

Nuclear Market Review

The source for uranium prices & analysis since 1968



The Market

MarketWatch

Weekly U₃O₈ Spot Price Indicator *

\$51.50 (⇔ No Chg \$0.00)

Daily U₃O₈ Spot Price Indicator *

\$51.50 (04/27/12)

Mid-Term U₃O₈ Price Indicator *

\$53.50 (03/31/12)

Long-Term U₃O₈ Price Indicator *

\$60.00 (03/31/12)

* US\$ per pound U₃O₈ equivalent

The Market this Week...

- Three transactions and no new demand in the spot uranium market.
- New demand in the term uranium market.
- New demand in the conversion market.
- No transactions or no new demand in the enrichment market.

Uranium

Three transactions totaling less than 400 thousand pounds U₃O₈ are reported this week in the spot uranium market. The price gap between willing buyers and willing sellers showed signs of narrowing earlier in the week, allowing for some deals to be concluded, but the gap widened again as the week came to a close.

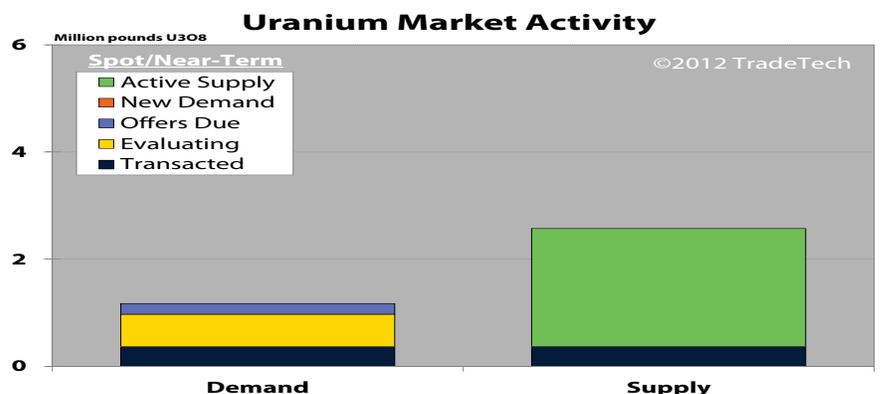
Sellers, sensing a potential momentum shift in the market due to emerging new mid- and long-term demand, raised offer prices. While some buyers have been willing to pay higher prices to obtain material, the majority of buyers are hesitant to chase

prices up. As a result, the increasing spread between bids and offers caused trading activity to slow.

TradeTech's Weekly U₃O₈ Spot Price Indicator remains at \$51.50 per pound U₃O₈, unchanged from last week's value and TradeTech's April 26 Daily U₃O₈ Spot Price.

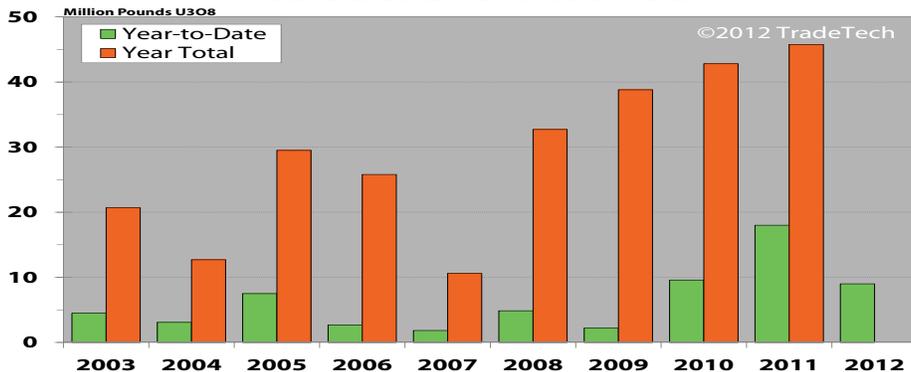
New demand continues to emerge in the mid- and long-term markets. Offers are due over the next two weeks to a number of utilities seeking material for delivery beginning as early as next year and extending to 2017 and beyond.

