

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2017

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

(State or other jurisdiction of incorporation or organization)

98-1067994

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

225 Union Blvd., Suite 600

Lakewood, Colorado

(Address of Principal Executive Offices)

80228

(Zip Code)

(303) 389-4130

(Registrant's Telephone Number, including Area Code)

Indicate by checkmark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "Accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date: 71,405,375 common shares, without par value, outstanding as of August 2, 2017.

ENERGY FUELS INC.
FORM 10-Q
For the Quarter Ended June 30, 2017
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Cautionary Statement Regarding Forward-Looking Information

This Quarterly Report and the exhibits attached hereto (the “Quarterly Report”) contain “forward-looking statements” within the meaning of applicable US 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”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or 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 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 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 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 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 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 and vanadium price levels;
- fluctuations in the market prices of uranium and vanadium, which are cyclical and subject to substantial price fluctuations;
- failure to obtain suitable uranium sales terms, including spot and term sale contracts;
- 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;
- uranium industry competition and international trade restrictions;
- risks related to higher than expected costs related to our Nichols Ranch Project and Canyon Project;
- risks related to securities regulations;
- risks related to stock price and volume volatility;
- risks related to our ability to maintain our listing on the NYSE MKT and Toronto Stock Exchanges;
- risks related to our ability to maintain our inclusion in various stock indices;
- risks related to dilution of currently outstanding shares;
- risks related to our lack of dividends;
- risks related to recent market events;
- risks related to our issuance of additional common shares;
- risks related to acquisition and integration issues;
- risks related to defects in title to our mineral properties;
- risks related to our outstanding debt; and
- risks related to our 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 headings: Item 1A. Risk Factors; and 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

This Quarterly Report contains certain disclosure that has been prepared in accordance with the 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. As a company incorporated in Canada, we estimate and report our resources and our current reserves according to the definitions set forth in NI 43-101.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC"), 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 under only United States standards. 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 United States 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.

The SEC’s disclosure standards under Industry Guide 7 normally do not permit 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 United States standards in documents filed with the SEC. 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 prefeasibility 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 disclosure under Canadian regulations; however, the SEC normally only permits 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 the SEC, 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 United States standards.

Stephen P. Antony, P.E. and CEO of Energy Fuels, is a Qualified Person as defined by NI 43-101 and has reviewed and approved the technical disclosure contained in this quarterly report including sampling, analytical, and test data underlying such disclosure.

PART I

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

ENERGY FUELS INC.

Consolidated Statements of Operations and Comprehensive Loss

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

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Revenues				
Uranium concentrates	\$ 15,043	\$ 6,999	\$ 18,540	\$ 24,977
Alternate feed materials processing and other	2,840	7	3,099	25
Total revenues	17,883	7,006	21,639	25,002
Costs and expenses applicable to revenues				
Costs and expenses applicable to uranium concentrates	9,274	4,099	11,112	16,242
Costs and expenses applicable to alternate feed materials and other	1,797	—	2,030	—
Total costs and expenses applicable to revenues	11,071	4,099	13,142	16,242
Other operating costs				
Impairment of inventories	1,957	1,619	1,957	1,619
Development, permitting and land holding	1,186	3,475	4,509	10,917
Standby costs	1,029	1,365	2,235	3,531
Abandonment of mineral properties	42	—	287	—
Impairment of assets held for sale	3,599	—	3,599	—
Accretion of asset retirement obligation	346	176	691	351
Selling costs	45	95	115	169
Intangible asset amortization	2,887	2,219	3,092	2,438
General and administration	3,378	4,285	7,806	8,113
Total operating loss	(7,657)	(10,327)	(15,794)	(18,378)
Interest expense	(503)	(585)	(1,045)	(1,161)
Other income	3,680	471	1,763	233
Net loss	(4,480)	(10,441)	(15,076)	(19,306)
Items that may be reclassified in the future to profit and loss				
Foreign currency translation adjustment	(448)	327	(644)	(474)
Unrealized (loss) gain on available-for-sale assets	(548)	34	(108)	117
Other comprehensive (loss) income	(996)	361	(752)	(357)
Comprehensive loss	\$ (5,476)	\$ (10,080)	\$ (15,828)	\$ (19,663)
Net loss attributable to:				
Owners of the Company	\$ (4,470)	\$ (10,408)	\$ (14,978)	\$ (19,216)
Non-controlling interests	(10)	(33)	(98)	(90)
	\$ (4,480)	\$ (10,441)	\$ (15,076)	\$ (19,306)
Comprehensive loss attributable to:				
Owners of the Company	\$ (5,466)	\$ (10,047)	\$ (15,730)	\$ (19,573)
Non-controlling interests	(10)	(33)	(98)	(90)
	\$ (5,476)	\$ (10,080)	\$ (15,828)	\$ (19,663)
Basic and diluted loss per share	\$ (0.06)	\$ (0.20)	\$ (0.22)	\$ (0.38)

See accompanying notes to the consolidated financial statements.

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

	As of	
	June 30, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 18,721	\$ 16,901
Trade and other receivables	3,488	364
Inventories	13,346	16,761
Prepaid expenses and other assets	1,878	2,104
Mineral properties held for sale	5,200	—
Total current assets	42,633	36,130
Notes receivable and other	1,848	1,146
Plant and equipment, net	34,762	37,582
Mineral properties, net	83,539	92,625
Intangible assets, net	2,707	5,799
Restricted cash	22,807	23,175
Total assets	\$ 188,296	\$ 196,457
LIABILITIES & EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,075	\$ 5,756
Current portion of asset retirement obligation	32	32
Current portion of loans and borrowings	3,318	6,319
Total current liabilities	8,425	12,107
Warrant liabilities	3,153	3,912
Deferred revenue	2,416	2,339
Asset retirement obligation	17,150	17,001
Loans and borrowings	25,134	23,235
Total liabilities	56,278	58,594
Equity		
Share capital		
Common shares, without par value, unlimited shares authorized; shares issued and outstanding 70,566,637 at June 30, 2017 and 66,205,153 at December 31, 2016	421,952	412,334
Accumulated deficit	(296,499)	(281,521)
Accumulated other comprehensive income	2,556	3,308
Total shareholders' equity	128,009	134,121
Non-controlling interests	4,009	3,742
Total equity	132,018	137,863
Total liabilities and equity	\$ 188,296	\$ 196,457

Commitments and contingencies (Note 12)

See accompanying notes to the consolidated financial statements.

ENERGY FUELS INC.

Consolidated Statements of Changes in Equity

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

	Common Stock		Deficit	Accumulated other comprehensive income	Total shareholders' equity	Non- controlling interests	Total equity
	Shares	Amount					
Balance at December 31, 2016	66,205,153	\$ 412,334	\$ (281,521)	\$ 3,308	\$ 134,121	\$ 3,742	\$ 137,863
Net loss	—	—	(14,978)	—	(14,978)	(98)	(15,076)
Other comprehensive income	—	—	—	(752)	(752)	—	(752)
Shares issued for cash by at-the-market offering	3,402,292	7,687	—	—	7,687	—	7,687
Share issuance cost	—	(223)	—	—	(223)	—	(223)
Share-based compensation	—	1,784	—	—	1,784	—	1,784
Shares issued for the vesting of restricted stock units	752,580	—	—	—	—	—	—
Shares issued for consulting services	206,612	370	—	—	370	—	370
Contributions attributable to non-controlling interest	—	—	—	—	—	365	365
Balance at June 30, 2017	70,566,637	\$ 421,952	\$ (296,499)	\$ 2,556	\$ 128,009	\$ 4,009	\$ 132,018

See accompanying notes to the consolidated financial statements.

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

	For the six months ended	
	June 30,	
	2017	2016
OPERATING ACTIVITIES		
Net loss for the period	\$ (15,076)	\$ (19,306)
Items not involving cash:		
Depletion, depreciation and amortization	3,688	2,591
Stock-based compensation	1,784	1,112
Change in value of convertible debentures	775	989
Change in value of warrant liabilities	(845)	—
Accretion of asset retirement obligation	691	351
Unrealized foreign exchange (gains) losses	(182)	337
Impairment of inventories	1,957	1,619
Abandonment of mineral properties	287	31
Impairment of mineral properties held for sale	3,599	—
Other non-cash (income) expenses	744	(1,165)
Changes in assets and liabilities		
Decrease in inventories	3,683	7,681
(Increase) decrease in trade and other receivables	(3,124)	2,206
Decrease in prepaid expenses and other assets	226	508
Decrease in accounts payable and accrued liabilities	(1,727)	(2,715)
Changes in deferred revenue	77	257
Cash paid for reclamation and remediation activities	(542)	(698)
	(3,985)	(6,202)
INVESTING ACTIVITIES		
Purchase of plant and equipment	—	(42)
Acquisition of Alta Mesa, net of cash acquired	—	(1,290)
Acquisition of Roca Honda, net of cash acquired	—	101
Change in cash deposited with regulatory agencies for asset retirement obligations	386	(2,147)
Sale of mineral properties held for sale	—	845
	386	(2,533)
FINANCING ACTIVITIES		
Issuance of common shares for cash	7,464	11,503
Option and warrant exercises	—	3
Repayment of loans and borrowings	(2,460)	(1,606)
Cash received from non-controlling interest	365	—
	5,369	9,900
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	1,770	1,165
Effect of exchange rate fluctuations on cash held in foreign currencies	50	286
Cash and cash equivalents - beginning of period	16,901	12,965
CASH AND CASH EQUIVALENTS - END OF PERIOD	\$ 18,721	\$ 14,416
Supplemental disclosure of cash flow information:		
Net cash paid during the period for:		
Interest	\$ 1,045	\$ 1,161

See accompanying notes to the consolidated financial statements.

ENERGY FUELS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2017

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

1. THE COMPANY AND DESCRIPTION OF BUSINESS

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

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 (“U₃O₈” or “uranium concentrates”), is sold to customers for further processing into fuel for nuclear reactors.

