

# Third Quarter Spot Uranium Review

As we review the spot uranium market over the past two quarters, it seems as if we were on a big teeter-totter with regards to volume and price. During the second quarter, spot volume generally declined and the spot price fell to new decade record lows. This trend was reversed during the third quarter as spot volume started July with a notable increase, peaking in August and sustaining that level in September. This increase in buying activity coupled with a series of production cutbacks and other issues resulted in the spot price increasing as dramatically during the third quarter as it fell during the second quarter (see chart to right). Below are some highlights of the third quarter spot activity.

**Price** – Just as the second quarter was ending, it appeared that the spot price had flattened out at the \$28 level after a dramatic drop. As spot activity picked up during July, the price balanced during the first month of the third quarter, increasing slightly to \$28.50 per pound at the end of July. During August, the spot price reversed course and realized several additional increases, reaching \$31.00 at the end of the month, as spot volume increased further. Several more buyers entered the market during September, but were initially met by fewer sellers and the spot price climbed to \$36.50 during the month. But as several sellers started testing the market during the last week, the Ux U<sub>3</sub>O<sub>8</sub> Price ended the month and quarter at \$35.50 per pound.

**Volume** – A total of 77 spot transactions were reported as awarded during the third quarter involving 12.7 million pounds U<sub>3</sub>O<sub>8</sub> equivalent. This activity level is an increase

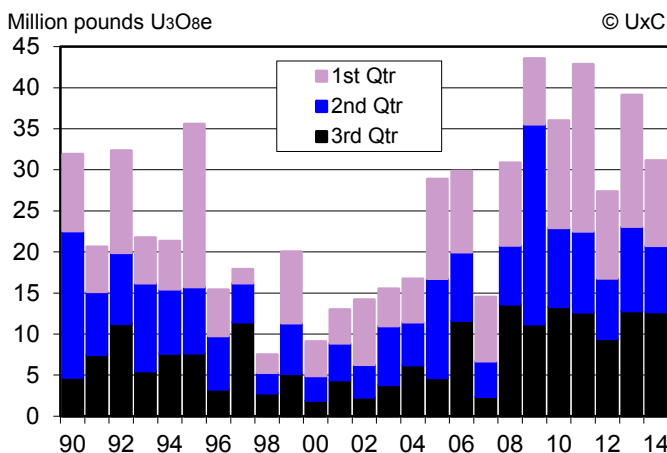
Ux Price Indicators					
<b>Weekly Ux U<sub>3</sub>O<sub>8</sub> Price<sup>®</sup> (10/20/14)</b>		<b>\$35.65 (Unch.)</b>			
<b>Month-end (9/29/14)</b>					
U <sub>3</sub> O <sub>8</sub>	Spot	\$35.50	UF <sub>6</sub> Spot	NA Price	\$99.25
	Long-Term	\$45.00		NA Value*	\$100.01
Conversion	NA Spot	\$7.25	SWU	EU Value*	\$100.26
	NA Term	\$16.00		Spot	\$88.00
	EU Spot	\$7.50	Long-Term	\$90.00	
	EU Term	\$17.00	EUP	NA Spot*	\$1,570
				NA Term*	\$1,926
*Calculated values					

over the 65 transactions for 8.1 million pounds U<sub>3</sub>O<sub>8</sub>e during the second quarter, but similar to the first quarter's 75 transactions involving 10.4 million pounds U<sub>3</sub>O<sub>8</sub>e. As shown in the lower left chart, the totals for the first three quarters of the year are 217 transactions involving 31.3 million pounds U<sub>3</sub>O<sub>8</sub>e. Combined with the transactions over the past month, total volume for the year now stands at 32.6 million pounds U<sub>3</sub>O<sub>8</sub>e under 232 transactions.

**Ux Weekly Uranium Spot Prices**



**Comparison of Quarterly Spot Volumes**



While the number of transactions increased from 65 to 77 from the second to the third quarter, total volume increased slightly more, resulting in a higher average delivery size of 165,000 pounds compared to the 130,000-pound average transaction size during the first two quarters. However, delivery leadtime fell further, with the first quarter averaging 3.3 months, the second quarter increasing to 3.7 months, and the third quarter falling to 2.8 months.

**Form** – The preferred form in spot transactions remains U<sub>3</sub>O<sub>8</sub>. During the third quarter, this form accounted for 74% of the overall volume, with UF<sub>6</sub> accounting for 22%, and

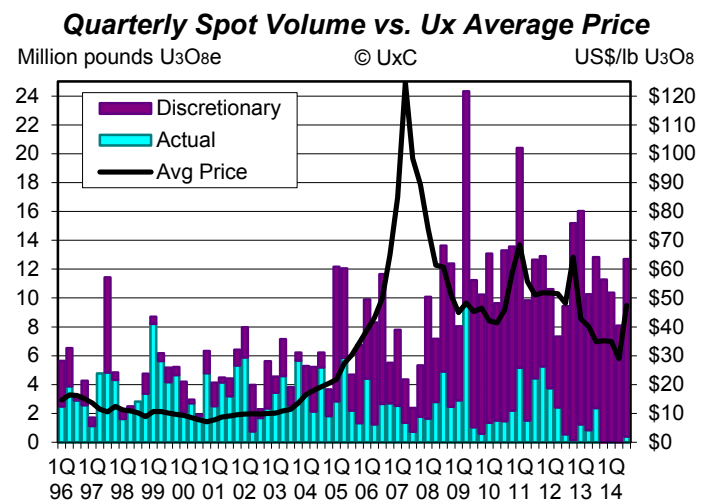
enriched uranium product (EUP) making up the remaining 4% share. While UF<sub>6</sub> volume increased considerably (only accounting for 4% during the second quarter and 11% in the first quarter), most of this volume is comprised of a couple of large special deals. While there were no EUP transactions reported during the first quarter, EUP volume during the third quarter was about the same as the second, but during the second quarter it only accounted for 7% of the overall volume. For the year, U<sub>3</sub>O<sub>8</sub> now accounts for 84% of overall volume, with UF<sub>6</sub> coming in second at 13%, and EUP making up the remaining 3% of the volume.

