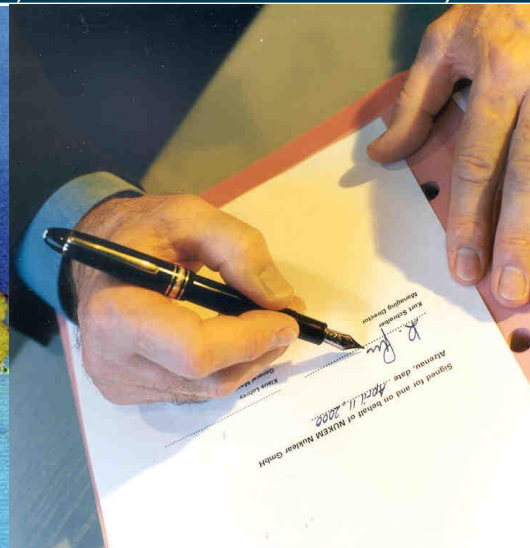


Uranium Market from a Global Perspective or Secondary Supplies: The Gift that keeps on Giving

NUKEM GmbH
Klaus Lohrey, Managing Director



Caution about Forward-looking Information

This presentation includes **forward-looking information** and statements within the meaning of applicable Canadian and US securities laws.

Actual **results and events** may be **significantly different from what we currently expect**.

These statements are based upon a number of material assumptions, which **may prove to be incorrect** are subject to a number of material risks that **could cause actual results to vary materially**.

We will not update this information **unless required to by law**.

Overview

- **About NUKEM**
- **Perspectives of the International Uranium Market**
 - Fundamentals on Supply and Demand
 - Demand & Primary Supplies (WNA Reference Scenario)
 - Breakdown of Secondaries
 - Global Picture on Supply and Demand
- **Uranium Spot & Term Market**

NUKEM Group at a Glance

Over 50 Years Experience in the Nuclear Sector

Headquarters:

- Nukem GmbH, Alzenau (Germany)
& Nukem Inc., Danbury (USA)

Representative Offices:

- Moscow
- Tashkent (Uzbekistan)
- Ust Kamenogorsk (Kazakhstan)

