Commerce Department Announces Deal to Reduce Russian Uranium Imports Over Long-Term; Key Step in Helping to Revive the U.S. Uranium Industry

written by Raj Shah | September 15, 2020

September 14, 2020 (Source) – *Establishing Strategic Uranium Reserve Now Will Help Ensure U.S. Uranium Miners Can Benefit from the Agreement's Long-Term Restrictions*

Energy Fuels Inc. (NYSE American: UUUU) (TSX: EFR) **("Energy Fuels")**, the leading producer of uranium in the United States, is pleased to announce that the U.S. Department of Commerce ("Commerce") has obtained Russia's agreement to extend limits on uranium imports into the U.S. from Russia through 2040 under an extended Russian Suspension Agreement ("RSA"). This is an important step toward maintaining the long-term health of the U.S. uranium mining industry, especially since the expiration of the RSA at the end of 2020 could have resulted in unlimited Russian uranium imports into the U.S.

Commerce won important concessions from Russia, including lower quotas starting in the mid-2020's, allowing only a portion of the quotas to be used for the sale of U_3O_8 and conversion into the U.S., and strict controls on Russian enrichment service contracts.

Mark S. Chalmers, President and CEO of Energy Fuels stated: "Energy Fuels thanks the Department of Commerce for their efforts in reducing U.S. dependence on Russian uranium in the

long tem. This is a critical step in restoring U.S. leadership in the global nuclear fuel sector and helping to revive the U.S. uranium mining industry.

“While we are pleased with the long-term prospects available to established U.S. uranium producers like Energy Fuels, the shorter-term picture for the U.S. uranium industry still remains uncertain. Even though Commerce has negotiated lower quotas starting in the mid-2020’s, the agreement allows for the ‘grandfathering’ of existing contracts between U.S. nuclear utilities and Russian state-owned enterprises, which will actually result in Russian uranium imports into the U.S. increasing during the next three years, before decreasing in the mid 2020’s. While the agreement does a good job at blocking Russia’s stated intention to expand its share of the U.S. uranium market over the long-term, it only provides U.S. uranium miners with limited immediate relief. Today’s announcement therefore highlights the importance and urgency of Congress appropriating the funds requested by the U.S. Department of Energy to support the strategic Uranium Reserve recommended by the U.S. Nuclear Fuel Working Group. Establishing the Uranium Reserve now will help ensure that U.S. uranium production capabilities can benefit from the long-term restrictions imposed under the extended RSA. We also support the efforts of Senator John Barrasso of Wyoming to put this agreement into law ‘so Russia cannot walk away from the deal’ in the future.

“The U.S. cannot consider itself to be energy independent when we are nearly 100% dependent on imports to fuel the nuclear power plants that provide nearly 20% of U.S. electricity. It is vital that Congress appropriate the funds to create the strategic Uranium Reserve to support U.S. national security and reduce Russia’s influence on the U.S. energy grid. Energy Fuels will continue to lead industry initiatives to reduce U.S.

dependence on uranium imports from geopolitical challengers, including Russia."

Commerce is releasing a draft amendment of the RSA for public comment. Comments will be due by 5:00 pm EDT on September 28, 2020. The draft amendment is available to registered users at https://access.trade.gov (reference case number A-821-802), and it will also be published in the *Federal Register*. Commerce is seeking to finalize an amendment to the RSA no later than October 5, 2020, at which time it will go into effect and become binding on the U.S. and Russia.