**Need & Method** – As utilities have continued to build inventory as the spot price fell, near-term uncovered requirements remain limited. Additional mid-term activity has also reduced unfilled needs over the next couple of years. As such, the majority of the spot activity attributed to utilities discussed below has been the result of discretionary buying. While there have been several more formal RFPs by utilities, this group and others have continued to be as quiet as possible in the attempt to keep their activity off-market, many with the hopes of not impacting the market.

**Buyers & Sellers** – As the spot price increased during the third quarter, it was not surprising to see utility activity slip somewhat, falling from 3.8 million pounds purchased during the second quarter as prices fell dramatically to just under 3.0 million pounds during the third quarter. On the other hand, buying activity increased on the part of both producers and trader/others. Traders almost doubled their activity from just under four million pounds to 7.7 million pounds during the third quarter. Producers jumped from less than half a million pounds in the second quarter to over two million pounds during the third. These buying increases contributed to the price increase. But, one of the other issues that helped contribute to the price increase during the third quarter was the decline of producer supplied material to the spot market. During the first quarter, producers supplied 3.3 million

pounds of material to spot transactions with the number falling to 1.8 million pounds during the second quarter and slipping further to 1.7 million pounds during the third quarter. As producer spot supplies declined, traders and others increased their positions in the third quarter, accounting for 11 million pounds U<sub>3</sub>O<sub>8</sub>e, up from the 6.3 million pounds that this group supplied in each of the first two quarters.

**Fourth Quarter Outlook** – As noted in last week’s cover, one of the concerns in the market has been the presence of volatility, but as noted the market continues to look for an equilibrium. Over the past couple of years, the question has turned to how long does each equilibrium state last? During the last week of September, the spot price backed off a bit as buying subsided. However, more recently, each time one side backed off, it appears the other side was more willing to meet in the middle thereby keeping the spot price in a more narrow range. For the moment, it appears that the market has found another balance point. And, unless we see any have-to buyers or sellers enter the market to push price either up or down prior to year end, the current equilibrium could continue through the next quarter.



**Uranium Spot Market Statistics**

(Million pounds U<sub>3</sub>O<sub>8</sub> equivalent, \* includes activity through October)

	2011			2012					2013					2014			
	3Q	4Q	Yr.	1Q	2Q	3Q	4Q	Yr.	1Q	2Q	3Q	4Q	Yr.	1Q	2Q	3Q	Yr.*
<b>Total Volume</b>	12.7	12.9	55.8	10.6	7.3	9.4	15.2	42.6	16.0	10.3	12.8	11.3	50.4	10.4	8.1	12.7	32.6
# Transactions	98	82	365	64	49	55	77	245	86	72	85	75	318	75	65	77	232
Leadtime (mths)	1.3	1.7	1.7	2.5	3.2	2.7	2.3	0.2	3.2	2.8	3.4	2.6	7.4	3.3	3.7	2.8	3.1
<b>Form</b>																	
U <sub>3</sub> O <sub>8</sub> Total	9.6	10.5	42.0	6.4	6.2	6.8	11.9	31.2	14.9	8.0	11.1	10.4	44.4	9.2	7.2	9.4	27.3
UF <sub>6</sub> Total	2.8	2.1	12.6	4.2	1.2	2.1	1.4	8.9	0.8	2.1	0.8	0.8	4.5	1.1	0.3	2.7	4.2
EUP Total	0.2	0.3	1.2	0.1	0.0	0.6	1.8	2.5	0.3	0.2	0.9	0.1	1.5	0.0	0.5	0.5	1.1
<b>Need</b>																	
Actual	4.4	5.3	16.4	3.8	2.4	0.6	0.2	6.9	1.2	0.9	2.4	0.0	4.5	0.0	0.0	0.4	0.4
Discretionary	8.2	7.6	39.4	6.9	4.9	8.9	15.0	35.7	14.8	9.4	10.5	11.3	45.9	10.4	8.1	12.3	32.1
<b>Method</b>																	
On-market	0.7	2.0	5.8	1.4	0.3	0.0	2.1	3.8	86	72	85	75	318	1.5	0.6	1.1	3.1
Off-market	11.9	10.9	49.9	9.2	7.0	9.4	13.1	38.8	3.2	2.8	3.4	2.6	7.4	8.9	7.5	11.6	29.4

# News Briefs

## India and Finland sign nuclear safety cooperation agreement

India and Finland have signed an agreement for cooperation between India's Atomic Energy Regulatory Board and Finland's Nuclear Safety Authority. The agreement includes exchange of information on nuclear energy and safety, reactor construction and operation, research, decommissioning, and management of spent fuel.