Key Figures

- Sales
- Employees

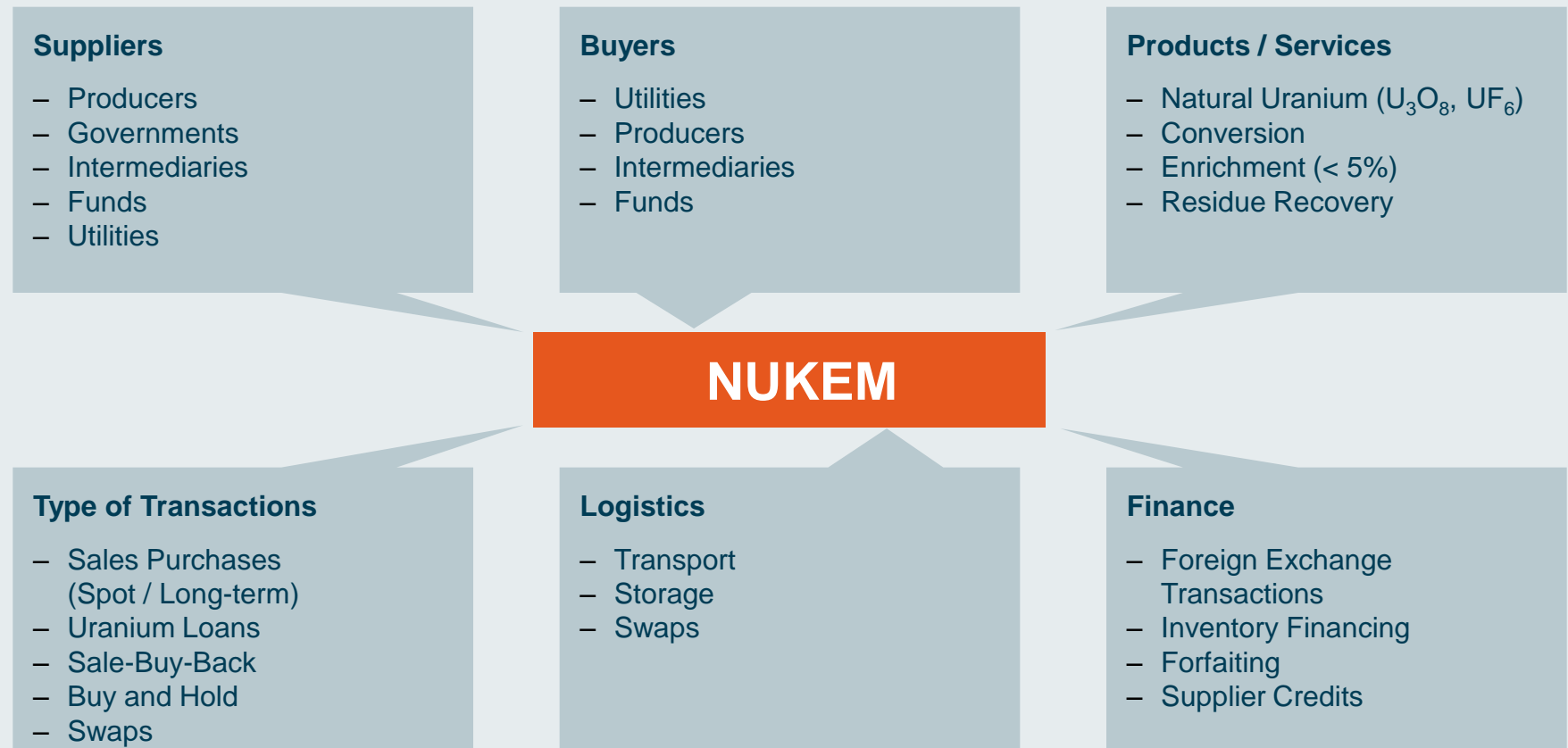
Financial Year 2012

€ 470 million
30 *)

