

American Ur-Energy increases production as the Prohibiting Russian Uranium Imports Act places upward pressure on uranium prices

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Things are heating up nicely in the US uranium market.

The US government is now buying US-produced uranium at a premium to ensure they can support the local industry and build up a significant US uranium reserve. Furthermore, there is a bill pending to cut off Russian imports of low-enriched uranium. If passed, there are certain waivers if the US has no other uranium source and any ban would not begin [until 2028](#). Additionally, Congress is considering steps to further bolster US nuclear fuel production capacity via the Nuclear Fuel Security Act.

As [announced](#) on June 1, 2023:

“The House Energy and Commerce Committee has advanced a bill to the chamber’s floor that, with certain exceptions, would ban the import of low-enriched uranium from Russia into the United States.....the Prohibiting Russian Uranium Imports Act (H.R. 1042) was approved in a (slightly) bipartisan 29–21 vote on May 24.”

As a result of this uncertainty and limited new supply, the uranium price surged higher in the past few months



Source: [Trading Economics](#)

All of the above is good news for US uranium producers.

Ur-Energy Inc.

[Ur-Energy Inc.](#) (NYSE American: URG | TSX: URE) is a US uranium producer at their Lost Creek in-situ recovery uranium facility in south-central Wyoming. As [announced](#) on May 30, 2023, the Company has restarted commercial production and completed the Casper Centralized Services Facility for full laboratory and construction services for each of Ur-Energy's mining projects. 2023 looks like potentially a big year for Ur-Energy as they ramp up production at their Lost Creek Facility and look to potentially start construction (subject to the placement of new off-take sales contracts) at their Shirley Basin Project.

The Lost Creek in-situ recovery uranium facility is now in production

Back in February InvestorIntel [reported](#) that Ur-Energy was about to immediately ramp up production at its Lost Creek uranium facility in response to new sales agreements and that

*“Ur-Energy’s total sales quantity under contract is **500,000 pounds** of uranium concentrates per annum, beginning in 2024, plus or minus”.*

That figure has now risen to 600,000 pounds with the Department of Energy agreeing [to buy 100,000 pounds of of domestically produced uranium concentrate](#) from Ur-Energy for the National Uranium Reserve at a sales price of US\$64.47/lb.

Ur-Energy [stated](#) on May 30, 2023:

*“Lost Creek production inventory will be sold into our remaining 2023 contract book of 180,000 pounds U_3O_8 in the second half of the year. Beginning in 2024, the Company’s total sales quantity under contract is **600,000 pounds** U_3O_8 annually, plus or minus a small, optional flex.”*

A positive sign that there is a very strong demand for Ur-Energy’s uranium.

Ur-Energy COO, Steve Hatten, [stated](#):

“This restart of normal operations at Lost Creek marks the first of a series of planned production areas scheduled for 2023 and 2024. We hope our return to commercial production also is the beginning of a resurgence of the uranium mining industry in the United States.”

Shirley Basin Project

Ur-Energy's Shirley Basin Project has all major permits and licenses required to construct and operate a one million pound per year production facility.

Ur-Energy CEO, John Cash, [stated](#) in May, 2023:

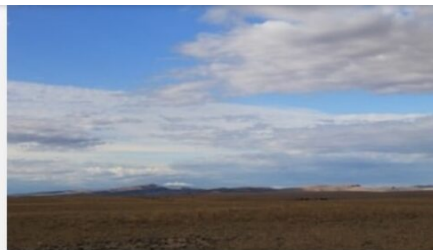
"As the market continues to improve, we are increasingly optimistic that additional profitably priced sales contracts will incentivize a ramp up to full production at Lost Creek and, potentially, the build out of Shirley Basin. 2023 promises to be an exciting year for Ur-Energy and our shareholders."

Ur-Energy – Lost Creek Facility, the ready to construct Shirley Basin Project, and other uranium projects in USA



Lost Creek

Lost Creek, our flagship project, has demonstrated operational excellence for more than nine years of uranium production, recovery and processing, using in



Shirley Basin

What is now our Shirley Basin Project historically produced more than 28 million pounds of uranium, primarily from the 1960s through the 1990s. The Shirley Basin



Other U.S. Projects

Our other U.S. projects include the Lost Soldier project, located near Lost Creek and the Lucky Mc Mine Site, an historic mine in the Gas Hills Mine District in Wyoming. Our

Source: [Ur-Energy website](#)

Q1 2023 Financial results

In Q1, 2023, Ur-Energy delivered 100,000 pounds of U_3O_8 at a sales price of \$64.47/lb for proceeds of \$6.4 million to the U.S. Department of Energy ("DOE") national uranium reserve.

During the Quarter, Ur-Energy generated [\\$2.3 million](#) from operating activities.

On May 1, 2023, Ur-Energy stated in their Q1 2023 Financials [announcement](#):

“Including the Q1 DOE sale, we expect to sell 280,000 pounds U_3O_8 in 2023 for \$17.3 million and, together with the base amount of 600,000 pounds U_3O_8 to be sold annually 2024 – 2028, total anticipated revenues to the Company will be approximately \$205 million.....Sales prices are anticipated to be profitable on a Company-wide, all-in cost basis, and are escalated annually from initial pricing in 2023 and 2024....”

Closing remarks

Ur-Energy is back in business. Prior to the Lost Creek restart, Ur-Energy was essentially on hold awaiting stronger uranium prices. Uranium contracts for several years ahead, potentially bode well for future profitability for the Company. If we continue to see reasonable uranium prices (at or above US\$50/lb) then Ur-Energy will also look to bring on their second project Shirley Basin and thereby expand their production volumes further.

Ur-Energy trades on a market cap of [C\\$280 million](#).