The Company is an exploration stage mining company as defined by the SEC in Industry Guide 7 (“SEC Industry Guide 7”) as it has not established the existence of proven or probable reserves on any of its properties.

2. BASIS OF PRESENTATION

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

The interim 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 US 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 interim 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, 2016. 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 interim financial statements should be read in conjunction with the audited 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, 2016.

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

3. INVENTORIES

	June 30, 2017	December 31, 2016
Concentrates and work-in-progress	\$ 10,563	\$ 13,788
Raw materials and consumables	2,783	2,973
	\$ 13,346	\$ 16,761

4. PLANT AND EQUIPMENT AND MINERAL PROPERTIES

The following is a summary of plant and equipment:

	June 30, 2017			December 31, 2016		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Plant and equipment						
Nichols Ranch	\$ 29,210	\$ (8,946)	\$ 20,264	\$ 29,210	\$ (6,804)	\$ 22,406
Alta Mesa	13,626	(923)	12,703	13,626	(456)	13,170
Equipment and other	13,367	(11,572)	1,795	13,367	(11,361)	2,006
Plant and equipment total	\$ 56,203	\$ (21,441)	\$ 34,762	\$ 56,203	\$ (18,621)	\$ 37,582

The following is a summary of mineral properties:

	June 30, 2017	December 31, 2016
Mineral properties		
In-situ recovery ("ISR")		
Uranerz ISR properties (a,b)	\$ 25,974	\$ 35,060
In-situ recovery total	25,974	35,060
Conventional		
Sheep Mountain	34,183	34,183
Roca Honda	22,095	22,095
Other	1,287	1,287
Conventional total	57,565	57,565
Mineral properties total	\$ 83,539	\$ 92,625

- a) In the three months ended June 30, 2017, the Company has identified a buyer for a property in the ISR segment. The sale of the property is expected to be completed in the 2nd half of 2017. The Company reclassified the property as mineral properties held for sale, evaluated its fair value and recorded an impairment charge of \$3.60 million (June 30, 2016 - Nil).
- b) In the three months and six months ended June 30, 2017, the Company did not renew certain mineral leases and recorded abandonment expense of \$0.04 million and \$0.29 million, respectively, in the statement of operations (June 30, 2016 - \$Nil).

5. ASSET RETIREMENT OBLIGATIONS AND RESTRICTED CASH

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

	June 30, 2017	December 31, 2016
Asset retirement obligation, beginning of period	\$ 17,033	\$ 8,573
Revision of estimate	—	4,186
Acquired in asset acquisitions or business combinations	—	5,454
Accretion of liabilities	691	906
Settlements	(542)	(2,086)
Asset retirement obligation, end of period	\$ 17,182	\$ 17,033
Asset retirement obligation:		
Current	\$ 32	\$ 32
Non-current	17,150	17,001
Asset retirement obligation, end of period	\$ 17,182	\$ 17,033

Revision of estimates is as a result of a change in estimates of the amount or timing of cash flows to settle asset retirement obligations. Changes to the asset retirement obligations are recorded in profit and loss.

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% (December 31, 2016 – 2.0%). The total undiscounted decommissioning liability at June 30, 2017 is \$43.00 million (December 31, 2016 - \$43.00 million). Reclamation costs are expected to be incurred between 2017 and 2039 in the following manner: 2017 – 2021 - \$8.21 million, 2022 – 2026 - \$11.22 million, 2027 – 2031 - \$3.65 million, 2032 – 2036 - \$11.95 million, 2037 – 2039 - \$7.97 million.

The following table summarizes the Company's restricted cash:

	June 30, 2017	December 31, 2016
Restricted cash, beginning of period	\$ 23,175	\$ 12,980
Restricted cash from acquisitions	—	4,532
Additional collateral posted	—	5,663
Release of collateral related to change in surety agents	(13,111)	—
Posting of collateral with new surety agents	12,743	—
Restricted cash, end of period	\$ 22,807	\$ 23,175

The Company has cash, cash equivalents and fixed income securities as collateral for various bonds posted in favor of the State of Utah, the State of Wyoming, the applicable state regulatory agencies in Colorado and Arizona and the U.S. Bureau of Land Management for estimated reclamation costs associated with the White Mesa Mill, Nichols Ranch, Alta Mesa and 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 12 for a discussion of the Company's surety bond commitments.

6. LOANS AND BORROWINGS

The contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortized cost, and the Company's convertible debentures which are measured at fair value, are as follows.

	June 30, 2017	December 31, 2016
Current portion of loans and borrowings:		
Convertible debentures (a)	\$ —	\$ 3,095
Wyoming Industrial Development Revenue Bond loan (b)	3,318	3,224
Total current loans and borrowings	\$ 3,318	\$ 6,319
Long-term loans and borrowings:		
Convertible debentures (a)	\$ 15,962	\$ 12,381
Wyoming Industrial Development Revenue Bond loan (b)	9,172	10,854
Total long-term loans and borrowings	\$ 25,134	\$ 23,235

- (a) On July 24, 2012, the Company completed a bought deal public offering of 22,000 floating-rate convertible unsecured subordinated debentures originally maturing June 30, 2017 (the “Debentures”) at a price of Cdn \$1,000 per Debenture for gross proceeds of Cdn\$21.55 million (the “Offering”). The Debentures are convertible into Common Shares at the option of the holder. Interest is paid in cash and in addition, unless an event of default has occurred and is continuing, the Company may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures, on the date it is payable under the indenture: (i) in cash; (ii) by delivering sufficient common shares to the debenture trustee, for sale, to satisfy the interest obligations in accordance with the indenture in which event holders of the Debentures will be entitled to receive a cash payment equal to the proceeds of the sale of such common shares; or (iii) any combination of (i) and (ii).

On August 4, 2016, the Company, by a vote of the Debentureholders, extended the maturity date of the Debentures from June 30, 2017 to December 31, 2020, and reduced the conversion price of the Debentures from Cdn\$15.00 to Cdn\$4.15 per Common Share of the Company. In addition, a redemption provision was added that 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 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 Toronto Stock Exchange (“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.

In accordance with the revised terms approved on August 4, 2016, the Company had classified 20% of the principal amount of the Debenture as a current liability at December 31, 2016. Upon expiration of the option at June 30, 2017, the Company reclassified the amount not redeemed as a long term liability. 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 month and six months ended June 30, 2017 the Company recorded a loss on revaluation of convertible Debentures of \$0.15 million and \$0.78 million respectively (June 30, 2016 – \$0.43 million and \$0.99 million).

- (b) The Company, upon its acquisition of Uranerz in 2015, assumed a loan through the Wyoming Industrial Development Revenue Bond program (the "Loan"). The Loan has an annual interest rate of 5.75% and is repayable over seven years, maturing on October 15, 2020. The Loan originated on December 3, 2013 and required the payment of interest only for the first year, with the amortization of principal plus interest over the remaining six years. The Loan can be repaid earlier than its maturity date if the Company so chooses without penalty or premium. The Loan is secured by most of the assets of the Company's wholly owned subsidiary, Uranerz, including mineral properties, the processing facility, and equipment as well as an assignment of all of Uranerz' rights, title and interest in and to its product sales contracts and other agreements. Uranerz is also subject to dividend restrictions. Principal and interest are paid on a quarterly basis on the first day of January, April, July and October. At June 30, 2017 the loan had an outstanding balance of \$12.49 million of which the current portion of the note was \$3.32 million.

7. 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, 2017, The Company issued 3,402,292 Common Shares under the Company's "at-the-market" offering (the "ATM") for net proceeds of \$7.46 million.

Share Purchase Warrants

The Company had share purchase warrants denominated in Canadian dollars and US dollars. There are a total of 0.35 million warrants with an exercise price of Cdn\$13.25 and 0.46 million warrants with an exercise price of Cdn\$9.50 expired unexercised in June 2017. All remaining warrants are denominated in US dollars.

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

Month Issued	Expiry Date	Exercise Price USD\$	Warrants Outstanding	Fair value at June 30, 2017
March 2016 (a)	March 14, 2019	3.20	2,515,625	\$ 615
September 2016 (b)	September 20, 2021	2.45	4,168,750	2,538
				\$ 3,153

- (a) The US dollar based warrants issued in March 2016 are classified as Level 2 under the fair value hierarchy (Note 15).

- (b) The warrants issued in September 2016 are classified as Level 1 under the fair value hierarchy (Note 15).

The following weighted average assumptions were used for the Black-Scholes option pricing model to calculate the \$0.62 million of fair value for the 2,515,625 warrants at June 30, 2017.

Risk-free rate	1.31%
Expected life	1.7 years
Expected volatility	89.55%*
Expected dividend yield	0.00%

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

8. BASIC AND DILUTED LOSS PER COMMON SHARE

Basic and diluted loss per share

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Loss attributable to shareholders	\$ (4,470)	\$ (10,408)	\$ (14,978)	\$ (19,216)
Basic and diluted weighted average number of common shares outstanding	70,423,642	53,043,512	69,597,088	50,282,647
Loss per common share	\$ (0.06)	\$ (0.20)	\$ (0.22)	\$ (0.38)

For the three and six months ended June 30, 2017, 9.10 million (June 30, 2016 - 6.76 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.

9. SHARE-BASED PAYMENTS

The Company, under the 2015 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 and restricted stock units ("RSUs"). The Company issues new shares of common stock to satisfy exercises and vesting under all of its stock incentive awards. At June 30, 2017, a total of 7,912,149 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 0.73 million options granted in the six months ended June 30, 2017 (six months ended June 30, 2016 - 0.42 million options). At June 30, 2017, there were 2.41 million options outstanding with 1.97 million options exercisable, at a weighted average exercise price of \$4.59 and \$5.10 respectively, with a weighted average remaining contractual life of 3.86 years. The aggregate intrinsic value of the fully vested options was \$nil.

