

Uranium Market Today

and the challenges for the future

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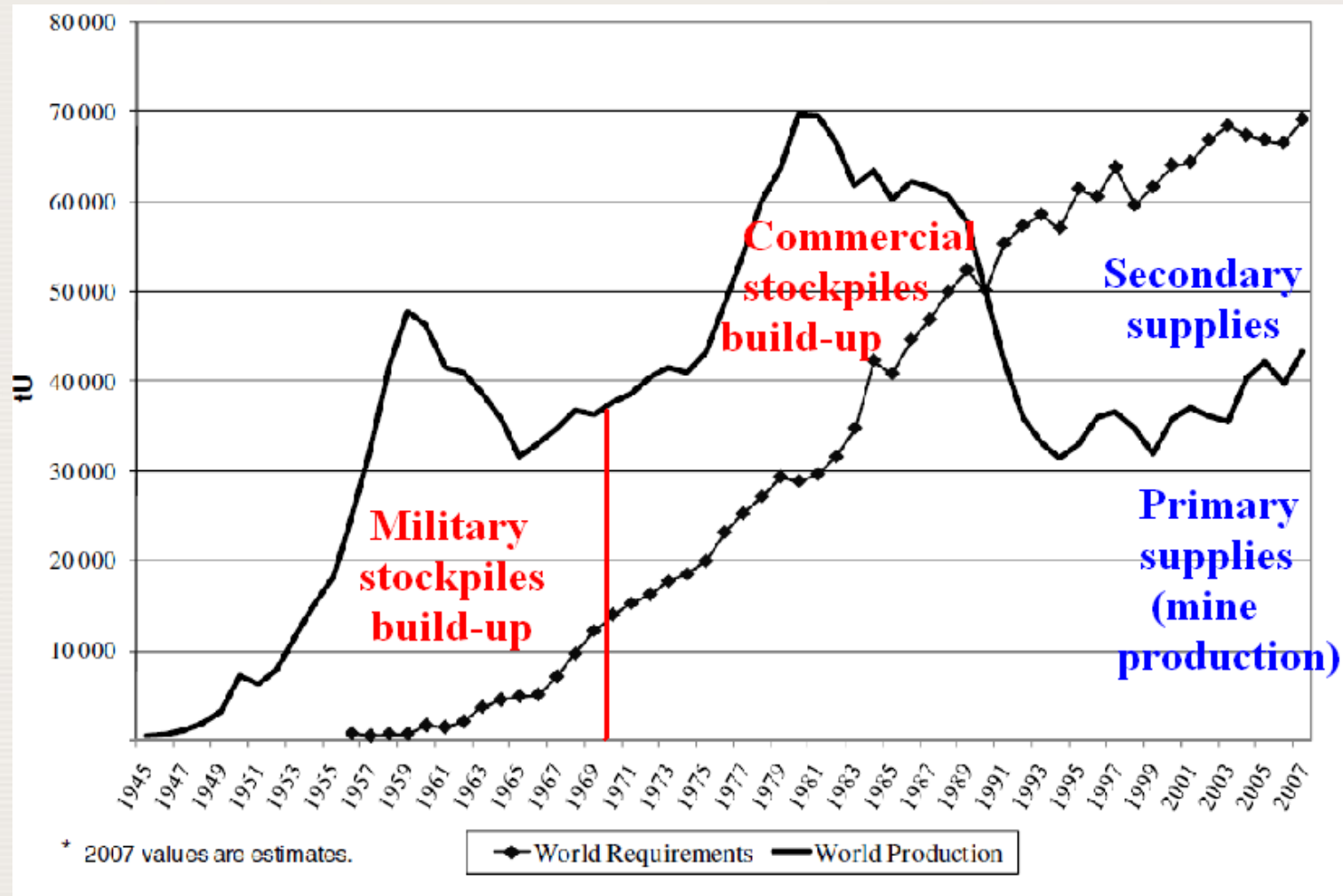
IAEA

