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- January 2009: Bullish on Uranium
- August 2010: The New Green Metal
- November 2010: The Next Big Thing
- April 2010: Why I Remain a Uranium Bull

Why I Remain a Uranium Bull

Casper, WY September 2011

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U_3O_8 Supply and Demand

- 2009 Demand: 186 million lbs
- 2009 Mined: 132 million lbs
- 54 million lb Deficit
- Megatons to Megawatts: 24 million lbs
- Stockpiles: 30 million lbs

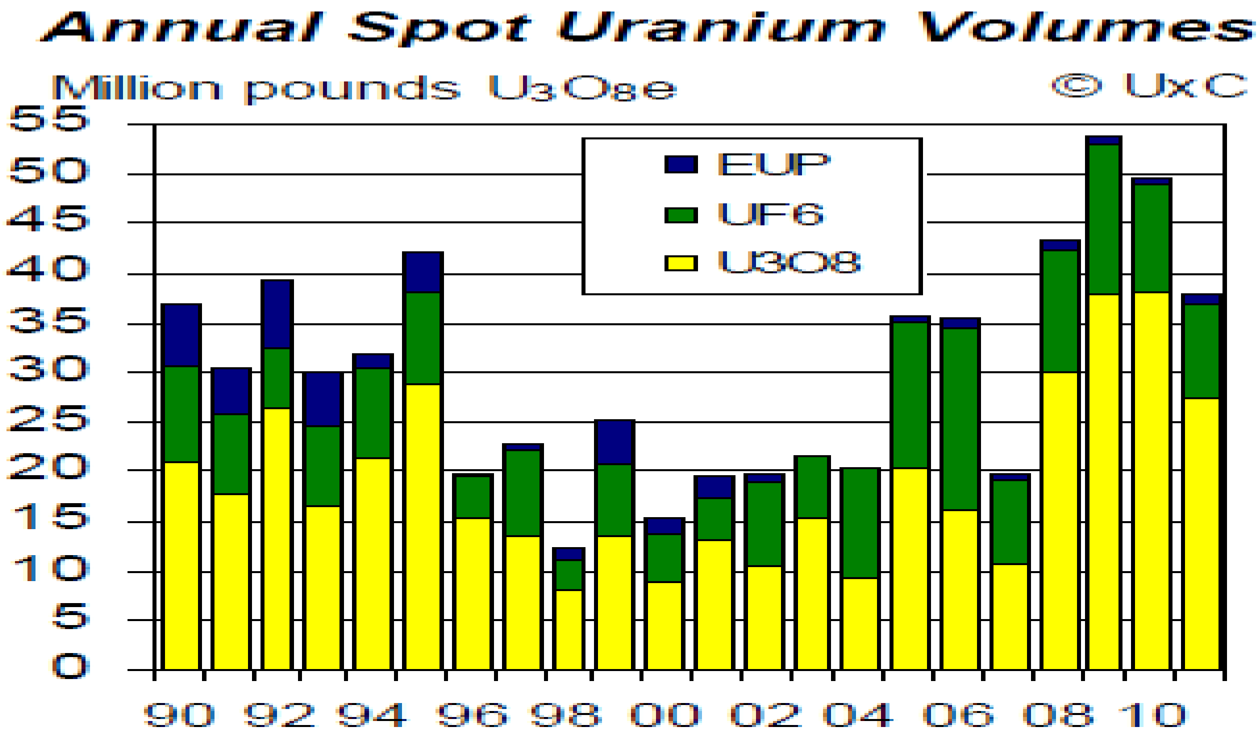
Uranium Supply and Demand

- 443 Operating Plants Before Japan Disaster
- 425 Operating Plants Post Japan Disaster
- 3 % Demand Destruction
- Sovereign Stockpiles Dwindling
- Russia / US Conversion Agreement Ends 2013

