

President Trump's support of US uranium producers awaits the Nuclear Fuel Working Group report

The Nuclear Fuel Working Group (NFWG) is due to release its report to President Trump in the next few days (by mid October) and a positive outcome is going to be needed to help re-establish the US domestic uranium supply chain. Whilst a positive report is no guarantee, it is hard to see President Trump not supporting US uranium producers, especially when considering how much the US relies on uranium.

20% of US energy comes from nuclear plants yet the US has almost no uranium production. I highly doubt that President Trump would want to be vulnerable to any Chinese or Russian threats to US uranium supply. On top of electricity production, the US military depends on uranium supply needed to fuel the US warships that run on nuclear fuel.

The Nimitz class is a class of ten nuclear-powered US aircraft carriers



US relies on Russia for uranium, and China and India are increasing their demand for uranium

Since the 1990's the US has sourced uranium from outside the US, mostly from other countries like Canada, Australia, and Russia. While both Canada and Australia are close economic allies maybe the same can't be said about Russia/Kazakhstan.

China in particular is building many nuclear reactors as a way to reduce pollution from coal power stations. It is quite likely one day we may see Russian uranium choose to go to China and not to the US. That day may be sooner than we think given the current trade war tensions being stirred up by the US.

India is also a rising nuclear country planning to source uranium from Russia. Just recently Russia inked an action plan for expanding its civil nuclear partnership comprising a second site for Russian nuclear reactors in India. The two countries intend to develop a project of six nuclear power units of Russian design at a new site in India. When Russia contracts to build nuclear reactors in other countries it

bundles the sale of nuclear fuel thus creating a captive supply relationship.

The Nuclear Fuel Working Group (NFWG)

The NFWG has been mandated to determine what to do about the issues raised in the Section 232 investigation, and they have until mid October 2019 to provide recommendations to the President.

Under Section 232 of the Trade Expansion Act, President Trump concluded that trade barriers on uranium imports were not warranted. The President formed the Nuclear Fuel Working Group to examine the entire fuel supply chain and conduct a fuller analysis of national security issues therein. There are two major issues this Group should address:

1. Protect and plan for defense infrastructure needs.
2. Provide some sort of assistance to support domestic uranium supply.

Some possible conclusions for the NFWG would be:

- Increase US uranium reserves.
- Subsidize US uranium producers or place quotas on foreign state owned subsidized uranium imports or both. Tariffs are unlikely, but tax breaks or incentives may be possible.
- Other measures to boost the US nuclear fuel supply chain and compete on a level playing field. One example might be fast tracking uranium mining licences and permits.

In any case we there is a good chance we will see some kind of boost for US uranium producers.

Three uranium companies to consider

Energy Fuels Inc. (TSX: EFR | NYSE American: UUUU) is a leading integrated US-based uranium mining company. Their 100% owned White Mesa Mill in Utah is the only fully-licensed and

operating conventional uranium mill in the United States, having a 21% share of all US produced uranium (2011-2015).

Western Uranium & Vanadium Corp. (CSE: WUC | OTCQX: WSTRF) current key focus is the Sunday Mine Vanadium Project located in western San Miguel County, Colorado. The Company has a total uranium resource of 70,000,000+ lbs. The Company has several previous producing uranium mines that could go back online at minimal CapEx pending a favourable result from the working group.

Blue Sky Uranium Corp. (TSXV: BSK | OTCQB: BKUCF) is one of Argentina's best-positioned uranium & vanadium exploration companies with more than 4,000 km² (400,000 ha) of prospective tenements. Blue Sky's close proximity of properties and targets provides the potential for an integrated, low-cost uranium-vanadium producing operation, making Blue Sky an excellent candidate to be the first near-term uranium producer in Argentina.