



Weak and Beholden: America Without Free Market Uranium

May 2, 2019

As the commercial nuclear power industry grew rapidly throughout the 1950s and 1960s, American workers mined all the uranium needed to fuel our nation's reactors. Today, nuclear power provides 20 percent of our electricity, but less than 1 percent of the uranium needed to fuel our nuclear power plants is produced in the U.S.

Historically, the global uranium free market worked well, as it always does when there is healthy competition. U.S. nuclear utilities signed long-term contracts or bought on the spot market based on their needs. American and foreign uranium mining companies in allied countries, such as Canada and Australia, found efficiencies and streamlined operations while adhering to common-sense environmental and worker safety regulations.

In the U.S., a robust domestic uranium mining industry paid thousands of workers good wages and benefits while supporting our national security and contributing to local economies. Many U.S. uranium mines were the largest private employers in their communities.

But starting around 2013, state-owned enterprises in Russia punctured the thriving free market model. Driven by a desire to project power globally, governments in Russia and its allies began flooding the global market with artificially cheap uranium and nuclear fuel.

As a result, free market uranium mining has been decimated. Today, more than 60 percent of newly mined uranium around the world comes from state-owned enterprises that unfriendly nations control. In 2019, more than 99 percent of the uranium used to fuel America's 98 reactors will be imported, increasingly from Russia and its allies.

While nuclear utilities seem to believe that they will be able to continue relying on our allies for uranium if the U.S. industry disappears, that is far from the truth.

Canada's free market uranium production is in decline for the same reasons as U.S. free market production. A little more than a year ago, the largest mine in Canada shut down due to low prices brought on by oversupply from Russia and its allies. Only one uranium mine still operates in Canada and it has an expected life of less than 10 years. Australia is shutting down mines, too.

Other reliable free market sources are also disappearing. China National Uranium Corporation is purchasing the Rössing mine and China General Nuclear Power Group is ramping up uneconomic production at the Husab mine. This means that the Chinese government, through these state-owned enterprises, will dominate uranium production in Namibia, a historic and important free market supplier to the U.S.



If we continue on the current path, there may be only one or two free market uranium producers left in five years.

If free market uranium mining disappears, adversarial countries will control if and when uranium deliveries into the U.S. occur – and essentially determine whether nuclear power plants continue to power U.S. homes and businesses.

Only President Trump can stop this stark scenario from becoming reality.

After completing a thorough investigation, Secretary of Commerce Wilbur Ross sent to President Trump a report on the effects of uranium imports on U.S. national security. Although we don't know what that report says, we believe the threat is clear.

If the president does not act, the U.S. will be beholden to autocratic nations that have repeatedly demonstrated their singular self-interest. To imagine America in such a weak position is frightening.

We are confident that President Trump will recognize this dire threat. We encourage the president to use his authority to preserve domestic uranium mining and protect U.S. national security.

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.*

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.

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