggregate offering price of $150.00 million. On May 5, 2019, the prospectus supplement to its U.S. registration statement expired, and was replaced on May 7, 2019 by a new prospectus supplement in the same amount, qualifying for distribution up to $24.50 million in aggregate common shares under the ATM.

From January 1, 2019 to August 2, 2019 a total of 3,760,334 Common Shares have been sold under the ATM, for net proceeds to the Company of $11.49 million.

Working capital at June 30, 2019 and future requirements for funds

At June 30, 2019, the Company had working capital of $42.60 million, including $16.58 million in cash, $11.43 million of marketable securities, 485,000 pounds of uranium finished goods inventory and approximately 610,000 pounds of vanadium finished goods inventory. The Company believes it has sufficient cash and resources to carry out its business plan for at least the next twelve months.

The Company is actively focused on its forward-looking liquidity needs, especially in light of the current depressed uranium markets. The Company is evaluating its ongoing fixed cost structure as well as decisions related to project retention, advancement and development. If current uranium prices persist for any extended period of time, the Company will likely be required to raise capital or take other measures to fund its ongoing operations. Significant development activities, if warranted, will require that we arrange for financing in advance of planned expenditures. In addition, we expect to continue to augment our current financial resources with external financing as our long-term business needs require.

The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities, current portion of notes payable and current taxes payable are due within the current operating year.

Cash and cash flows

Six months ended June 30, 2019

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

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

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

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

Six months ended June 30, 2018

Cash, cash equivalents and restricted cash were $64.83 million at June 30, 2018, compared to $40.70 million at December 31, 2017. The increase of $24.13 million was due primarily to cash provided by financing activities of $19.46 million, cash provided by operating activities of $3.01 million, cash provided by investing activities of $2.93 million offset by loss on foreign exchange on cash held in foreign currencies of $1.26 million.

Net cash used in operating activities of $3.01 million is comprised of the net loss of $3.69 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were $3.15 million of depreciation and amortization of property, plant and equipment, $2.35 million impairment on inventory, stock based compensation expense of $1.72 million, accretion of ARO of $0.92 million, $1.08 million change in warrant liabilities, other non-cash expenses of $0.46 million, an increase in inventories of $4.95 million, offset by an increase in trade and other receivables of $2.19 million, an increase in prepaid expenses and other assets of $3.40 million.

Net cash provided by financing activities totaled $19.46 million consisting primarily of $22.05 million proceeds from the issuance of stock using the Company's ATM offering offset by $1.68 million to repay loans and borrowings and $0.91 million cash paid for tax withholding.

Net cash provided by investing activities was $2.93 million, of which $2.94 million related to cash received for the sale of the Company's Reno Creek property.

Critical accounting estimates and judgments

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

Significant estimates made by management include:

a. Exploration Stage

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

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

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

b. Resource estimates utilized

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

d. . Depreciation of mining and recovery assets acquired

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

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

e. Impairment testing of mining and recovery assets

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

f. Asset retirement obligations

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

Recently Adopted Accounting Pronouncements

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)." ASU 2016-02 requires leases to be recognized as assets and liabilities on the balance sheet for the rights and obligations created by all leases with terms of more than 12 months. Under the new requirements, a lessee will recognize in the balance sheet a liability to make lease payments (the lease liability) and the right-of-use asset representing the right to the underlying asset for the lease term. For leases with a term of twelve months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from the previous GAAP.

The Company adopted the standard effective January 1, 2019 using the modified retrospective transition approach and elected not to adjust prior comparative periods. Upon adoption, the Company recognized right-of-use assets and lease liabilities of $1.22 million at January 1, 2019. See Footnote 8 for further discussion.

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. The Company adopted this standard effective January 1, 2019 and adoption will not have a significant impact on our net earnings.

Recently Issued Accounting Pronouncements Not Yet Adopted

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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to risks associated with commodity prices, interest rates, foreign currency exchange rates and credit. Commodity price risk is defined as the potential loss that we may incur as a result of changes in the market value of uranium or vanadium. Interest rate risk results from our debt and equity instruments that we issue to provide financing and liquidity for our business. The foreign currency exchange risk relates to the risk that the value of financial commitments, recognized assets or liabilities will fluctuate due to changes in foreign currency rates. Credit risk arises from the extension of credit throughout all aspects of our business. Industry-wide risks can also affect our general ability to finance exploration, and development of exploitable resources; such effects are not predictable or quantifiable. Market risk is the risk to the Company of adverse financial impact due to change in the fair value or future cash flows of financial instruments as a result of fluctuations in interest rates and foreign currency exchange rates. The success of the Company's campaign to recover V_2O_5 from existing pond solutions at the White Mesa Mill continues to depend, in large part, on the Company's ability to sell V_2O_5 at satisfactory prices in the future. The Company currently does not have any contracts in place for the sale of vanadium.

