

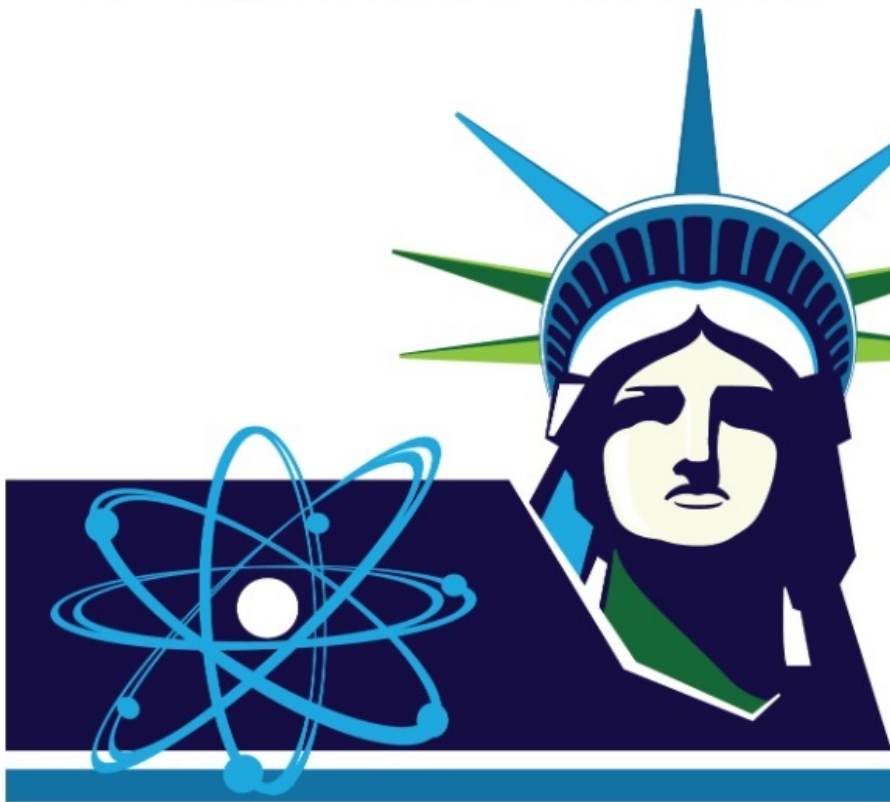
The DoE's plan to rebuild the uranium sector and "pull America's nuclear industrial base back from the brink of collapse..."

The United States Nuclear Fuel Working Group (NFWG), via the US Department of Energy, released its report yesterday which gave glowing recommendations to rebuild the US uranium and nuclear energy sector. This is great news for the entire US uranium and nuclear sector, and particularly for US uranium miners. The title and contents of the report show the US Government's strong commitment to rebuild the sector and make 'it great again'.

US Dept. of Energy – "Restoring America's Competitive Nuclear Energy Advantage"

RESTORING AMERICA'S COMPETITIVE NUCLEAR ENERGY ADVANTAGE

A strategy to assure U.S. national security



The report summary states:

“As an initial and important step, the President’s Fiscal Year 2021 Budget Request for the Department of Energy includes \$150 million to stand up a domestic Uranium Reserve. It will begin with the purchase of uranium from U.S. mines and of U.S. conversion services.”

The full NFWG report states:

- “First, the U.S. Government will take bold action to revive and strengthen the uranium mining industry, support uranium conversion services, end reliance on foreign uranium enrichment capabilities, and sustain the current fleet, removing strategic vulnerabilities across

the nuclear fuel cycle and restoring a world-class workforce to provide benefits to the U.S. and to compete in the international market.

- Next, the U.S. Government will leverage American technological innovation and advanced nuclear Research, Development, and Demonstration (RD&D) investments to accelerate technical advances and regain American nuclear energy leadership.
- Finally, the U.S. Government will move into markets currently dominated by Russian and Chinese State Owned Enterprises (SOE) and recover our position as the world leader in exporting best-in-class nuclear energy technology, and with it, strong non-proliferation standards. We will restore American nuclear credibility and demonstrate American commitment to competing in contested markets and repositioning America as the responsible nuclear energy partner of choice.”

