

Concern on the impact to U.S. national security from the dependency on foreign uranium sources unites industry leaders

For those not closely following the U.S. uranium mining and nuclear fuels industry you might be astounded to learn that the United States is almost 100% dependent on the good graces of its geopolitical rivals to meet domestic operating requirements. From a security of supply perspective, this is not an enviable situation and one that clearly needs to be rectified. It is for this very reason why two U.S.-based uranium mining companies, [Energy Fuels Inc.](#) (NYSE American: UUUU | TSX: EFR) and Ur-Energy Inc., are taking action now.

Here are a few sobering facts about the U.S. nuclear fuel industry:

- According to data from TradeTech, the U.S. has the World's largest nuclear fleet, consuming about 46-47 million pounds of uranium per year.
- Nuclear energy produces about 20% of all electricity in the U.S. – and nearly 60% of the non-emitting, zero-carbon electricity in the U.S.
- Uranium is linked to U.S. national security, as it is the backbone of the nuclear deterrent and fuels ships and submarines in the Navy.
- According to published company guidance, U.S. uranium producers produced about 1.5 million pounds of uranium in 2017. In 1980, U.S. uranium miners produced over 43 million pounds of U_3O_8 .
- The only uranium conversion facility in the U.S., the

Metropolis Works Plant, operated by ConverDyn, recently announced that it was suspending operations indefinitely.

- There is not a single commercial uranium enrichment plant operating in the U.S. owned by a U.S. entity.

The U.S. is the largest nuclear market in the World, but its nuclear fuel industry is in crisis, mainly due to the actions of state-owned and state-subsidized entities operating in countries like Russia, Kazakhstan, and China, who compete with the U.S. for geopolitical influence and commercial advantage. These entities are importing increasingly large quantities of material into the U.S.

Here are a few more attention grabbing statistics:

- In 2016, U.S. utilities imported almost 40% of their uranium from Russia, Kazakhstan, and Uzbekistan.
- China is quickly building new enrichment capacity – well in excess of their current and future domestic needs – and has announced plans to pursue sales into the U.S. nuclear market.
- Russia has been subject to a suspension agreement that expires in 2020, and Russian entities have boasted of their intention to sell more uranium and nuclear fuel to U.S. utilities.
- The foreign entities actively pursuing sales in the US market, include Rosatom (Russia), Techsnabexport (Russia), Kazatomprom (Kazakhstan), Navoi (Uzbekistan), China National Nuclear Power Group, and China General Nuclear Power. These entities are all state-owned arms of their respective governments.

The playing field is neither level nor fair for U.S. companies like Energy Fuels and Ur-Energy. A healthy domestic nuclear fuel industry is absolutely essential, not only for clean energy infrastructure, but for national security.

Based on the above this is why these two companies have jointly prepared and submitted [a Petition](#) under Section 232 of the Trade Expansion Act s. Energy Fuels and Ur-Energy have proposed two remedies to level the playing field, and make sure the U.S. is not completely dependent on these foreign entities for uranium and nuclear fuel. First, they have proposed a flexible quota system that reserves 25% of the U.S. market for U.S. producers – or about 12 million pounds of U₃O₈ per year. Second, they have proposed that U.S. utilities and agencies procure all of their uranium from U.S. producers in accordance with the administration's 'Buy American' policy.

Combined, Energy Fuels and Ur-Energy accounted for more than one-half of all U.S. uranium production in 2017. Coincidentally, both companies have their headquarters in Denver Colorado and are dual listed on both the New York Stock Exchange and the Toronto Stock exchange. All of their management, employees, uranium production, and projects are located in the U.S., and both companies are 'domestic issuers' under U.S. securities laws. They represent the only "true" U.S. uranium mining companies.