

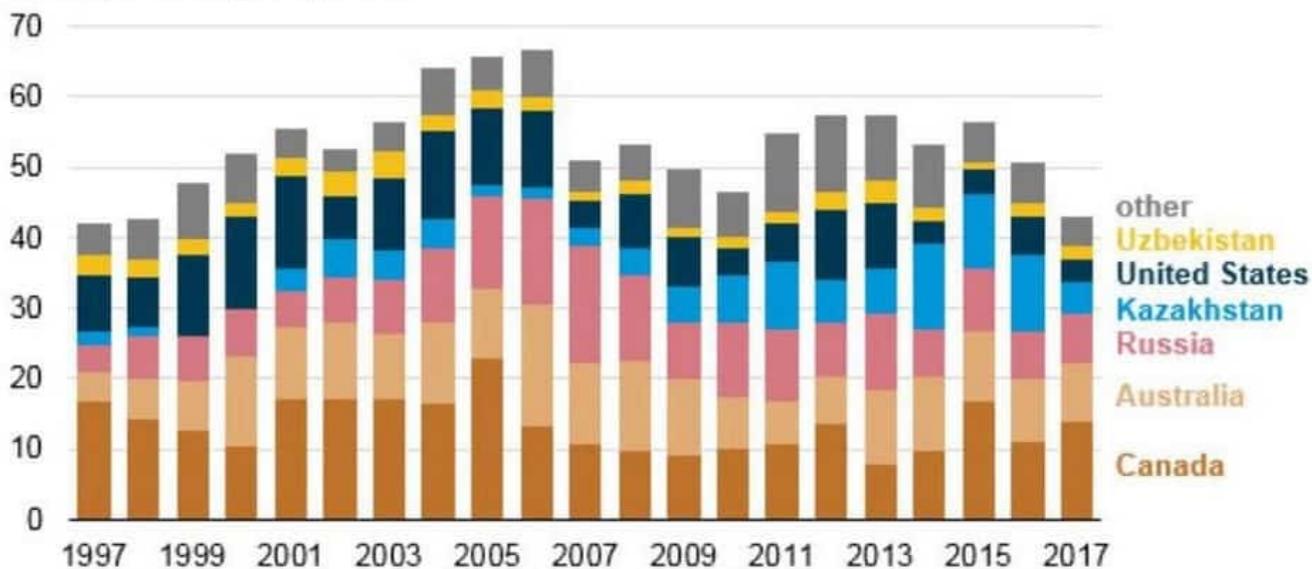
Awaiting the power of Trump (following the NFWG's recommendations) on American uranium

The Nuclear Fuel Working Group (NFWG) was established by President Trump in 2019 following a Section 232 petition from two US uranium producers (Energy Fuels and Ur-Energy) in January 2018. They requested that the US government set a quota to reserve 25% of the country's nuclear market for domestic uranium producers.

The two uranium producers commenced the Section 232 petition out of concern of cheap uranium imports (mostly from Russia/Kazakhstan/Uzbekistan) flooding the US market, and the national security threat of relying on such countries for uranium, an essential fuel for the US nuclear industry. US nuclear power provides 20% of US electricity and also helps power the US military. In recent years US uranium production has been going down and down and may soon follow the way of rare earths if nothing is done.

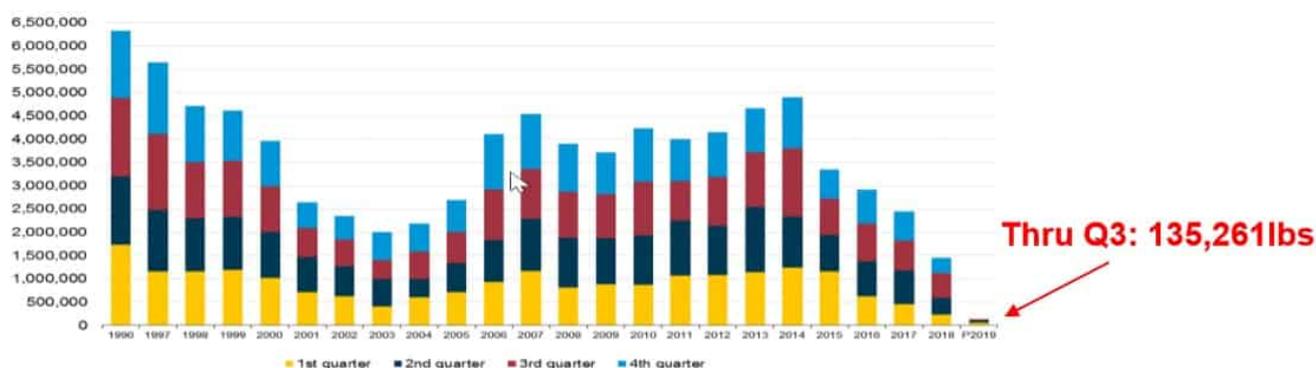
Source of US uranium imports by country

Origin country of uranium purchased for U.S. commercial nuclear reactors million pounds U₃O₈ equivalent