Commodity Price Risk

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

Interest Rate Risk

The Company is exposed to interest rate risk on its cash equivalents, deposits, restricted cash, and debt. Our interest earned is not material and, thus, not subject to significant risk. The Company is exposed to an interest rate risk associated with its Debentures, which is based on the spot market price of U_3O_8. These Debentures mature in December 2020. The Company does not currently expect the spot market price of U_3O_8 to exceed $54.99 per pound prior to the Debentures' maturity and, accordingly, does not believe there is any significant interest rate risk related to these Debentures. In the event any relief is granted under the federal administration's U.S. Nuclear Fuel Working Group formed July 12th in response to the Company's Section 232 Petition, the spot price of uranium could potentially increase, but the risk of any resulting increase in interest rates on the Debentures would be likely offset, at least in part, by other cash-flow improvements for the Company. The Company does not use derivatives to manage interest rate risk. The following chart displays the interest rate applicable to our Debentures at various U_3O_8 per pound price levels.

UxC U3O8 Weekly Indicator Price	Annual Interest Rate
Up to $54.99	8.5%
$55.00–$59.99	9%
$60.00–$64.99	9.5%
$65.00–$69.99	10%
$70.00–$74.99	10.5%
$75.00–$79.99	11%
$80.00–$84.99	11.5%
$85.00–$89.99	12%
$90.00–$94.99	12.5%
$95.00–$99.99	13%
$100 and above	13.5%

Currency Risk

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

The following table summarizes, in United States dollar equivalents, the Company's major foreign currency (Cdn$) exposures as of June 30, 2019 ($000):

Cash and cash equivalents	**$**	**1,976**
Accounts payable and accrued liabilities		**(822)**
Loans and borrowings		**(17,055)**
Total	**$**	**(15,901)**

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to our financial instruments as at June 30, 2019 with all other variables held constant. It shows how net income would have been affected by changes in the relevant risk variables that were reasonably possible at that date.

('000s)	Change for Sensitivity Analysis		**Increase (decrease) in other comprehensive income**
Strengthening net earnings	+1% change in US dollar	**$**	**(208)**
Weakening net earnings	-1% change in U.S. dollar	**$**	**208**

Credit Risk

Credit risk relates to cash and cash equivalents, investments available for sale, trade, and other receivables that arise from the possibility that any counterparty to an instrument fails to perform. The Company only transacts with highly rated counterparties and a limit on contingent exposure has been established for any counterparty based on that counterparty's credit rating. The Company's sales are attributable mainly to multinational utilities. The Company carries credit risk insurance relating to its vanadium sales, which it considers to be adequate. As at June 30, 2019, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, investments available for sale, trade receivables and taxes recoverable.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures.

At the end of the period covered by this quarterly report on Form 10-Q for the period ended June 30, 2019, an evaluation was carried out under the supervision of and with the participation of our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the CEO and the CFO have concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended June 30, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

We are not aware of any material pending or threatened litigation or of any proceedings known to be contemplated by governmental authorities that are, or would be, likely to have a material adverse effect upon us or our operations, taken as a whole that was not disclosed in the Company's Form 10-K for the year ended December 31, 2018, in its Form 10-Q for the quarter ended March 31, 2019, or in this Form 10-Q for the quarter ended June 30, 2019.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2018.

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

On June 20, 2019, the Company issued 168,486 common shares to several parties pursuant to an Amended and Restated Surface Use Agreement by and between Alto Colorado Ranches Ltd., et al., as owner and Leoncito Project, LLC, et al., as operator, dated May 1, 2016 ("Surface Use Agreement") and an Amended and Restated Uranium Testing Permit and Lease Option Agreement by and between Mestena Unproven, Ltd, Jones Ranch Minerals Unproven, Ltd. and Mestena Proven Ltd. and Leoncito Project, LLC signed May 27, 2016 ("Permit and Lease Agreement"). Both the Surface Use Agreement and Permit and Lease Agreement were previously filed as part of exhibit 10.1 to the Company’s current report on Form 8-K dated March 8, 2016.

Pursuant to subsection 3.1.6 of the Surface Use Agreement and subsection 2 of the "Term" of the Permit and Lease Agreement, the Company had the option, in its sole discretion, to pay up to $300,000 in the form of Energy Fuels common shares, to be valued based on the VWAP of the Company’s common shares on the NYSE American for the ten trading days ending on the last trading day prior to the date of payment. Pursuant to this option, the Company issued 97,786 common shares.

The issuance of our common shares pursuant to the Surface Use Agreement and Permit and Lease Agreement was exempt from registration under the U.S. Securities Act of 1933, as amended, pursuant to Section 4(a)(2) thereunder.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURE.