The fair value of the options granted under the Compensation Plan for the six months ended June 30, 2017 was estimated at the date of grant, using the Black-Scholes Option Valuation Model, with the following weighted-average assumptions:

Risk-free interest rate	1.93%
Expected life	5.0 years *
Expected volatility	62.95%
Expected dividend yield	0.00%
Weighted-average expected life of option	5.00
Weighted-average grant date fair value	\$1.19

- * 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, 2017 and December 31, 2016, 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, 2015	2.55 - 32.10	6.54	2,122,897
Granted	2.12 - 2.22	2.13	449,537
Exercised	2.12	2.12	(8,369)
Forfeited	2.12 - 18.99	5.52	(317,960)
Expired	2.95 - 32.03	8.03	(200,962)
Balance, December 31, 2016	2.12 - 15.61	5.69	2,045,143
Granted	2.35	2.35	732,328
Exercised	—	—	—
Forfeited	2.12 - 11.94	3.38	(93,077)
Expired	4.48 - 12.55	7.88	(270,980)
Balance, June 30, 2017	2.12 - 15.61	4.59	2,413,414

A summary of the status and activity of non-vested stock options for the six months ended June 30, 2017 is as follows:

	Number of shares	Weighted Average Grant-Date Fair Value
Non-vested December 31, 2016	227,178	\$ 1.48
Granted	732,328	1.19
Vested	(483,104)	1.31
Forfeited	(33,201)	1.26
Non-vested June 30, 2017	443,201	\$ 1.21

Restricted Stock Units

The Company grants restricted stock units ("RSUs") to executives and eligible employees. Awards are determined as a target percentage of base salary and generally vest over periods of 3 years. Prior to vesting, holders of restricted stock units do not have the right to vote the underlying shares. The restricted stock units are subject to forfeiture risk and other restrictions. Upon vesting, the employee is entitled to receive one share of the Company's common stock for each restricted stock unit for no additional payment. During the six months ended June 30, 2017, the Company's Board of Directors approved the issuance of 1.13 million RSUs under the Compensation Plan (June 30, 2016 - 0.95 million).

A summary of the status and activity of non-vested RSUs at June 30, 2017 is as follows:

RSU

	Number of shares	Weighted Average Grant- Date Fair Value
Non-vested December 31, 2016	1,330,469	\$ 2.37
Granted	1,131,760	2.51
Vested	(752,580)	2.35
Forfeited	(33,019)	2.12
Non-vested June 30, 2017	1,676,630	\$ 2.48

The total intrinsic value and fair value of RSUs that vested and were settled for equity in the six months ended June 30, 2017 was \$1.64 million (June 30, 2016 – \$0.30 million).

The share-based compensation recorded during the three and six months ended June 30, 2017 was \$0.74 million and \$1.78 million, respectively (June 30, 2016 - \$1.11 million).

At June 30, 2017, there was \$0.28 million and \$2.47 million of unrecognized compensation costs related to the unvested stock options and RSU awards, respectively. This cost is expected to be recognized over a period of approximately two years.

10. INCOME TAXES

As of June 30, 2017, the Company does not believe it is more likely than not that the Company will fully realize the benefit of the deferred tax assets. As such, the Company increased the valuation allowance related to the deferred tax assets by \$2.66 million for the six months ended June 30, 2017. The Company recognized a full valuation allowance against the net deferred tax assets as of June 30, 2017, and December 31, 2016.

11. SUPPLEMENTAL FINANCIAL INFORMATION

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

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Interest income	\$ 32	\$ 20	\$ 61	\$ 40
Change in value of investments accounted at fair value	119	(69)	618	—
Change in value of warrant liabilities	3,038	448	845	701
Change in value of convertible debentures	147	(428)	(775)	(989)
Sale of surplus assets	345	—	1,138	—
Other	(1)	500	(124)	481
Other income (expense)	\$ 3,680	\$ 471	\$ 1,763	\$ 233

12. COMMITMENTS AND CONTINGENCIES

General legal matters

White Mesa Mill

In November 2012, the Company was served with a Plaintiff's Original Petition and Jury Demand in the District Court of Harris County, Texas, claiming unspecified damages from the disease and injuries resulting from mesothelioma from exposure to asbestos, which the Plaintiff claims was contributed to by being exposed to asbestos products and dust while working at the White Mesa Mill. The Company does not consider this claim to have any merit, and therefore does not believe it will materially affect our financial position, results of operations or cash flows. In January, 2013, the Company filed a Special Appearance challenging jurisdiction and certain other procedural matters relating to this claim. No other activity involving the Company on this matter has occurred since that date.

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.

In April 2014, the Grand Canyon Trust filed a citizen suit in federal District Court for alleged violations of the Clean Air Act at the White Mesa Mill. In October 2014, the plaintiffs were granted leave by the Court to add further purported violations to their April 2014 suit. The Complaint, as amended, alleges that radon from one of the Mill’s tailings impoundments exceeded the standard; that the mill is in violation of a requirement that only two tailings impoundments may be in operation at any one time; and that certain other violations related to the manner of measuring and reporting radon results from one of the tailings impoundments occurred in 2013. The Complaint asks the Court to impose injunctive relief, civil penalties of up to \$38,000 per day per violation, costs of litigation including attorneys’ fees, and other relief. The Company believes the issues raised in the Complaint are being addressed through the proper regulatory channels and that we are currently in compliance with all applicable regulatory requirements relating to those matters. The Company intends to defend against all issues raised in the Complaint. Cross motions for summary judgment were heard by the District Court on November 17, 2016, and the parties are awaiting the Court's decision.

Canyon Project

In March, 2013, the Center for Biological Diversity, the Grand Canyon Trust, the Sierra Club and the Havasupai Tribe (the “Canyon Plaintiffs”) filed a complaint in the U.S. District Court for the District of Arizona (the “District Court”) against the Forest Supervisor for the Kaibab National Forest and the USFS seeking an order (a) declaring that the USFS failed to comply with environmental, mining, public land, and historic preservation laws in relation to our Canyon Project, (b) setting aside any approvals regarding exploration and mining operations at the Canyon Project, and (c) directing operations to cease at the Canyon Project and enjoining the USFS from allowing any further exploration or mining-related activities at the Canyon Project until the USFS fully complies with all applicable laws. In April 2013, the Plaintiffs filed a Motion for Preliminary Injunction, which was denied by the District Court in September, 2013. On April 7, 2015, the District Court issued its final ruling on the merits in favor of the Defendants and the Company and against the Canyon Plaintiffs on all counts. The Canyon Plaintiffs appealed the District Court’s ruling on the merits to the Ninth Circuit Court of Appeals, and filed motions for an injunction pending appeal with the District Court. Those motions for an injunction pending appeal were denied by the District Court on May 26, 2015. Thereafter, Plaintiffs filed urgent motions for an injunction pending appeal with the Ninth Circuit Court of Appeals, which were denied on June 30, 2015. The hearing on the merits at the Court of Appeals was held on December 15, 2016 and the parties are awaiting the Court's decision. If the Canyon Plaintiffs are successful on their appeal on the merits, 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.

Surety bonds

The Company has indemnified third-party companies to provide surety bonds as collateral for the Company’s ARO. The Company is obligated to replace this collateral in the event of a default, and is obligated to repay any reclamation or closure costs due. The Company currently has \$22.81 million posted against an undiscounted ARO of \$43.00 million (December 31, 2016 - \$23.18 million posted against undiscounted asset retirement obligation of \$43.00 million).

13. 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 \$0.34 million to the expenses of the Arkose Joint Venture based on the approved budget for the six months ended June 30, 2017.

Mr. Benjamin Eshleman III is President of Mesteña LLC, which became a shareholder of the Company through the Company's acquisition of Mesteña Uranium, L.L.C (now Alta Mesa LLC) in June 2016 through the issuance of 4,551,284 common shares of the Company to the direction of the Sellers (of which 4,303,032 common shares of the Company are currently held by the Sellers). In connection with the Purchase Agreement, one of the Acquired Companies, Leoncito Project, L.L.C. entered into an Amended and Restated Uranium Testing Permit and Lease Option Agreement with Mesteña Unproven, Ltd., Jones Ranch Minerals Unproven, Ltd and Mesteña Proven, Ltd. (collectively the "Grantors"), which requires Leoncito Project, L.L.C., to make a payment in the amount of \$0.60 million to the Grantors in June 2019 (of which up to 50% may be paid in common shares of the Company at the Company's election). At June 30, 2017, the Company has accrued \$0.20 million of this liability on the balance sheet. The Grantors are managed by Mesteña LLC.

Pursuant to the Purchase Agreement, the Alta Mesa Properties held by the Acquired Companies are subject to a royalty of 3.125% of the value of the recovered U₃O₈ from the Alta Mesa Properties sold at a price of \$65.00 per pound or less, 6.25% of the value of the recovered U₃O₈ 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 U₃O₈ 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 U₃O₈, the Company did not pay any royalty payments or surface use payments to the Sellers or to Mr. Eshleman or his immediate family members in the six months ended June 30, 2017 and does not anticipate paying any royalty payments or surface use payments to the Sellers or to Mr. Eshleman or his immediate family members during the remainder of 2017. Pursuant to the Purchase Agreement, surface use payments from June 2016 through December 31, 2018 have been deferred until June 30, 2019 at which time the Company will pay \$1.35 million to settle this obligation. As of June 30, 2017, the Company has accrued \$0.54 million of this liability on the balance sheet.

14. SEGMENT INFORMATION

The Company is 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 primary mining activities are in the United States.

The reportable segments are those operations whose operating results are reviewed by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance provided those operations pass certain quantitative thresholds. Operations whose revenues, earnings or losses or assets exceed 10% of the total consolidated revenue, earnings or losses or assets are reportable segments. Information about assets and liabilities of the segment has not been provided because the information is not used to assess performance.

In order to determine reportable operating segments, management reviewed various factors, including geographical location and managerial structure. It was determined by management that a reportable operating segment generally consists of an individual property managed by a single general manager and management team. Finance income (expense), other income (expenses) are managed on a consolidated basis and are not allocated to operating segments.

The Company has two operating segments, the conventional uranium recovery segment (the "Conventional Uranium Segment") and the in-situ uranium recovery segment (the "ISR Uranium Segment").