One US utility entered the market this week seeking approximately 1 million pounds U₃O₈ or UF₆



The Market

Uranium Transaction Volume



equivalent for delivery over a four-year period. One non-US utility continues to seek a total of over 1 million pounds U₃O₈ for delivery over a three-year period. Another non-US utility is seeking approximately 1.2 million pounds U₃O₈ for delivery over a four-year period. One non-US utility, seeking a total of over 1.7 million pounds U₃O₈ for delivery between 2014 and 2020, is evaluating offers. Another non-US utility is reviewing offers for deliveries beginning in 2018 and continuing through 2023.

A fourth non-US utility is evaluating offers for up to 2.9 million pounds U₃O₈ equivalent contained in UF₆ or enriched uranium product (EUP) for delivery that would begin in 2012 and continue for the life of the plant, or until 2032. Another non-US utility is reviewing offers for long-term deliveries that would begin in 2012.

Conversion

New demand emerged this week in the conversion market with a US utility seeing up to 400 tU of conversion in UF₆ for delivery

beginning in the mid term. One non-US utility is evaluating offers for up to 1,120 tU of conversion contained in UF₆ or EUP. Another non-US utility is reviewing offers for 500 tU of conversion for delivery in 2015-2019. A third non-US utility is evaluating offers for 1,700 tU of conversion for delivery in the 2012-2015 period. Several utilities continue to evaluate offers for conversion or conversion contained in UF₆.

Enrichment

The enrichment market remains quiet with no transactions reported. Several sellers are seeking to sell near-term SWU, but spot demand remains extremely weak. One non-US utility continues to evaluate offers for approximately 1 million SWU to be delivered between 2012 and 2032.

A number of US utilities remain in the evaluation process for long-term enrichment services.



Events

May 17-18

8th Annual China Nuclear Energy Congress

Marriott Beijing Northeast
Beijing, China

<http://cdmc.org.cn/cnec2012>

May 21-23

Nuclear Energy Assembly

Westin Charlotte
Charlotte, NC, USA

<http://www.nei.org/newsandevents/conferencesandmeetings>

Jun 3-5

WNFM 39th Annual Meeting

The Fairmont Banff Springs Hotel
Banff, AB, Canada

<http://wnfm.com/annualmeeting/Meeting.aspx?id=39>

Jun 4-6

ATOMEXPO 2012 Int'l Forum

Gostiny Dvor
Moscow, Russia

<http://2012.atomexpo.ru/en>

Jun 13-14

AusIMM Int'l Uranium Conf 2012

Adelaide Convention Centre
Adelaide, SA, Australia

<http://www.ausimm.com.au/uranium2012/>

Jul 18-19

Australian U Conference 2012

Esplanade Hotel Fremantle
Fremantle, WA, Australia

<http://www.verticalevents.com.au/uranium2012/>

For more events, visit:

<http://www.uranium.info/events.php>

TVA to Complete Watts Bar 2 Plant

Construction of the Tennessee Valley Authority's (TVA) Watts Bar 2 nuclear plant in eastern Tennessee will continue, but with a higher cost estimate, the TVA board of directors approved on April 26.

The revised estimate for completion of Watts Bar 2 includes additional funding of US\$1.5 to \$2 billion, bringing the total cost to complete the 1,100 MWe PWR to the range of \$4 to \$4.5 billion, with the most likely estimate of \$4.2 billion. The new unit is expected to be completed between September and December 2015, according to TVA. The new reactor will join Watts Bar 1 (1,100 MWe PWR), which began commercial operation in May 1996.

In addition, the TVA board has approved a 10-year, \$298 million contract for construction of a dry cask storage facility for spent fuel at the Watts Bar station and additional dry storage capacity at the Sequoyah and Browns Ferry plants.

Strike Stops Work at AREVA's Imouraren Uranium Project in Niger

Workers at AREVA's Imouraren uranium mining project in Niger began a week-long strike over labor conditions on April 25, which stopped construction at the site.

The strike was reportedly started because of a dispute with management over working conditions, including annual vacation allotments for about

800 workers at the site. An unnamed official said AREVA's management remained open to dialogue with the union to resolve the issue. The mine is scheduled to begin production in 2014.

Four Mile Uranium Project Receives Mineral Lease

Operators of the Four Mile Uranium Project have been granted a 10-year mineral lease by the South Australian Minister for Mineral Resources and Energy.

