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Uranium Bull Market ... Now, Later, or Never ?

New Orleans Investment Conference
October 2021



A 12 - Year Rearview

- January 2009 : Bullish on Uranium
- August 2010 : The New Green Metal
- November 2010 : The Next Big Thing
- March 2011 : Fukushima = U_3O_8 & TSXV Crash
- June 2015 : Why I Remain a Uranium Bull
- June 2017 : Bull or Bear / Why & When ?
- October 2021 : Bull ... Now, Later, or Never ?



Uranium Supply & Demand

- 2020 Demand : 168 M lbs
- 2020 Mined : 124 M lbs (74 %)
- Secondary Supplies : 44 M lbs
- 2010 : Deficit; 2011 - 2017 : Surplus
- Mining Decrease / Secondary Supplies Increase
- Trump: No DOE Sales / USA Strategic U Reserve



Annual U_3O_8 Sales

- Long - Term Contracts : 70 - 85 %
- Short - Term Trades : 15 - 30 %
- Off - take Contract Price : \$??
- Spot Market Price : \$ 30 - \$ 50 / lb



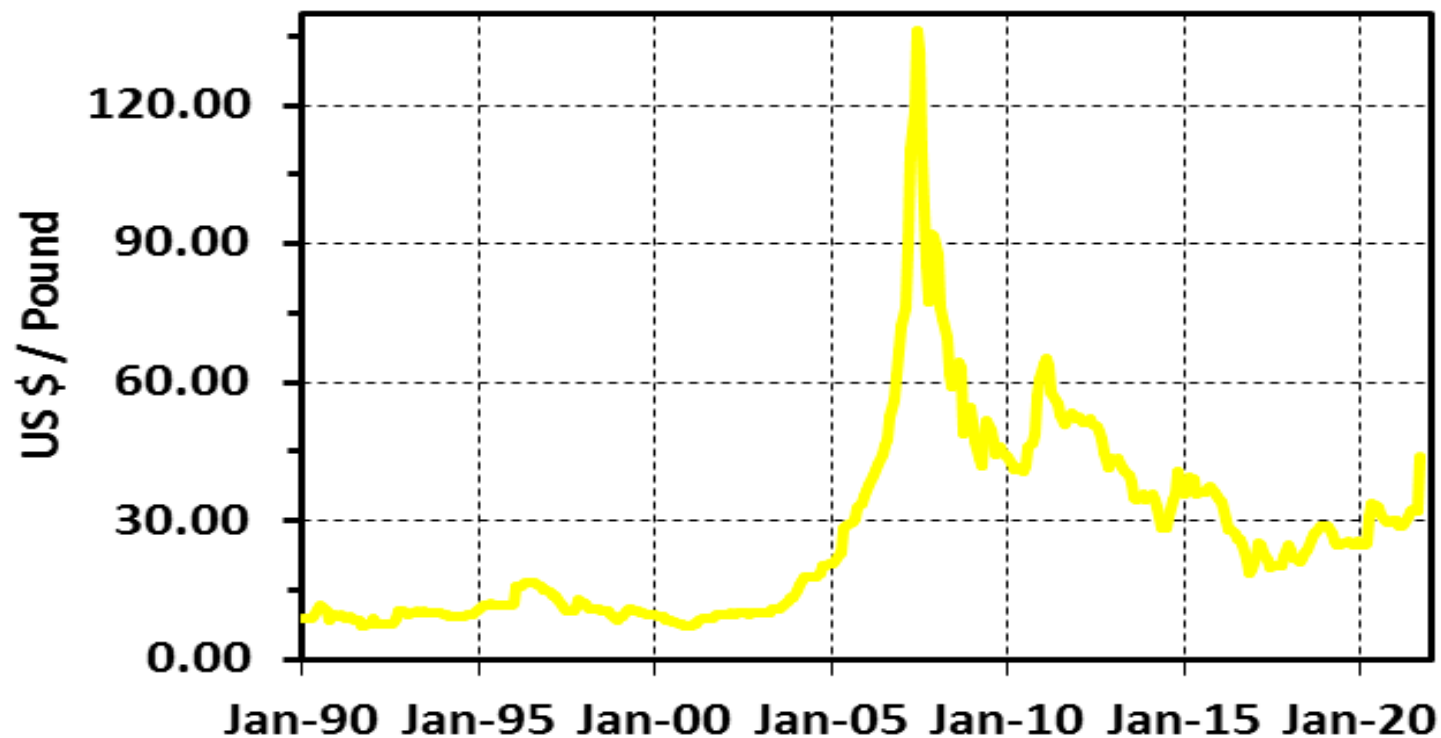
Uranium Prices & Stock Market

- Spot Price Drives the Stock Market
- Two Months Ago = \$30 / lb
- Now = \$ 45 / lb; + 50 %
- Sources : WNA & EIA



