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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

Albuquerque, NM January 2012

U_3O_8 Supply and Demand

- 2010 Demand: 178 million lbs
- 2010 Mined: 139 million lbs
- 39 million lb Deficit
- Megatons to Megawatts: 23 million lbs
- Stockpiles: 16 million lbs

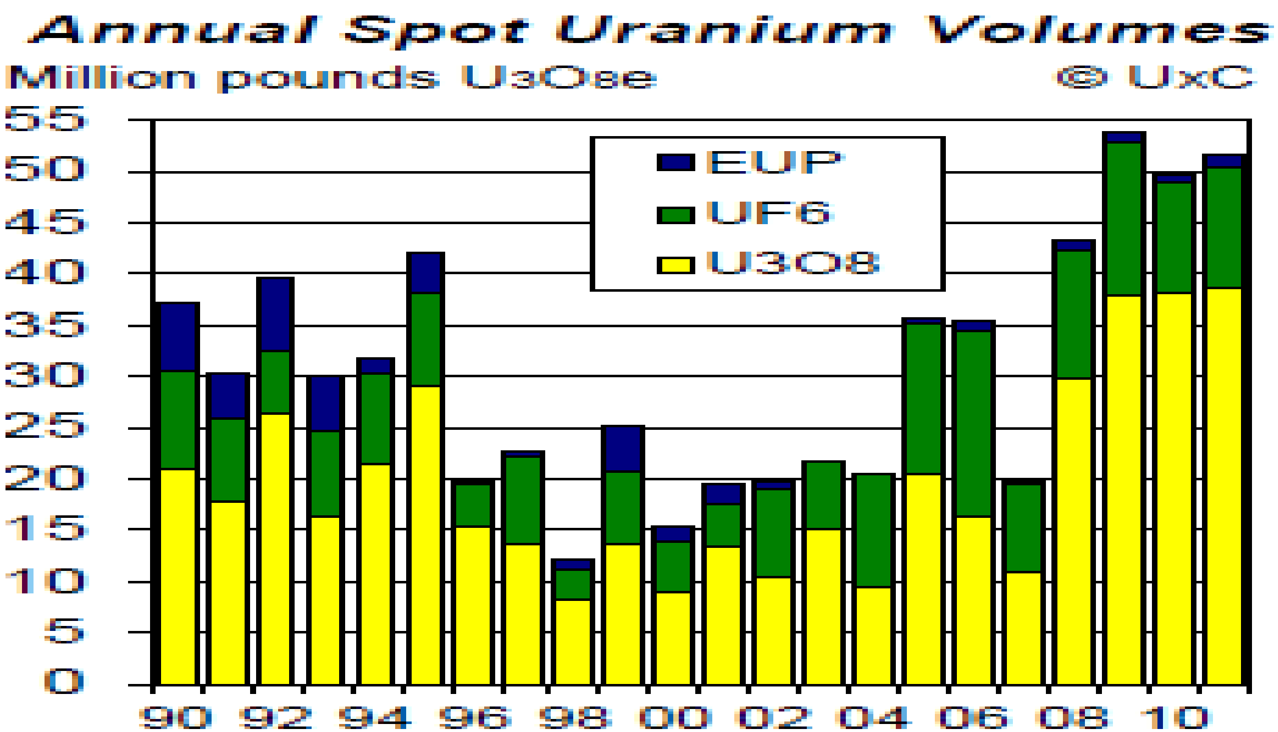
Uranium Supply and Demand

- 443 Operable Plants Before Japan Disaster
- 433 Operable Plants Post Japan Disaster
- 4 % Demand Destruction
- Sovereign Stockpiles Dwindling
- New Russia / USA LEU Agreement Thru 2022