Uranium concentrate produced in the US is declining rapidly and may soon become extinct

Figure 1. Uranium concentrate production in the United States, 1996 to third-quarter of 2019
pounds U₃O₈



P = Preliminary data

Source: U.S. Energy Information Administration: Form EIA-851A and Form EIA-851Q, Domestic Uranium Production Report.

The NFWG mandate is to examine the entire US nuclear fuel supply chain with US security interests in mind. In particular to protect and plan for defense infrastructure needs, and to provide some sort of assistance to support domestic uranium supply.

The Nuclear Fuel Working Group's findings

Based on a December Bloomberg report we believe that the Nuclear Fuel Working Group's findings were:

- President Donald Trump to direct the Federal Government to buy more uranium from domestic producers. This would primarily be purchases of uranium by the U.S. Defense Department.
- US uranium purchases to boost the national uranium stockpile.

What's next?

The US nuclear and uranium industries are waiting to see what President Trump does. He may accept or reject the above recommendations. There is no mandated time period for the US President to consider the Working Group's recommendations.

Assuming the government's buying price was high enough, the US would then be able to keep the US uranium industry alive to help safeguard the US nuclear industries' uranium supply needs. If this was to occur then the main beneficiaries would be the very few US uranium producers that can quickly bring on low cost supply.

Ur-Energy Inc. (NYSE: URG | TSX: URE) is one of only two primary US uranium producers still operating, and is able to bring on new uranium supply with a globally competitive cost of production.

Ur-Energy highlights

Ur-Energy at a Glance

Lost Creek ISR Uranium Facility

- **6 years of consistent production**
- Produced ~2.7M lbs. U_3O_8 through 2019Q3
- Controlled production at market-appropriate levels
- **Lowest-cost producer among publicly-traded companies**



Flexibility and value realized through higher-priced term contracts

- 2013-2019 deliveries to customers: 2.4Mlbs Lost Creek production + 1.6Mlbs purchased product
- **Consistency of cashflow - best profit margins (2019 projected at \$12.2M in gross profits)**
- Growing inventory – all current production going into finished product inventory
- Term contracts continue to de-risk URG: ~915K lbs U_3O_8 contracted 2019 – 2021 (avg. \$48.15/lb)

Forging a path forward for the U.S. domestic uranium industry

- Section 232 Action leads to U.S. Nuclear Fuel Working Group
 - Mandate to address DOC concerns regarding domestic uranium production
- **Maintaining critical operational staff at Lost Creek to support operations and prospective ramp-up**

Ur-Energy's flagship project is the Lost Creek Property; however they also have several other uranium projects (Shirley Basin, Lost Soldier etc.).