Monthly Spot Price 1990 - 2021

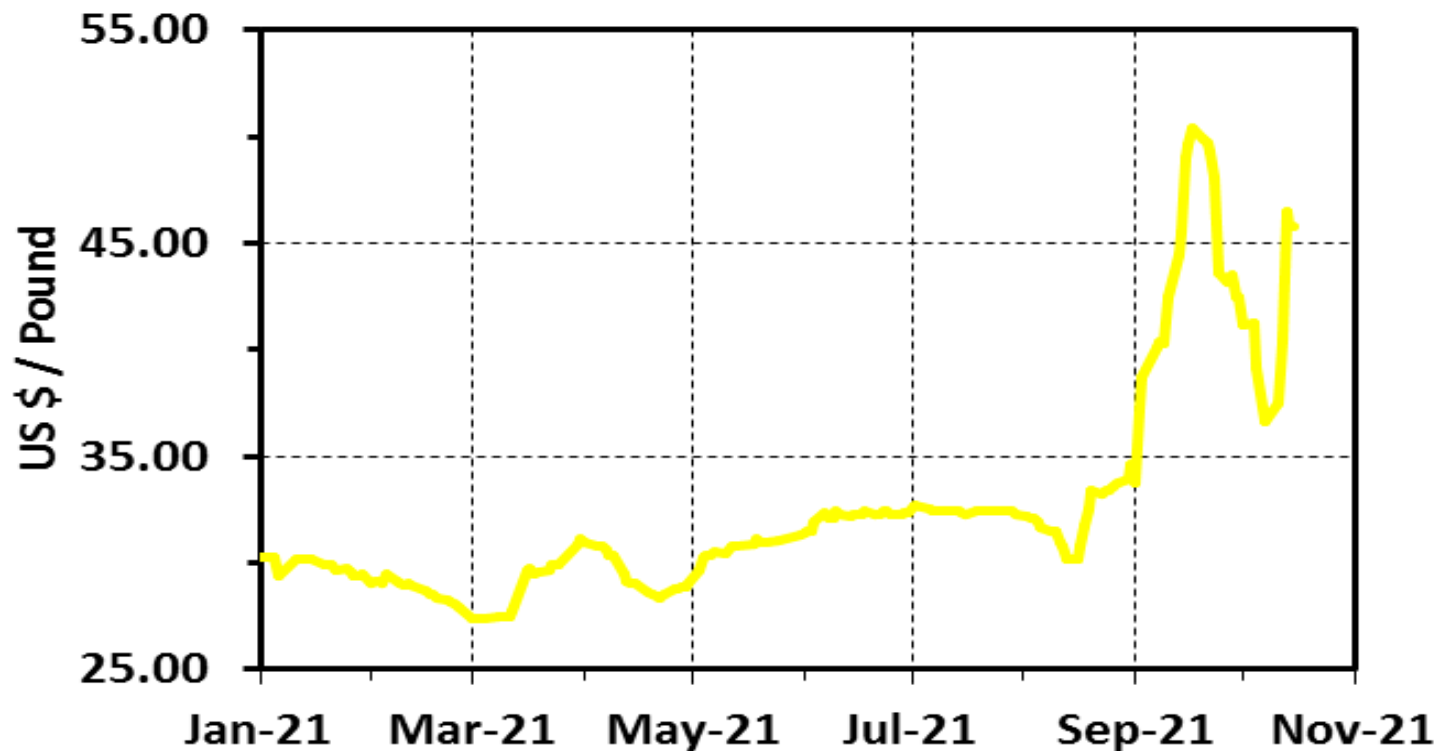
U3O8 Spot Price - All





Uranium Spot Price

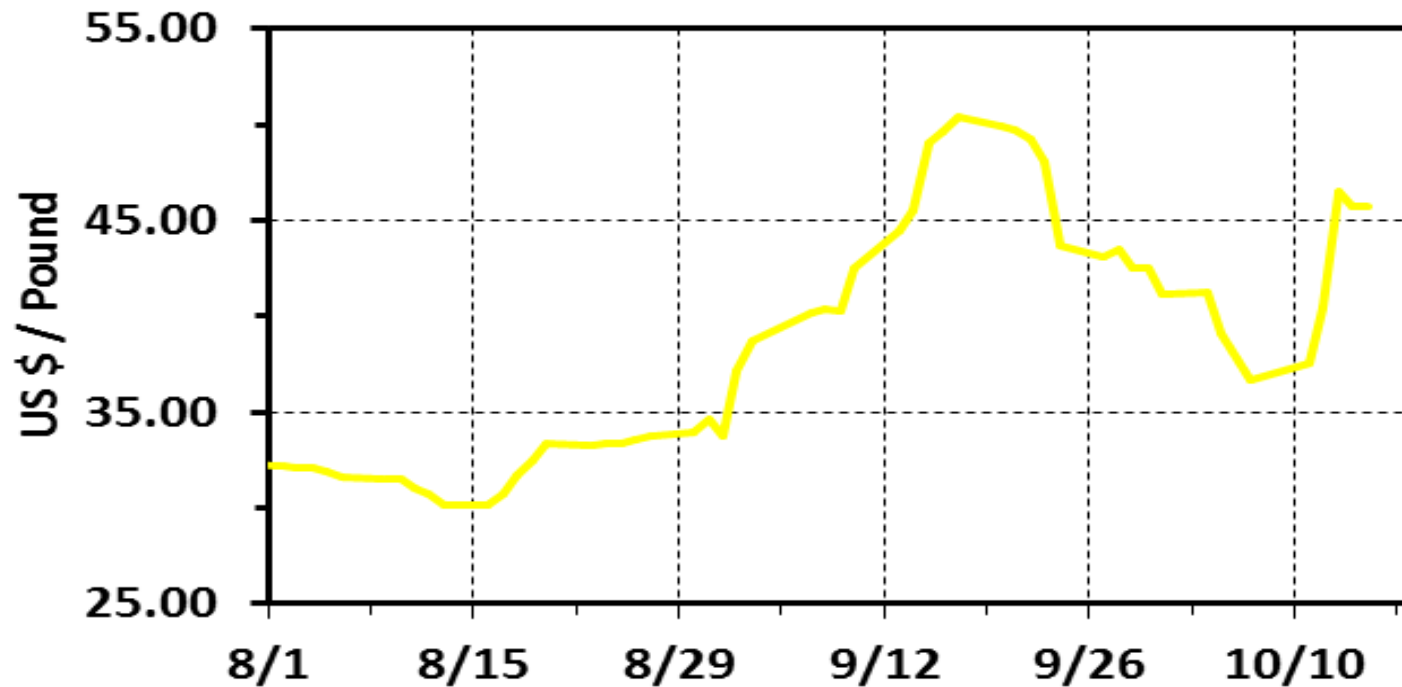
U3O8 Spot Price - YTD





