



**America's Uranium Crisis:  
Utilities Are Wrong About the Cost of Rebuilding America's Uranium Mining Industry**

*Utilities' Exaggerations Undermine U.S. National Security*

**July 3, 2019**

As President Trump weighs a decision about how to preserve the American uranium mining industry to safeguard national security, U.S. nuclear utilities have been spreading misinformation. Driven solely by short-term profits, utilities outrageously claim that a modest quota for U.S. uranium will drive nuclear power plants to close – all while several utilities collect hundreds of millions of dollars in taxpayer subsidies.

**It is time to set the record straight.**

In our Section 232 petition, we proposed a modest quota that would reserve 25 percent of the U.S. market for uranium mined in the U.S. We also provided a [third-party economic analysis](#) on the cost of generating electricity under the proposed quota. That analysis was recently peer reviewed and accepted for future publication in the international journal *Resources Policy*. The analysis determined that the cost increase to utilities from the proposed quota would be 0.8 to 1.2 percent of their total operating cost or \$0.21 to \$0.41 per megawatt-hour of electricity generated. For the average electricity consumer, that comes out to between 2 and 8 cents per month.

Nuclear power plants provide nearly 20 percent of U.S. electricity. But this year U.S. uranium miners will produce less than 1 percent of the uranium required to fuel those plants. To make matters worse, U.S. nuclear power plants increasingly rely on uranium from state-owned entities in Russia, Kazakhstan and Uzbekistan – nations that seek to limit U.S. power and influence.

Yet a group of utilities, known as the Ad Hoc Utilities Group (AHUG), continues to fight any effort to lessen these nations' influence and protect the American uranium mining industry and our national security, claiming that even a modest level of support for U.S. uranium miners will cause nuclear plant closures.

**This is pure hyperbole.**

To put this in context, [an expert at the Hudson Institute notes](#) that Exelon's net profits were \$2.1 billion in 2018. Even using AHUG's exaggerated and non-peer-reviewed estimates, the impact of a quota to Exelon would be around \$159 million, less than 1 percent of total fuel costs across the company's generating portfolio. As the Hudson expert says, "such a number hardly seems sufficient to cause it to consider exiting the business."

Under the 25 percent quota, utilities could still purchase 75 percent of their uranium needs on the global market where prices are expected to decline as more U.S. material is produced to fill a portion of domestic demand. Meanwhile, the 25 percent of domestic demand reserved for U.S. uranium miners

would be at prices similar to what utilities paid just a few years ago. No nuclear plants would close due to uranium prices.

We encourage President Trump to implement the proposed 25 percent quota for U.S. uranium. A properly designed quota will create a free market environment in the U.S. for long-term contracts that support the American industry's recovery. This quota will protect national security and prevent the U.S. from becoming totally dependent on foreign sources of uranium.

We trust President Trump to look at the facts – not exaggerations – and make the right decision for all Americans.

**About Energy Fuels:** *Energy Fuels is a leading integrated U.S. uranium mining company, supplying U<sub>3</sub>O<sub>8</sub> 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<sub>3</sub>O<sub>8</sub> per year. The Nichols Ranch Processing Facility is an in-situ recovery production center with a licensed capacity of 2 million pounds of U<sub>3</sub>O<sub>8</sub> per year. Alta Mesa is an in-situ recovery production center with a licensed capacity of 1.5 million pounds of U<sub>3</sub>O<sub>8</sub> 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 and its allies, 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 its allies; the outcome of the Department of Commerce Section 232 investigation, including whether the President will act on the recommendations of the Department of Commerce and/or the suggested remedies advanced by the petition submitted by Ur-Energy and Energy Fuels; 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;*

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