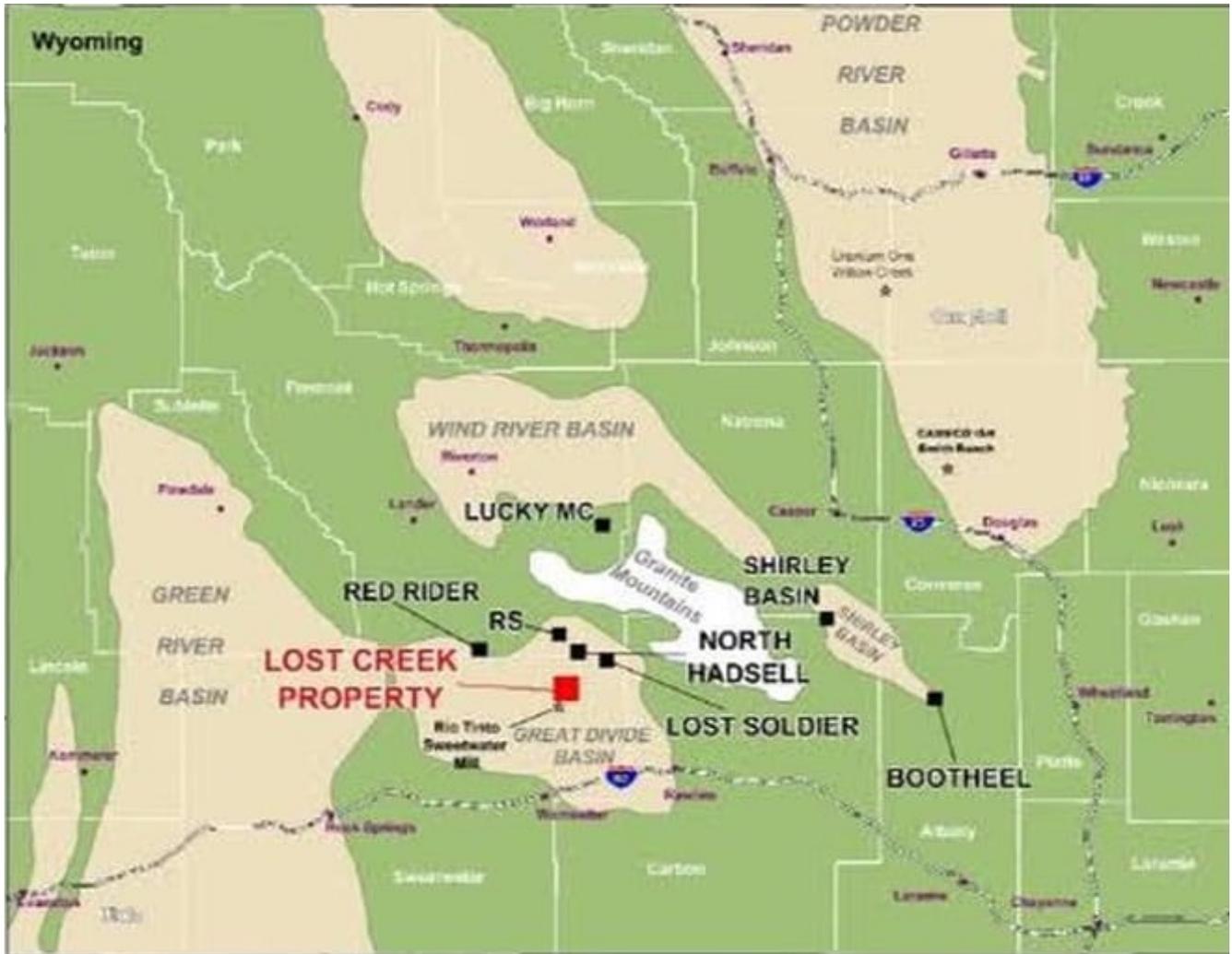
The Lost Creek Property and the Lost Creek In-Situ Recovery (ISR) uranium facility

Ur-Energy owns and operates the Lost Creek In-Situ Recovery (ISR) uranium facility in south-central Wyoming, USA. The processing facility has a two million pounds per year physical design capacity. They also own the Lost Creek Mine which has a current mineral Resource estimate of 13.251 million pounds of contained uranium Measured and Indicated, and 6.439 million pounds Inferred. An amended Preliminary Economic Assessment (PEA) was issued in early 2016, and estimated a Life of Mine OpEx of \$14.58/lb U_3O_8 .

In recent years due to the low uranium price Ur-Energy has been stockpiling their own uranium (248,161 pounds U_3O_8 as at September 30, 2019), and buying uranium to sell into their higher priced uranium contracts. If there was to be a higher

uranium price then Ur-Energy can rapidly ramp up their own production again.

