

Investors showing quiet confidence that Trump's working group recommendations will see a revival of the US domestic uranium industry

The uranium Section 232 discussion continues. President Trump recently created the U.S. Nuclear Fuel Working Group (Working Group) to develop recommendations for reviving and expanding domestic nuclear fuel supply and production, following on from industry demands in Section 232 Petition. Remember **20% of US energy comes from nuclear plants, yet the US has almost no uranium production.** The U.S. Department of Commerce Section 232 Report on uranium will soon be made public.

According to Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR), the Working Group being set up shows that President Trump clearly recognizes that the decline of domestic nuclear fuel production is a U.S. national security issue. The Working Group has been mandated to determine what to do about the issues raised in Proposition 232 (now Section 232 Petition) and they have until mid-October 2019 to provide recommendations to the President.

A brief reminder of Section 232 Petition

Section 232 Petition initiated by Energy Fuels looked at a 25% domestic (US) production quota for uranium, for national security reasons. The Petition highlighted industry concerns that cheap uranium is being dumped onto the US market. US uranium miners have to compete with state-subsidized mines in Russia and its allies in Kazakhstan. This means US uranium miners are operating at a loss or at best break-even levels.

It is understood that the US Commerce Department and other U.S. government agencies now recognize that Russia, China and their allies are working to control the global nuclear fuel market and marginalize the U.S. This also represents a national security threat as the U.S. needs domestically sourced uranium for defense purposes and general nuclear energy production.

The US Nuclear Fuel Working Group

With all this information, the current administration is taking a more holistic look at nuclear fuel production under the name of the U.S. Nuclear Fuel Working Group. This includes uranium mining, milling, conversion and enrichment. Remedies like quotas could still be on the table, but the creation of the Working Group opens up other ways to support the domestic industry including direct support, support to U.S. utilities for buying U.S. uranium products, tax breaks, regulatory reform, and other similar actions.

Insider buying by Energy Fuels management

Energy Fuels is very optimistic that something positive will come from this for the U.S. uranium mining and milling industry. This optimism extends to senior management of Energy Fuels who continue insider buying of company stock. On August 7, 2019 CEO Mark Chalmers bought 12,398 shares and on that same date, COO Paul Goranson bought 11,900 shares.

Energy Fuels Inc.

Energy Fuels Inc. is the US number 1 producer of uranium and vanadium. The Company's White Mesa Mill boasts a licensed capacity of over 8 million pounds of U308 per year that provides Energy Fuels with significant production scalability.

WHITE MESA MILL

URANIUM + VANADIUM

THE ONLY CONVENTIONAL URANIUM & VANADIUM MILL IN THE U.S.

493,000 lbs.

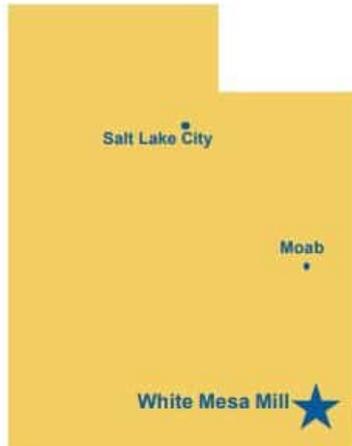
2018 U₃O₈ Production

424,000 lbs.

U₃O₈ Processed for 3rd Party in 2018

8M+ lbs.

Annual licensed capacity



- Uranium
 - In production today
 - The largest uranium production facility in the U.S.
- Vanadium
 - In production today
 - Separate vanadium circuit; very high-purity product
 - Significant past V₂O₅ production
- Other Business Opportunities
 - Alternate feed materials and land cleanup work
 - 3rd party toll milling (no agreements in place at this time)

Energy Fuels stands to be a significant beneficiary if there are positive recommendations from the U.S. Nuclear Fuel Working Group. In particular, should a dual uranium pricing mechanism be adopted or US producers subsidized, then this will put Energy Fuels in an enviable position having the only operating conventional uranium mill in the U.S.

Recent Energy Fuels insider buying of their stock suggests management are quietly confident that Trump's working group recommendations will see a revival of the US domestic uranium industry.