



Value Investors: Could This Precious Metals Stock Rise Significantly?

Description

Energy Fuels ([TSX:EFR](#)) is engaged in [uranium extraction and recovery](#), along with the exploration, permitting, and evaluation of uranium properties in the United States. The company also extracts and recovers vanadium as market conditions warrant and is planning to commence the commercial production of rare earth element (REE) carbonates in 2021, another by-product of the uranium recovery process.

Valuable uranium assets

Energy Fuels owns the Nichols Ranch [uranium recovery facility](#) in Wyoming, which is a uranium recovery facility with a licensed capacity of two million pounds of uranium per year, and the Alta Mesa project in Texas, which is a fully permitted uranium production facility with a licensed capacity of 1.5 million pounds of uranium per year. In addition, Energy Fuels owns the White Mesa mill, which is the only conventional uranium and vanadium recovery facility operating in the United States with a licensed capacity of over eight million pounds of uranium per year.

The company has a strong position as a leading uranium extraction and recovery company in the United States. Through the operating of the White Mesa mill, the Nichols Ranch project, and Alta Mesa project, and the company's large uranium and vanadium resource base and existing conventional projects, the company's strategy is to maintain and increase Energy Fuels's ability to increase uranium production in improved market conditions.

Joint-venture potential

In response to the proposed establishment of a U.S. uranium reserve, the company regularly evaluates activities aimed towards increasing uranium production at all or some of the company's production facilities. A potential risk is that the U.S. uranium reserve will never come to fruition and the uncertainty of implementation.

The company continues to pursue U.S. government support for U.S. uranium production. Further, the

company has made significant recent efforts to help secure a renewal of the Russian suspension agreement, which includes support for the establishment of a U.S. uranium reserve. Energy Fuels plans to continue the company's ongoing REE initiatives for the production of a REE carbonate concentrate from monazite sands sourced from third-party suppliers. This has the potential to help the company enter one or more joint ventures for the construction of an on-site REE separation facility.

Flexible business model

The company remains flexible by deferring further wellfield development at Nichols Ranch until uranium prices improve. Energy Fuels has pursued the use of additional alternative feed materials, third-party processing, and other sources of feed for the mill. The company responds appropriately to regulatory requirements and continues to carry out engineering, procurement, and construction management activities at the site until uranium prices improve.

Focused on enhancing shareholder value

Subject to any actions the company may take in response to the proposed establishment of a U.S. uranium reserve, Energy Fuels continues to maintain standby projects and facilities in a state of readiness for the purpose of restarting mining activities, as market conditions may warrant. The company regularly evaluates the sale of non-core assets that it does not believe contributes to enhancing shareholder value in order to reduce costs or receive sales proceeds. The focus on continuing to pursue additional cost-cutting measures should serve long-term shareholders well.

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