The initial resource at Four Mile West is 3.9 million tonnes at 0.37% U_3O_8 containing 15,000 t U_3O_8 (32 million pounds U_3O_8), according to Alliance Resources, which holds a 25 percent interest in Four Mile through its subsidiary Alliance Craton Explorer Pty. Ltd. Quasar Resources Pty. Ltd., an affiliate of Heathgate Resources Pty. Ltd., which owns and operates the Beverley Uranium Mine located 8 kilometers (5 miles) southeast of the Four Mile Joint Venture Area, holds a 75 percent interest in the joint venture and is the manager of the project.

Kazakh Uranium Production Climbs 5% in First Quarter

Kazakhstan produced 4,666 tU (12.1 million pounds U_3O_8) in the first quarter of the year, almost 5 percent more than in the same three months of 2011, state nuclear company Kazatomprom reported on April 23.

Kazatomprom, which operates a series of joint ventures in Kazakhstan said its own uranium output totaled 2,656 tU (6.9 million pounds U_3O_8) in the same period, which was 4 percent more than in the first quarter of 2011.

Kazakhstan, the world's largest uranium producer, increased output by about 9 percent to 19,450 tU (50.6 million pounds U_3O_8) in 2011, while Kazatomprom's share of production totaled 11,079 tU (28.8 million pounds U_3O_8) last year and accounted for 20 percent of global uranium production.

ConverDyn Hosts Meeting to Discuss US Uranium Industry Concerns

More than 20 nuclear industry participants in Colorado gathered earlier this month to express concerns about the state's uranium mining industry and to discuss solutions to issues that are challenges to uranium exploration and development in the state.

The April 10 outreach event, hosted by uranium converter ConverDyn, featured Colorado Congressman Cory Gardner (R-Colorado) as a special guest. The meeting was a follow-up to an initial meeting hosted by ConverDyn in November 2011, which involved US Representative Mike Coffman (R-Colorado). ConverDyn President Ganpat Mani opened the meeting and said that based on feedback from the very successful meeting with Congressman Coffman, the industry was now in a position to share concerns and offer

some solutions for Congressman Gardner's consideration. Mani stated that "the domestic uranium and conversion industry was very pleased with the strong support from Congressman Coffman and Congressman Gardner to use US energy sources for US energy needs."

An important fact was presented at the recent meeting that reflects the current state of the US uranium industry. While the USA is the largest consumer of uranium, with the largest fleet of commercial reactors within the international nuclear power industry, the country still produces an average of just 4 million pounds U₃O₈ per year. In 2010, owners and operators of US commercial nuclear plants purchased a total of 47 million pounds U₃O₈ equivalent of deliveries from US suppliers and foreign suppliers. Of this total, only 8 percent, or 3.76 million pounds U₃O₈, was US-origin uranium.

Drawing attention to issues that affect the US uranium industry, Mark Pelizza, senior vice president of Uranium Resources, Inc., speaking on behalf of the Uranium Producers of America (UPA), provided an overview of four broad areas of concern for the state's uranium industry, including: 1) withdrawal of federal land from uranium exploration and mining in Arizona; 2) mining law reform in the USA; 3) issues with Environmental Protection Agency regulations and their implementation; and 4) the sale of uranium inventories held by the US Department of Energy (DOE) and other government agencies.

In January 2012, the US government, through the Secretary of the Interior and the Bureau of Land Management, issued a decision to close more than one million acres of federal land to all mining in Northern Arizona to address "subjective sensibilities," and did not take into account facts and science that

demonstrate that mining would not harm the Grand Canyon watershed. This issue is a concern to all US uranium companies as it demonstrates the ability of the government to arbitrarily remove prospective lands from exploration and development for uranium mining.

The barter or sale of DOE and other government uranium inventories has been a topic of concern among the US uranium industry for several years. In the past, the UPA has worked with the Nuclear Energy Institute and the US nuclear industry and agreed to DOE uranium sales that would not exceed 10 percent of US reactor requirements in a given year, or 5 million pounds U₃O₈ equivalent. However, the proposed Whitfield bill (The Energy and Revenue Enrichment Act of 2011 [H.R. 2054]), which is still working its way through Congress, has proposed a significant increase of this quantity to around 20 percent of annual reactor requirements, through the sale of re-enriched uranium tails produced by the enrichment facilities in Paducah, Kentucky.