## Nuclearelectrica selects China General Nuclear as strategic investor for Units 3 and 4 at Romania's Cernavoda nuclear power plant

In an October 17 press release, Romanian utility Nuclearelectrica announced that it has chosen China General Nuclear (CGN) as the selected investor for Units 3 and 4 at the Cernavoda nuclear power plant. The two companies signed a letter of intent to carry out the project. The agreement calls for China General Nuclear to own a majority stake of at least 51% in the two reactors while Nuclearelectrica will retain a minority share. CGN was the only that submitted a bid to invest in the reactors before the deadline of September 9, 2014. Currently Units 3 and 4 at Cernavoda are partially completed but are awaiting further construction. Unit 3 is now 52% complete and Unit 4 is 30% complete. The reactors could be operational in 2019 and 2020, respectively.

## Spain's ENUSA awards multi-year enrichment contract to AREVA

On October 17, AREVA announced that it signed a multi-year contract to supply enrichment services to ENUSA, which manages the provision of nuclear fuel for Spain's seven commercial reactors. SWU from AREVA's Georges Besse II enrichment plant will be provided to nuclear power plants in Spain under the contract. "This supply contract contributes to the long term consolidation of the commercial relations between both companies," said ENUSA president Jose Luis Gonzales.

## AREVA CEO Luc Oursel steps down due to health reasons

AREVA reported today (October 20) that Luc Oursel has stepped down as Chief Executive Officer of the company due to health reasons. Mr. Oursel stated that he will remain available to AREVA to ensure the best possible transition for the company. AREVA's Supervisory Board will handle the

## Industry Calendar

- October 21-22, 2014  
**Central & Eastern Europe Nuclear New Build Congress 2014**  
 SZ&W Group  
<http://www.szwgroup.com/nuclear-new-build-congress-poland-2014/>  
 Warsaw, Poland
- January 21, 2015  
**NEI Fuel Supply Forum**  
 Nuclear Energy Institute  
<http://www.nei.org/Conferences>  
 Renaissance Mayflower Hotel, Washington, D.C., USA

Details are available at:  
[http://www.uxc.com/c/data-industry/uxc\\_calendar.aspx](http://www.uxc.com/c/data-industry/uxc_calendar.aspx)

company's operations until the next General Assembly.

## French President replaces head of EDF

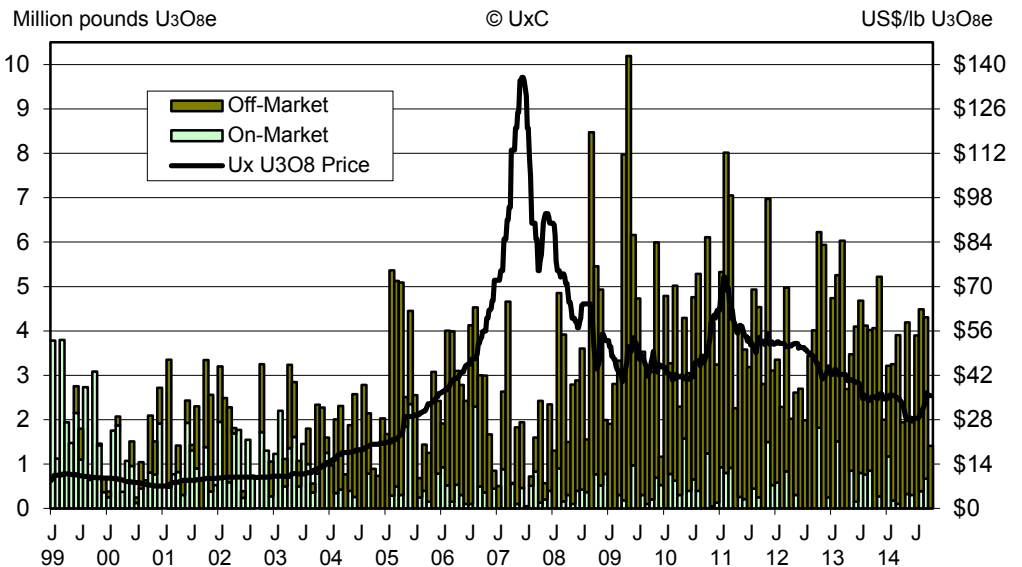
French President Francois Hollande has decided not to reappoint Henri Proglio to an extended term in office as chief executive officer for EDF. Proglio was first appointed to a five-year term as head of EDF on November 22, 2009 by former President Nicolas Sarkozy and his term in office expires on November 22, 2014. Jean-Bernard Levy, who is currently chairman and chief executive of Thales SA, has been selected as EDF's new CEO.

Proglio was vocally pro-nuclear energy, and had criticized the government's policy of reducing the nation's reliance on nuclear power. He had actively sought an extension of his term in office as head of EDF until 2017, but the French government stated that it decided not to reappoint Proglio due to its plans for an energy transition.