Uranium Spot Price

**U3O8 Spot Price
Aug 1 - Oct 15 2021**



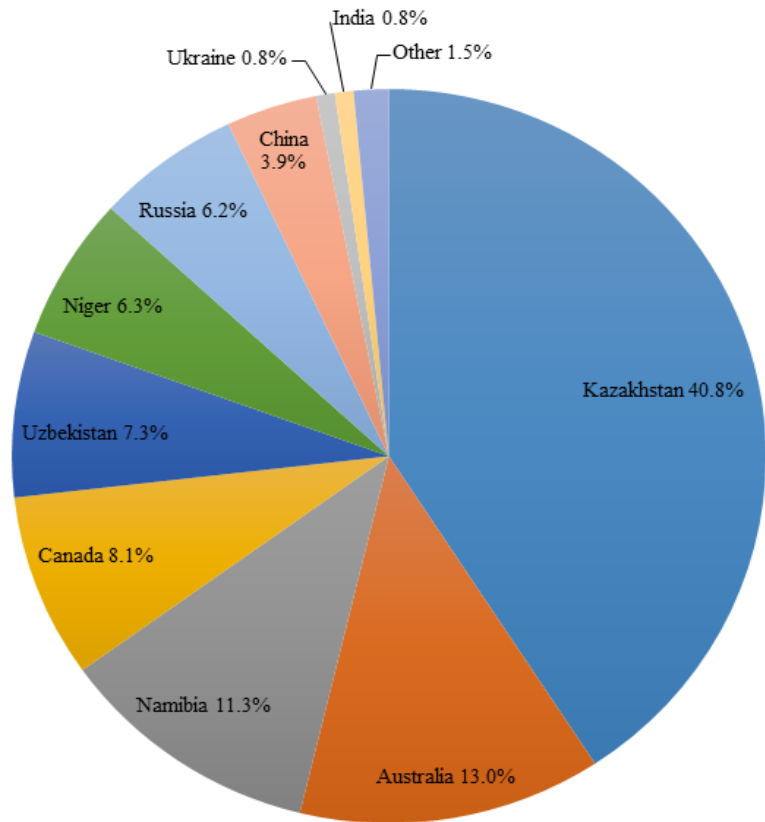


Uranium Spot Price Increases

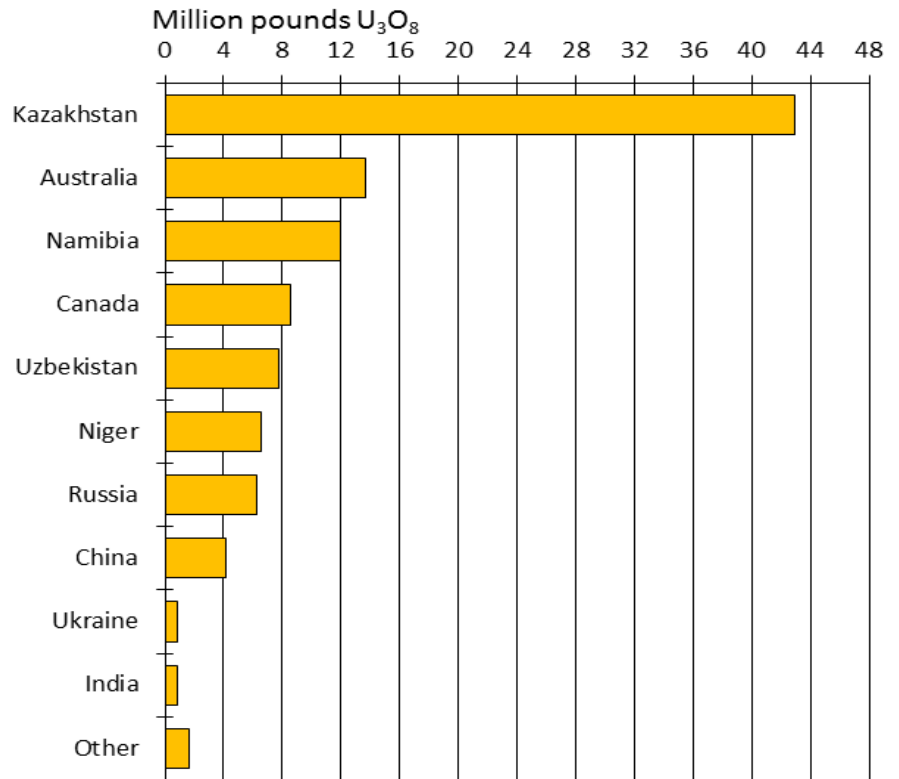
- Buyers > Sellers
- Traders & Speculators
- Sovereign, Company, Hedge, & **Fund** Stockpiling
- Disruption, Destruction, Supply Chain Delays
- Japanese Restarts = Non - Starter
- Utilities Enter Market