The UPA has expressed concerns that the sale of DOE inventories are used to fund specific government programs or "pet projects" and that internal review of the impact on the domestic uranium and conversion markets is not fundamentally sound, as outlined in the September 2011 report issued by the US Government Accounting Office.

GoviEx Uranium, Toshiba Complete US\$40M Financing & Sign Offtake Agreement

Vancouver-based GoviEx Uranium Inc. has closed a US\$40 million strategic financing and executed an offtake agreement with Japan's Toshiba Corp. to advance development of GoviEx's Madaouela uranium project in Niger.

The offtake agreement provides for a 14-year right and obligation to purchase up to 600,000 pounds U₃O₈ per year. Charles Scorer, GoviEx Uranium's CEO said, "The partnership and offtake agreement with Toshiba and Advance Uranium Asset Management represents a step change in GoviEx's development as we move from an exploration company toward an operational mine."

Scorer added that the Toshiba investment increases momentum for the Madaouela Project pre-feasibility study, which is scheduled for completion near the end of 2012. GoviEx hopes to bring the project into production before 2018, with ramp up to full production by 2020.

Seven-year convertible bonds issued by GoviEx comprise the bulk of the financing and may be repaid in shares of GoviEx following the company's public listing, according to an April 23 statement.

First Uranium Receives Unsolicited Bid for Ezulwini Mine

First Uranium Corp. received an unsolicited offer for its Ezulwini mine in South Africa from Waterpan Mining Corp. and Transalloys Ltd. this week, which offered to pay US\$80 million for the gold-uranium mine, of which \$10 million will be paid in advance as short-term bridge financing.

Previously, First Uranium had agreed to sell the Ezulwini mine to Australian miner Gold One International Ltd. for \$70 million earlier this month. Gold One will also provide a \$10 million loan facility (*Nuclear Market Review*, April 6, 2012).

