



**Uranium Imports from Russia and China Are Precisely Why We Need the Section 232 Process**  
*America's Uranium Crisis Deepens as Utilities Willfully Ignore the Threat of Uranium Imports*

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A group of U.S. nuclear utilities, known as the Ad Hoc Utilities Group (AHUG), is apparently willing to sacrifice U.S. national and energy security so they can increase imports of cheap, subsidized uranium and nuclear fuel from geopolitical adversaries.

These utilities choose to irresponsibly ignore the glaring evidence that our nation's rivals are pursuing deliberate strategies to undermine the U.S. Consider the following:

- **Free market uranium is declining.** AHUG notes that the U.S., Canada and Australia accounted for nearly 60 percent of the U.S. uranium supply in 2017. While this may have been true two years ago, it ignores the challenges facing free market countries in 2019 and beyond.

Canadian uranium production is expected to decrease by 50 percent as the largest mine in Canada shut down in 2018 due to market insensitive oversupply from Russia and its allies. One of the largest uranium mines in Australia is closing in 2021. Collectively, these two mainstream projects represented nearly 20 percent of world production.

- **China and Russia are taking over uranium production around the world.** Although AHUG states that Kazakhstan is a NATO partner, Russia and Kazakhstan are far closer long-term allies. More importantly, a significant portion of Kazakh uranium production is controlled by Chinese and Russian state-owned enterprises. These are not responsible free market participants.

Further, Chinese state-owned entities are about to control nearly all uranium production in Namibia, which has historically been a major free market supplier.

- **China is aggressively expanding its role in the global uranium mining market and the rest of the nuclear fuel cycle.** In fact, the U.S. is limiting sales of civil nuclear technology to China due to concern that the Chinese government diverts the technology to its military. Yet, China has announced its intent to penetrate the U.S. nuclear market. A state-owned entity recently contracted with at least one U.S. utility to supply enrichment for fuel to be used in its reactors.



- **It is dangerous to depend on state-owned enterprises in Russia and its allies.** Directly or indirectly, these enterprises take their marching orders from Vladimir Putin, who has a history of using natural resources as a weapon. For example, Russia cut off gas supplies to Ukraine in 2006, 2008, 2009, 2014 and 2018. It could easily do the same with nuclear fuel, including uranium, leaving U.S. nuclear power plants at the Russians' mercy.
- **Uranium purchases represent about 8 percent of the operations and maintenance costs at a nuclear power plant.** It is disingenuous to claim that a quota that, in effect, requires utilities to source 25 percent of their uranium domestically will put them out of business. In fact, the proposed 25 percent domestic quota would mean that nuclear utilities would be paying the same price for uranium across their portfolios that they did just a couple years ago.
- **Energy Fuels and Ur-Energy are U.S. companies.** AHUG implies that Energy Fuels and Ur-Energy are foreign-owned companies. The truth is that both companies are U.S. domestic issuers according to U.S. law, just like all publicly traded U.S. utilities. The vast majority of Energy Fuels' and Ur-Energy's shareholders are U.S. residents, and both companies are headquartered in Colorado, with all of their employees, executives, properties, production and equipment located in the U.S.

At the end of the day, it is disappointing to see U.S. nuclear utilities, which receive large taxpayer subsidies, aligning themselves with Russia, China and their allies, and against U.S. companies, jobs and, most importantly, our national and energy security. The U.S. cannot surrender the entire front end of the nuclear fuel supply chain because of utilities' addiction to uranium from countries that seek to undermine us.

**About Energy Fuels:** Energy Fuels is a leading integrated U.S. uranium mining company, supplying  $U_3O_8$  to major nuclear utilities. Its corporate offices are in Denver, Colorado, and all of its assets and employees are in the western United States. Energy Fuels holds three of America's key uranium production centers, the White Mesa Mill in Utah, the Nichols Ranch Processing Facility in Wyoming, and the Alta Mesa Project in Texas. The White Mesa Mill is the only conventional uranium mill operating in the U.S. today and has a licensed capacity of over 8 million pounds of  $U_3O_8$  per year. The Nichols Ranch Processing Facility is an in-situ recovery production center with a licensed capacity of 2 million pounds of  $U_3O_8$  per year. Alta Mesa is an in-situ recovery production center with a licensed capacity of 1.5 million pounds of  $U_3O_8$  per year, which is currently on care and maintenance due to low uranium prices. Energy Fuels also has the largest uranium resource portfolio in the U.S. among producers, and uranium mining projects located in a number of Western U.S. states, including one producing in-situ recovery project, mines on standby, and mineral