2020 Uranium Mine Production



2020 Top Uranium Producing Countries





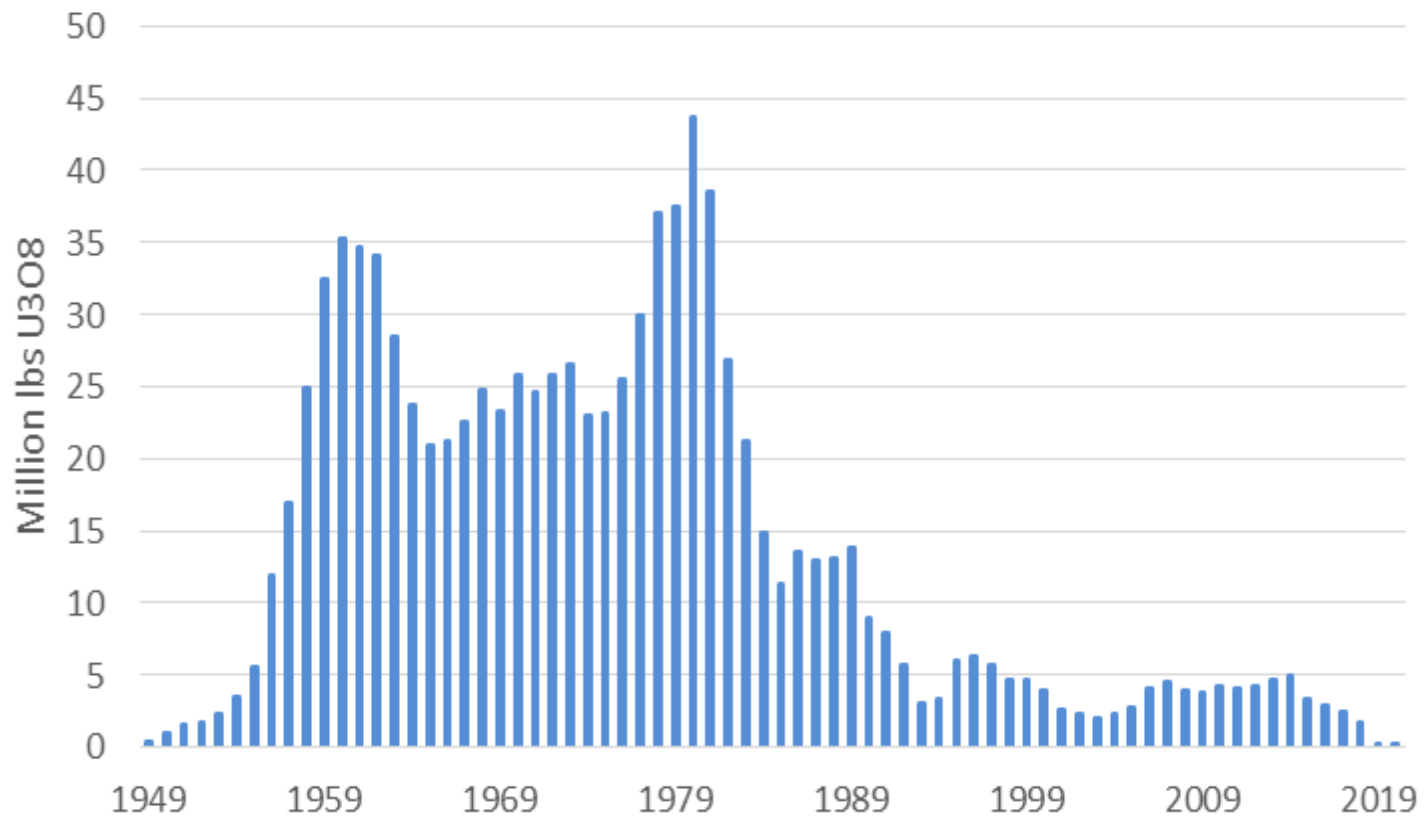
Uncertainty of Western World Mine Supply

Unfriendly, Corrupt, & / Or Unstable Governments

- 6 of 10 Top Producers : **66 %** of World Production
- Kazakhstan : # 1 = **41 %**
- Others : Uzbek, Niger, Russia, China, Ukraine
- USA : **13.2 K** lbs Mined / **51.4 M** lbs Used = 0.03 %
- USA : Imports from KZT, RUS, UZB = **47 %**



US U_3O_8 Production 1949 - 2020





Uranium: Story Remains the Same

- Nuclear Energy = 10 % Electricity Worldwide
- USA = 20 % Electricity from 93 Reactors
- 442 Nuclear Power Plants Operable
- 52 Under Construction / 101 Ordered / Planned
- Increased Demand for Yellowcake
- 3 - 4 % Projected Growth Year over Year



Where is U_3O_8 Going to Come From?

- Major Mines & Projects Shelved
- Sovereign Stockpiles Dwindling
- Russia - US : 2013 - 2022 = 50% of 1993 - 2013
- Recycling / Reprocessing Increasing
- Enrichment Underfeeding is Limited
- New Mines Must Come On Stream !



New Mine Production

- Where & When, & What Price ?
- **All** Mines Lose \$\$ at \$ 30 - 40 / lb
- Conventional Underground = High Cost Mines
- Much Higher Prices Required ($> \$ 75 / \text{lb}$)
- Low - Cost Mines : ISR / OP - HL ($> \$ 45 / \text{lb}$)



New Uranium Mines

- Kazakhstan ISR : Production Not Sustainable
- Athabasca Basin UG : High-Capex / >>> Lead Times
- Niger UG : World - Class ; Geopolitical Problems
- Namibia Open - Pit : Very Low - Grade / Water ?
- Western USA : ISR = Small; UG > Lead Times
- Australia Open - Pit : Gov't & Aboriginal Issues



USA Future Production

- Wyoming, S. Texas, S. Dakota ISR
- Arizona (?), Utah, Colorado UG
- Gas Hills - Sheep Mountain, Wyoming OP - HL
- Grants Mineral Belt, NM : UG & ISR (?)