Uranium Sales

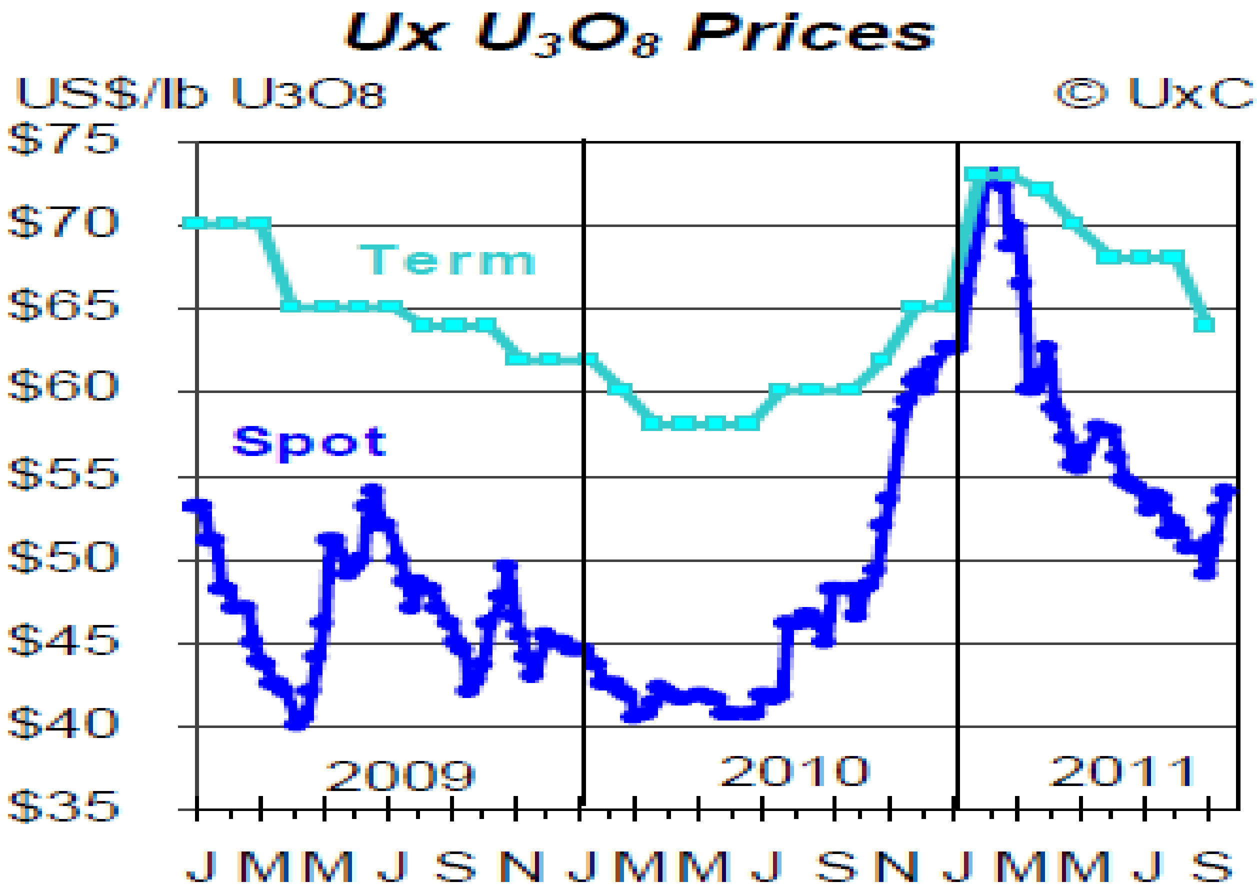
- Long Term Contracts 70-85 %
- Short Term Trades 15-30%
- Off-take Contract Price $64 / lb
- Spot Market Price $54 / lb
- Spot Price = November 2010

Uranium Spot Sales



Uranium Spot Price

- Ux Consulting
- 12 months ago = $48 / lb
- Drives the Stock Market


Ux U_3O_8 Prices
US$/lb U3O8
© UxC
$75
$70
$65
$60
$55
$50
$45
$40
$35
Term
Spot
2009
2010
2011
J M M J S N J M M J S N J M M J S

Uranium Spot Price Increases

- Buyers > Sellers
- Traders & Speculators
- China
- Utilities
- Producers
- Kazakhstan

Uranium: Story Remains the Same

- Nuclear Energy = 14% of Electricity
- 425 Nuclear Power Plants
- 104 United States
- 60 Under Construction / 150 Planned
- Increased Demand for Yellowcake
- 4% Growth Projected Year over Year

Uranium Supply

- USA 52 million pounds Demand
- USA 4 million pounds Supply = 7 %
- Kazakhstan #1; Russia #4; Niger #6
- Uzbekistan #9; China #10

Five Largest Mines = 43% of Supply

- MacArthur River, Saskatchewan
- Ranger, Northern Territory Australia
- Rossing, Namibia
- Kraznokamensk, Russia
- Olympic Dam, South Australia

New Production

- Conventional Underground = High Cost Mines
- Higher Prices Required ($65-80 per pound)
- Low Cost Mines
- ISR & Open-Pit Heap Leach Mines
- Profitable at Current Prices

Uranium Stocks

- H2 2005 - H1 2007 Boom
- H2 2007 - 2008 Bust
- 2009 - H1 2010 Flat and Out of Favor
- H2 2010 Next Big Thing
- Q2 2011 Japan: What is Future ?