Uranium Sales

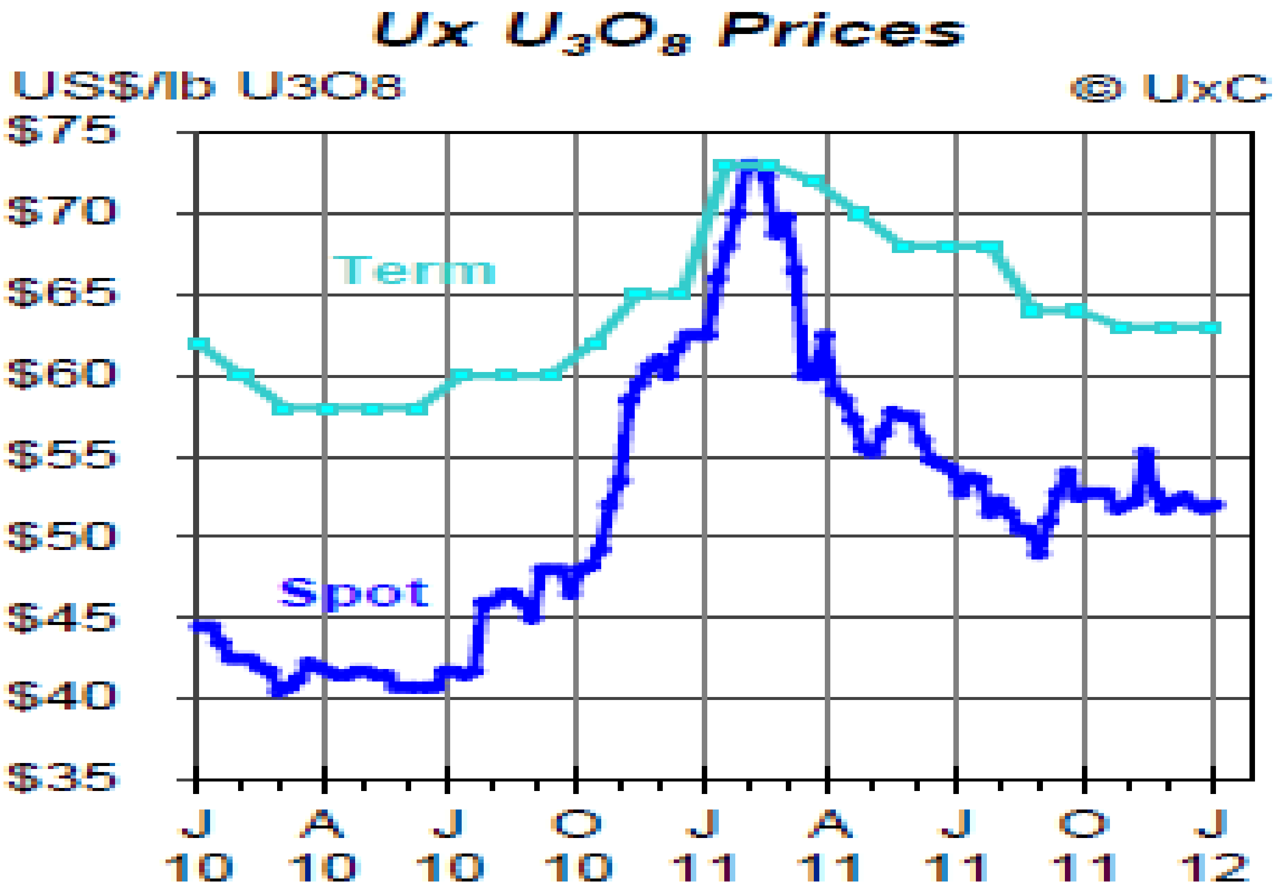
- Long Term Contracts 70-85 %
- Short Term Trades 15-30%
- Off-take Contract Price $63 / lb
- Spot Market Price $52 / lb
- Spot Price = October 2010

Uranium Spot Sales



Uranium Spot Price

- Source: Ux Consulting
- 12 months ago = $63 / 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
J 10
A 10
J 10
O 10
J 11
A 11
J 11
O 11
J 12

Uranium Spot Price Increases

- Buyers > Sellers
- Traders & Speculators
- China (Q4 2010)
- Utility Stockpiles
- Producers (Rio Tinto, Cameco)
- Kazakhstan Shortfalls

Uranium: Story Remains the Same

- Nuclear Energy = 14% of Electricity
- 433 Nuclear Power Plants Operable
- 62 Under Construction / 156 Planned
- Increased Demand for Yellowcake
- 4% Growth Projected Year over Year

USA Uranium Supply & Demand

- 104 USA Plants = 20% of Electricity
- 52 million pounds Demand
- <4 million pounds Supply = 7 %
- Kazakhstan #1; Russia #5; Niger #6
- Uzbekistan #7; Ukraine # 9; China #10

Five Largest Mines = 36 % of Supply

- MacArthur River, Saskatchewan
- Ranger, Northern Territory Australia
- Rossing, Namibia
- Kraznokamensk, Russia
- Olympic Dam, South Australia
- Ten Largest Mines = 55 % of Supply

New Production

- Conventional Underground = High Cost Mines
- Higher Prices Required ($65-80 per pound)
- Low Cost Mines
- ISR (41%) & 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 Fukushima: What is Future?