International Atomic Energy Agency

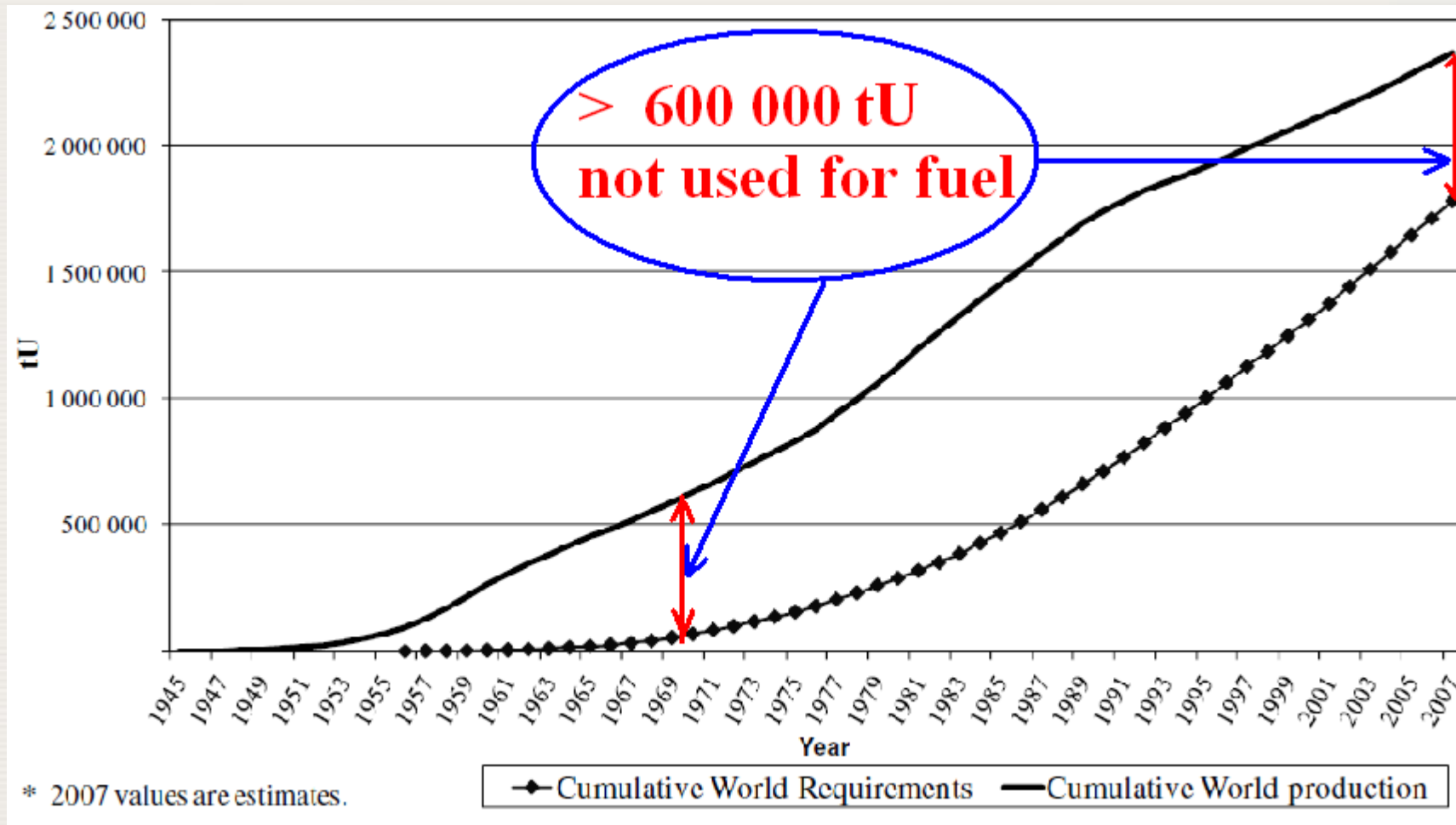
A bit of history (1)

