

Uranium Market Outlook

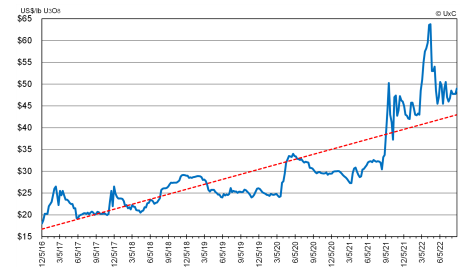
Market in Transition

Incentivizing New Production



Mobile uranium inventories have continued to decline at an accelerated rate over the last two years, driven by many factors, including: COVID-19 pandemic production declines, the advent of the Sprott Physical Uranium Trust (SPUT), and strategic acquisitions by junior uranium companies to support future project financing efforts. SPUT purchased more than 24 million pounds U_3O_8 in 2021, or about 25% of all spot purchases. Through August 2022, the Trust has purchased an additional 16 million pounds U_3O_8 in the market.

Apart from the above-mentioned factors, geopolitical risk has weighed heavily on the uranium market over the last several months, beginning with civil unrest in Kazakhstan in January 2022, followed by Russia's invasion of Ukraine a month later. The spot uranium price reacted strongly to Russia's military action, increasing from \$43.00 in late February to a peak of \$63.75 in April. The spot price has since resided in the mid- to high-\$40s range. As a result of heightened geopolitical risk, many utilities are shifting their contracting focus to the term market to meet unfilled needs in the second half of this decade, and utilities with existing Russian enriched uranium contracts are actively seeking replacement supplies in the market.



Given past cuts to primary production and inventory optimization by utilities and producers, the uranium market is rapidly becoming production-driven, where spot and long-term prices more closely correlate to the marginal cost of uranium production. Accordingly, several producers have announced production restarts from idle mines in the last few months. Kazatomprom also recently decided to increase 2024 Kazakh production to 90% of nominal capacity from the current 80% level.

Although global reactor requirements are quite flat through 2024, UxC forecasts that significant demand growth from 2025 to 2040 will necessitate new production as resources are exhausted at several uranium projects. In addition to transitioning to a production-driven market, a large percentage of production exists in regions of the world with high geopolitical risk, which makes the market vulnerable to future disruptions and price volatility.

UxC's *Uranium Market Outlook* (UMO) report is designed to examine developments and discern trends in the uranium market, including the likely future course of prices under different market scenarios. The UMO is updated quarterly to provide subscribers with the latest information and analyses on which to base their decisions. Updates of leading market indicators are also provided on a monthly basis to ensure you are current with the latest trends and developments in the uranium market.



A table of contents from a previous report has been provided for your review.

Special Issue Offer

Each quarter, UxC releases a new *Uranium Market Outlook* (UMO) that contains detailed up-to-date analysis on the uranium market. UxC makes available any individual report for sale as a stand alone report. In each UMO, topical essays are devoted to topics such as current market developments, major market events, and long-term market trends.


This quarter's essay, "An Updated View of Enrichment Tails Assays," discusses UxC's adjustments this quarter to open market tails assay assumptions used in modeling reactor fuel requirements. As a result of updated research and analysis, UxC now assumes slightly lower tails assay assumptions than those implemented soon after Russia's invasion of Ukraine in early 2022 as western enricher capacities are projected to rise faster and more efficiently than either uranium or conversion supplies.

An **annual subscription** to the UMO costs **US\$8,500.00**, which includes four quarterly reports as well as monthly price indicator updates.

UxC also makes this quarter's UMO available as a **special single report order** at a rate of **US\$5,000.00**.

An online order form has been provided.

Please note that this special offer only covers this quarter's UMO report. It does not include services associated with a full year's subscription as discussed below: such as three additional quarterly reports, the monthly leading spot price indicator updates, and access to UxC's Subscriber Services website.

The *Uranium Market Outlook* is a quarterly report on the uranium market that examines recent and prospective spot and long-term contract market activity, supply and demand trends, supplier developments, and the outlook for prices over the short and long term. The UMO also includes a topical essay on important developments that are shaping the market and detailed findings from UxC's proprietary indicator system that analyzes trends in key factors influencing future prices. UxC also includes uranium demand forecasts based on the proprietary UxC Requirements Model (URM). Please see our product flier in Adobe Acrobat PDF  format.

Standard Features

- An executive summary is provided with a concise overview of the current market situation. The executive summary is also emailed to subscribers.
- **Chapter 1** contains a topical essay that addresses key events and their potential impact on the market. Examples of past essays are listed here.
- In **Chapter 2 - Recent Contracting Review**, recent spot and long-term market activity over the previous quarter is reviewed, and current contract terms and conditions are summarized.
- **Chapter 3 - Requirements and Demand Outlook** looks at recent developments affecting reactor requirements in the world's regional markets, along with a review of requirements forecasts. An updated view on uncovered utility reactor requirements is also presented. This section also examines the spot demand outlook over the next three years and the long-term contract demand outlook over the next 12 months.
- **Chapter 4 - Production and Supply Outlook** reviews recent production developments worldwide and the current status of major world projects. Also examined are secondary supplies projected to influence the market over the forecast period.
- Following the production and supply chapter is **Chapter 5 - Near-Term Technical Analysis & Spot Market Indicators**, which presents a technical analysis of near-term price movements and a detailed update of the long-term spot price indicators, designed by UxC to quantify market factors that are affecting price outlook two years forward. Included with a subscription to the quarterly report are monthly updates of UxC's near-term price indicators, a predictive tool used to gauge potential spot movements two to three months forward.
- In the final chapter of this report, **Chapter 6 - Market Outlook and Price Forecast**, the market is analyzed in terms of a one-year and intermediate-term perspectives, and forecasts are presented for the spot price and long-term base price through 2035. The near-term availability of supply by price, market trends, and bullish and bearish arguments for price movements are also presented in this chapter.
- The report contains two appendices. The first appendix, **Appendix A - Forecasting Methodology**, details the various methodologies used in this report to forecast price, supply, demand, and market price indicators. The second appendix, **Appendix B - Statistical Review**, contains tables and figures that provide additional and expanded data to those presented in the body of the report.

Who should read this report

- Fuel buyers
- Policy makers
- Producers
- Investors

For additional information, please contact:

Eric Webb • +1 (470) 689-0604 • eric.webb@uxc.com