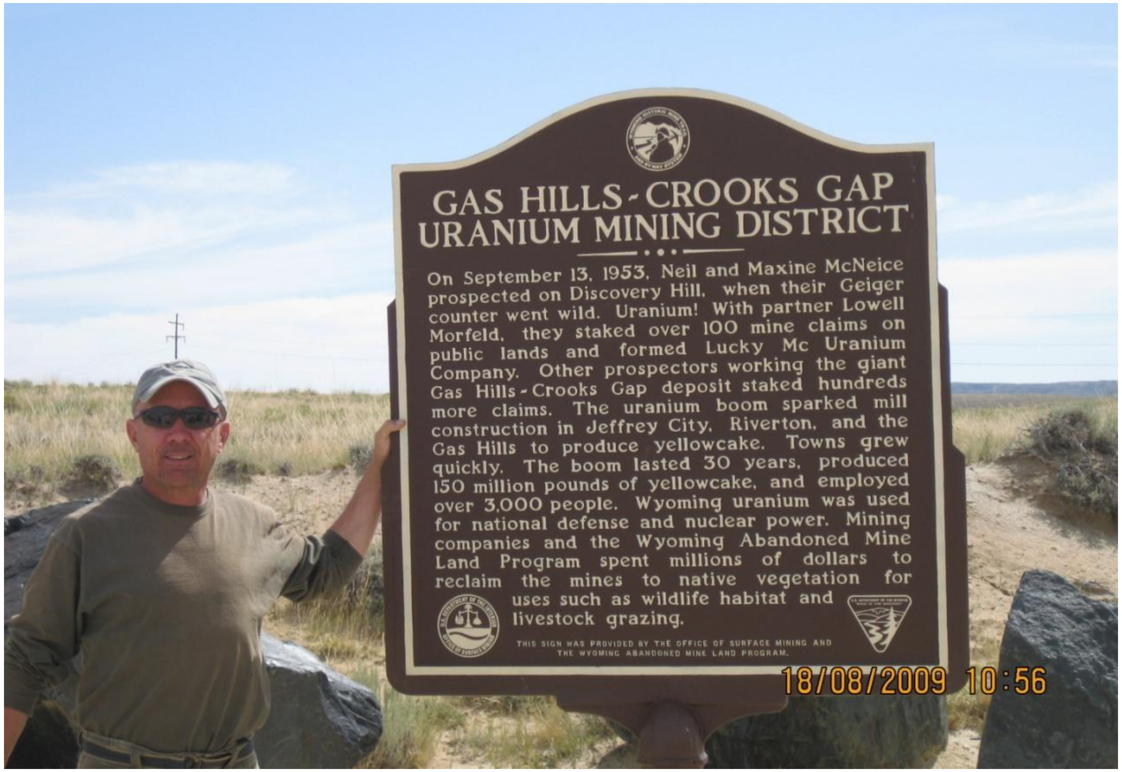
USA Future Production

- South Texas ISR
- Wyoming Basins ISR & Open Pit
- Utah - Colorado UG
- Grants Mineral Belt UG & ISR
- Arizona, Virginia, S. Dakota ??

Palangana ISR "Mine"

Hobson ISR Plant, South Texas

Gas Hills, Wyoming Summer 2009



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
- 22 % Yearly Mine Supply Deficit
- 62 Reactors in Construction
- 156 Planned & 343 Proposed

Where is the U Going to Come From ?

- Stockpiles Dwindling
- Russians 2013-2022 @ 50% of 1999-2013
- New USA Mines Must Come On Stream

Wild Cards in the Uranium Game

- USA Department of Energy
- Bomb Dismantling
- Recycling & Reprocessing
- Thorium

Monday Morning Musings from Mickey the Mercenary Geologist

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