Non-mining activities and other operations are reported in Corporate and other.

The Conventional Uranium Segment

The Conventional Uranium Segment consists of a standalone conventional uranium recovery facility (the "White Mesa Mill"), conventional mining projects in the vicinity of the White Mesa Mill located in the Colorado Plateau, Henry Mountains, Arizona Strip, and the Roca Honda Project ("Roca Honda") in New Mexico, and the Sheep Mountain Project ("Sheep Mountain") in Wyoming. At June 30, 2017 the conventional mining projects in the vicinity of the White Mesa Mill are on standby, being upgraded and evaluated for continued mining activities and/or in process of being permitted. The White Mesa Mill also processes third party uranium-bearing mineralized materials from mining and recycling activities.

The ISR Uranium Segment

The ISR Uranium Segment consists of an operating uranium recovery facility to recover concentrated uranium from wellfields of the Nichols Ranch Project located in Wyoming and a uranium recovery facility and wellfields maintained on standby as part of the Alta Mesa Project in Texas. The Nichols Ranch Project also includes the Jane Dough property and the Hank Project. Additionally, the segment includes other mineral properties in the vicinity of the Nichols Ranch Project and the Alta Mesa Project. The Nichols Ranch Project and surrounding assets were acquired as part of the Company's 2015 acquisition of Uranerz Energy Corporation and the Alta Mesa Project was acquired in June of 2016.

The following tables set forth operating results by reportable segment for the three months ended June 30, 2017:

Three months ended June 30, 2017	<u>Operating Segments</u>		<u>Non-Operating Segments</u>	Total
	Conventional	ISR	Corporate & Other	
Revenues				
Uranium concentrates	4,406	10,637	—	15,043
Alternate feed materials processing and other	2,840	—	—	2,840
Total revenues	7,246	10,637	—	17,883
Costs and expenses applicable to revenues				
Costs and expenses applicable to uranium concentrates	1,503	7,771	—	9,274
Costs and expenses applicable to alternate feed materials and other	1,797	—	—	1,797
Total costs and expenses applicable to revenues	3,300	7,771	—	11,071
Other operating costs				
Impairment of inventories	179	1,778	—	1,957
Development, permitting and land holding	1,045	141	—	1,186
Standby costs	216	813	—	1,029
Abandonment of mineral properties	—	42	—	42
Impairment of assets held for sale	—	3,599	—	3,599
Accretion of asset retirement obligation	171	175	—	346
Selling costs	45	—	—	45
Intangible asset amortization	981	1,906	—	2,887
General and administration	393	199	2,786	3,378
Total operating loss	916	(5,787)	(2,786)	(7,657)
Interest expense	—	—	(503)	(503)
Other expense	—	—	3,680	3,680
Net loss	\$ 916	\$ (5,787)	\$ 391	\$ (4,480)
Attributable to shareholders	\$ 916	\$ (5,777)	\$ 391	\$ (4,470)
Non-controlling interests	—	(10)	—	(10)
Net loss for the period	\$ 916	\$ (5,787)	\$ 391	\$ (4,480)

The following tables set forth operating results by reportable segment for the six months ended June 30, 2017:

Six months ended June 30, 2017	Operating Segments		Non-Operating Segments	Total
	Conventional	ISR	Corporate & Other	
Revenues				
Uranium concentrates	7,903	10,637	—	18,540
Alternate feed materials processing and other	3,099	—	—	3,099
Total revenues	11,002	10,637	—	21,639
Costs and expenses applicable to revenues				
Costs and expenses applicable to uranium concentrates	3,341	7,771	—	11,112
Costs and expenses applicable to alternate feed materials and other	2,030	—	—	2,030
Total costs and expenses applicable to revenues	5,371	7,771	—	13,142
Other operating costs				
Impairment of inventories	179	1,778	—	1,957
Development, permitting and land holding	3,957	552	—	4,509
Standby costs	645	1,590	—	2,235
Abandonment of mineral properties	—	287	—	287
Impairment of assets held for sale	—	3,599	—	3,599
Accretion of asset retirement obligation	341	350	—	691
Selling costs	115	—	—	115
Intangible asset amortization	1,186	1,906	—	3,092
General and administration	1,168	427	6,211	7,806
Total operating loss	(1,960)	(7,623)	(6,211)	(15,794)
Interest Expense	—	—	(1,045)	(1,045)
Other income	—	—	1,763	1,763
Net loss	\$ (1,960)	\$ (7,623)	\$ (5,493)	\$ (15,076)
Attributable to shareholders	\$ (1,960)	\$ (7,525)	\$ (5,493)	\$ (14,978)
Non-controlling interests	—	(98)	—	(98)
Net loss for the period	\$ (1,960)	\$ (7,623)	\$ (5,493)	\$ (15,076)

15. FAIR VALUE ACCOUNTING

Assets and liabilities measured at fair value on a recurring basis

The following tables set forth the fair value of the Company's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy as at June 30, 2017. 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, 2017, the fair values of cash and cash equivalents, restricted cash, short-term deposits, receivables, accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments.

	Level 1	Level 2	Level 3	Total
Investments	\$ 1,909	\$ —	\$ —	\$ 1,909
Warrant liabilities	(2,538)	(615)	—	(3,153)
Convertible debentures	(15,962)	—	—	(15,962)
	\$ (16,591)	\$ (615)	\$ —	\$ (17,206)

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. Investments are located within prepaid expenses and other current assets and notes receivable and other non-current assets as part of the consolidated balance sheet. Convertible debentures are within non-current loans and borrowings as part of the consolidated balance sheet.

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 period ended June 30, 2017, 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, 2016 filed on March 9, 2017. 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 section "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 US 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 generation of clean nuclear electricity. Our primary product is a uranium concentrate ("U₃O₈"), or yellowcake, which when further processed will become the fuel for nuclear energy. According to the Nuclear Energy Institute, nuclear energy provides nearly 20% of the total electricity, and 60% of the clean carbon-free energy, 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, known as 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, and is evaluating opportunities for copper recovery from our Canyon project.

The Mill, which is 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/vanadium mill in the United States. The Mill is licensed to process an average of 2,000 tons of ore per day and to extract approximately 8.00 million pounds of U₃O₈ per year. The Mill has separate circuits to process conventional uranium and vanadium ores as well as alternate feed materials.

Currently, there are no mines operating in the vicinity of the Mill, due to uneconomic prices. The Mill is currently processing alternate feed materials under a toll processing arrangement as well as alternate feed materials for our own account. Additionally, the Mill is recovering dissolved uranium from the Mill's tailings management system that was not recovered in previous processing. The Company is actively pursuing additional toll and alternate feed materials for processing at the Mill.

The Mill also continues to pursue additional sources of feed materials. For example, a significant opportunity has arisen for potential clean-up of abandoned uranium mines on the Navajo Nation that is located in northeastern Arizona as well as parts of Utah and New Mexico and other abandoned uranium mines in the vicinity that are not on the Navajo Nation. Recently, the Justice Department and EPA announced settlements in excess of \$1.5 billion to fund these clean-up activities. 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 U₃O₈, while at the same time removing such material from the land. There are no other facilities capable of providing this service. Consequently, the Company is actively pursuing these types of opportunities.

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 uranium producers and, accordingly, we believe that prices will recover. In anticipation of price recoveries we continue to maintain and advance our resource portfolio. Once prices recover we stand ready to resume wellfield construction at our Nichols Ranch Project, develop wellfields and resume production at our Alta Mesa facility and mine, as well as mine and process ore from our Canyon Project. The Company believes we could start bringing this new production to the market within approximately six months of a positive production decision. Longer term we expect to resume production at our conventional mines on standby and develop our large conventional mines at Roca Honda and Henry Mountains.

In addition to resources controlled by Energy Fuels, there are substantial conventional uranium/vanadium mines/projects in the vicinity of our Mill, which as stated above, is the only operating mill in the United States. We expect that as these mines are brought into production we will be able to generate profitable toll milling contracts to process this third party ore.

Uranium Market Update

According to monthly price data from TradeTech LLC (“TradeTech”), uranium spot prices were \$20.25 per pound on December 31, 2016 and \$20.35 per pound on June 30, 2017. Weekly spot prices reported by TradeTech reached a high of \$26.50 per pound on February 10, 2017, and were at \$20.25 on July 31, 2017. TradeTech price data also indicate that long-term U₃O₈ prices, which began 2017 at \$30.00 per pound, increased to \$34.00 per pound by June 30, 2017 then fell to \$32.00 on July 31, 2017. According to TradeTech’s July 7, 2017 Nuclear Market Review, year-to-date spot sales and volume appear to be about average for the same period in recent years. In addition, according to TradeTech’s June 30, 2017 Nuclear Market Review, traders have been active in the spot market, along with financial entities, producers, and utilities acting as buyers and traders, financial entities and producers acting as sellers. TradeTech also notes that “[m]id- and long-term buying interest remains steady, with several other utilities contemplating entry into the mid- or long-term markets during the third quarter of this year.” NMR, June 30, 2017.

The rise in uranium spot prices seen in the first quarter of 2017 is believed to have been primarily caused by the announcement that Kazakhstan, the World’s leading producer of uranium, expects to cut production by 10% in 2017, and the potential for further reductions in production from other uranium supply during 2017. In addition on March 28, 2017, a high court in Japan lifted an injunction preventing the restart of the Takahama 3 and 4 reactors clearing the way for these units to restart in May and June. And, on April 26, 2017, the U.S. Department of Energy announced that it was reducing uranium transfers from stockpiles by 1.1 million pounds for each of 2017 and 2018.