properties in various stages of permitting and development. Energy Fuels also produces vanadium as a co-product of its uranium production from certain of its mines on the Colorado Plateau, as market conditions warrant. The primary trading market for Energy Fuels' common shares is the NYSE American under the trading symbol "UUUU", and the Company's common shares are also listed on the Toronto Stock Exchange under the trading symbol "EFR". Energy Fuels' website is [www.energyfuels.com](http://www.energyfuels.com).

**About Ur-Energy:** Ur-Energy is a U.S. uranium mining company with corporate and operations offices in Denver, Colorado and Casper, Wyoming. Ur-Energy operates the Lost Creek in-situ recovery uranium facility in south-central Wyoming. Ur-Energy has produced, packaged and shipped more than 2.5 million pounds from Lost Creek since the commencement of operations. Applications are under review by various agencies to incorporate our LC East project area into the Lost Creek permits, and to construct and operate at our Shirley Basin Project. Ur-Energy is engaged in uranium mining, recovery and processing activities in the United States, including the acquisition, exploration, development and operation of uranium mineral properties. The primary trading market for Ur-Energy's common shares is the NYSE American under the trading symbol "URG;" Ur-Energy's common shares also trade on the Toronto Stock Exchange under the trading symbol "URE." Ur-Energy's website is [www.ur-energy.com](http://www.ur-energy.com).

**Cautionary Note Regarding Forward-Looking Statements:** Certain information contained in this statement, including any information relating to: the impacts of our geopolitical rivals and adversaries on national security and uranium supply in the U.S., as well as on uranium production in Canada and Australia; the expected increases in foreign state-subsidized imports of uranium into the U.S. in coming years, including imports from Russia and China; the expected further negative impacts of such imports from Russia, China and elsewhere on U.S. uranium production and national security; the effects of the actions of leaders in Russia, China and elsewhere on the global nuclear fuel cycle; the cost to utilities of the proposed remedies; the expected decreases in uranium production in Canada and Australia in coming years; the outcome of the Department of Commerce Section 232 investigation; and any other statements regarding Energy Fuels' or Ur-Energy's future expectations, beliefs, goals or prospects; constitute forward-looking information within the meaning of applicable securities legislation (collectively, "forward-looking statements"). All statements in this news release that are not statements of historical fact (including statements containing the words "expects," "does not expect," "plans," "anticipates," "does not anticipate," "believes," "intends," "estimates," "projects," "potential," "scheduled," "forecast," "budget" and similar expressions) should be considered forward-looking statements. All such forward-looking statements are subject to important risk factors and uncertainties, many of which are beyond Energy Fuels' and Ur-Energy's ability to control or predict. A number of important factors could cause actual results or events to differ materially from those indicated or implied by such forward-looking statements, including without limitation factors relating to: the expected increases in foreign state-subsidized imports of uranium in coming years including imports from China and Russia; the expected further negative impacts of such imports from Russia, China and elsewhere on U.S. uranium production and national security; the outcome of the Department of Commerce Section 232 investigation; and other risk factors as described in Energy Fuels' and Ur-Energy's most recent annual reports on Form 10-K and quarterly financial reports. Energy Fuels and Ur-Energy assume no obligation to update the information



*in this communication, except as otherwise required by law. Additional information identifying risks and uncertainties is contained in Energy Fuels' and Ur-Energy's filings with the various securities commissions which are available online at [www.sec.gov](http://www.sec.gov) and [www.sedar.com](http://www.sedar.com). Forward-looking statements are provided for the purpose of providing information about the current expectations, beliefs and plans of the management of Energy Fuels and Ur-Energy relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. Readers are also cautioned not to place undue reliance on these forward-looking statements, that speak only as of the date hereof.*

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