- Uranium market has always/very often been described using adjectives like:
 - Not transparent,
 - Unstable,
 - Volatile,
 - Unpredictable, and
..... a few others

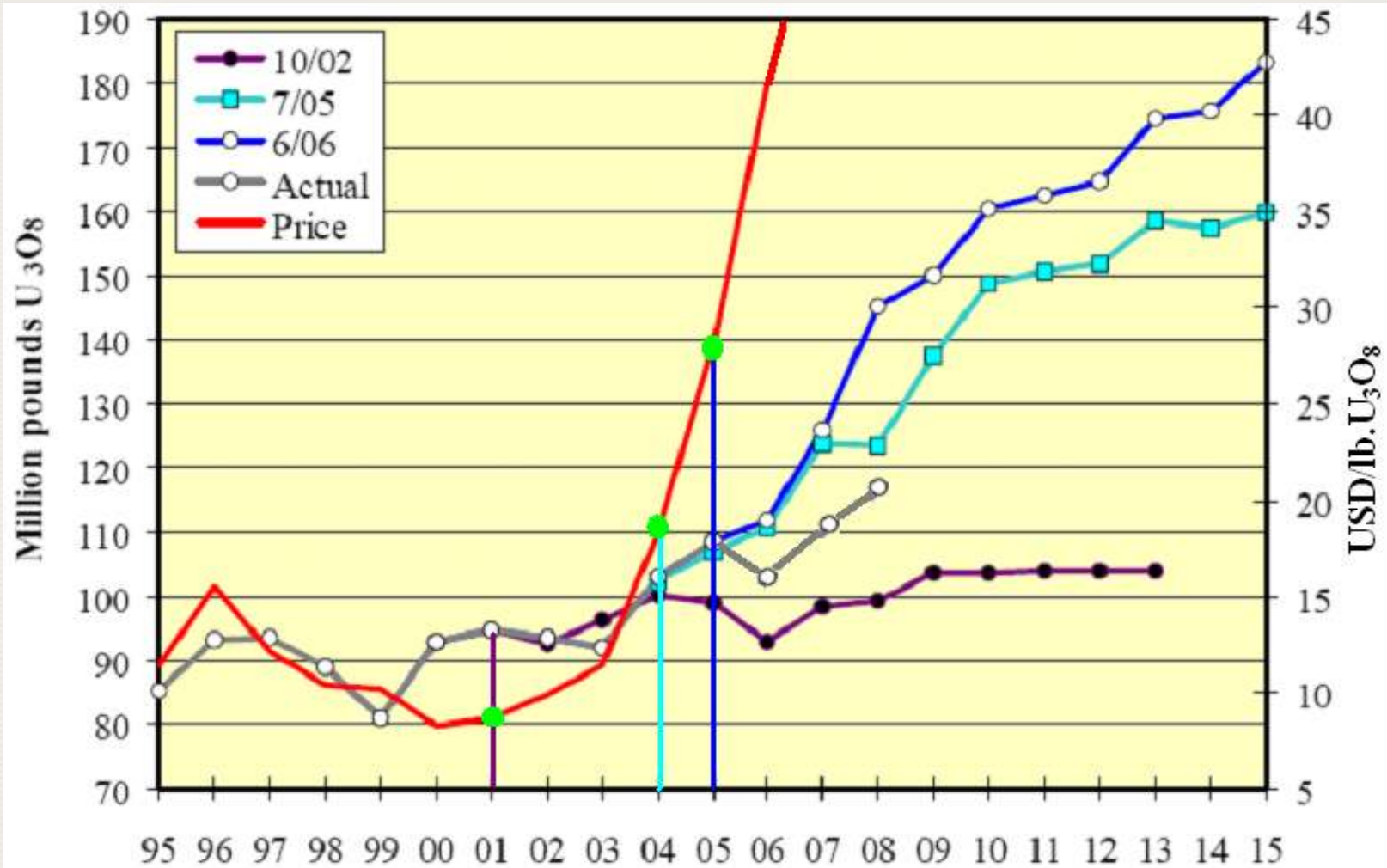
A bit of history (2)