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

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibits

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Articles of Continuance dated September 2, 2005 (1)
3.2	Articles of Amendment dated May 26, 2006 (2)
3.3	Bylaws (3)
4.1	The Amended and Restated Convertible Debenture Indenture dated August 4, 2016 between Energy Fuels Inc., BNY Trust Company of Canada and the Bank of New York Mellon providing for the issuance of debentures (4)
4.2	Shareholder Rights Plan between Energy Fuels Inc. and CIBC Mellon Trust Company dated February 3, 2009 (5)
4.3	Warrant Indenture between Energy Fuels Inc. and CST Trust Co. providing for the issue of common share purchase warrants dated March 14, 2016 (6)
4.4	First Supplemental Indenture among Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated April 14, 2016 (7)
4.5	Warrant Indenture between Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated September 20, 2016 (8)
4.6	Consulting Agreement between Energy Fuels Inc. and Liviakis Financial Communications, Inc. dated March 29, 2018 and effective October 1, 2017 (9)
4.7	Energy Fuels Inc. Omnibus Compensation Plan dated January 28, 2015 (10)
4.8	Amended and Restated Shareholder Rights Plan Agreement between Energy Fuels Inc. and AST Trust Company, dated March 29, 2018 and effective as of May 30, 2018 by shareholder vote (11)
4.9	2018 Omnibus Equity Incentive Compensation Plan, as amended and restated as of March 29, 2018 (12)
4.10	Release of Mortgage, Assignment of Revenues, Security Agreement, Fixture Filing and Financing Statement, dated September 11, 2018 (13)
4.11	October 2018 Amended and Restated Consulting Agreement dated and effective as of October 1, 2018 between Energy Fuels Inc. and Liviakis Financial Communications, Inc. (14)
10.1	Sales Agreement by and among Energy Fuels Inc., Cantor Fitzgerald & Co., H.C. Wainwright & Co., LLC and Roth Capital Partners, LLC, dated May 6, 2019
10.2	Employment Agreement by and between Energy Fuels Inc. and Mark Chalmers dated March 28, 2019 (15)
10.3	Employment Agreement by and between Energy Fuels Inc. and David C. Frydenlund dated March 28, 2019 (16)
10.4	Employment Agreement by and between Energy Fuels Inc. and W. Paul Goranson dated March 28, 2019 (17)
23.1	Consent of Mark S. Chalmers
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)) under the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mine Safety Disclosure
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension – Schema
101.CAL	XBRL Taxonomy Extension – Calculations
101.DEF	XBRL Taxonomy Extension – Definitions
101.LAB	XBRL Taxonomy Extension – Labels
101.PRE	XBRL Taxonomy Extension – Presentations

(1) Incorporated by reference to Exhibit 3.1 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(2) Incorporated by reference to Exhibit 3.2 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(3) Incorporated by reference to Exhibit 3.3 of Energy Fuels' Form F-4 filed with the SEC on May 8, 2015.
(4) Incorporated by reference to Exhibit 4.1 of Energy Fuels' Form 10-Q filed with the SEC on August 5, 2016.
(5) Incorporated by reference to Exhibit 10.9 to Energy Fuels' Form F-4 filed on May 8, 2015.
(6) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on March 14, 2016.
(7) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on April 20, 2016.
(8) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on September 20, 2016.
(9) Incorporated by reference to Exhibit 4.10 to Energy Fuels' Form 8-K filed on April 3, 2018.
(10) Incorporated by reference to Exhibit 4.12 to Energy Fuels' Form S-8 filed on June 24, 2015.
(11) Incorporated by reference to Schedule B to Energy Fuels' Schedule 14A filed on April 11, 2018.
(12) Incorporated by reference to Schedule C to Energy Fuels' Schedule 14A filed on April 11, 2018.
(13) Incorporated by reference to Exhibit 4.15 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2018.
(14) Incorporated by reference to Exhibit 14.16 to Energy Fuels' Form 10-Q filed with the SEC on November 2, 2018.
(15) Incorporated by reference to Exhibit 10.3 to Energy Fuels' Form 10-Q filed with the SEC on May 8, 2019.
(16) Incorporated by reference to Exhibit 10.4 to Energy Fuels' Form 10-Q filed with the SEC on May 8, 2019.
(17) Incorporated by reference to Exhibit 10.5 to Energy Fuels' Form 10-Q filed with the SEC on May 8, 2019.

SIGNATURES

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

ENERGY FUELS INC.
(Registrant)

Dated: August 2, 2019 By: /s/ Mark S. Chalmers
Mark S. Chalmers
President & Chief Executive Officer

Dated: August 2, 2019 By: /s/ David C. Frydenlund
David C. Frydenlund
Chief Financial Officer