Location map for the Lost Creek Mine and Shirley Basin Project of Ur-Energy



Shirley Basin Project

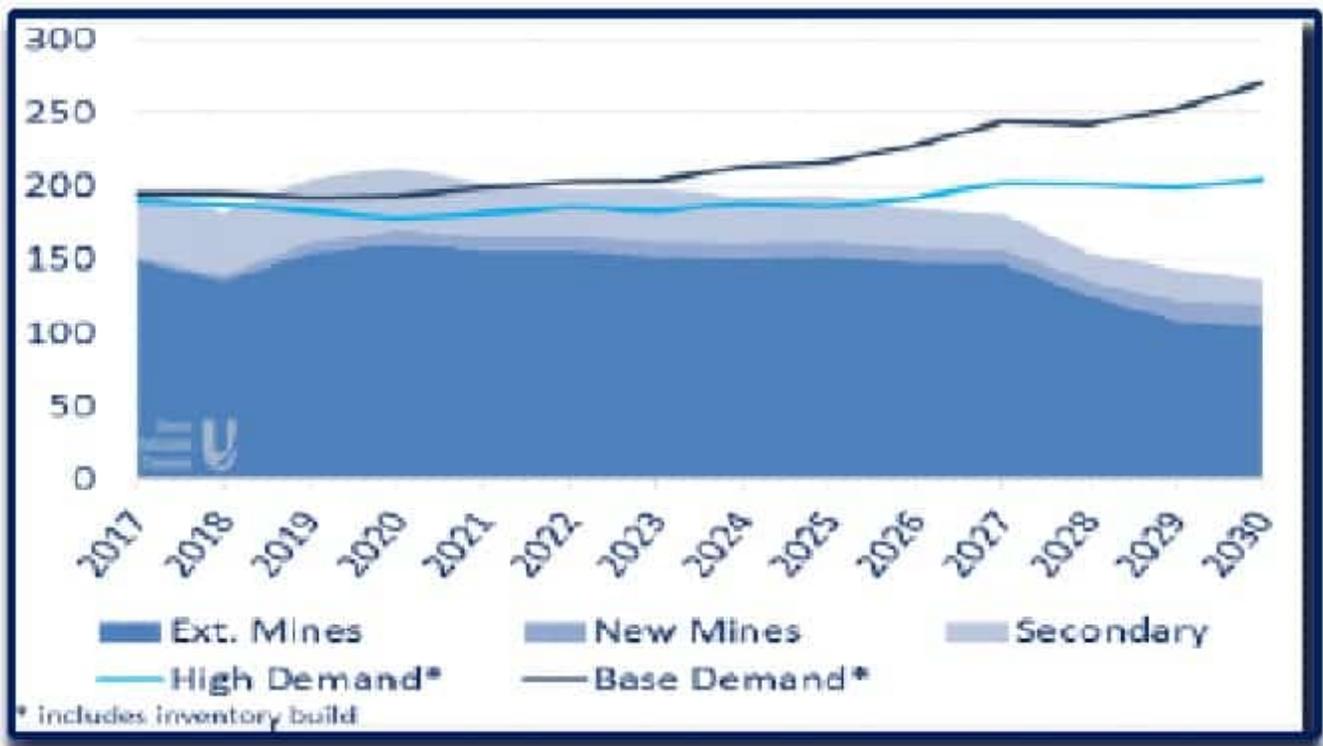
Shirley Basin is a near term uranium producing option for Ur-Energy. Baseline studies necessary for permitting and licensing of the project are complete, and the application for a permit to mine has been submitted.

Ur-Energy has a market cap of US\$87 million, and an analyst's consensus price target of US\$1.01 representing 87% upside. Ur-Energy is likely to be a winner should President Trump decide to support the US uranium miners.

Uranium demand versus supply

- Demand is projected to increase by 3.1% annually through 2025. Currently, there are 450 operable reactors; 52 under construction, with more than half due to come online in next two years.
- Supply has reduced by 30m lbs in 2018-2019, with several mine closures due to low uranium prices. With the Russian Suspension Agreement (RSA) expiring at the end of 2020, it is likely Russian dumping of cheap subsidized uranium on US shores will accelerate.

Uranium demand is forecast to outstrip supply from about 2023



Source: UxC uranium market outlook Q4 2017, UPC

Closing remarks

The declining US uranium industry is now at critically low levels. 2018 U.S. mined production was ~700,000 lbs U308, the lowest since record keeping began in 1940s. 2019 U.S. mined production is unlikely to reach 175,000 lbs U308, a fraction of what the US nuclear industry requires.

Given foreign sources of uranium currently supply the vast majority of the uranium needed to fuel U.S. nuclear power plants, it would seem highly probable that President Trump will act on the NFWG's recommendations. That can only mean one thing, to help support US uranium producers in some manner. It may be a government buying program, tariffs on subsidized Russian/Kazakhstan/Uzbekistan cheap imports, or something else.

One thing is for sure. Unless President Trump does something the US uranium industry will be left to slowly die away as it has been in recent years, and as we saw with US rare earths. That would leave the US totally vulnerable. The industry continues to wait and hopes to hear an outcome soon from President Trump.

The low cost US uranium producer Ur-Energy is well-positioned to benefit from a positive President Trump announcement, as well as the increasing global uranium demand and potential deficits forecast from 2023.