A special meeting of First Uranium's shareholders will be held on June 13,

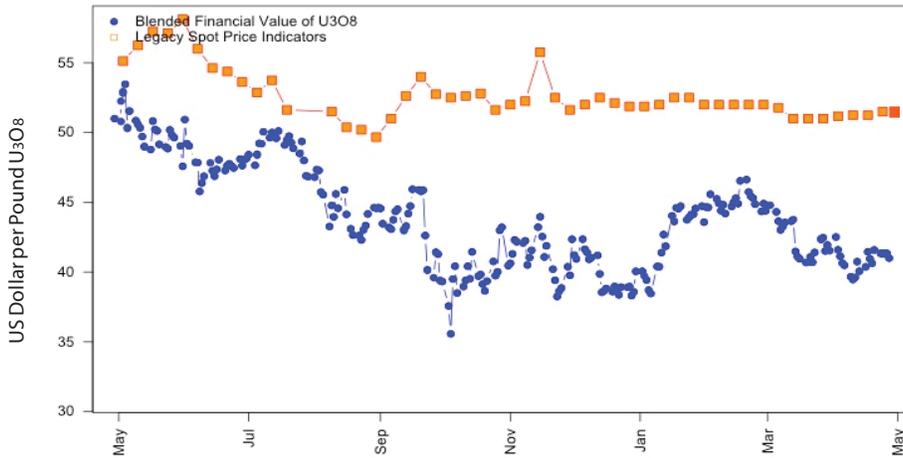
Altametric Blended Financial Value*

04-27-12 - **\$40.00** per pound U₃O₈

↓ Down \$0.33 from previous day's close

* as published by Altametric

Blended Financial Value & Spot Price Indicators through 04-27-12



BFV Source: Altametric - Last Indicator: TradeTech Only

StockWatch 4-27-12

Company	Closing Price ¹			
AREVA (EPA:AREVA)	€13.59	↑ Up	1.7%	€0.23²
Bannerman Resources Ltd. (ASX:BMN)	A\$0.20	↓ Dwn	2.4%	\$0.005
BHP Billiton Ltd. (ASX:BHP)	A\$34.89	↓ Dwn	1.7%	\$0.61
Cameco Corp. (TSX:CCO)	C\$21.86	↓ Dwn	0.7%	\$0.15
Denison Mines (TSX:DML)	C\$1.84	↑ Up	1.1%	\$0.02
Energy Fuels Inc. (TSX:EFR)	C\$0.27	↓ Dwn	12.9%	\$0.04
Energy Resources of Australia (ASX:ERA)	A\$1.63	↓ Dwn	1.2%	\$0.02
Paladin Energy Ltd. (ASX:PDN)	A\$1.62	↓ Dwn	3.9%	\$0.065
Pele Mountain Resources Inc. (TSX:GEM)	C\$0.115	↑ Up	4.5%	\$0.005
Peninsula Energy Ltd. (ASX:PEN)	A\$0.051	↓ Dwn	3.8%	\$0.002
Powertech Uranium Corp. (TSX:PWE)	C\$0.135	↓ Dwn	12.9%	\$0.02
Rio Tinto plc (LSE:RIO.L)	p3,503.50	↓ Dwn	1.2%	p43.50
Strathmore Minerals Corp. (TSX:STM)	C\$0.40	↓ Dwn	9.1%	\$0.04
Toro Energy Limited (ASX:TOE)	A\$0.078	↓ Dwn	2.5%	\$0.002
Ur-Energy Inc. (NYSE-Alt:URG)	US\$1.08	↑ Up	3.8%	\$0.04
Uranerz Energy Corp. (NYSE-Alt:URZ)	US\$1.81	↓ Dwn	7.2%	\$0.14
Uranium Energy Corp. (NYSE-Alt:UEC)	US\$2.88	↑ Up	1.1%	\$0.03
Uranium One Inc. (TSX:UUU)	C\$2.85	↓ Dwn	3.1%	\$0.09
Uranium Participation Corp. (TSX:U)	C\$5.54	↓ Dwn	2.5%	\$0.14
Uranium Resources Inc. (NASDAQ:URRE)	US\$0.844	↑ Up	1.7%	\$0.014
URU Metals Limited (LSE:URU)	p6.75	↓ Dwn	3.6%	p0.25
USEC, Inc. (NYSE:USU)	US\$0.82	↓ Dwn	17.2%	\$0.17
WildHorse Energy (ASX:WHE)	A\$0.97	↓ Dwn	7.2%	\$0.007

1 Stock Watch represents a random sample of nuclear and uranium industry companies traded publicly. Closing prices are gathered from sources believed to be accurate. TradeTech assumes no legal liability or responsibility for the accuracy of this information.

2 Percent and value change from previous Friday's closing price.

Financial News

French nuclear company **AREVA** generated consolidated revenue of approximately €2 billion (US\$2.6 billion) in its first quarter ended March 31, up 2.4% compared with the same period in 2011.

Revenue increases in the Mining Business Group, the Reactors & Services Business Group, and the Renewable Energies Business Group offset an expected decrease in revenue in the Front End Business Group, which fell 17.2% compared to the same period a year earlier. Foreign exchange had a positive impact of €29 million (US\$38.4 million) over the first quarter, while changes in consolidation scope had a negative impact of €8 million (US\$10.6 million), the company reported on April 26.

AREVA had €45.1 billion (US\$59.7 billion) in backlog as of March 31, up 3.7% compared to the same period in 2011, and down just 1 percent from the previous quarter ended December 31, 2011.

In year-end results, TSX-listed **Uranium Participation Corp. (UPC)** has reported that net asset value decreased to C\$712.2 million (US\$724.4 million) on February 29, compared to \$934.5 million (US\$950.5 million) for the year ended February 28, 2011, primarily due to unrealized losses on uranium holdings.

Net asset value declined \$223.5 million (US\$227.3 million), or \$2.09 (US\$2.13) per share, to \$6.70 (US\$6.81) as of February 29, compared to \$8.79 (US\$8.94) a year earlier.

UPC recorded \$238.8 million (US\$242.9 million) in unrealized losses on its uranium investment due to the decline in the uranium spot price during the year. This was offset by \$0.9 million (US\$0.92 million) in income from investment lending and interest.

Expenses for the year totaled a net recovery of \$14.4 million (US\$14.6 million), which included a \$19 million (US\$19.3 million) recovery for future income taxes related to the unrealized losses.

First Uranium continued . . .

to decide on the sale of the Ezulwini mine and Mine Waste Solutions, according to an April 24 company statement. First Uranium remains committed to Ezulwini's sale to Gold One but it will let its shareholders decide whether to go ahead with the sale agreement, the statement added.