However, during the second quarter of 2017, other news is believed to have caused a reduction in uranium prices that reached a quarterly low of \$19.50 on May 26, 2017. On March 29, 2017, Toshiba’s Westinghouse nuclear division filed for Chapter 11 protection, creating some uncertainty about the four nuclear reactors currently under construction in the U.S. In addition, on May 10, 2017 South Korea elected Moon-Hae-in as President. He is pursuing a policy to slow South Korea’s nuclear program, and on June 27, 2017 it was announced that South Korea would suspend construction of two reactors (Reuters, June 27, 2017). On May 30, 2017, Exelon announced that it planned to prematurely close its Three Mile Island plant. While spot prices have recovered somewhat from their late-2016 lows, the market remains weak and oversupplied, and additional production cuts have not yet materialized. The Company continues to believe that the continued weak uranium markets are primarily the result of excess uranium supplies caused by large quantities of secondary uranium extraction, excess inventories, and thus far insufficient production cut-backs.

Operations Update and Outlook

The Company plans to extract and/or recover uranium from the following sources in 2017 (each of which is more fully described below):

- 1) Nichols Ranch ISR Project;
- 2) Alternate feed materials and pond returns at the Mill.

Our planned operations are expected to produce finished uranium in excess of our existing requirements under our sales contracts.

Extraction and Recovery Activities - Overview

The Company expects to produce a total of 640,000 to 675,000 pounds in the year ending December 31, 2017 of which 204,000 pounds U₃O₈ were produced in the first half of the year. The Company is maintaining its previous guidance of 675,000 within a range, to allow for uncertainty in the estimates.

The Company currently has finished goods inventory and uranium extraction and recovery capabilities that exceed the commitments contained in our existing sales contracts. As a result, both ISR and conventional uranium extraction and/or recovery have been, and are expected to continue to be, maintained at conservative levels until such time as market conditions improve sufficiently.

Extraction and Recovery - ISR Uranium Operations

During the first half of 2017, we recovered 138,000 pounds of uranium from Nichols Ranch. Production is expected to be somewhat lower than previously forecast due to normal production declines and cost-saving measures the Company is implementing in today's weak uranium price environment. The Nichols Ranch wellfields have nine header houses extracting uranium. The ninth header house began extracting uranium in March 2017. Until such time that improvement in uranium market conditions is observed or suitable sales contracts can be entered into, the Company intends to defer development of further header houses at its Nichols Ranch project.

Extraction and Recovery - Milling Operations

In the first half of 2017, we recovered 66,000 pounds of uranium at the Mill for its own account. In addition, during 2017, the Company expects to earn a fee for processing approximately 1.0 million pounds of U_3O_8 contained in alternate feed materials at the Mill, returning all finished uranium product to the generator of the feed material. During the six months ended June 30, 2017 the Company completed the processing of 466,000 pounds of this material. We expect production from the White Mesa Mill to be somewhat higher than previously forecast, mainly due to higher-than-expected recoveries from pond returns, and to partially or wholly offset the lower than expected production from Nichols Ranch.

The Mill has historically operated on a campaign basis, whereby uranium recovery is scheduled as mill feed, cash needs, contract requirements, and/or market conditions may warrant. The Company is actively pursuing opportunities to process new and additional alternate feed sources, low grade ore from third parties in connection with various uranium clean-up requirements and further recovery of Pond Return. Successful results from these activities would allow the Mill to extend the current campaign into 2018 and beyond.

In the event we are unable to secure sufficient ore or other feed sources for the Mill into the future, the Company would expect to place uranium recovery activities at the Mill on standby until sufficient mill feed becomes available. 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 that would allow the Company to operate the Mill on a profitable basis and/or recover a portion of its standby costs.

Shaft sinking and evaluation of the Canyon Project

The Company substantially completed shaft sinking and underground evaluation drilling activities in March 2017 at the Canyon Project which has resulted in a reduction in the workforce at this project at this time.

The Company is actively processing and reviewing the drilling results in order to further define the mineralization, develop mine plans and evaluate the Mill's ability to recover a salable copper product from the significant copper mineralization the Company has identified. Through evaluation activities completed to date, the Company has identified zones of high-grade uranium and copper mineralization within the deposit. The best uranium intercepts include 6.0-feet of mineralization with an average grade of 16.99% eU_3O_8 , 46.0-feet of mineralization with an average grade of 1.37% eU_3O_8 , and 41-feet of mineralization with an average grade of 1.00% eU_3O_8 . Nineteen core holes with a total intercept length of 645-feet have averaged 6.63% Cu, with several intercepts over 20% Cu. The Company is evaluating the potential for recovering copper at its White Mesa Mill as a value-added byproduct along with the recovery of uranium. The Company plans to issue an updated NI 43-101 compliant technical report in the second half of 2017, which will address its resource estimation.

The timing of the Company's plans to extract and process mineralized materials from the Canyon Project will be based on the results of this additional evaluation work, along with market conditions and available financing.

Other operational activities

Permitting of the Jane Dough Property, which is adjacent to Nichols Ranch, was completed in March 2017.

In January 2017, the Company obtained the necessary permits to mine the open pit and underground resources of its Sheep Mountain Project in Wyoming.

The Company is continuing to pursue cost cutting initiatives, including the potential sale or abandonment of certain non-core properties and the sale of excess mining equipment and other assets.

Sales and other revenue update and outlook

In the six months ended June 30, 2017, the Company completed deliveries of 360,000 pounds of U₃O₈ under four contracts, including 260,000 pounds under three long-term contracts and 100,000 pounds under a contract where the price was based on spot prices.

In the second half of the year, the Company expects to complete deliveries of 160,000 pounds of U₃O₈ under two contracts, including 60,000 pounds under a long-term contract and 100,000 pounds under a contract where the price is based on the average spot price per pound of uranium for the five weeks prior to the dates of delivery. Of these deliveries, 60,000 pounds represent the final deliveries under the long-term contract.

The Company is currently monitoring market conditions for additional sales opportunities. Selective additional spot sales may be made as necessary to generate cash for operations and development activities.

During the year ending December 31, 2017, the Company expects to earn approximately \$6.5 million in toll revenue for processing certain alternate feed materials for a third party of which \$3.10 million was earned in the first half of 2017. The Company also continues to pursue new sources of revenue, including additional alternate feed materials, toll processing of alternate feed materials and other sources of feed for the Mill.

Results of Operations

The following table summarizes the results of operations for the three and six months ended June 30, 2017 and 2016 (in thousands of US dollars):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues				
Uranium concentrates	\$ 15,043	\$ 6,999	\$ 18,540	\$ 24,977
Alternate feed materials processing and other	2,840	7	3,099	\$ 25
Total revenues	17,883	7,006	21,639	\$ 25,002
Costs and expenses applicable to revenue				
Costs and expenses applicable to uranium concentrates	9,274	4,099	11,112	\$ 16,242
Costs and expenses applicable to alternate feed materials and other	1,797	—	2,030	\$ —
Total costs and expenses applicable to revenue	11,071	4,099	13,142	\$ 16,242
Impairment of inventories	1,957	1,619	1,957	1,619
Gross Profit	4,855	1,288	6,540	7,141
Other operating costs and expenses				
Development, permitting and land holding	1,186	3,475	4,509	10,917
Standby costs	1,029	1,365	2,235	3,531
Abandonment of mineral properties	42	—	287	—
Impairment of assets held for sale	3,599	—	3,599	—
Accretion of asset retirement obligation	346	176	691	351
Total other operating costs and expenses	6,202	5,016	11,321	14,799
Selling, general & administration				
Selling costs	45	95	115	169
Intangible asset amortization	2,887	2,219	3,092	2,438
General and administration	3,378	4,285	7,806	8,113
Total selling, general & administration	6,310	6,599	11,013	10,720
Total Operating Loss	(7,657)	(10,327)	(15,794)	(18,378)
Interest expense	(503)	(585)	(1,045)	(1,161)
Other income	3,680	471	1,763	233
Net loss	\$ (4,480)	\$ (10,441)	\$ (15,076)	\$ (19,306)
Basic and diluted loss per share	\$ (0.06)	\$ (0.20)	\$ (0.22)	\$ (0.38)

Revenues

The Company's revenues from uranium are largely based on delivery schedules under long-term contracts, and selective spot sales, which can vary from quarter to quarter.

Revenues for the three months ended June 30, 2017 totaled \$17.88 million, of which \$15.04 million were from sales of 200,000 pounds of U₃O₈, pursuant to term contracts at an average price of \$65.38 per pound, 100,000 pounds of U₃O₈ pursuant to a contract where the price is based on the spot market at a price of \$19.67 per pound and \$2.84 million related to toll processing of uranium concentrates.

Revenues for the three months ended June 30, 2016 totaled \$7.01 million, of which \$7.00 million were sales of 100,000 pounds of U₃O₈, pursuant to a term contract at an average price of \$70.00 per pound.

Revenues for the six months ended June 30, 2017 totaled \$21.64 million, of which \$18.54 million consisted of sales of 260,000 pounds of U₃O₈, pursuant to term contracts at an average price of \$63.74 per pound, 100,000 pounds of U₃O₈ pursuant to a contract where the price is based on the spot market at a price of \$19.67 per pound and \$3.10 million related to toll processing of uranium concentrates.

Revenues for the six months ended June 30, 2016 totaled \$25.00 million, of which \$24.98 million consisted of sales of 450,000 pounds of U₃O₈. The 450,000 pounds of U₃O₈ included the sale of 300,000 pounds of U₃O₈ pursuant to term contracts at an average price of \$54.19 per pound, the sale of 100,000 pounds of U₃O₈ pursuant to term contracts at an average price of \$70.00 per pound and the sale of 50,000 pounds of U₃O₈ on the spot market at a price of \$34.40 per pound.

Operating Expenses

Uranium recovered and costs and expenses applicable to revenue

In the three months ended June 30, 2017, the Company recovered 80,000 pounds of U₃O₈ from the Nichols Ranch Project and 32,000 pounds of U₃O₈ from the Company's alternate feed sources. In addition, the Company recovered 359,000 pounds for the account of a third party under a tolling agreement. In the three months ended June 30, 2016, the Company recovered 80,000 pounds of U₃O₈ from the Nichols Ranch Project and 108,000 pounds of U₃O₈ from the White Mesa Mill.