***About Energy Fuels**: Energy Fuels is a leading US-based uranium mining company, supplying U_3O_8 to major nuclear utilities. The Company also produces vanadium from certain of its projects, as market conditions warrant. Its corporate offices are near Denver, Colorado, and all of its assets and employees are in the United States. Energy Fuels holds three of America's key uranium production centers, the White Mesa Mill in Utah, the Nichols Ranch in-situ recovery ("ISR") Project in Wyoming, and the Alta Mesa ISR Project in Texas. The White Mesa Mill is the only conventional uranium mill operating in the U.S. today, has a licensed capacity of over 8 million pounds of U_3O_8 per year, and has the ability to produce vanadium when market conditions warrant. The Nichols Ranch ISR Project is operation standby and has a licensed capacity of 2 million pounds of U_3O_8 per year. The Alta Mesa ISR Project is also on standby and has a licensed capacity of 1.5 million pounds of U_3O_8 per year. In addition to the above production facilities, Energy Fuels also has one of the largest NI 43-101 compliant uranium resource portfolios in the U.S., and several uranium and uranium/vanadium mining projects on standby and in various stages of permitting and development. 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.

Cautionary Notes: *This news release contains certain "Forward Looking Information" and "Forward Looking Statements" within the meaning of applicable United States and Canadian securities legislation, which may include, but is not limited to, statements with respect to: any expectation that an amendment to the RSA will be finalized by no later than October 5, 2020; any expectation that a finalized RSA will be on the terms announced by Commerce today; any expectation that a finalized RSA will be an important step toward reducing U.S. dependence on Russian uranium in the long term, restoring U.S. leadership in the global nuclear fuel sector, and helping to revive and maintain the long-term health of the U.S. uranium mining industry; any expectation relating to the the long-term prospects available to established U.S. uranium producers like Energy Fuels; any expectation that Congress will appropriate the funds required to create the strategic Uranium Reserve; any expectation that establishing the strategic Uranium Reserve will support U.S. national security, reduce Russia's influence on the U.S. energy grid and help ensure that U.S. uranium production capabilities can benefit from the long-term restrictions imposed under the RSA; any expectation relating to the efforts of Senator John Barrasso of Wyoming to put this agreement into law; and any expectation that Energy Fuels will continue to lead industry initiatives to reduce U.S. dependence on uranium imports from geopolitical challengers, including Russia. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans," "expects," "does not expect," "is expected," "is likely," "budgets," "scheduled," "estimates," "forecasts," "intends," "anticipates," "does not anticipate," or "believes," or variations of such words and*

phrases, or state that certain actions, events or results "may," "could," "would," "might" or "will be taken," "occur," "be achieved" or "have the potential to." All statements, other than statements of historical fact, herein are considered to be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements express or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements include risks associated with: any expectation that an amendment to the RSA will be finalized by no later than October 5, 2020; any expectation that a finalized RSA will be on the terms announced by Commerce today; any expectation that a finalized RSA will be an important step toward reducing U.S. dependence on Russian uranium in the long term, restoring U.S. leadership in the global nuclear fuel sector, and helping to revive and maintain the long-term health of the U.S. uranium mining industry; any expectation relating to the the long-term prospects available to established U.S. uranium producers like Energy Fuels; any expectation that Congress will appropriate the funds required to create the strategic Uranium Reserve; any expectation that establishing the strategic Uranium Reserve will support U.S. national security, reduce Russia's influence on the U.S. energy grid and help ensure that U.S. uranium production capabilities can benefit from the long-term restrictions imposed under the RSA; any expectation relating to the efforts of Senator John Barrasso of Wyoming to put this agreement into law; any expectation that Energy Fuels will continue to lead industry initiatives to reduce U.S. dependence on uranium imports from geopolitical challengers, including Russia; and the other factors described under the caption "Risk Factors" in the

Company's most recently filed Annual Report on Form 10-K, which is available for review on EDGAR at www.sec.gov/edgar.shtml, on SEDAR at www.sedar.com, and on the Company's website at www.energyfuels.com. Forward-looking statements contained herein are made as of the date of this news release, and the Company disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements. The Company assumes no obligation to update the information in this communication, except as otherwise required by law.

It should further be noted that the proposed budgeted activities are subject to appropriation by the Congress of the United States, and there can be no certainty of the outcome of this budget or the NFWG's recommendations. Therefore, the outcome of this process remains uncertain.