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Keeping Track of the Nuclear Fuel Market

UxC, LLC publishes one of the nuclear fuel market's most trusted and widely read newsletters, the *Ux Weekly*. Issued every Monday, the *Ux Weekly* has been in publication for 37 years. The *Ux Weekly* contains thought-provoking commentaries, in-depth coverage of major industry events, analyses of various market developments, and a summary of current industry news. The publication also presents the most trusted weekly uranium spot price indicator, the Ux U₃O₈ Price[®], along with the month-end Long-Term U₃O₈, SWU, North American and European Conversion prices, and UF₆ Values. Each issue also provides additional nuclear fuel prices as well as spot and term contracting data, information on the latest uranium and fuel market trends, and related market commentary. The *Ux Weekly* is available by email and online with subscription rates varying by the number of recipients.

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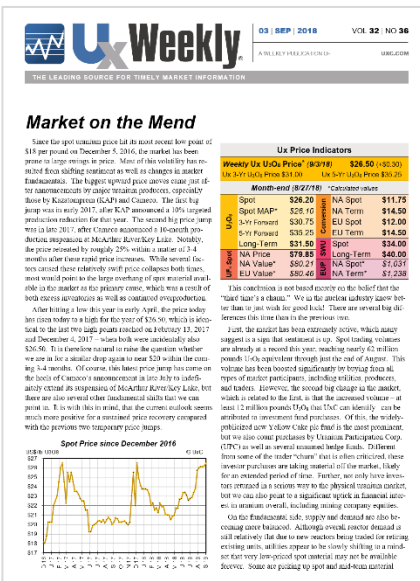
headlines from around the world are delivered directly to your email daily. Since 2009, the UxC Broker Average Price (BAP) has been published with support by the participating nuclear fuel brokers (Evolution Markets and Nucmerco Limited). In 2021, UxC began publishing the Ux U₃O₈ Price on a daily basis. This daily pricing service keeps industry participants up to date with the latest spot uranium price moves.

The Ux Weekly is much more than a newsletter. It is a comprehensive information service provided by the nuclear market's most trusted and reliable research and analysis firm.

Additional information about the *Ux Weekly* and its associated services that accompany a subscription can be found online at our public website at: www.uxc.com/p/products/uxw_overview.aspx

UxC, LLC
1501 Macy Drive, Roswell, GA 30076
1.770.642.7745

www.uxc.com



Market on the Mend

Since the spot uranium price hit its most recent low point of \$18 per pound on December 5, 2016, the market has been prone to large swings in price. Much of this volatility has resulted from shifting contract as well as changes in market fundamentals. The biggest upward price action came just after announcements by major nuclear producers, especially those by Rosatom (UAP and Casaco). The day's big jump was in early 2017, after Rosatom announced a 10% output production reduction for that year. The second big price jump was in late 2017, after Casaco announced a 10-month production suspension at its Koriya Koriya Lake. Recently, the price retraced by roughly 25% within a matter of 3-4 months after these initial price increases. While several factors caused these relatively swift price collapses both times, most would point to the large volume of open uranium available in the market at the primary time, which was a result of both excess inventories as well as contracted obligations.

After hitting a low this year in early April, the price today has risen to a high for the year of \$30, which is up from the last two large peaks reached on February 13, 2017 and December 4, 2017 – values both were approximately \$26-\$28. This question remains to raise the question whether we are in for a similar drop again in late 2022 with the closing of 2022. Of course, the latest price jump has come on the back of Casaco's announcement in late July to indefinitely suspend its operations at Koriya Koriya Lake. But there are also several other fundamental factors that can point to it. It is worth this time, that the current reduced uranium price is more positive for a sustained price recovery compared with the previous two temporary price jumps.

Spot Price since December 2016

Ux U ₃ O ₈ Price (USD/lb)	Ux U ₃ O ₈ Price (EUR/lb)
Spot	\$26.20
1-Month Forward	\$26.15
3-Month Forward	\$26.75
6-Month Forward	\$31.25
Long-Term	\$31.50
NA Value	\$75.85
EU Value	\$80.21
NA Spot	\$11.75
EU Spot	\$14.50
EU Term	\$12.00
Long-Term	\$14.50
Long-Term	\$24.00
NA Spot	\$7.03
EU Spot	\$7.28

Month-end (8/27/21) Contracted values

This condition is not based on the "bid" market but on the "ask" market. There are several differences in the time that the previous one.

Just, the market has been extremely active, which many suggest is a sign that sentiment is up. Spot trading volumes are already at a record this year, reaching nearly 63 million pounds U₃O₈ shipped through just the end of August. This volume has been sourced significantly by buyers from all types of market participants, including nuclear producers, non-nuclear, investors, the second big change to the market is related to the fact that the increased volume of at least 12 million pounds U₃O₈ that UxC can identify can be attributed to increased demand for uranium. Of this, the industry-published yellow cake price that is the most prominent, but also some pressure by Uranium Participation Corp. (UPC) as well as several uranium hedge funds. Of these, from some of the "red" market that is often criticized, these investors are taking interest in the market. They are an extended period of time. Further, we only have inventories on a system very to the physical instance client, but we also point to a significant spike in uranium prices to uranium overall, including trading company equities.

On the production side, supply will remain low to the nuclear market. Although some nuclear projects are still relatively far due to new schedules being tested for existing contracts, it will have to be fairly tight in the market for very long-term spot material, and may not be available. Some are pointing to spot and term contracts.