Ur-Energy and Energy Fuels Announce U.S. Department of Commerce Has Initiated Investigation into Effects of Uranium Imports on U.S. National Security

written by Raj Shah | July 18, 2018

July 18, 2018 (Source) – **Ur-Energy Inc. (NYSE American: URG; TSX: URE) ("Ur-Energy") and Energy Fuels Inc. (NYSE American: UUUU; TSX: EFR) ("Energy Fuels")** are pleased to announce that on July 18, 2018, the U.S. Department of Commerce ("DOC") initiated an investigation into the effects of uranium imports on U.S. national security. This investigation was requested by Ur-Energy and Energy Fuels in their Petition for Relief Under Section 232 of the Trade Expansion Act of 1962 (the "Petition"), which was filed jointly by the companies on January 16, 2018.

The Secretary of Commerce (the "Secretary") now has 270 days to conduct the investigation and submit a report to the President of the United States containing the Secretary's findings and proposed remedy, if any. Following receipt of the Secretary's report, the President then has up to 90 days to act on the Secretary's recommendations and, if necessary, take action to "adjust the imports of an article and its derivatives" and/or pursue other lawful, non-trade-related actions necessary to address the import threat.

Ur-Energy and Energy Fuels requested that the DOC conduct its investigation due to the following factors:

- In 2017, U.S. uranium production fell to near historic lows due, in large part, to uranium and nuclear fuel imported from state-subsidized foreign entities; 2018 domestic production is likely to be even lower, with Q1-2018 production being 50 percent lower than Q1-2017.
- In 2017, imports of uranium from state-owned and state-subsidized enterprises in Russia, Kazakhstan, and Uzbekistan fulfilled about one-third of U.S. demand, while purchases of U.S. uranium by owners of U.S. nuclear reactors dropped by 46 percent. In 2018, domestic producers are projected to fulfill only about 2 percent of total U.S. commercial demand.
- Increasing levels of state-subsidized nuclear fuel are expected to be imported from Russia and China in the coming years, which would likely further displace U.S. uranium production. If Russia and its allies take control of this critical fuel, the threat to U.S. national and energy security would be incalculable.
- While U.S. producers can fairly compete with foreign production on a level playing field, it is difficult for them to compete with heavily subsidized foreign production. Foreign policies of other nations should not be permitted to jeopardize this crucial U.S. industry.
- A sustainable domestic uranium mining industry is vital to U.S. national security because it supplies uranium for essential defense needs and fuel for nuclear power plants that are a key component of the nation’s critical clean energy infrastructure.
- Ur-Energy and Energy Fuels, both headquartered in Denver, Colorado, are the two main U.S. uranium producers, together mining more than half of all U.S. uranium in 2017.
- In the Petition, the companies proposed two complementary remedies: (1) a quota that limits imports of uranium into

the U.S., effectively reserving 25 percent of the U.S. market for domestic uranium production, and (2) a requirement for U.S. federal utilities and agencies to buy U.S. uranium in accordance with the President's Buy American Policy. The companies' proposed remedies are expected to result in U.S. utilities purchasing approximately 12 million pounds of uranium per year from U.S. production.

- The proposed remedies are expected to restore a sustainable U.S. uranium mining industry, bolster national defense, and support energy security through reduced reliance on state-subsidized uranium and nuclear fuel imports from nations that compete with the U.S. for geopolitical influence and commercial advantage.
- An econometric model prepared in connection with the Petition demonstrates that the effects of the proposed remedies on utilities and consumers are expected to be negligible.

Please refer to Energy Fuels' and Ur-Energy's press releases on January 16, 2018, for further information on the background and legal basis for the Petition. Additional information regarding the trade action can be found on the companies' respective websites shown below. As with any governmental investigation, there can be no certainty of the outcome of the investigation or the recommendation of the Secretary, and therefore the outcome of this process is uncertain.

About Ur-Energy: *Ur-Energy is a U.S. uranium mining company with corporate and operations offices in Denver, Colorado, and Casper, Wyoming, respectively. Ur-Energy operates the Lost Creek in-situ recovery uranium facility in south-central Wyoming. Ur-Energy has produced, packaged and shipped more than 2 million pounds from Lost Creek since the commencement of operations. Applications are under review by*

various agencies to incorporate Ur-Energy's LC East project area into the Lost Creek permits, and the company has begun to submit applications for permits and licenses to construct and operate its Shirley Basin Project. Ur-Energy is engaged in uranium mining, recovery and processing activities in the United States, including the acquisition, exploration, development and operation of uranium mineral properties. The primary trading market for Ur-Energy's common shares is the NYSE American under the trading symbol "URG;" Ur-Energy's common shares also trade on the Toronto Stock Exchange under the trading symbol "URE." Ur-Energy's website is www.ur-energy.com.