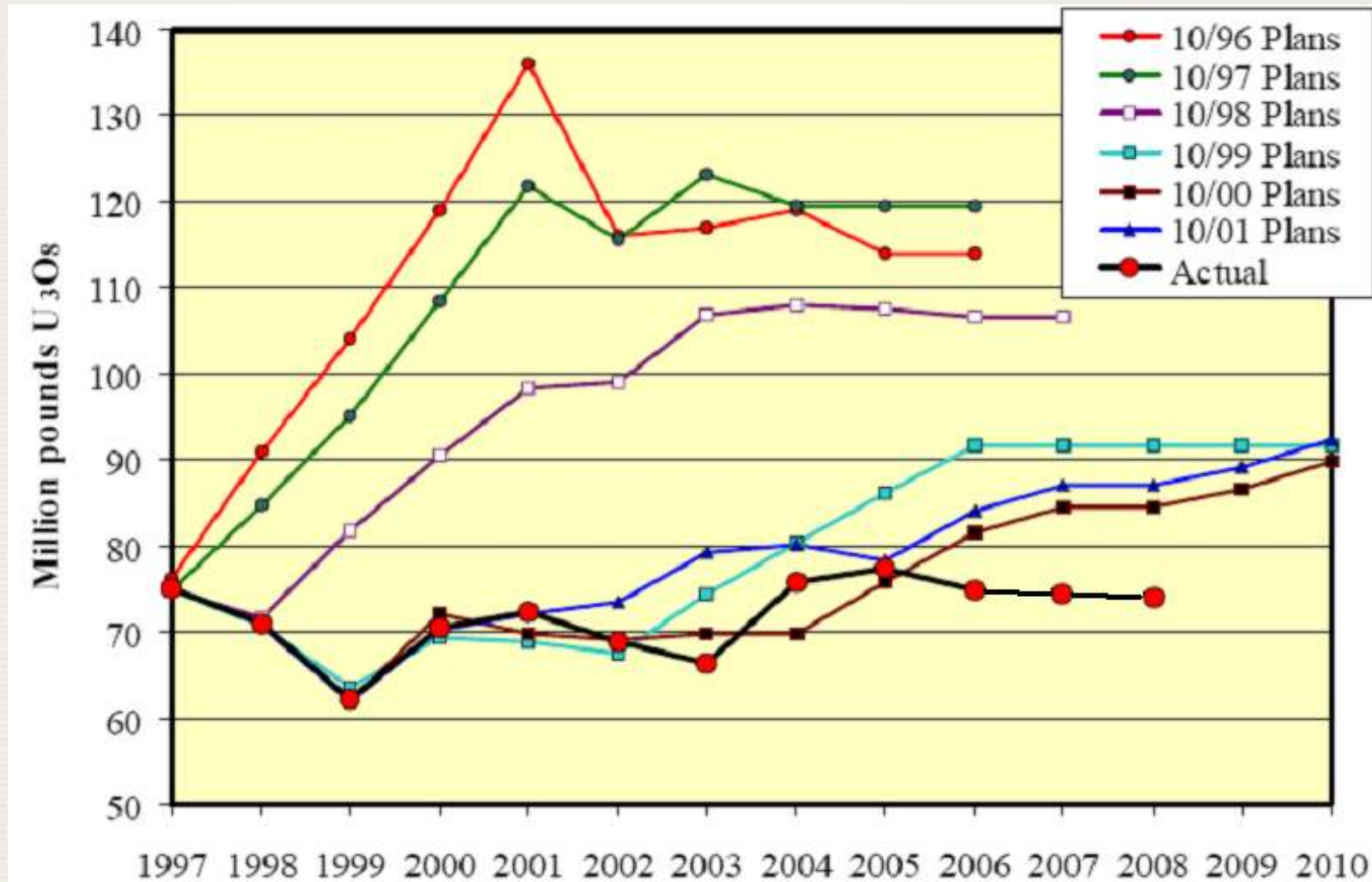
A bit of history (3)