TEPCO Submits Turnaround Plan to Government

Tokyo Electric Power Co. (TEPCO) today submitted a turnaround plan to the Japanese government as it struggles to recover from last year's devastating earthquake and tsunami, which struck its Fukushima Daiichi nuclear station in northeastern Japan.

TEPCO is saddled with billions of dollars in compensation and clean-up costs after last year's nuclear crisis. Sources have reportedly stated the plan is likely to say the government will take a majority stake in TEPCO in exchange for about ¥1 trillion (US\$12.4 billion) in taxpayers' money.

Under the plan, submitted a month later than planned due to a delay in finding the new chairman, TEPCO will aim to restart reactors at its Kashiwazaki Kariwa nuclear station in the business year starting April 2013, and raise household electricity rates by 10 percent, according to a Reuters report.

NRC: No Environmental Impacts Impede COL Process for Proposed Levy County Reactors

The US Nuclear Regulatory Commission (NRC) has concluded there are no environmental impacts that would preclude issuing Combined Licenses (COLs) for Progress Energy's proposed reactors for its Levy County site in Florida.

The decision is based on the Final Environmental Impact Statement (FEIS) completed by the NRC and the US Army Corps of Engineers (USACE). The USACE will use the information in the FEIS in making its federal permit decision in accordance with the Clean Water Act and Rivers and Harbors Act of 1899.

The NRC staff is continuing to compile its final safety evaluation report, which will include recommendations from the NRC's Advisory Committee on Reactor Safeguards. The NRC's five commissioners must also conduct a mandatory hearing regarding the application and the staff's review. All of these items must be completed before the NRC can reach a final decision on the COL application.

Progress Energy, which submitted a COL application on July 30, 2008, is seeking permission to construct and operate two Westinghouse AP1000 reactors at the Levy County site, near Crystal River, Florida.

Corder Joins ITOCHU International

ITOCHU International has announced that Bryan S. Corder will join the company, effective April 30, in its Washington, DC office.

Corder most recently served as legislative programs manager for the US Association of Former Members of Congress. Prior to that, he worked and studied in Japan for several years, where he received a Master's Degree in International Affairs from Ritsumeikan University in Kyoto. In addition, Corder holds a Master's Degree in International Relations from American University in Washington, DC, and an H.A.B. in Classics/International Affairs from Xavier University in Ohio.

Uravan, Cameco Sign C\$22M Uranium Exploration Agreement

Calgary-based explorer Uravan Minerals Inc. and Cameco Corp. have signed an agreement that provides Cameco with an exclusive option to earn up to a 70 percent interest in Uravan's Halliday and Stewardson uranium projects in northern Saskatchewan.

The agreement, which calls for Cameco to fund C\$22 million (US\$22.2 million) in exploration expenditures, consists of two options under which Cameco can earn either a 51 percent or 70 percent interest in the mineral properties. After the earn-in period, the two companies will form a joint venture for the two properties, with each party funding their pro-rata share of future exploration expenditures.

Exelon's Carol Peterson Appointed to CENG Board

Carol Peterson, vice president, Project and Asset Management, for Exelon Nuclear has been appointed to the board of directors of Constellation Energy Nuclear Group, LLC (CENG).

Following the close of the Exelon and Constellation merger on March 12, Exelon Generation acquired a 50.01 percent indirect ownership interest in the operation of CENG. EDF, Inc. owns the remaining 49.99 percent ownership and interest in the operation of CENG.

Peterson joined Exelon in 2002 and has held a variety of positions in engineering and finance. She is currently responsible for the planning and execution of major projects across Exelon's 10 nuclear facilities.



Uranium Market Data

Monthly Market Values

	03/31/12	Units
NUEXCO Exchange Value®	\$51.10	US\$ / lb U3O8
UF6 Value	\$137.00	US\$ / kgU as UF6
Loan Rate	1.75	Percent / annum
Conversion Value		
– North American	\$6.75	US\$ / kgU as UF6
– European	\$7.00	US\$ / kgU as UF6
SWU Value	\$138.00	US\$ / SWU
Transaction Value	\$51.35	US\$ / lb U3O8
Mid-Term U3O8	\$53.50	US\$ / lb U3O8
Long-Term U3O8	\$60.00	US\$ / lb U3O8
Long-Term Conversion		
– North American	\$16.75	US\$ / kgU as UF6
– European	\$17.25	US\$ / kgU as UF6
Long-Term SWU	\$146.00	US\$ / SWU