“It is within our power to pull America’s nuclear industrial base back from the brink of collapse and restore our place as the global leader in nuclear technology – ensuring a strong national security position and buttressing our economic strength for generations.”

The report recommends to “provide immediate action to support US uranium mining”

Quoted from the full NFWG report:

- “The Administration supports actions associated with the timeline that will provide funding for a competitive procurement for U.S. uranium mining, conversion services, in the very near term, as reflected in the Fiscal Year (FY) 2021 President’s Budget, and will also consider enrichment needs after first addressing the existing pressure on the uranium mining sector. The Department of Energy believes that a 10-year timeline reflects a responsible approach to addressing the

- challenges facing the front-end of the fuel cycle.....
- As included in the President's Fiscal Year 2021 Budget Request, during the first year, it is expected that the reserve would directly support the operation of at least two U.S. uranium mines and the reestablishment of active domestic conversion capabilities.....
 - Support Department of Commerce (DOC) efforts to extend the Russian Suspension Agreement (RSA) to protect against future uranium dumping in the U.S. market. Since 1992 DOC has upheld the need for a Suspension Agreement that establishes a maximum cap for imports of Russian uranium to 20% of the U.S. market to reduce the impact of Russia's unfair trade practices. DOC is again reviewing the RSA for possible extension upon the expiration of the current agreement in 2020. The Working Group supports the extension of the RSA beyond 2020 and the consideration of further lowering the cap on Russian imports under future RSA terms.
 - Enable Nuclear Regulatory Commission (NRC) to deny imports of nuclear fuel fabricated in Russia or China for national security purposes."

Potential expansion of the currently proposed uranium reserve

The full NFWG report also states:

"A decision to expand the currently proposed uranium reserve will be made based on a variety of factors, including cost, impact, need, and on-the-ground conditions. The ultimate goal of the Administration's actions is to create an appropriate safeguard for the United States and our allies against unfair market intervention by foreign states or other disruption and provide a source of unobligated uranium for strategic purposes in a manner that is in the best interest of the taxpayer. Any potential expansion of the currently proposed uranium reserve to include enriched uranium or an expansion of the AAFS (American Assured Fuel Supply) could require the procurement of the equivalent of about 24 additional large light-water

reactor reloads of enriched uranium, with the following estimated scale of services to be procured and commencement dates:

- Mined and milled uranium estimated between 17 and 19 million pounds in the form of U₃O₈, beginning in 2020;
- Domestic conversion services resulting in about 6,000 to 7,500 tons of UF₆, beginning no later than 2022; and
- Domestic enrichment services beginning possibly in the 2023 timeframe, of which 25% would be unobligated. However, no commitment has been made to take action beyond the Uranium Reserve proposed in the FY21 Budget, which addresses the sectors most imminently at risk.”

The US uranium sector is set to rise again



Closing remarks

The NFWG/Department of Energy's report officially confirms some of what was previously reported, with the title saying it

all – “Restoring America’s Competitive Nuclear Energy Advantage.”

For the US uranium miners the US\$150 million US uranium reserve was confirmed to “directly support the operation of at least two U.S. uranium mines and the reestablishment of active domestic conversion capabilities.” The US uranium sector should get a significant boost from this great news.

Looking at the main US uranium miners Energy Fuels Inc. (NYSE: UUUU | TSX: EFR) and UR-Energy Inc. (NYSE: URG | TSX:URE), they stand to be the major beneficiaries, especially given they started the whole S232 petition back in January 2018. Others in the sector may also do well, include Western Uranium & Vanadium Corp. (CSE: WUC | OTCQX: WSTRF) and Fission Uranium Corp. (TSX: FCU | OTCQX: FCUUF).