## Limerick nuclear power plant gets 20-year license renewal

On October 20, the U.S. Nuclear Regulatory Commission granted 20-year license renewals for Units 1 and 2 at Exelon's Limerick nuclear power plant in Pennsylvania. With the

**Ux U<sub>3</sub>O<sub>8</sub> Price vs. Spot Volume by Method**



license renewals, Limerick 1 is now able to operate until 2044 and Unit 2 is able to operate until 2049.

### Paladin announces quarterly production

Paladin Energy Ltd. announced on October 17 quarterly operational results for the third quarter ending September 30, 2014 (Q3). Paladin reported that Langer Heinrich is back on track following maintenance delays experienced during the quarter. Total production from the Langer Heinrich mine in Namibia was 1,027,033 pounds U<sub>3</sub>O<sub>8</sub>, which was 23% below Q2 production. Mining activities at Langer Heinrich focused on the western side of the deposit in Pit H1 and H2. Mining volumes remained on target and ROM ore stockpiles were full at the end of September with approximately six weeks' supply on the pad.

At the Langer Heinrich processing plant, Paladin said that the scaling issues have been fully resolved and the resin replacement for both NIMCIX systems has been completed. As such, the new NIMCIX systems are operating above budget efficiency and uranium transfer levels. Furthermore, the company stated that its new process optimization strategy at Langer Heinrich will continue to focus on better utilization of existing equipment and unit operating costs. In terms of future equipment, Paladin reported that a nano-filtration circuit is currently under construction at Langer Heinrich. This circuit represents the first phase in a range of innovations and optimizations aimed at achieving a substantial reduction in ion exchange and leach reagent consumptions as well as increased overall recovery.

During the quarter, Paladin completed a 25% joint venture equity stake in Langer Heinrich to CNNC Overseas Uranium Holding Ltd. for consideration of US\$190 million. The offtake component of the agreement allows CNNC to purchase its pro-rata share of Langer Heinrich production at the rate of the prevailing market spot price.

At the company's Kayelekera mine in Malawi, Paladin stated that the transition from production to care and maintenance has been successfully completed and plant modifications for future water treatment have been completed and successfully

trialed.

Sales during Q3 2014 totaled 1,250,000 pounds U<sub>3</sub>O<sub>8</sub>, which generated revenue of US\$38.95 million, representing an average sales price of US\$31.16. Uranium deliveries scheduled for the quarter ended December 31, 2014 are 1.91 million with a higher expected average sales price. Paladin's production guidance for the year remains at 5.4-5.8 million pounds U<sub>3</sub>O<sub>8</sub>.

### Rio Tinto posts Q3 production

Rio Tinto announced on October 15 production results for the third quarter (Q3) ended September 30, 2014 (Q3). The company's 68.6%-owned stake in Energy Resources of Australia Ltd.'s Ranger mine was 853,000 pounds U<sub>3</sub>O<sub>8</sub>, which is down 7% from Q3 2013's total of 920,000 pounds U<sub>3</sub>O<sub>8</sub>. On a 100% basis, total Q3 production at Ranger was 1,247,076 pounds U<sub>3</sub>O<sub>8</sub>. Progression to full mill throughput at Ranger was achieved in the third quarter following the recommencement of processing operations in June 2014. The Ranger operation was temporarily suspended from December 2013 until June 2014 due to a leach tank failure.

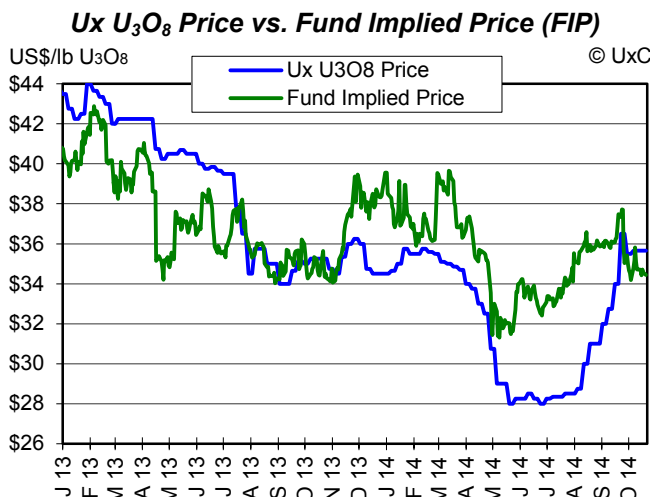
The company's 68.4% stake in the Rössing mine in Namibia realized 615,000 pounds U<sub>3</sub>O<sub>8</sub> during Q3 2014, which is 35% lower than 948,000 pounds U<sub>3</sub>O<sub>8</sub> produced in Q3 2013. On a 100% basis, production topped 896,501 pounds U<sub>3</sub>O<sub>8</sub> during Q3 2014. Rio Tinto reported that the year-over-year decrease was largely the result of operational changes made in response to current market conditions.

Rio Tinto stated that given production in the first nine months of 2014, its share of production in 2014 is expected to be closer to the lower end of the guidance range of 4.3-5.1 million pounds U<sub>3</sub>O<sub>8</sub>. The company's share of total production for the first nine months is 2,567,000 pounds U<sub>3</sub>O<sub>8</sub>. On a 100% basis, total production from Ranger and Rössing for the first nine months was 3,747,000 pounds U<sub>3</sub>O<sub>8</sub>. Rio Tinto markets 100% of both Rössing and Ranger production.