DEFINITIONS*

TradeTech's NUEXCO Exchange Value®, UF6 Value, Conversion Values and SWU Values reflect the company's judgment of the price at which spot and near-term transactions for significant quantities of natural uranium concentrates (U3O8), natural uranium hexafluoride (UF6), or conversion or enrichment services could be concluded as of the last day of the month. The Loan Rate is TradeTech's judgment of the annual interest rate at which uranium loans could be concluded as of the last day of the month. The Transaction Value is a weighted average price of recent natural uranium sales transactions. The Mid-Term U3O8 Price Indicator is our judgment of the base price at which transactions for mid-term or intermediate delivery of natural uranium concentrates could be concluded as of the last day of the month, for transactions in which the price at the time of delivery would be an escalation of the base price from a previous point in time. The Long-Term Price Indicators for U3O8, Conversion, or SWU are TradeTech's judgment of the base price at which transactions for long-term delivery of that product or service could be concluded as of the last day of the month, for transactions in which the price at the time of delivery would be an escalation of the base price from a previous point in time. The U3O8 Weekly Spot Price Indicator is our judgment of the price at which spot transactions for significant quantities of natural uranium concentrates could be concluded as of the end of each Friday.

All Market Values are expressed in US\$ and are based on:

- Data from recently completed transactions.
- Data from pending transactions.
- Firm bids to buy or borrow, and firm offers to sell or lend.
- Prices purchasers or rates borrowers have expressed a willingness to pay, but for which we are not aware of firm bids to buy or borrow and prices sellers or rates lenders have expressed a willingness to accept, but for which we are not aware of firm offers to sell or lend.

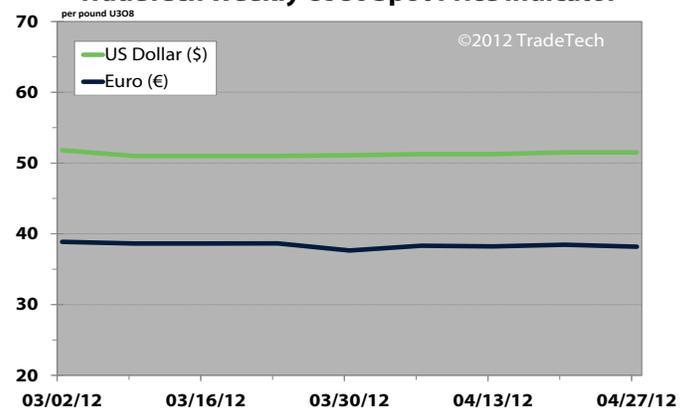
In the determination of all Market Values, we do not consider:

- Prices associated with deliveries under old or renegotiated contracts, or other than arm's-length transactions.
- Charges for transportation other than that customarily provided by suppliers.
- Prices of services or materials delivered under long-term contracts with primary suppliers.

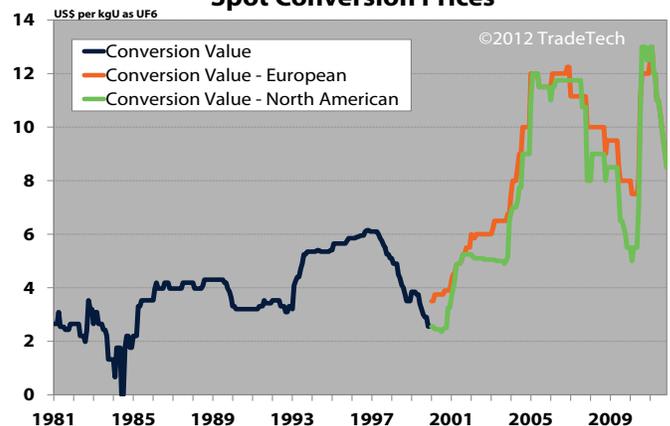
* Complete definitions, including derivations and comments, can be found on our website at: http://www.uranium.info/uranium_price_definitions.php.

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TradeTech Weekly U3O8 Spot Price Indicator



Spot Conversion Prices



Spot SWU Prices



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