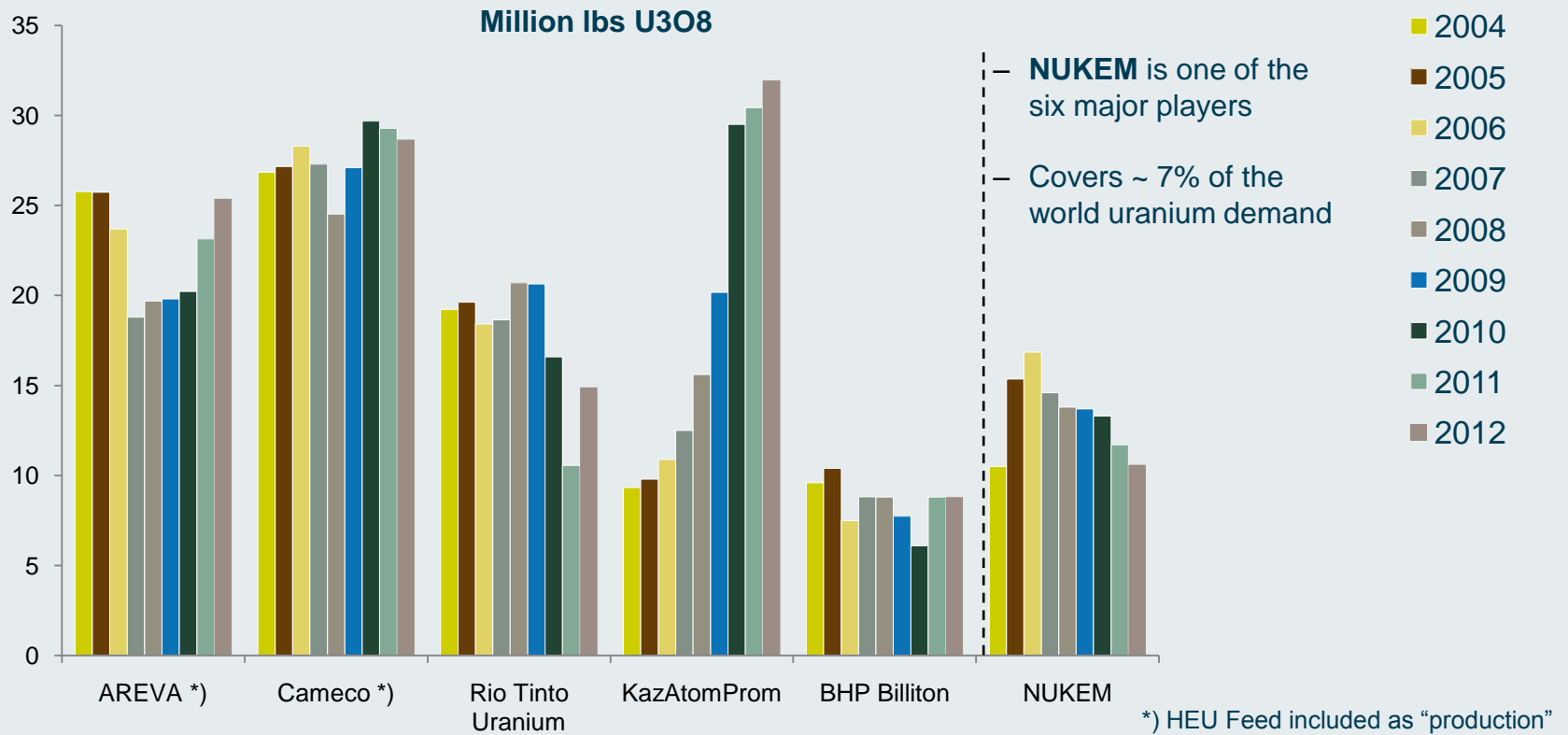


*) Full time equivalents

Components and Services in the Fuel Cycle Service



NUKEM Delivery Commitments vs. Uranium Production of the Major Producers



Overview - 2nd Part

- About NUKEM
- **Perspectives of the International Uranium Market**
 - Fundamentals on supply & demand
 - Demand & primary supplies (WNA Reference Scenario)
 - Secondary supplies with breakdown
 - Global picture on supply & demand
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Demand & Supply Fundamentals at a Glance

Major elements

Demand

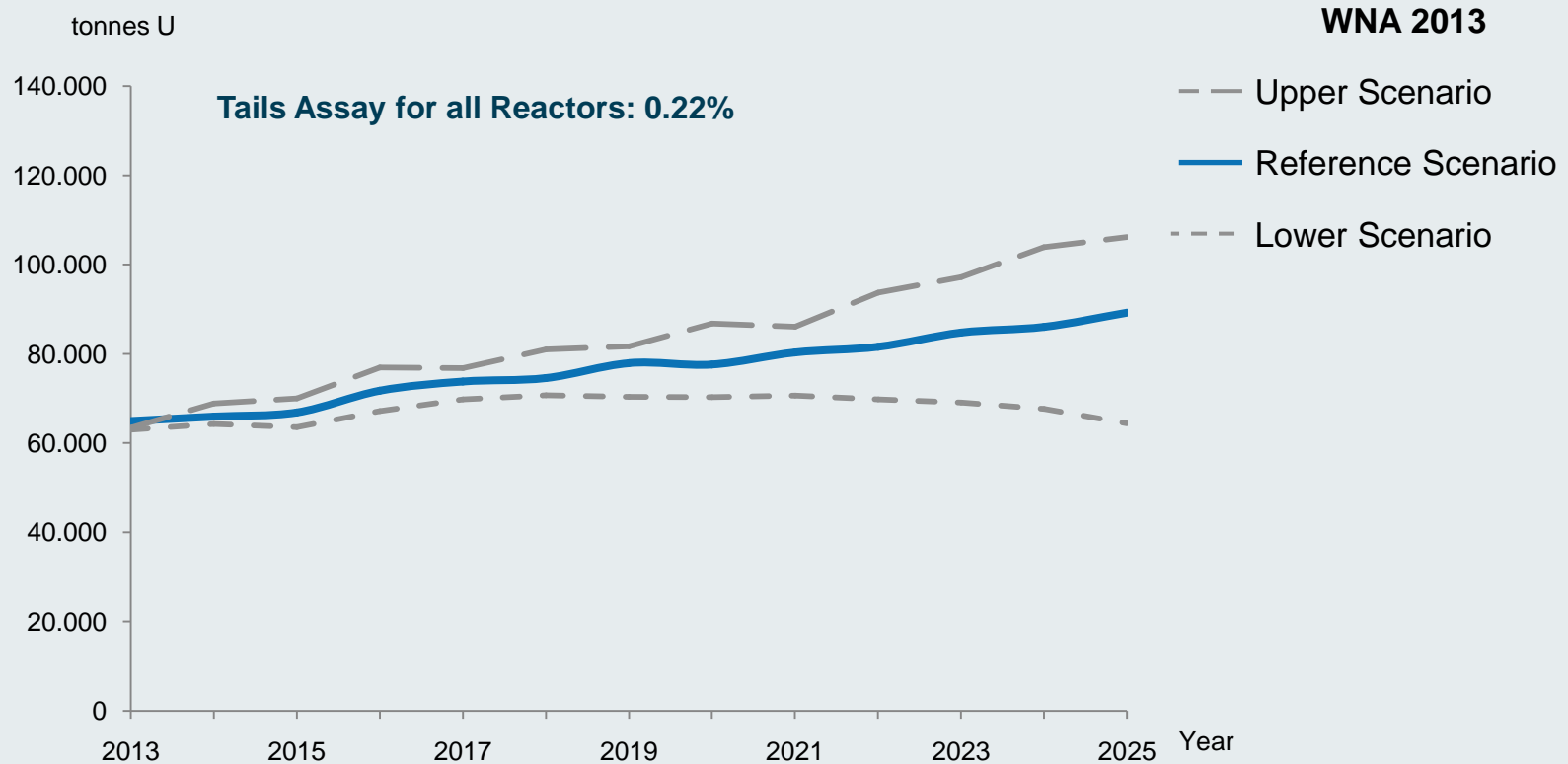
- 430 operating nuclear reactors worldwide in 2013 (~390 GWe)
- 69 reactors currently under construction (~70 Gwe)
- Major new-builds in China, Russia, India and South Africa
- Reactor retirements expected in Russia, Germany, Japan and Canada
- 510 GWe generating capacity expected by 2022