USA Future Production

- South Texas ISR
- Wyoming Basins ISR & Open Pit
- Utah - Colorado UG
- Grants Mineral Belt UG & ISR

Palangana ISR "Mine"

Hobson ISR Plant, South Texas

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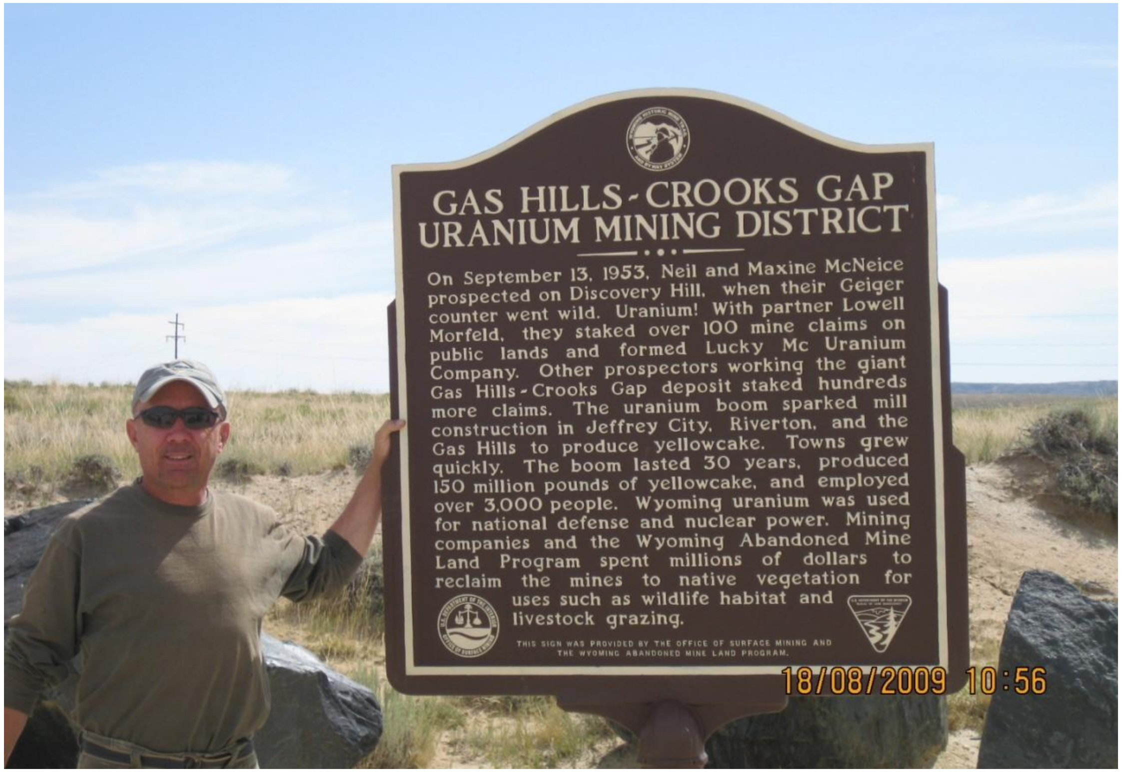
Gas Hills, Wyoming Summer 2009



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Gas Hills, Wyoming Roll Front

Roca Honda, New Mexico
Monitor Well Drilling Fall 2007

Why Do I Remain a Uranium Bull ?

- Supply and Demand Fundamentals
- 30 % Yearly Mine Supply Deficit
- 60 Reactors in Construction
- 200 Reactors Planned

Where is the U Going to Come From ?

- Stockpiles Dwindling
- Megatons to Megawatts Ending 2013
- New Mines Must Come On Stream

Wild Cards in the Uranium Game

- Department of Energy
- Bomb Dismantling
- Recycling
- Thorium

Monday Morning Musings from Mickey the Mercenary Geologist

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