

Statement of
Harold R. Roberts, Executive Vice President Conventional Operations
Energy Fuels Resources (USA) Inc.
Public Listening Session
United States House of Representatives
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Concerning
Government Land Grabs: Exposing the Truth

Representative Gosar, I appreciate the opportunity to speak at this hearing today. My name is Harold R. Roberts. I am Executive Vice President of Conventional Operations for Energy Fuels Resources (USA) Inc. Energy Fuels is a publicly traded company with uranium recovery operations in the western U.S. Our holdings in the U.S. include one breccia pipe mine under development in northern Arizona, the only remaining operating uranium mill in the U.S., located in southeastern Utah, and several mines on standby and in permitting in Arizona, Colorado, Utah, Wyoming, and New Mexico. We also own and operate the Nichols Ranch in-situ uranium recovery operation located in central Wyoming. We currently directly employ over 190 people in our U.S. mining and milling operations. I am here today to discuss the escalating attack on the rights of responsible mining companies to develop America's best uranium deposits, which are located in Northern Arizona.

The potential designation of a National Monument in Northern Arizona will have long lasting negative effects on our company, other exploration and mining companies, U.S. energy security, and most importantly the long time residents and citizens of the Arizona Strip.

On the Arizona Strip, Energy Fuels currently employs 60 people, earning from \$35,000 to \$125,000 per year, plus benefits. The Company also employs an additional 15 subcontractors in Arizona, and we support numerous local businesses that provide our operations with the necessary parts and supplies. In addition to the current mine under development, the company has the potential to open mines on three additional ore deposits in the next several years assuming positive market conditions. In addition to the jobs at the mine we currently have in development, a Monument designation would jeopardize Energy Fuels' plans for the three additional ore deposits in northern Arizona, increasing our compliance and permitting costs, and possibly even taking those properties from us. New mines are critical to maintaining and growing our current work force.

The uranium deposits in northern Arizona, called breccia pipes, are unique in that the ore

grades are some of the highest in the U.S., the surface disturbance for a fully developed mine is relatively small, less than 20 acres, the mines are generally dry, and the time span from development through full reclamation is less than six to eight years. Once fully mined out, the reclaimed sites exhibit no evidence of past activity and are returned to the original land use. Similar mines produced since the 1980's have not negatively impacted the environment, including the valuable groundwater resources in the region. The Bureau of Land Management's Final Environmental Impact Statement on the Arizona Strip withdrawal stated that there is no contamination of the Colorado River watershed from uranium mining, stating:

"It is also important to recognize that, there is currently no conclusive evidence from well and spring sampling data that (modern) breccia pipe uranium operations in the north Parcel have impacted the chemical quality of groundwater in the regional R-aquifer."

Energy Fuels Resources now owns the mines in Arizona which were previously owned by my former employer, Energy Fuels Nuclear. Energy Fuels Nuclear discovered, permitted, operated, and successfully reclaimed five breccia pipe mines in northern Arizona in the 1980s and early 1990s. There is no evidence that these now reclaimed mines have ever negatively impacted the region's water, air, or wildlife. The reclaimed mine sites demonstrate that these deposits can be developed with minimal impact to the environment, while still providing high paying jobs to the local and state economies in Arizona and Utah. Indeed, these are some of the lowest-impact commercial mines in operation today in the U.S. The current perception that uranium mining impacts the environment of northern Arizona is not supported by the history of similar operations, nor current science and mining practices. Uranium mining activities in Northern Arizona have a proven track record of production and reclamation that has **not** impacted the Grand Canyon.

Past US government uranium procurement activities during the 1940's through the 1960's left an unfortunate legacy of abandoned mines and environmental hazards, such as those on the Navajo Reservation. However, much has changed over the past 50 to 70 years. Our industry is heavily regulated and held to the highest standards of compliance, including reclamation requirements that are backed by full financial assurance.

Rather than looking at the reality of modern mining, many of our opponents would rather march forward with their goal of locking up even more federal lands, and preclude responsible multiple use of federal lands in the West. This would effectively eliminate high paying local jobs instead of stimulating job growth and the local depressed economy of northern Arizona and southern Utah. In addition, it will lock up some of our best strategic uranium resources. The U.S. currently generates 20% of our electricity from nuclear power. Nuclear accounts for about 2/3 of America's emission-free and carbon-free electricity. Yet, we are over 90% dependent on foreign sources of uranium. In fact in 2014, 40% of the uranium used in U.S. reactors came from Russia, Kazakhstan and Uzbekistan. Clean energy security is also at stake.

Proponents of the National Monument talk of stopping uranium mining in the Grand Canyon. This is a self-serving distortion of the truth. There currently is no mining in the Grand Canyon, nor are there plans for future mining in the Grand Canyon National Park.

Aside from the jobs I just mentioned, there are other jobs at risk from a Monument designation. The ore from Energy Fuels' Arizona Strip mines is shipped to our White Mesa Mill in southeast Utah for processing. During processing operations this summer the Mill will employ 110 people, approximately 60% of whom have historically been Native American. Loss of ore from the Arizona Strip will have a significant impact on our mill operations. In the long term Energy Fuels is counting on our Arizona Strip production, as well as other companies' future mines on the Arizona Strip to feed the White Mesa Mill and maintain its viability as the only operating conventional uranium mill in the US.

As a taxpayer and businessman, I find it incredible that this Administration would consider annually spending huge sums of dollars on managing a National Monument, the sole purpose of which would be to not protect an already well-managed BLM and Forest Service buffer around the Grand Canyon – but to target our company and other responsible mine operators based on groundless claims and scare tactics of several activist groups. This action totally ignores the ongoing hard work put forth by the employees of the Bureau of Land Management and the U.S. Forest Service, and results in a total waste of taxpayer dollars and is an outright slap in the face to those hard working employees.

It also cannot be ignored that the activist organizations that are lobbying elected officials to designate a Monument are not grassroots citizens groups anymore. They have metastasized into a multi-billion dollar industry with high-paid lawyers, lobbyists and PR professionals. They are funded through huge anonymous donations, often of international origin. The Senate recently published a report on this issue. Foreign interests already own large swaths of U.S. strategic natural resources, including uranium. The motivations behind why these special interest groups want a National Monument at this location should be examined.

The designation of a National Monument should be based on sound science and factual findings, not on the baseless claims of well-funded activist groups, special interests, and their vote-seeking elected officials.

Representative Gosar, I would be pleased to answer any questions.