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Keeping Track of the Nuclear Fuel Market

UxC, LLC publishes one of the nuclear fuel market's most trusted and widely read newsletters, the *Ux Weekly*. Issued every Monday, the *Ux Weekly* has been in publication for 37 years. The *Ux Weekly* contains thought-provoking commentaries, in-depth coverage of major industry events, analyses of various market developments, and a summary of current industry news. The publication also presents the most trusted weekly uranium spot price indicator, the Ux U₃O₈ Price[®], along with the month-end Long-Term U₃O₈, SWU, North American and European Conversion prices, and UF₆ Values. Each issue also provides additional nuclear fuel prices as well as spot and term contracting data, information on the latest uranium and fuel market trends, and related market commentary. The *Ux Weekly* is available by email and online with subscription rates varying by the number of recipients.

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As a subscriber to the *Ux Weekly*, you will receive much more than just the nuclear fuel market's leading newsletter. Your company will gain access to a host of services including the daily UxC News Headlines, daily Ux U₃O₈ Price updates, and full access to the UxC Subscriber Services website, which, when combined with our public website, is your portal to the nuclear fuel cycle markets.

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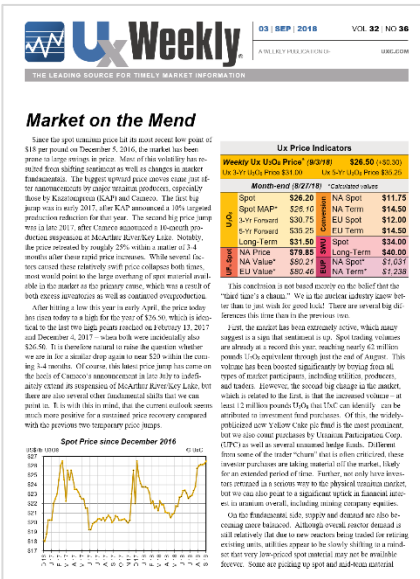
headlines from around the world are delivered directly to your email daily. Since 2009, the UxC Broker Average Price (BAP) has been published with support by the participating nuclear fuel brokers (Evolution Markets and Nucmerco Limited). In 2021, UxC began publishing the Ux U₃O₈ Price on a daily basis. This daily pricing service keeps industry participants up to date with the latest spot uranium price moves.

The Ux Weekly is much more than a newsletter. It is a comprehensive information service provided by the nuclear market's most trusted and reliable research and analysis firm.

Additional information about the *Ux Weekly* and its associated services that accompany a subscription can be found online at our public website at: www.uxc.com/p/products/uxw_overview.aspx

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Market on the Mend

Since the spot uranium price hit its most recent low point of \$18 per pound on December 5, 2016, the market has been prone to large swings in price. Much of this volatility has resulted from shifting contract as well as changes in market fundamentals. The biggest upward price action came just after announcements by major nuclear producers, especially those by Rosatom (Ukraine and Canada). The day's big jump was in early 2017, after Rosatom announced a 10% output production reduction for that year. The second big price jump was in late 2017, after Canada announced a 10-month production suspension at McArthur River/Key Lake. Recently, the price retraced by roughly 25% within a matter of 3-4 months after these initial price increases. While several factors caused these relatively swift price collapses both times, most would point to the large volume of open uranium available in the market at the primary time, which was a result of both excess inventories as well as contracted obligations.

After hitting a low this year in early April, the price volatility has been a high for the rest of 2020, which is expected to last through the end of the year. The price has risen to the last two large peaks reached on February 13, 2017 and December 4, 2017 – almost both were approximately \$26-\$28. This question remains to raise the question whether we are in for a similar drop again in late 2021 with the closing of 4th quarter. Of course, the latest price jump has come as the result of a combination of factors: Rosatom's Key Lake, but there are also several other fundamental factors that can point to it. It is worth this to note, that the current volatility seems much more probable for a sustained price recovery compared with the previous two temporary price jumps.

Spot Price since December 2016

Ux U ₃ O ₈ Price (90/99)	Ux U ₃ O ₈ Price (90/20)
\$26.50	\$24.50
\$25.00	\$23.00
\$23.50	\$21.50
\$22.00	\$20.00
\$20.50	\$18.50
\$19.00	\$17.00
\$17.50	\$15.50
\$16.00	\$14.00
\$14.50	\$12.50
\$13.00	\$11.00
\$11.50	\$9.50
\$10.00	\$8.00
\$8.50	\$6.50
\$7.00	\$5.00
\$5.50	\$3.50
\$4.00	\$2.00
\$2.50	\$0.50
\$1.00	\$0.00
\$0.50	\$0.00
\$0.00	\$0.00

Ux Price Indicators

Category	Item	Price
Ux U ₃ O ₈ Price (90/99)	Spot	\$26.20
	Spot-MAP	\$25.10
	1-M Forward	\$30.75
	3-M Forward	\$33.25
Ux U ₃ O ₈ Price (90/20)	Spot	\$24.50
	Spot-MAP	\$23.40
	1-M Forward	\$29.05
	3-M Forward	\$31.55
Contracted rates	NA Spot	\$11.75
	NA Term	\$14.50
	EU Spot	\$12.00
	EU Term	\$14.50
Long-Term	Long-Term	\$24.00
	NA Price	\$75.85
	NA Value	\$80.21
	EU Value	\$82.65
Long-Term	Long-Term	\$40.00
	NA Spot	\$7.037
	EU Spot	\$7.238
	EU Term	\$7.238

Month-end (9/27/21)

This condition is not based on the "bull's market" but rather on the "bear's market". There are several differences in the time frame in the previous one.

Just, the market has been extremely active, which many suggest is a sign that sentiment is up. Spot trading volume is already at a record this year, reaching nearly 62 million pounds U₃O₈ option through just the end of August. This volume has been sourced significantly by buyers from all types of market participants, including uranium producers, metal refiners. However, the second big change in the market is related to the fact that the increased volume of at least 12 million pounds U₃O₈ that UxC can identify can be attributed to increased long-term purchases. Of this, the industry-published Ux Yellow Card price that is the most prominent, but also some premium by Uranium Participation Corp. (UPC) as well as several unnamed hedge funds. Of these, from some of the "major players" that is often criticized, these investors are not taking interest in the market. They are already in a position of loss. Further, we only have investors entered in a system very to the physical instance client, but not the part to a significant extent as financial investors to uranium overall, including trading company entities.

On the other hand, the spot price has not been too high because of the market. Although some market demand is still relatively high due to new contracts being traded for existing contracts, it will have to be the market's ability to absorb the very long-term spot material that may not be available. Some are pointing to spot and term contracts.