Trump says lack of uranium is threat to national security

“Currently, the United States imports approximately 93 percent of its commercial uranium, compared to 85.8 percent in 2009.” is an excerpt from the Presidential Memorandum on the Effect of Uranium Imports on the National Security and Establishment of the United States Nuclear Fuel Working Group published on Saturday, July 13th.

The conclusion? “...a fuller analysis of national security considerations with respect to the entire nuclear fuel supply

chain is necessary at this time.”

While Trump did “...not concur with the Secretary’s finding that uranium imports threaten to impair the national security of the United States as defined under section 232 of the Act.” He did “...agree that the Secretary’s findings raise significant concerns regarding the impact of uranium imports on the national security with respect to domestic mining...”

Bottom line? Trump says the issue is bigger than just quotas and in another 90-days “the Working Group, through the Assistant to the President for National Security Affairs and the Assistant to the President for Economic Policy, shall submit a report to the President setting forth the Working Group’s findings and making recommendations to further enable domestic nuclear fuel production if needed.”

More specifically, he states that: **“I agree with the Secretary that the United States uranium industry faces significant challenges in producing uranium domestically and that this is an issue of national security.** The United States requires domestically produced uranium to satisfy Department of Defense (DOD) requirements for maintaining effective military capabilities – including nuclear fuel for the United States Navy’s fleet of nuclear-powered aircraft carriers and nuclear-powered submarines, source material for nuclear weapons, and other functions.”

Meanwhile, the endless miscommunications throughout the media and regurgitated through social media that pummeled stocks with U.S. based sources of uranium on Friday that were the catalyst for some sizable volume and strong downward pressure on stocks with U.S. based uranium sources.

Ur-Energy Inc. (NYSE American: URG | TSX: URE) placing a news release out on Friday after their stock had been halted that clearly stated that no news had been released, here is a snapshot of what transpired on the market on Friday.

◆ Name	Last Price	◆ Change	◆ Volume	◆ Market Cap
▶  UEC URANIUM ENERGY CORP	\$1.07	-\$0.37 -25.69%	15.8M	\$193.33M
▶  WUC WESTERN URANIUM & VANADIUM CORP	\$1.18	-\$0.12 -9.23%	160.4k	\$35.5M
▶  URE UR ENERGY INC	\$0.79	-\$0.41 -34.17%	2.0M	\$126.19M
▶  URG UR-ENERGY INC	\$0.615	-\$0.315 -33.87%	13.3M	\$98.23M
▶  UUUU ENERGY FUELS INC	\$1.93	-\$1.11 -36.51%	20.5M	\$181.01M
▶  EFR ENERGY FUELS INC	\$2.51	-\$1.47 -36.93%	4.6M	\$235.4M

And today? The story continues to spin as the NY Times headline on page 10 reads “Trump Rejects Trade Barriers on Foreign Uranium, Saying it Poses No Threat”. Title is quite misleading as you can see from the excerpts we have quoted above from the POTUS site; it is, however, cleverly positioned – pinned below a column titled “Rehearsing for a Shadow War Against a Foe Embraced by Trump”.

The best summary on this matter was issued via a news release from the two companies that submitted Petition 232, Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) and Ur-Energy Inc. (NYSE American: URG | TSX: URE) yesterday. Their news release, titled President Trump Announces that the Significant Challenges Facing U.S. Uranium Mining Are a National Security Issue is full of hard-hitting uranium data, it starts with: “The entire front end of the U.S. nuclear fuel cycle is under siege. **The American uranium mining industry will produce less than 1 percent of the uranium needed to fuel U.S. nuclear power plants this year.** The only domestic uranium conversion facility in the U.S. shut down in 2017, and we lack any domestic uranium enrichment capability for national security applications.”

They go on to add: “The Trump administration has identified uranium as critical to the nation’s security and economic prosperity, but the U.S. overwhelmingly relies on imported uranium. Uranium deliveries from state-owned companies in Russia , Kazakhstan and Uzbekistan increased 16 percent from 2017 to 2018, according to the U.S. Energy Information Administration. These countries provided 44 percent of the uranium imported in the U.S. last year. Meanwhile, U.S. mines produced 37 percent less uranium from 2017 to 2018, reaching a record low. Deliveries from Canada and Australia, allied nations whose production is also in steep decline due to the flood of uranium from state-owned companies, declined by 25 percent.”

So, while Trump has “at this time” disagreed to quotas – he does agree that the U.S. uranium industry faces significant challenges in producing uranium domestically. And that this is an issue of national security that is both relevant and timely, which is why it requires a Working Group with 90-days to assess and get back to him. Better yet, he also said we need to study the importance of re-establishing the frontend of the Nuclear fuel cycle. Finally, a chance for all of us to benefit from a better understanding of the entire nuclear supply chain as whole in the United States.

