



Uranium Production Cost Study – 2011

Pinning Down Production Costs

Given the move toward cleaner energy, reduced carbon emissions, and more secure long-term energy sources, uranium supply is becoming more important to utilities worldwide. Currently, in our post-Fukushima demand case, uranium demand is still projected to double by 2030, mainly due to increased demand from Southeast Asia – China in particular.

With the U.S.-Russia HEU Agreement coming to an end in 2013, resulting in the elimination of 24 million pounds U_3O_8 per year from the market, and other secondary supplies and mine reserves being depleted, there is much greater emphasis on primary production today than ever before. It has only been until recently that uranium exploration has experienced a revival, but even this is being threatened in the post-Fukushima environment as many suppliers are now expected to find it more difficult to obtain project financing.

As a result, the current menu of worldwide projects is not all that exhaustive due to the fact that most of the recent exploration has been on brown-field sites that were discovered 20, 30, or even 40 years ago. Although uranium resources are extensive, the vast majority of these are neither delineated nor developed. As the nuclear industry transforms itself into a safer and robust industry, one of the challenges will be for the supply side of the industry to expand and bring new production to a market still in an aftershock.

This detailed study complements UxC's *Uranium Market Outlook* (UMO)

and *Uranium Supplier's Annual* (USA) in identifying where expanded and new uranium supply will come from among 116 worldwide projects to meet future nuclear fuel demand through 2030.

UxC's *Uranium Production Cost Study* will address a wide range of production cost issues including the following:

Factors Affecting Production Costs

Extensive review of factors impacting production costs, such as ore grade, reserve tonnage, deposit depth, spatial density, ore thickness, deposit composition and chemical agents, various technical factors, water flows and drainage, energy costs, labor costs, transportation/hauling costs, etc.

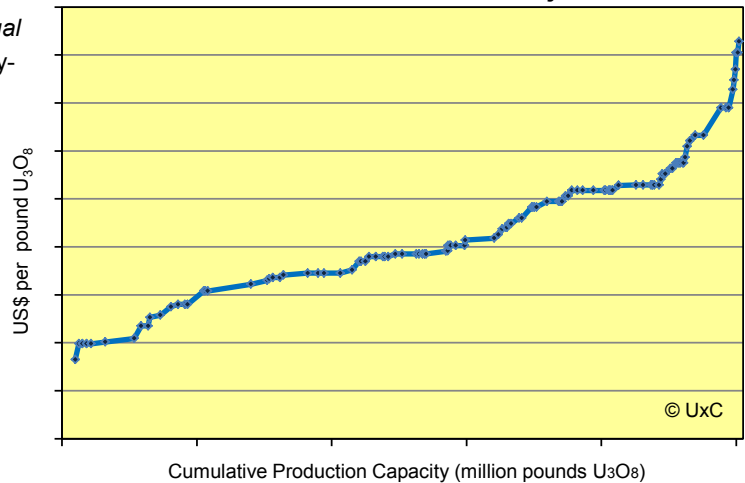
Uranium Mining/Milling Costs

Overview of mining/milling costs for conventional and ISR deposits, focusing on operating and capital costs for each mining method. The breakdown of typical operating costs for both acid leach and alkaline leach processing circuits is also presented.

Financial & Market Considerations

Discussion of the time value of money and how this works in calculating the present value of a project, and the importance of accounting for market conditions in a producer's decision of whether to invest in or develop a mine.

Production Cost Curve – All Projects



World Production Costs

Cost curves for operational, planned, and potential projects are developed to identify those projects most likely to produce in the future, as well as present a long run cost structure for the industry.

Matching Production Costs to Prices

Analysis of why prices are slightly higher than our marginal-cost pricing picture, with a broad discussion of floor prices, term prices, and spot prices.

Order Today!

UxC's *Uranium Production Cost Study* is available at a rate of US\$5,000.00. Subscribers of either UxC's UMO or USA reports receive a discounted rate of US\$3,500.00. Subscribers of both UxC's UMO and USA reports receive a discounted rate of US\$2,500.00. For more information please contact Nick Carter at nick.carter@uxc.com or +1 (770) 642-7745.

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