About Energy Fuels: *Energy Fuels is a leading integrated U.S. uranium mining company, supplying U_3O_8 to major nuclear utilities. Its corporate offices are in Denver, Colorado, and all of its assets and employees are in the westernUnited States. Energy Fuels holds three of America's key uranium production centers, the White Mesa Mill in Utah, the Nichols Ranch Processing Facility in Wyoming, and the Alta Mesa Project in Texas. The White Mesa Mill is the only conventional uranium mill operating in the U.S. today and has a licensed capacity of over 8 million pounds of U_3O_8per year. The Nichols Ranch Processing Facility is an in-situ recovery production center with a licensed capacity of 2 million pounds of U_3O_8 per year. Alta Mesa is an in-situ recovery production center with a licensed capacity of 1.5 million pounds of U_3O_8 per year, which is currently on care and maintenance due to low uranium prices. Energy Fuels also has the largest uranium resource portfolio in the U.S. among producers, and uranium mining projects located in a number of Western U.S. states, including one producing in-situ recovery project, mines on standby, and mineral properties in various stages of permitting and development. Energy Fuels also produces vanadium as a by-product of its uranium production from certain of its mines on the Colorado Plateau, as market*

conditions warrant. 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 Note Regarding Forward-Looking Statements: *Certain information contained in this news release, including any information relating to: the expected increases in foreign state-subsidized imports of uranium in coming years; expected future U.S. uranium production and the further negative impacts of such imports on U.S. uranium production and national security; the outcome of the Department of Commerce Section 232 investigation, including whether or not the Secretary of Commerce will make a recommendation to the President and the nature of the recommendation; whether or not the President will act on the recommendation and, if so, the nature of the action and remedy; the expected benefits of the proposed remedies, including: restoring a sustainable U.S. uranium mining industry and the benefits of a sustainable domestic uranium mining industry to U.S. national security, bolstering national defense, and supporting energy security; the expected impacts on U.S. production and the U.S. uranium mining industry; the ability of U.S. producers to compete with foreign production on a level playing field; the reduction of dependence on imports; the negligible impact on U.S. utilities and consumers; and any other statements regarding Energy Fuels' or Ur-Energy's future expectations, beliefs, goals or prospects; constitute forward-looking information within the meaning of applicable securities legislation (collectively, "forward-looking statements"). All statements in this news release that are not statements of historical fact (including statements containing the words "expects," "does not expect," "plans," "anticipates," "does not anticipate," "believes," "intends," "estimates," "projects,"*

"potential," "scheduled," "forecast," "budget" and similar expressions) should be considered forward-looking statements. All such forward-looking statements are subject to important risk factors and uncertainties, many of which are beyond Energy Fuels' and Ur-Energy's ability to control or predict. A number of important factors could cause actual results or events to differ materially from those indicated or implied by such forward-looking statements, including without limitation factors relating to: the expected increases in foreign state-subsidized imports of uranium in coming years; expected future U.S. uranium production and the further negative impacts of such imports on U.S. uranium production and national security; the outcome of the Department of Commerce Section 232 investigation, including whether or not the Secretary of Commerce will make a recommendation to the President and the nature of the recommendation; whether or not the President will act on the recommendation and, if so, the nature of the action and remedy; the expected benefits of the proposed remedies, including: restoring a sustainable U.S. uranium mining industry and the benefits of a sustainable domestic uranium mining industry to U.S. national security, bolstering national defense, and supporting energy security; the expected impacts on U.S. production and the U.S. uranium mining industry; the ability of U.S. producers to compete with foreign production on a level playing field; the reduction of dependence on imports; the negligible impact on U.S. utilities and consumers; and other risk factors as described in each of Energy Fuels' and Ur-Energy's most recent annual reports on Form 10-K and quarterly financial reports. Energy Fuels and Ur-Energy assume no obligation to update the information in this communication, except as otherwise required by law. Additional information identifying risks and uncertainties is contained in Energy Fuels' and Ur-Energy's respective filings with the various securities commissions which are available online

at www.sec.gov and www.sedar.com. Forward-looking statements are provided for the purpose of providing information about the current expectations, beliefs and plans of the management of Energy Fuels and Ur-Energy relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. Readers are also cautioned not to place undue reliance on these forward-looking statements, that speak only as of the date hereof.