Pending Section 232
Investigation examines how
Americans are playing Russian

roulette with their uranium and nuclear fuel supply

Just imagine for a second what happens if your electricity is shut down. The US is currently very dependent on Russia (38.3%), Netherlands (25.9%), Germany (16.5%), UK (14.5%), and China (3.5%) for enriched uranium imports. Another 17% of natural uranium imports come from Russian allies, Kazakhstan and Uzbekistan, numbers expected to increase in the coming years as production in the US, Canada, and Australia drops. That uranium is powering 20% of US energy via nuclear plants. So if Russia and China suddenly decide to stop selling uranium to the US then there could well be a major problem.

Uranium is always a hot topic, especially when it comes to nuclear energy and what will be the outcome of the pending Section 232 investigation. The Section 232 petition submitted by Energy Fuels and Ur-Energy requests the US Government to set a quota to limit imports of uranium into the U.S., thereby reserving 25% of the U.S. nuclear market for U.S. uranium production. In 2019, *less than 1% of U.S. reactor uranium requirements will be produced domestically.*

STRATEGIC URANIUM PRODUCTION ASSETS IN U.S.

THE U.S. IS THE WORLD'S BIGGEST NUCLEAR MARKET



On April 14, 2019, the US Department of Commerce (DOC) submitted to the White House the results of an investigation into the effects of uranium imports on US national security. From that date, US President Donald Trump has up to 90 days to decide whether to act on the DOC's findings and recommendations. The investigation, under Section 232 of the Trade Expansion Act, was triggered by the filing in January 2018 of Petition 232 by uranium mining companies Energy Fuels Inc and Ur-Energy.

Energy Fuels stated: "The topic that's on everybody's lips at the moment, Petition 232, is an application for unfair practices against foreign jurisdictions. The whole idea of the Section 232 investigation from a global perspective is to even the playing field and make sure US national security and energy security is not compromised by being overly dependent on geopolitical foes for uranium and nuclear fuel."

The loss of a viable US uranium mining industry would have a

significant impact on the country's national, energy and economic security and impeding its ability to sustain an independent nuclear fuel cycle.

Energy Fuels Inc. (NYSE American: UUUU | TSX: EFR) and Ur-Energy are both saying they have not seen the Department of Commerce report as it has remained classified; however, they do believe the facts are clear. The once robust American uranium mining industry is disappearing because a flood of State-subsidized imports that has made fair competition impossible.

Being a matter of national security US President Trump has broad power to make a decision.

Potential outcomes for Petition 232 due by 13 July 2019

Many potential outcomes are seen as possible:

- A decision may be delayed.
- President Trump may follow the recommendations of the US Department of Commerce (DOC).
- President Trump may not follow the recommendations or may come up with his own ideas.

Energy Fuels is taking the approach of, let's just see what happens. The world uranium market is seeing less activity, because the US is the world's largest buyer of uranium annually. With the whole uranium energy supply chain affected it is possible that the White House could come back with something much broader than what was initially petitioned for.

Given what has been seen to date, many believe the facts support President Trump deciding to support the US uranium industry, both from an economic and national security point of view.

Clearly, the US is very vulnerable as 20% of the country's electricity comes from nuclear and they are currently reliant

on importing almost all of their uranium feedstock. The domestic industry in 2019 is expected to produce less than 1 percent of the U.S. uranium's utilities needs. The rest will come from other countries and increasingly from US adversaries, like Russia, China and their allies, while at the same time production from US allies, like Canada and Australia, is plummeting.

It is the uneven playing field that is contributing to uranium mining companies in other countries like Canada and Australia to suffer because of state-owned and state-subsidized production elsewhere. Only one mine still operates today in Canada and production in Australia is declining.

Right now it seems like a waiting game for the decision by July 13. If Energy Fuels is correct that broad-based changes in the US nuclear sector are required, the Company and other US producers stand to benefit – perhaps significantly.

Energy Fuels Inc.'s White Mesa Mill is the only conventional uranium (and vanadium) mill operating in the U.S. today and has a licensed capacity of over 8 million pounds of U_3O_8 per year. The Company also has two low-cost ISR facilities with a combined capacity of 3.5 million lbs. of U_3O_8 per year; Nichols Ranch is in production, and Alta Mesa is on standby. The Company has a market cap of C\$ 333.8 million.