### New uranium mining area in licensing process at Caetite

Indústrias Nucleares do Brasil (INB) is licensing a new deposit located in the area of the Caetite uranium mine and mill. The Engenho deposit will be an open pit mine starting in 2015, utilizing three pits. This new mining area has the capacity to produce a total of 4,730 t U<sub>3</sub>O<sub>8</sub> (~10.4 million pounds U<sub>3</sub>O<sub>8</sub>) in 14 years, corresponding to an average annual production of 340 tonnes U<sub>3</sub>O<sub>8</sub> (~750,000 pounds U<sub>3</sub>O<sub>8</sub>). An Environmental Control Plan with all the features of the Engenho deposit is being analyzed by IBAMA.

Meanwhile, INB is working to commence underground mining from the Cachoeira mine, which previously produced a total of 3,640 t U<sub>3</sub>O<sub>8</sub> (~8.0 million pounds U<sub>3</sub>O<sub>8</sub>) as an open pit mine. The extraction of the remaining ore using underground mining is in the licensing process and is expected to begin operations next year.



# The Market

## Uranium Spot Market

Spot activity remained in the low to moderate levels over the past week. Volumes for the month have slowed from the pace set in August and September, but as we enter the fourth quarter, activity traditionally increases slightly during October and November before slowing again in December as the holiday season begins. As discussed in the cover story, the market may be finding an equilibrium state; and, as a result, more buyers may come back to the market seeking to lock in current prices or take advantage of year-end discretionary budgets. This week's NEI IUFS being held in Atlanta will also provide a venue for many participants to meet face-to-face to discuss recent developments and ponder future outlooks, and many times these meetings result in a bump in market activity.

Over the past week, five additional transactions were added to the database, bringing the total for the month to 15 transactions involving about 1.4 million pounds U<sub>3</sub>O<sub>8</sub>. And, annual volume now sits at 32.6 million pounds U<sub>3</sub>O<sub>8</sub> equivalent under 232 transactions. Based on recent activity, as well as current bids and offers, the Ux U<sub>3</sub>O<sub>8</sub> Price is \$35.65 per pound, unchanged for the week.

A year ago this time, the spot price was \$35.25, almost the same level as it is today. The two schools of thought then were 1) that price would increase dramatically over the next 12 months due to a supposedly looming and huge supply "gap," or 2) that price could be stuck at around the \$35 level unless there were more production cutbacks and delays; that is, the market had to rid itself of a supply "glut" first before price could move higher. It seems like the latter view has

won out as there has been essentially no net improvement in price over the past year. However, there have been more supply cutbacks and delays over this period, raising the question of whether these actions are sufficient to raise prices over the upcoming 12 months. This will likely be one of the questions on peoples' minds during this week's NEI IUFS conference in Atlanta.

## UxC Broker Average Price

The UxC Broker Average Price (BAP) began the week on Tuesday down \$0.07 to \$35.56. After sliding to \$35.44 on Wednesday, the indicator rose to finish Friday at \$35.75. Today's UxC BAP is \$35.75, unchanged from Friday and up \$0.12 from last Monday's \$35.63. The BA Bid is \$35.50, up \$0.25 from last Monday's \$35.25 and the BA Offer is \$36.00 unchanged from last Monday.

## Fund Implied Price (FIP)

Fund Implied Prices (FIP) Fund Implied Prices (FIP) began the week on Tuesday down slightly by \$0.03, \$34.69. By Friday, the FIP slid to \$34.57, down \$0.15 on the day. Today's FIP is \$34.44, down \$0.13 from Friday and down \$0.28 from last Monday's \$34.72. The latest FIP information can be found in the chart on page 4.

## U<sub>3</sub>O<sub>8</sub> Futures Market

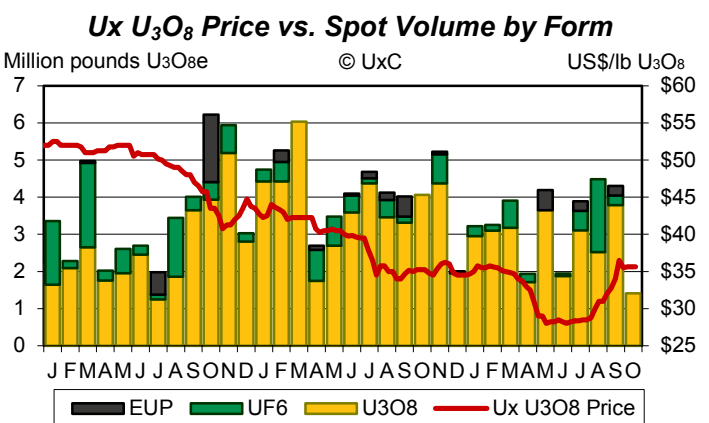
The CME Group futures market for uranium remained quiet throughout the week as no new contracts were booked. Pricing for the week increased slightly early-on, but turned over by midweek to finish Friday near where it began the week on Monday. For the latest futures market prices, please refer to the table on page 7.