Costs and expenses applicable to revenue from sales for the three months ended June 30, 2017 totaled \$9.27 million, compared with \$4.10 million for the three months ended June 30, 2016. The increase in the cost of sales was primarily attributable to the increase in the quantity of U₃O₈ sold year over year as discussed above. Costs of goods sold related to sales revenue averaged \$30.91 per pound and \$40.99 per pound for the three months ended June 30, 2017 and 2016, respectively. For the three months ended June 30, 2017, cost of sales related to tolling and other revenue totaled \$1.80 million compared to \$Nil for the three months ended June 30, 2016.

In the six months ended June 30, 2017, the Company recovered 138,000 pounds of U₃O₈ from the Nichols Ranch Project, 66,000 pounds of U₃O₈ from the Company's alternate feed sources. In addition, the Company recovered 466,000 pounds for the account of a third party under a tolling agreement. In the six months ended June 30, 2016, the Company recovered 165,000 pounds of U₃O₈ from the Nichols Ranch Project and 108,000 pounds of U₃O₈ from the White Mesa Mill.

Costs and expenses applicable to revenue from sales for the six months ended June 30, 2017 totaled \$11.11 million, compared with \$16.24 million for the six months ended June 30, 2016. The decrease in the cost of sales was primarily attributable to the decrease in the quantity of U₃O₈ sold year over year as discussed above. Costs of goods sold averaged \$30.87 per pound and \$36.09 per pound for the six months ended June 30, 2017 and 2016, respectively. For the six months ended June 30, 2017, cost of sales related to tolling and other revenue totaled \$2.03 million compared to \$Nil for the six months ended June 30, 2016.

Impairment of Inventories

For the three and six months ended June 30, 2017, the Company recognized \$1.96 million in impairment charges related to inventory. For the same period ended June 30, 2016, the Company recognized \$1.62 million in inventory impairment. The impairment of inventories is due to declining Uranium prices and lower amounts of contract sales due to expiring sales contracts.

Other operating costs and expenses

Development, permitting and land holding

For the three months ended June 30, 2017, the Company spent \$1.19 million for development, permitting, and land holding primarily at the Canyon Project completing the sinking of the shaft, completing evaluation drilling and finalizing development of the site. While we believe the amounts expensed will add value to the Company, we expense these amounts as we do not have proven or probable reserves at the Nichols Ranch Project or the White Mesa asset group under SEC Industry Guide 7. In the second half of the year the Company expects its expenditures for development, permitting and land holding costs will decrease substantially as these activities are completed.

For the three months ended June 30, 2016, the Company spent \$3.48 million for development, permitting, and land holding primarily related to wellfield construction at the Nichols Ranch Project and shaft sinking at the Canyon Project. While we expect the amounts expensed will add value to the Company, we expense these amounts as we do not have proven or probable reserves at the Nichols Ranch Project or the White Mesa asset group under SEC Industry Guide 7.

For the six months ended June 30, 2017, the Company spent \$4.51 million for development, permitting, and land holding of which \$3.81 million was spent at the Canyon Project completing the sinking of the shaft, completing evaluation drilling and finalizing development of the site. Additionally, the Company spent \$0.70 million completing and putting into production its ninth wellfield at Nichols Ranch, completing the permitting on the Jane Dough Project and the Sheep Mountain Project and for other permitting activities and land holding costs in the six months ended June 30, 2017. While we expect the amounts expensed will add value to the Company, we expense these amounts as we do not have proven or probable reserves at the Nichols Ranch Project or the White Mesa asset group under SEC Industry Guide 7.

For the six months ended June 30, 2016, the Company spent \$10.92 million for development, permitting, and land holding primarily related to wellfield construction and completion of the elution circuit at the Nichols Ranch Project, shaft sinking at the Canyon Project and for the replacement of five leach tanks at the White Mesa Mill in preparation for the campaign.

Standby expense

The Company's La Sal and Daneros Projects were placed on standby in the last quarter of calendar year 2012 as a result of market conditions. In February 2014, the Company placed its Arizona 1 Project on standby. In 2015 and 2016, 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, 2017, standby costs totaled \$1.03 million compared with \$1.37 million in 2016. For the six months ended June 30, 2017, standby costs totaled \$2.24 million compared with \$3.53 million in 2016. The decrease is primarily related to decreased standby costs at the White Mesa Mill as it was operating at a level above the threshold for standby costs to be incurred.

Accretion

Accretion related to the asset retirement obligation for the Company's properties increased for the three months ended June 30, 2017 to \$0.35 million compared with \$0.18 million in 2016. This is primarily due to the increase in the amount of the asset retirement obligation added in connection with the Mesteña transaction.

Accretion related to the asset retirement obligation for the Company's properties increased for the six months ended June 30, 2017 \$0.69 million compared with the 2016 \$0.35 million primarily due to the increase in the amount of the asset retirement obligation added in connection with the Mesteña transaction.

General and Administrative

General and administrative expense includes costs associated with marketing uranium, corporate and general and administrative costs. 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. General and administrative expenses totaled \$3.38 million for the three months ended June 30, 2017 compared to \$4.29 million for the three months ended June 30, 2016. The decrease is primarily due to a lower head count in 2017.

General and administrative expenses totaled \$7.81 million for the six months ended June 30, 2017 compared to \$8.11 million for the six months ended June 30, 2016. This decrease is due to lower headcount in 2017.

Intangible asset amortization

Intangible asset amortization are non-cash costs of amortization of above-market sales contract value associated with the acquisition of Denison's US Mining Division in June 2012 and the Uranerz acquisition in June 2015. During the three months ended June 30, 2017 intangible asset amortization totaled \$2.89 million compared with \$2.22 million for the three months ended June 30, 2016. For the six months ended June 30, 2017 intangible asset amortization totaled \$3.09 million compared with the \$2.44 million for the six months ended June 30, 2016. This increase for both the three and six months was due to a timing of contracted sales as discussed above.

Interest Expense and Other Income and Expenses

Interest Expense

Interest expense for the three months ended June 30, 2017 was \$0.50 million compared with \$0.59 million in the prior year.

Interest expense for the six months ended June 30, 2017 was \$1.05 million compared with \$1.16 million in the prior year.

Other income and expense

For the three months ended June 30, 2017, other income and expense totaled \$3.68 million of income. These amounts primarily consist of a gain on the increase in warrant liabilities of \$3.04 million, a gain on the change in the mark-to-market values of the Company's Convertible Debentures (the "Debentures") of \$0.15 million, gain on sale of surplus assets of \$0.35 million, a gain on investments accounted for at fair value of \$0.12 million and interest income of \$0.03 million.

For the three months ended June 30, 2016, other income and expense totaled \$0.47 million of income. These amounts primarily consist of a gain on warrant liabilities of \$0.45 million and \$0.50 million of gains in miscellaneous items partially offset by a loss on the change in the mark-to-market values of the Company's Convertible Debentures (the "Debentures") of \$0.43 million.

For the six months ended June 30, 2017, other income and expense totaled \$1.76 million of income. These amounts mainly consist of a gain on warrant liabilities of \$0.85 million, \$0.62 million gain in fair value of investments, gain on sale of surplus assets of \$1.14 million partially offset by a loss on the change in the mark-to-market values of the Company's Debentures of \$0.78 million.

For the six months ended June 30, 2016, other income and expense totaled \$0.23 million of income. These amounts mainly consist of a gain on warrant liabilities of \$0.70 million and gains in other miscellaneous items of \$0.48 million, partially offset by a loss on the change in the mark-to-market values of the Company's Debentures of \$0.99 million.

Liquidity and Capital Resources

Funding of major business and property acquisitions

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

In October 2013, the Company acquired a 60% interest in Roca Honda. On May 27, 2016, the Company completed the purchase of the remaining 40% interest in Roca Honda from Sumitomo, which is now 100% owned and controlled by the Company. As consideration for the 40% interest, the Company issued 1.21 million shares as well as an additional \$4.5 million of cash payable upon first commencement of commercial mining extraction.

Additionally, on June 16, 2016, the Company completed the asset acquisition of Alta Mesa through the issuance of 4.55 million shares. The total transaction costs incurred through June 30, 2016 by the Company were \$1.29 million, which were capitalized as part of acquiring the asset.

The Company intends to continue to acquire assets utilizing Common Shares when it can be done under attractive terms.

Cash proceeds received for shares and warrants

In the six months ended June 30, 2017, the Company issued 3.40 million shares for net proceeds of \$7.46 million under the Company's ATM Offering.

Working capital at June 30, 2017 and future requirements for funds

At June 30, 2017, the Company had working capital of \$34.21 million, including \$18.72 million in cash and cash equivalents and approximately 370,000 pounds of finished goods inventory. The Company believes it has sufficient cash and resources to carry out its base business plan beyond June 30, 2018.

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 none of which can be assured.

The Company manages liquidity risk through the management of its capital structure.

Debenture Maturity

The Company currently has 22,000 floating-rate convertible unsecured subordinated debentures originally maturing June 30, 2017 (the "Debentures") (each Debenture having a principal amount of Cdn\$1,000). On August 4, 2016, the following amendments were made to the Debentures:

- the maturity date of the Debentures was extended from June 30, 2017 to December 31, 2020;
- the conversion price of the Debentures was reduced from Cdn\$15.00 to Cdn\$4.15 per Common Share of the Company;
- a redemption provision was added that enables the Company to redeem the Debentures, in 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;
- a right in favor of each Debentureholder was added to enable the Debentureholder to require the Company to purchase, for cash, on June 30, 2017 (the original maturity date) up to 20% of the Debentures held by the Debentureholder at a price equal to 100% of the principal amount tendered; and
- certain other amendments were made to the Debenture Indenture as required by the U.S. Trust Indenture Act of 1939, along with certain other amendments to remove provisions of the Indenture that no longer apply.

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 Debentures, in whole or in part, at 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 principal amount of the Debentures maturing 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 maturity date.

In the six months ended June 30, 2017, the Debentureholders elected to redeem Cdn\$1.13 million (\$0.87 million) under this right, and the Company has completed the buy back. No additional purchases are allowed under this right.