Supply

- Down-blending of Russian HEU ending 2013;
- Secondary supplies continuing beyond 2013, but on a lower level than before 2013
- New big uranium production projects suspended/postponed, in part indefinitely

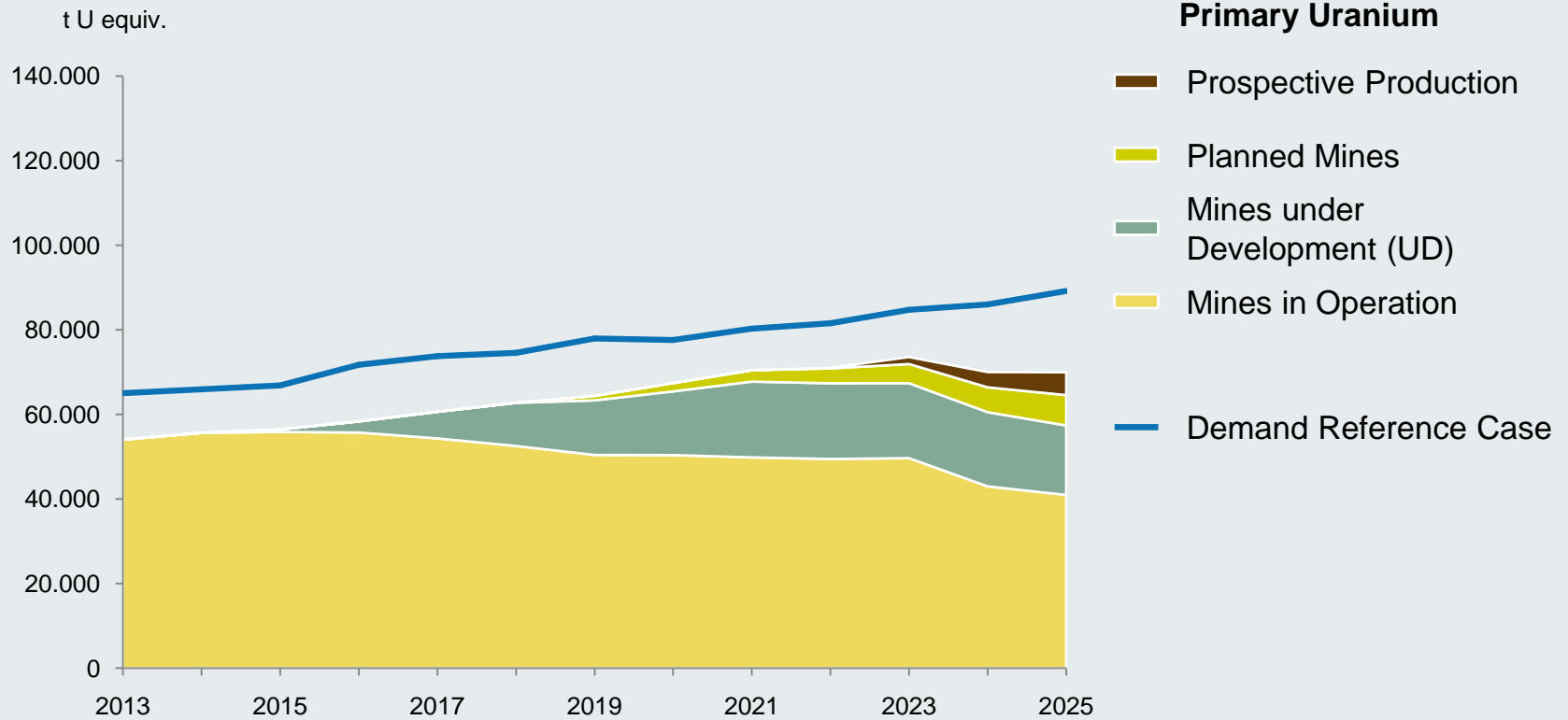
World Uranium Demand & Supply (1)