As there were no contracts booked during the week, the October monthly total remains unchanged at 21 contracts (5,250

UxC Market Statistics				
Monthly (Oct)	Spot		Term	
	Volume	# Deals	Volume	# Deals
U <sub>3</sub> O <sub>8</sub> e (million lbs)	1.4	15	0	0
Conv. (thousand kgU)	0	0	0	0
SWU (thousand SWU)	0	0	W	1
2014 Y-T-D				
	Spot		Term	
	Volume	# Deals	Volume	# Deals
U <sub>3</sub> O <sub>8</sub> e (million lbs)	32.6	232	>69.0	37
Conv. (thousand kgU)	>2,400	22	>9,000	14
SWU (thousand SWU)	W	4	>5,500	10

Key: N/A – Not available. W – Withheld due to client confidentiality.

UxC Leading Price Indicators	
Three-month forward looking price indicators, with publication delayed one month. Readings as of Sep. 2014.	
Uranium (Range: -17 to +17)	-7 [up 2 points]
Conversion (Range: -16 to +16)	-3 [up 2 points]
Enrichment (Range: -18 to +18)	-6 [up 1 point]
<b>Platts Forward Uranium Indicator</b>	<b>\$35.00-\$36.50</b>
A forward one-week outlook.	As of 10/17/14 (US\$/lb)



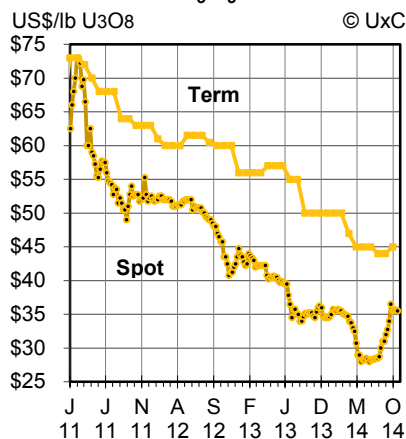
## Freeway Gridlock

My cell phone quit as I tried to let my wife know that I was caught in freeway gridlock and would be late for our anniversary dinner.

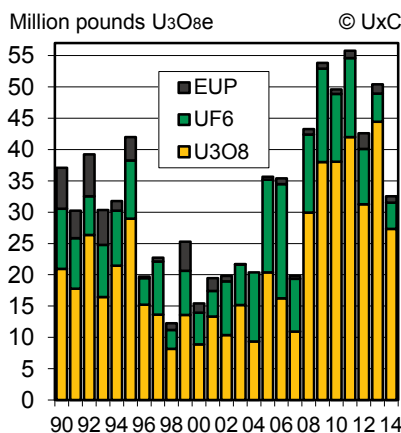
I wrote a message on my laptop asking other motorists to call her, printed it on a portable inkjet and taped it to my rear windshield.

When I finally arrived home, my wife gave me the biggest kiss ever. "I really think you love me," she said. "At least 70 people called and told me so."

**Ux U<sub>3</sub>O<sub>8</sub> Prices**



**Annual Spot Uranium Volumes**



pounds U<sub>3</sub>O<sub>8</sub>) along with the 2014 annum total at 2,099 contracts (524,750 pounds U<sub>3</sub>O<sub>8</sub>). Total open interest currently stands at 6,204 contracts (1,551,000 pounds U<sub>3</sub>O<sub>8</sub>).

about 350,000 kgU as UF<sub>6</sub> with delivery split between 2014 and 2015. In the

**Uranium Term Market**

Current activity in the term uranium market remains limited with only a few utilities actively evaluating term offers, although demand interest for mid-term delivery has continued over the past couple of months and is likely to result in several more off-market contract awards. In the meantime, no new utility requests or term contract awards have been reported over the past week. A non-U.S. utility is evaluating offers based on its request for about 2.5 million pounds U<sub>3</sub>O<sub>8</sub> equivalent with delivery in 2017-2020. Another utility is seeking uranium contained in EUP with delivery starting in 2015. Several other utilities are either evaluating more quiet opportunities or considering market entry.

longer-term market, a non-U.S. utility is evaluating offers for about one million kgU as UF<sub>6</sub> with delivery over the 2017-2020 time period. Another non-U.S. utility is nearing its selection based on offers for up to 500,000 kgU of conversion services per year with delivery in 2018-2020. Another utility is seeking conversion contained in EUP.

**Conversion & UF<sub>6</sub>**

While several utilities remain active with requests, activity in the conversion market also remains fairly quiet with no new demand or transactions for either spot or term delivery over the past week. In the spot and mid-term market, a non-U.S. utility is out for about 100,000 kgU as conversion services with spot delivery. Another non-U.S. utility is out for

**Enrichment & EUP**

Activity in the enrichment market remains limited with no new demand reported over the past week. As noted on page 3, AREVA has formally announced a contract award involving term enrichment services. A U.S. utility is evaluating offers based on its request for up to one million SWU with delivery starting in 2019. Another utility is seeking term EUP with delivery starting in 2015. As spot and term prices seemed to have leveled off, some utilities may consider entering the market to lock in current price levels, especially considering the potential issues that would arise if there were sanctions imposed on the delivery of Russian nuclear fuel.