Cash and cash flows

Six months ended June 30, 2017

Cash and cash equivalents were \$18.72 million at June 30, 2017, compared to \$16.90 million at December 31, 2016. The increase of \$1.82 million was due primarily to cash provided by financing activities of \$5.37 million, cash partially provided by investing activities of \$0.39 million and gain on foreign exchange on cash held in foreign currencies of \$0.05 million offset by cash used in operations of \$3.99 million.

Net cash provided by financing activities totaled \$5.37 million consisting primarily of \$7.46 million proceeds from the issuance of stock in the ATM Offering and \$0.37 million in cash received from non-controlling interest partially offset by \$2.46 million to repay loans and borrowings.

Net cash provided by investing activities was \$0.39 million and was due to cash refunds related to cash deposited with regulatory agencies. This refund was a result of the Company's decision to change surety providers.

Net cash used in operating activities of \$3.99 million is comprised of the net loss of \$15.08 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were \$3.69 million of depreciation and amortization of property, plant and equipment, \$1.78 million of stock-based compensation, \$1.96 million impairment in inventories, \$3.60 million impairment of assets held for sale, a change in the value of the convertible debentures of \$0.78 million, a \$0.74 million miscellaneous non-cash expense, \$0.69 million accretion of asset retirement obligation, a \$3.68 million decrease in inventories, a \$0.23 million decrease in prepaid expenses and other assets, offset by a \$3.12 million increase in trade and other receivables and a \$1.73 million decrease in accounts payable and accrued liabilities, a loss on the value of the warrant liabilities of \$0.85 million, an unrealized foreign exchange loss of \$0.18 million and \$0.54 million in cash paid for reclamation and remediation activities.

Six months ended June 30, 2016

Cash and cash equivalents were \$14.42 million at June 30, 2016, compared to \$12.97 million at December 31, 2015. The increase of \$1.45 million was due primarily to cash provided by financing activities of \$9.90 million partially offset by cash used by investing activities of \$2.53 million and cash used in operations of \$6.20 million and gain on foreign exchange on cash held in foreign currencies of \$0.29 million.

Net cash provided by financing activities totaled \$9.90 million consisting primarily of \$11.50 million proceeds from the issuance of stock in the March 2016 public offering and the ATM Offering partially offset by \$1.61 million to repay loans and borrowings.

Net cash used by investing activities was \$2.53 million, which was primarily related to expenditures for the Alta Mesa acquisition transaction costs of \$1.23 million and cash expenditures related to additional cash deposited with regulatory agencies for asset retirement obligations related to the acquisition of Alta Mesa of \$2.15 million and related reclamation costs offset by cash received from the sale of mineral properties held for sale of \$0.85 million.

Net cash used in operating activities of \$6.20 million is comprised of the net loss of \$19.31 million for the period adjusted for non-cash items and for changes in working capital items. Significant items not involving cash were \$2.59 million of depreciation and amortization of property, plant and equipment, \$1.62 million impairment on inventory, a \$7.68 million decrease in inventories, \$2.21 million decrease in trade and other receivables offset by a \$2.72 million decrease in accounts payable and accrued liabilities and a \$1.17 million miscellaneous non-cash income.

Critical accounting estimates and judgments

The preparation of these consolidated financial statements in accordance with US 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

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 ore body 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.

c. Valuation of mining and recovery assets in a business combination

We value assets in a business combination based on our estimates of the fair value of the mining and recovery assets acquired.

For mining and recovery assets actively extracting and recovering uranium as well as those assets that we expect to extract uranium from, we value the assets based on the income approach. As we have not acquired proven or probable reserves, as defined by SEC Industry Guide 7, in our business combinations, the value ascribed to these assets is based on our estimates of value beyond proven and probable reserves. The value is calculated based, in part, on technical reports prepared under NI 43-101. Our estimates of extraction and recovery activities and related timing of extraction and recovery as well as the costs involved are demonstrated by at least a preliminary economic assessment. We then adjust the results of the technical reports to include the effects of anticipated fluctuations in the future market price of uranium consistent with what we believe to be the expectations of other market participants as well as any expected operational or cost changes that we expect in the future operations of these mining assets. These cash flow estimates include the estimated cash outflows to develop, extract and recover the estimated saleable U₃O₈ from these operations.

For mining assets that will be held for further evaluation or for sale, we use the market approach utilizing implied transaction multiples from historical uranium transactions.

d. Valuation of mining assets acquired other than in a business combination

The costs of mining assets that are acquired in an asset purchase transaction are recorded as plant and equipment on the date of purchase based on the consideration given up for the assets. If multiple assets are involved in a transaction, the consideration is allocated based on the relative values of the properties acquired.

e. 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.

f. Business combinations

Management uses judgment in applying the acquisition method of accounting for business combinations and in determining fair values of the identifiable assets and liabilities acquired. The value placed on the acquired assets and liabilities, including identifiable intangible assets, will have an effect on the amount of goodwill or bargain purchase gain that the Company may record on an acquisition. Changes in economic conditions, commodity prices and other factors between the date that an acquisition is announced and when it finally is consummated can have a material difference on the allocation used to record a preliminary purchase price allocation versus the final purchase price allocation which can take up to one year after acquisition to complete. See *b.* above for information related to the valuation of mining and recovery assets in this process.

g. 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.

h. 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.

i. Determination whether an acquisition represents a business combination or asset purchase

Management determines whether an acquisition represent a business combination or asset purchase by considering the stage of exploration and development and status of an acquired operation. Consideration is given to whether the acquired properties include mineral reserves or mineral resources, in addition to the permitting required and results of economic assessments.

Recently Adopted Accounting Pronouncements

Inventory

In July 2015, ASU 2015-11 was issued related to inventory which simplifies the subsequent measurement of inventories by replacing the lower of cost or market test with a lower of cost and net realizable value test. The update is effective in fiscal years, including interim periods, beginning after December 15, 2016, and early adoption is permitted. Adoption of this guidance, effective October 1, 2016, had no impact on the Consolidated Financial Statements or disclosures.

Stock-based compensation

In March 2016, ASU No. 2016-09 was issued related to stock-based compensation. The new guidance simplifies the accounting for stock-based compensation transactions, including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2016 and early adoption is permitted. Adoption of this guidance, effective October 1, 2016 had no impact on the Consolidated Financial Statements or disclosures.

Deferred income taxes

In November 2015, the ASU 2015-17 related to the presentation of deferred income taxes in the statement of financial position by requiring that deferred tax liabilities and assets be classified as noncurrent. The update is effective in fiscal years, including

interim periods beginning on or after December 15, 2016. Adoption of this guidance, effective January 1, 2017 had no impact on the Consolidated Financial Statements or disclosures as the Company has a full valuation allowance posted against the deferred tax assets as of June 30, 2017 and December 31, 2016.

Recently Issued Accounting Pronouncements Not Yet Adopted

In addition to the new and revised standards and amendments issued prior to 2017 for which the Company is evaluating implementation effects, as disclosed in our annual Consolidated financial statements, the FASB issued the following new and revised standards and amendments, which are not yet effective which may have future applicability to the Company:

Investments

In January 2016, ASU No. 2016-01 was issued related to financial instruments. The new guidance requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value and recognize any changes in fair value in net income. This new guidance also updates certain disclosure requirements for these investments. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and early adoption is not permitted. The Company is currently evaluating this guidance and the impact it will have on the financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02 which core principle is that a lessee should recognize the assets and the liabilities that arise from leases, including operating leases. 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 standard is effective for fiscal years beginning after December 15, 2018, including interim periods within such fiscal year, with early adoption permitted. The ASU requires a modified retrospective transition method with the option to elect a package of practical expedients. The Company is evaluating the effect of this amendment and the impact it will have on the Company's financial statements.

Financial instruments

In January 2016, ASU 2016-01 was issued related to financial instruments. The update intends to enhance the reporting model for financial instruments to provide users of financial instruments with more decision-useful information and addresses certain aspects of the recognition, measurement, presentation, and disclosure of financial instruments. The update is effective in fiscal years, including interim periods beginning on or after December 15, 2017. The Company is currently evaluating this guidance and the impact it will have on the financial statements.

Revenue recognition

In May 2014, ASU 2014-09 was issued related to revenue from contracts with customers. The new standard requires revenue to be recognized based on the amount an entity is expected to be entitled to for promised goods or services provided to customers. The standard also requires expanded disclosures regarding contracts with customers. The guidance in this standard supersedes the revenue recognition requirements in Topic 605, "Revenue Recognition", and most industry-specific guidance. formation and addresses certain aspects of the recognition, measurement, presentation, and disclosure of financial instruments. The update is effective in fiscal years, including interim periods beginning on or after December 15, 2017, and will be applied retrospectively. We are analyzing our sales contracts in order to evaluate the impact on the financial statements.

Business combinations

In January 2017, ASU No. 2017-01 was issued related to business combinations. The new guidance requires entities to go through a "screen" when determining whether an integrated set of assets and activities constitutes a business. The screen requires entities to compare the fair value of gross assets acquired to the fair value of a single identifiable asset or group of similar identifiable assets. If substantially all of the fair value of the gross assets acquired is concentrated in the single identifiable assets or group of similar identifiable assets, the integrated set of assets and activities is not a business. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017, and early adoption is not permitted. The Company is currently evaluating this guidance and the impact it will have on the financial statements.

Restricted Cash

In November 2016, ASU No. 2016-18 was issued related to the inclusion of restricted cash in the statement of cash flows. This new guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The adoption of this guidance will result in the inclusion of the restricted cash balances within the overall cash balance and removal of the changes in restricted cash activity,

which are currently recognized in Other financing activities, on the Statements of Consolidated Cash Flows. Furthermore, an additional reconciliation will be required to reconcile Cash and cash equivalents and restricted cash reported within the Consolidated Balance Sheets to sum to the total shown in the Statements of Consolidated Cash Flows. The Company is currently evaluating this guidance and the impact it will have on the financial statements.

