

March 27, 2020

The Honorable Donald J. Trump
President of the United States
1600 Pennsylvania Ave.
Washington, DC 20515

Dear President Trump:

America's Uranium Miners Need Immediate Assistance to Avoid Permanent Job Losses and Collapse of the Domestic Industry. Neither administrative nor legislative action has addressed our deepening crisis.

The Administration has sought to bolster strategic stockpiles to assist supply chain and market disruptions in the current COVID-19 crisis, including increased holdings within the Strategic Petroleum Reserve. This action would assist domestic oil and gas producers in managing a perfect storm of diminishing demand, predatory market behavior by foreign producers, steep declines in market value and the availability of capital. As uranium miners we understand those pressures because we have been struggling to manage them for several years and the COVID-19 related economic decline is only worsening the situation. Domestic uranium mines are suspending operations and people in our industry are losing jobs, and our industry is on the cusp of complete collapse, now.

This current pandemic crisis is exposing the vulnerability of our nuclear fuel supply chain. Nearly 100% of domestic uranium demand in the 4th quarter of 2019 was supplied by foreign producers. Almost 40% of our nuclear fuel travels along a highly vulnerable supply chain from Russia, and half of that supply chain, sourced from Kazakhstan, may be constrained by COVID-19. On March 23 it was announced that uranium production in America's largest supplier, Canada, is shutting down in response to health concerns over COVID-19. For the first time since the 1940's there is no current uranium production in the US or Canada. Today, it was announced that Chinese-controlled production in Africa has started to be shut-in as well.

Without immediate action, our reliance on Russia and its allies to fuel our domestic reactors could increase, making our energy systems even more susceptible to intentional market disruptions. The US cannot assert energy dominance when our nuclear fuel cycle, which fuels 20% of our nation's electricity, is completely dependent on foreign mining, conversion and enrichment.

This week, Secretary of State Pompeo said, "*We need to fundamentally review our supply chains and make sure that we know those supply chains and have control over them for moments just like this.*" Further, with respect to uranium, "*We've got to get back our mining, processing, enriching cycle.*" We agree, and we have been raising these same concerns with the Administration for over two years.

We are small businesses, but we have a big impact on America's energy and national security. We simply ask that you immediately implement the initial Nuclear Fuel Working Group ("NFWG") recommendation outlined in your FY 2021 budget to establish a strategic reserve of uranium. The Defense Production Act also enables you to purchase strategic stockpiles of critical minerals and doing so is the likeliest way to save the faltering domestic capacity. The Administration has spent over eight months studying the tools available to correct this supply chain and market interruptions. We implore the White House to release its report and implement the NFWG recommendations for immediate relief, which Energy Secretary Brouillette testified before Congress would be released the first week of March. Even without administrative action the report could assist in demonstrating to Congress the dire need to support the fuel cycle before it is too late.

Strategic stockpiles of critical energy products protect against market shocks and blunts foreign bad behavior. The comparatively minute investment of \$150 million this fiscal year would ensure uranium production remains available domestically in the case of supply chain disruption and serve as the first step in restarting domestic capacity to fulfill civilian and national security demands.

We commend the Administration for its response to the global COVID-19 crisis. The government is appropriately asserting itself to assist broad swaths of the US economy. We can think of no other sector that has received more thorough government review over the last year than our own. The time is now to act to save our critical industry.

Last July, the Commerce Department concluded an exhaustive study of the negative impacts of uranium imports and recommended the establishment of trade remedies to address the national security implications of imported uranium. In a July 12 memo, you agreed that the significant challenges faced by the domestic uranium industry are an issue of national security and established the NFWG with instructions to report their findings within ninety days. Eight months later the report is still pending. The lack of action threatens to cede our domestic capacity to produce uranium to foreign producers controlled by antagonistic governments, including Russia and China. Markets responded to the decision not to provide trade relief by drastically discounting the value of domestic miners, and that situation has only worsened throughout the protracted delay in action by the Nuclear Fuel Working Group and now accelerated in the broad COVID-19 sell off.

The COVID-19 crisis will pass but without immediate support from the federal government we could emerge from it and learn that a critical domestic capacity was permanently lost.

Respectfully,



Mark Chalmers
President and Chief Executive Officer of Energy Fuels Resources (USA) Inc.



Jeff Klenda
Chairman, Chief Executive Officer, and Founder of Ur-Energy USA Inc.

- CC:** The Honorable Michael Pence, Vice President of the United States
The Honorable Michael Pompeo, Secretary of State
The Honorable Wilbur Ross, Secretary of Commerce
The Honorable Dan Brouillette, Secretary of Energy
The Honorable Steven Mnuchin, Secretary of Treasury
The Honorable Mark Esper, Secretary of Defense
The Honorable Lawrence Kudlow, Assistant to the President
The Honorable Robert O'Brien, Assistant to the President