**Ux Price Indicators (€ Equiv\*\*)**

<b>Weekly (10/20/14)</b> 1 US\$ = .78061€			
<b>Ux U<sub>3</sub>O<sub>8</sub> Price</b>		<b>\$35.65</b>	<b>€27.83</b>
<b>Mth-end (9/29/14)</b> 1 US\$ = .78792€			
<b>U<sub>3</sub>O<sub>8</sub></b>	Spot	<b>\$35.50</b>	<b>€27.97</b>
	Long-Term	<b>\$45.00</b>	<b>€35.46</b>
<b>Conversion</b>	NA Spot	<b>\$7.25</b>	<b>€5.71</b>
	NA Term	<b>\$16.00</b>	<b>€12.61</b>
	EU Spot	<b>\$7.50</b>	<b>€5.91</b>
	EU Term	<b>\$17.00</b>	<b>€13.39</b>
<b>UF<sub>6</sub> Spot</b>	NA Price	<b>\$99.25</b>	<b>€78.20</b>
	NA Value*	<b>\$100.01</b>	<b>€78.79</b>
	EU Value*	<b>\$100.26</b>	<b>€78.99</b>
<b>SWU</b>	Spot	<b>\$88.00</b>	<b>€69.34</b>
	Long-Term	<b>\$90.00</b>	<b>€70.91</b>
<b>EUP</b>	NA Spot**	<b>\$1,570</b>	<b>€1,237</b>
	NA Term**	<b>\$1,926</b>	<b>€1,518</b>

**Ux Price Indicator Definitions**

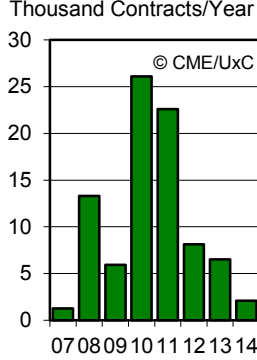
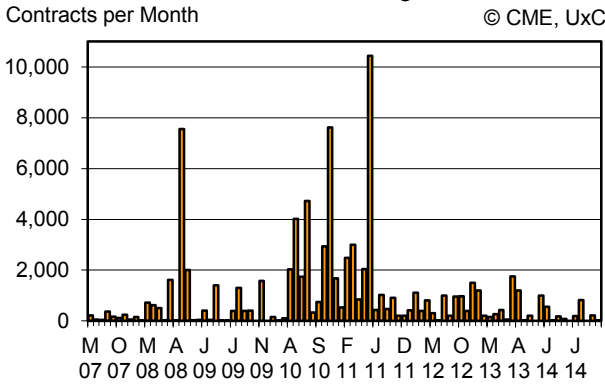
The Ux Spot Prices indicate, subject to the terms listed, the most competitive offers available for the respective product or service of which The Ux Consulting Company, LLC (UxC) is aware, taking into consideration information on bid prices for these products and services and the timing of bids and offers as well. The Ux U<sub>3</sub>O<sub>8</sub> Price (Spot) includes conditions for delivery timeframe (≤ 3 months), quantity (≥ 100,000 pounds), and origin considerations, and is published weekly. The Ux LT U<sub>3</sub>O<sub>8</sub> Price (Long-Term) includes conditions for escalation (from current quarter), delivery timeframe (≥ 24 months), and quantity flexibility (up to ±10%) considerations. The Ux Conversion Prices consider offers for delivery up to twelve months forward (Spot) and base-escalated long-term offers (LT) for multi-annual deliveries with delivery in North America (NA) or Europe (EU). The Ux NA UF<sub>6</sub> Price includes conditions for delivery timeframe (6 months), quantity (50-150,000 kgU), and delivery considerations. \*The Ux NA and EU UF<sub>6</sub> Values represent the sum of the component conversion and U<sub>3</sub>O<sub>8</sub> (multiplied by 2.61285) spot prices as discussed above and, therefore, do not necessarily represent the most competitive UF<sub>6</sub> spot offers available. The Ux SWU Price (Spot) considers spot offers for deliveries up to twelve months forward for other than Russian-origin SWU. The Ux LT SWU Price (Long-Term) reflects base-escalated long-term offers for multi-annual deliveries. \*\*The Ux Spot and Term EUP Values represent calculated prices per kgU of enriched uranium product based on a product assay of 4.50% and a tails assay of 0.30%, using spot and term Ux NA and appropriate spot and term price indicators and are provided for comparison purposes only. All prices, except for the weekly Ux U<sub>3</sub>O<sub>8</sub> Price, are published the last Monday of each month. (Units: U<sub>3</sub>O<sub>8</sub> = US\$ per pound, Conversion/UF<sub>6</sub>: US\$ per kgU, SWU: US\$ per SWU, EUP: US\$ per kgU) The Ux Prices represent neither an offer to sell nor a bid to buy the products or services listed. \*\*The Euro price equivalents are based on exchange rate estimates at the time of publication and are for comparison purposes only.

The Platts Forward Uranium Indicator price range belongs to Platts, a McGraw Hill Company, and is published with permission. Definitions of these prices are available from their original source.