Statement of cash flows

In August 2016, ASU No. 2016-15 was issued related to the statement of cash flows. This new guidance addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The Company is currently evaluating this guidance and the impact it will have on the financial statements.

Stock compensation

In May 2017, ASU No. 2017-09 was issued related to share-based payment award modifications. This update provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. This update is effective in fiscal years, including interim periods, beginning after December 15, 2017 and early adoption is permitted. The Company is currently evaluating this guidance and the impact it will have on the financial statements.

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. 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.

Commodity Price Risk

The Company is subject to market risk related to the market price of U₃O₈. Our four long-term supply contracts contain favorable pricing above current spot prices; however, these long term prices cover only a portion of our planned uranium recovery. Additionally final deliveries under one of the contracts was completed in the quarter ending December 31, 2016 and one other contract will be completed in 2017. Revenue beyond our current contracts will be affected by both spot and long-term U₃O₈ 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 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; thus not subject to significant risk. Our Wyoming Industrial Development Revenue Bond has a fixed interest rate over its remaining four-year life, removing variability. The Company is exposed to an interest rate risk associated with its convertible debentures (the "Debentures"), which is based on the spot market price of U₃O₈. These Debentures mature in December 2020. The Company does not expect the spot market price of U₃O₈ to exceed \$54.99 prior to the Debentures' maturity and, accordingly, does not believe there is any significant interest rate risk related to these Debentures. The Company does not use derivatives to manage interest rate risk. The following chart displays the interest rate applicable to our Debentures at various U₃O₈ 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 US 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, 2017 (\$000):

Cash and cash equivalents	\$	7,695
Accounts payable and accrued liabilities		(758)
Loans and borrowings		(16,953)
Total	\$	(10,016)

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to our financial instruments as at June 30, 2017 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
	+1% change in U.S. dollar	
Strengthening net earnings	dollar \$	(130)
	-1% change in U.S. dollar	
Weakening net earnings	dollar \$	130

Credit Risk

Credit risk relates to cash and cash equivalents, 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. As at June 30, 2017, the Company's maximum exposure to credit risk was the carrying value of cash and cash equivalents, 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, 2017, 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, 2017 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, 2016, as filed with the SEC dated March 9, 2017.

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, 2016 as filed with the SEC dated March 9, 2017.

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

None.

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	Financing Agreement between Uranerz Energy Corp. and Johnson County dated November 26, 2013 (5)
4.3	Bond Purchase Agreement among the State of Wyoming, Johnson County and Uranerz Energy Corp. dated November 12, 2013 (6)
4.4	Promissory Note dated November 26, 2013 (7)
4.5	Mortgage and Security Agreement and Assignment between Uranerz Energy Corp. and the Trustee dated November 26, 2013 (8)
4.6	Shareholder Rights Plan (9)
4.7	Warrant Indenture between Energy Fuels Inc. and CST Trust Co. providing for the issue of common share purchase warrants dated March 14, 2016 (10)
4.8	First Supplemental Indenture among Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated April 14, 2016 (11)
4.9	Warrant Indenture between Energy Fuels Inc., CST Trust Company and American Stock Transfer & Trust Company, LLC dated September 20, 2016 (12)
21.1	Subsidiaries of the Registrant (13)
23.1	Consent of Stephen P. Antony
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 4.1 to the Form 8-K filed on December 3, 2013 by Uranerz Energy Corporation.
- (6) Incorporated by reference to Exhibit 4.2 to the Form 8-K filed on December 3, 2013 by Uranerz Energy Corporation.
- (7) Incorporated by reference to Exhibit 4.3 to the Form 8-K filed on December 3, 2013 by Uranerz Energy Corporation.
- (8) Incorporated by reference to Exhibit 4.4 to the Form 8-K filed on December 3, 2013 by Uranerz Energy Corporation.
- (9) Incorporated by reference to Exhibit 10.9 to Energy Fuels' Form F-4 filed on May 8, 2015.
- (10) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on March 14, 2016.
- (11) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on April 20, 2016.
- (12) Incorporated by reference to Exhibit 4.1 to Energy Fuels' Form 8-K filed on September 20, 2016.
- (13) Incorporated by reference to Exhibit 99.1 to Energy Fuels' Form T-3 filed with the SEC on July 11, 2016.

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 3, 2017

By: /s/ Stephen P. Antony
Stephen P. Antony
Chief Executive Officer

Dated: August 3, 2017

By: /s/ Daniel G. Zang
Daniel G. Zang
Chief Financial Officer

CONSENT OF STEPHEN P. ANTONY

I consent to the inclusion in the Quarterly Reports on Form 10-Q of Energy Fuels Inc. (the “Company”) for the quarters ended March 31, 2017 and June 30, 2017 (collectively, the “Quarterly Reports”) of technical disclosure regarding the properties of the Company (the “Technical Information”) and of references to my name with respect to the Technical Information being filed with the United States Securities and Exchange Commission (the “SEC”) under cover of Form 10-Q.

I also consent to the filing of this consent under cover of Form 10-Q with the SEC and of the incorporation by reference of this consent and the Technical Information into the Company’s Registration Statement on Form S-3 (No. 333-210782), as amended, filed with the SEC.

/s/ Stephen P. Antony
Name: Stephen P. Antony, P.E.
Title: Chief Executive Officer,
Energy Fuels Inc.

Date: August 3, 2017

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

I, Stephen P. Antony, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ Stephen P. Antony

Stephen P. Antony
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

I, Daniel G. Zang, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Energy Fuels Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ Daniel G. Zang

Daniel G. Zang

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended June 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stephen P. Antony, Chief Executive Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen P. Antony

Stephen P. Antony

Chief Executive Officer

(Principal Executive Officer)

Date: August 3, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Energy Fuels Inc. (the "Company") on Form 10-Q for the period ended June 30, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel G. Zang, Chief Financial Officer, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Daniel G. Zang

Daniel G. Zang

Chief Financial Officer

(Principal Financial Officer)

Date: August 3, 2017

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Mine Safety Disclosure

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States, and that is subject to regulation by the Federal Mine Safety and Health Administration under the Mine Safety and Health Act of 1977 (“Mine Safety Act”), are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities.

The following table sets out the information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd Frank Wall Street Reform and Consumer Protection Act for the period April 1, 2017 through June 30, 2017 covered by this report:

Property	Section 104 (a) S&S Citations ² (#)	Section 104(b) Orders ³ (#)	Section 104 (d) Citations and Orders ⁴ (#)	Section 110 (b)(2) Violations ⁵ (#)	Section 107(a) Orders ⁶ (#)	Total Dollar Value of MSHA Assessments Proposed ⁷ (\$)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations or Potential Thereof Under Section 104 (e) ⁸ (yes/no)	Legal Actions Pending as of Last Day of Period ⁹ (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Arizona 1 ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Beaver/La Sal ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Canyon	1	Nil	Nil	Nil	Nil	\$1096.00	Nil	No	Nil	Nil	Nil
Daneros ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Energy Queen ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Pandora ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Pinenut ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Rim ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Tony M ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil
Whirlwind ¹	Nil	Nil	Nil	Nil	Nil	\$0.00	Nil	No	Nil	Nil	Nil

1. The Company’s Arizona 1, Beaver/La Sal Property, Daneros Project, Energy Queen Property, Pandora Property, Pinenut, Rim Project, Tony M Property and Whirlwind Project were each on standby and were not mined during the period.
2. Citations and Orders are issued under Section 104 of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 814) (the “Act”) for violations of the Act or any mandatory health or safety standard, rule, order or regulation promulgated under the Act. A Section 104(a) “Significant and Substantial” or “S&S” citation is considered more severe than a non-S&S citation and generally is issued in a situation where the conditions created by the violation do not cause imminent danger, but the violation is of such a nature as could significantly and substantially contribute to the cause and effect of a mine safety or health hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.
3. A Section 104(b) withdrawal order is issued if, upon a follow up inspection, an MSHA inspector finds that a violation has not been abated within the period of time as originally fixed in the violation and determines that the period of time for the abatement should not be extended. Under a withdrawal order, all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area of the mine until the inspector determines that the violation has been abated.
4. A citation is issued under Section 104(d) where there is an S&S violation and the inspector finds the violation to be caused by an unwarrantable failure of the operator to comply with a mandatory health or safety standard. Unwarrantable failure is a special negligence finding that is made by an MSHA inspector and that focuses on the operator’s conduct. If during the same inspection or any subsequent inspection of the mine within 90 days after issuance of the citation, the MSHA inspector finds another violation caused by an unwarrantable failure of the operator to comply, a withdrawal

order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.

5. A flagrant violation under Section 110(b)(2) is a violation that results from a reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonable could have been expected to cause, death or serious bodily injury.
6. An imminent danger order under Section 107(a) is issued when an MSHA inspector finds that an imminent danger exists in a mine. An imminent danger is the existence of any condition or practice which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated. Under an imminent danger order, all persons, other than those required to abate the condition or practice and certain others, are required to be withdrawn from and are prohibited from entering the affected area until the inspector determines that such imminent danger and the conditions or practices which caused the imminent danger no longer exist.
7. These dollar amounts include the total amount of all proposed assessments from MSHA under the Act relating to any type of violation during the period, including proposed assessments for non-S&S citations that are not specifically identified in this exhibit, regardless of whether the Company has challenged or appealed the assessment.
8. A Notice is given under Section 104(e) if an operator has a pattern of S&S violations. If upon any inspection of the mine within 90 days after issuance of the notice, or at any time after a withdrawal notice has been given under Section 104(e), an MSHA inspector finds another S&S violation, an order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.
9. There were no legal actions pending before the Federal Mine Safety and Health Review Commission as of the last day of the period covered by this report. In addition, there were no pending actions that are (a) contests of citations and orders referenced in Subpart B of 29 CFR Part 2700; (b) complaints for compensation referenced in subpart D of 29 CFR Part 2700; (c) complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700; (d) applications for temporary relief referenced in Subpart F of 29 CFR Part 2700; or (e) appeals of judges' decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of 29 CFR Part 2700.