



## **The Russian Suspension Agreement: A Bad Deal for America**

**May 22, 2019**

American uranium mining is disappearing. But the U.S. is currently doing more to protect Russian state-owned uranium mining companies and their workers than it's doing to protect our own.

The U.S. is party to a trade agreement known as the Russian Suspension Agreement (RSA) that, in effect, guarantees 20 percent of the U.S. uranium market for Russian material. Senselessly, the U.S. protects no portion of the market for American uranium miners, who are on the verge of going out of business.

The RSA was established in 1992 to help a friendly Russia transition from the controlled economy of the Soviet Union to a free market approach. It also generated revenue for the Russian nuclear complex to prevent its scientists from assisting Iran and other rogue states in developing their nuclear programs.

These were important goals in the early 1990s, but that time is over. Today's adversarial Russia actively assists Iran with its nuclear program and operates state-owned uranium companies that flood the global market with subsidized uranium.

This flood of state-subsidized imports sold below fair market prices has caused domestic uranium mining to collapse. U.S. companies will provide less than 1 percent of the uranium that U.S. nuclear utilities consume in 2019. The other 99 percent will be imported, increasingly from Russia and several large mines in Kazakhstan with Russian ownership, as well as from other allies of Russia. Due to utilities' growing dependence on imports, U.S. uranium production in the first quarter of 2019 was down 83 percent from just the fourth quarter of 2018, [according to the U.S. Energy Information Administration](#).

The RSA is a bad deal for America and does not protect America's interests. While it has been in place, the front end of America's nuclear fuel cycle, including uranium mining, conversion and enrichment, has deteriorated sharply and is struggling to survive. The RSA has become a license for Russia to dump uranium on the U.S. market at unfairly low prices in an attempt to grab market share and ultimately influence geopolitics by waging economic warfare. The Nord Stream 2 gas pipeline in Europe is just one example of how Russia attempts to wield natural resources as a weapon. The RSA is also powerless to restrain uranium imports from Kazakhstan and Uzbekistan, countries where Russia controls a large portion of uranium production through direct ownership or political influence.

Russia shows no sign of slowing its global nuclear ambitions. Earlier this month, [the director general of Rosatom](#), Russia's state-owned nuclear enterprise, said that the company's revenue from overseas business is expected to double in just five years.

Any renegotiation of the RSA must reflect our current geopolitical environment. The RSA should be extended and a quota for domestic uranium must be established that exceeds the percentage of the U.S. market reserved for Russian material. Energy Fuels and Ur-Energy proposed such a quota in their Section 232 petition to the U.S. Department of Commerce. The modest 25 percent quota that we recommend is



a minimum figure if there is any consideration to giving Russia the 20 percent U.S. market share outlined in the existing agreement.

The RSA has become a bad deal for America. It's time to put America first.

**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, including Russia, on national security and uranium supply in the U.S.; the expected increases in foreign state-subsidized imports of uranium in coming years including imports from Russia and countries in its sphere of influence; whether the President will act on the recommendations of the Department of Commerce, in the pending Section 232 trade action, including whether the quota suggested by the petitioners will be adopted; whether the proposed remedies will secure U.S. nuclear fuel infrastructure and specifically the uranium mining industry's future; 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



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