



URANIUM PRODUCERS OF AMERICA

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FOR IMMEDIATE RELEASE

Denver, CO: Scott Melbye, Executive Vice President of Uranium One and President of Uranium Producers of America, issued the following statement on today's announcement by the Department of Energy regarding the management of the federal uranium inventory.

“Our domestic uranium and conversion industries are struggling to survive. The price of uranium is now at a level not seen since 2005, falling more than 60 percent since the Fukushima accident. As was demonstrated by DOE's own 2013 Uranium Marketing Annual Report, not only is the all-in cost of production far in excess of the current spot price of \$29 per pound, but marginal cash costs as well. To put this into context, the U.S. uranium mines are grouped around the 50th percentile on the worldwide production cost curve, meaning global competitiveness with other mines is not the issue. From a human resources perspective, we've lost half our workforce since 2012, and additional difficult decisions lie ahead.

“While there are many factors contributing to the current market conditions, it is disappointing our government's response is to dump more uranium into the market than our industry produces each year. UPA and its members provided the Department substantial information about the current state of the industry. Although the Secretarial Determination acknowledges this input was provided, it does not appear to have been considered.

“The Department is violating its legal obligation to ensure these transfers do not have an adverse material impact on the domestic industry. Even the market analysis cited by the Department finds these transfers will drive down prices an additional 10 percent and lead to more job losses. If this doesn't constitute an adverse material impact, what does? Halting or severely limiting these transfers in the short-term will reduce the impact on the domestic industry and ensure taxpayers receive a fair value for this asset when market prices recover.

“We recognize the Department wants to use these transfers to fund ongoing decommissioning and clean-up work at a number of sites around the country. UPA is not opposed to the accelerated cleanup of legacy sites, but we are opposed to the industry having to compete against the federal government in this difficult market environment. This work can still continue with funds appropriated by Congress, which is the basis under which our Constitution directs resources to meet the financial needs of government.”

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