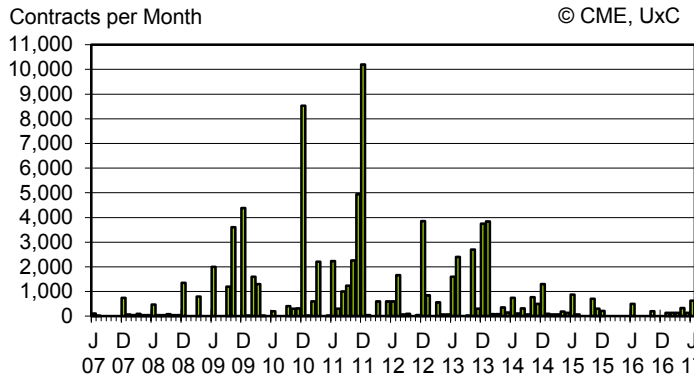
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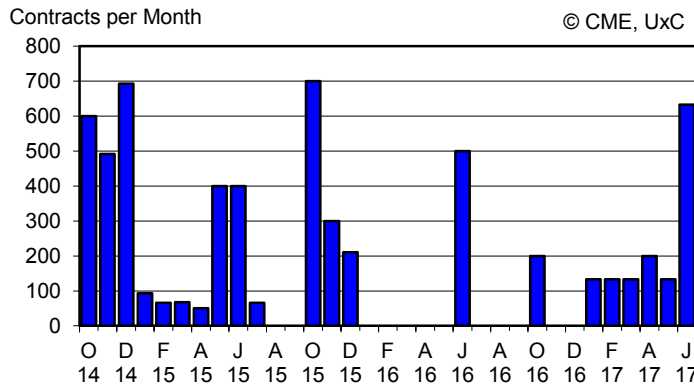
**CME/NYMEX UX Futures Activity**  
**Total Contracts by Transaction Month, by Transaction Year**



**Total Contracts by Settlement Month**



**Open Interest by Settlement Month**

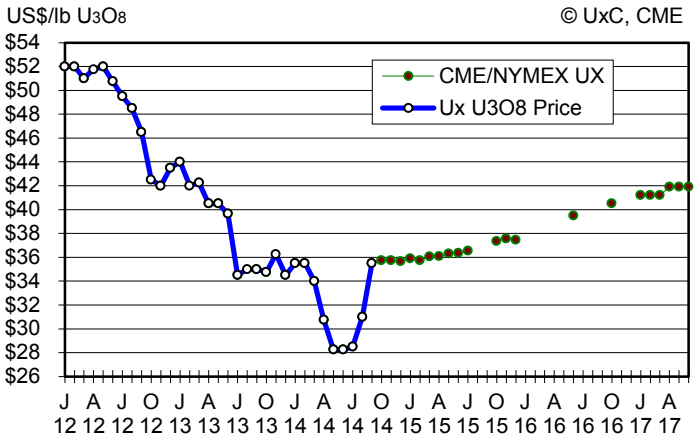


**CME Uranium U<sub>3</sub>O<sub>8</sub> (UX) Futures**

**Activity as of October 17, 2014**

Settlement	Price	Volume	Open
Apr 2014	\$30.75	358	N/A
May 2014	\$28.25	150	N/A
Jun 2014	\$28.25	750	N/A
Jul 2014	\$28.50	115	N/A
Aug 2014	\$31.00	315	N/A
Sep 2014	\$35.50	75	N/A
Oct 2014	\$35.75	772	600
Nov 2014	\$35.75	492	492
Dec 2014	\$35.65	1,305	693
Jan 2015	\$35.90	93	93
Feb 2015	\$35.75	66	66
Mar 2015	\$36.05	68	68
Apr 2015	\$36.10	182	50
May 2015	\$36.30	132	400
Jun 2015	\$36.35	870	400
Jul 2015	\$36.55	66	66
Oct 2015	\$37.35	700	700
Nov 2015	\$37.55	300	300
Dec 2015	\$37.45	216	211
Jun 2016	\$39.50	500	500
Oct 2016	\$40.50	200	200
Jan 2017	\$41.20	133	133
Feb 2017	\$41.20	133	133
Mar 2017	\$41.20	133	133
Apr 2017	\$41.90	333	200
May 2017	\$41.90	133	133
Jun 2017	\$41.90	633	633
<b>*From May 2007 Totals:</b>		<b>85,954*</b>	<b>6,204</b>

**Ux U<sub>3</sub>O<sub>8</sub> Price vs. CME/NYMEX Forward UX Price Curve**



**UxC Broker Average Price (BAP) Definition**

The **UxC BAP** (Broker Average Price), subject to the terms listed, is a calculated average mid-point of bid and offer prices as supplied to UxC by participating brokers. The participating brokers are Evolution Markets and Numerco Limited (the "Brokers"). Data posted by the Brokers are kept confidential and will not be published or made available independently. The Broker data are subject to verification by The Ux Consulting Company, LLC (UxC), which compiles and reports the UxC BAP. In order to have a sufficient number of data points and to represent submissions by all of the Brokers, the UxC BAP includes the best bids and offers reported over a three-month forward period. This period is consistent with the three-month delivery period for offers considered in the determination of the **Ux U<sub>3</sub>O<sub>8</sub> Price**. On a daily basis, the Brokers submit their best bids and offers over a forward three-month period through a secure system. From these postings, UxC separately calculates the UxC Broker Average (BA) Bid and the UxC Broker Average (BA) Offer prices. The UxC BAP is a simple mid-point average of the **UxC BA Bid** and **UxC BA Offer** prices. Other Broker data collected include lot volume on a per offer basis. The UxC BAP is published on a daily basis and is made available to subscribers through email updates and UxC's Subscriber Services website.

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**Ux U<sub>3</sub>O<sub>8</sub> Price vs. UxC Broker Average Price (BAP)**