Example 1: Changes in Uranium Production Plans



Example 2: Western Production Plans vs. Reality



Example 3: Developments Announced in 2007

Country	Production capacity (tU)	by	note
Australia	10 000	2015	much more by 2015?
Canada	10 000		stable? Cigar Lake?
Kazakhstan	15 000	2010	18 000 by 2012 ?
Niger	10 000	2012	
Russia	13 000	2015	reduced recently
USA	12 000	2015	???
Namibia	4 000	2009	6 000 by 2012 ?
Uzbekistan	2 500		5 000 by 2012 ?
others	3 500		?
total	> 80 000	2015	Demand High ~85 000 tU

Reality: Resources, Production & Demand in Time (RB)

period	identified resources <130 kt U	growth in identified <130 kt U	pro-duction kt U	growth in <130 cf. pro-duction %	demand kt U	growth in <130 cf. demand %	demand over pro-duction kt U
1991-1992	3049		81		112		31
1993-1994	3851	802	65	1237	115	695	51
1995-1996	4299	448	69	646	122	368	53
1997-1998	3954	-345	72	-481	123	-280	52
1999-2000	3933	-21	68	-31	126	-17	57
2001-2002	4589	656	73	897	131	500	58
2003-2004	4744	155	76	205	136	114	60
2005-2006	5469	725	82	889	133	544	52
Total (16 y):		2420	586	413	999	242	413
		Annually:	37		63		26

Long-Term Demand

<u>year</u>	<u>Reference</u> <u>DS</u>	<u>growth</u> <u>%</u>	<u>D in</u> <u>period</u>	<u>sum D</u>	<u>High</u> <u>DS</u>	<u>growth</u> <u>%</u>	<u>D in</u> <u>period</u>	<u>sum D</u>	<u>years</u>
2010	73	11.0			75	14.7			5
2015	81	11.0	383		86	14.7	403		10
2020	92	14.3	431	814	98	14.0	460	863	15
2025	100	8.7	480	1294	110	12.2	520	1383	20
2030	108	8.0	520	1814	120	9.1	575	1958	25
2035	122	12.5	574	2388	149	24.0	672	2630	30
2040	137	12.5	645	3033	185	24.0	833	3463	35
2045	154	12.5	726	3759	229	24.0	1033	4496	40
2050	173	12.5	817	4576	284	24.0	1281	5777	45
2055	195	12.5	919	5495	352	24.0	1589	7366	50
2060	219	12.5	1034	6529	436	24.0	1970	9336	55
2065	246	12.5	1163	7692	541	24.0	2443	11779	60
2070	277	12.5	1309	9001	671	24.0	3029	14808	65

UPC Historical Message

- Higher spot price triggered exploration, which led to new discoveries (with some time delays!!!)
- Over 2.3 million tU have been mined since 1965 and resources are higher than before
- Low spot price for >20 years – little incentive to invest (exploration, development, HR etc.)
- There has never been any stability on the U market but it is *very important* for the future

UPC Recent Message

- **Enough resources are available but this does not necessarily mean enough production**
- Recent production declined from 2004 to 2006, then 7% increase in 2007 and 3% in 2008 and will increase in 2009 (?10-15%)
- 20XX production increase needed to meet projected demand (??XX=15??)
- Unknown volume of secondary sources of uranium over time (but still a lot available)
- Strong and stable market conditions needed to encourage necessary investment

UPC Development Limitations

- Market is not transparent and very volatile
- Public acceptance is ???
- Regulatory requirements ???
- Government initiatives are ???
- Market turmoil is still present



Unpredictable situation, but we have to hope for future higher stability,
otherwise????