Wild Cards in the Uranium Game

- Japanese Restarts : ??
- Recycling & Reprocessing : Growing
- Enrichment Underfeeding : Peaked
- Fast Breeders, SMRs, & Thorium : 10 - 20 Years
- DOE Strategic Reserve : \$1.5 B over 10 Years
- Bomb Dismantling : On Hold
- Another Black Swan Event : ??

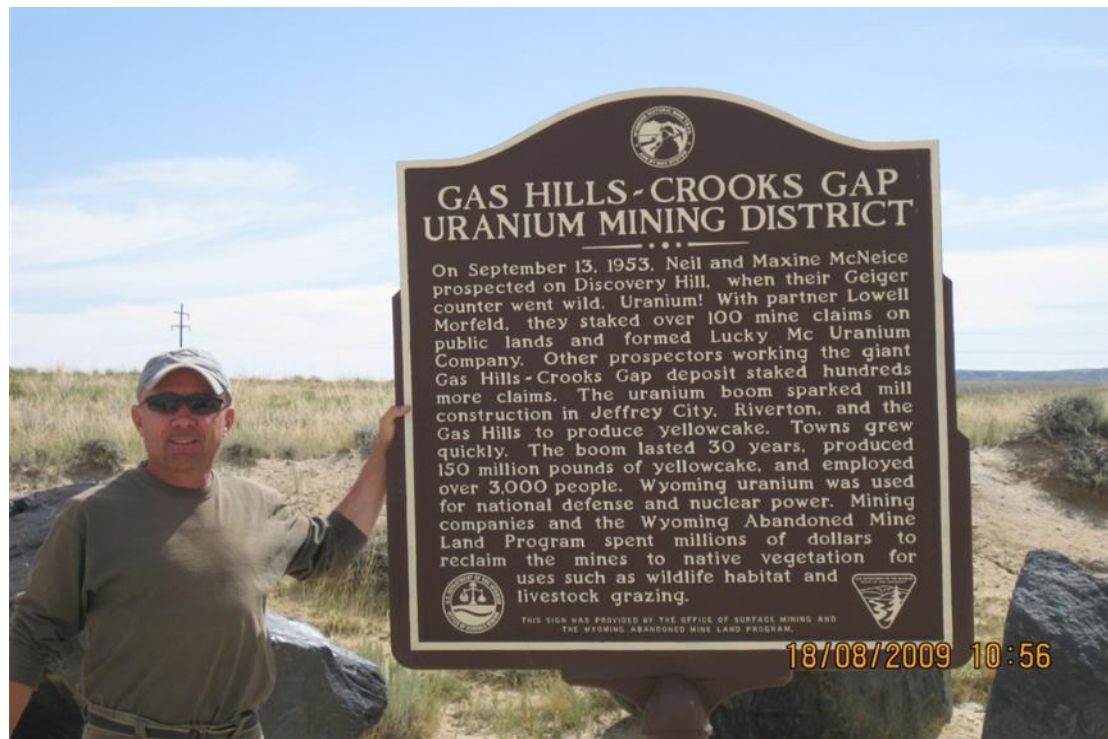


Uranium Stocks

- 2000 - 2004 Bust
- H2 2005 - H1 2007 Boom
- H2 2007 - 2008 Bust
- 2009 - H1 2010 Flat & Out of Favor
- H2 2010 - Q1 2011 Next Big Thing
- Q2 2011 - Q3 2021 Bust
- Q4 2021 - Future Boom Now, Later, or Not?



The Future's So Bright, I Gotta Wear Shades (Timbuk 3 , 1986)





Long Time Gone (Crosby, Stills, & Nash, 1969)

It's been a long time comin'
It's goin' to be a long time gone

And it appears to be a long

Appears to be a long

Appears to be a long time

Yes, a long, long, long, long time before the dawn



Current Stock Ideas

- Allegiant Gold
- Energy Fuels
- Trilogy Metals
- Uranium Energy Corp
- Tax - Loss Sales : Gold Exploration Juniors



Monday Morning Musings from Mickey the Mercenary Geologist





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