WNA Demand Scenarios



World Uranium Supply & Demand (2)

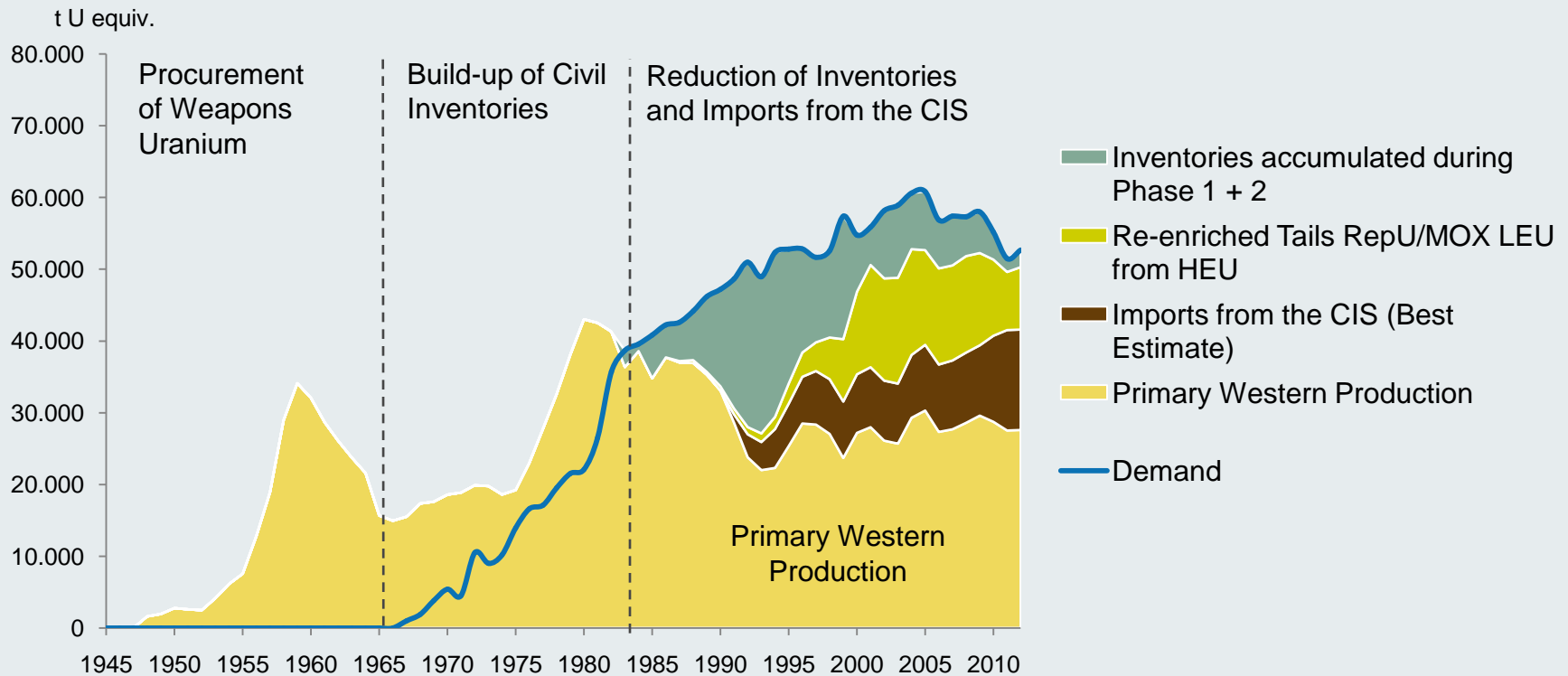
Primary Supplies - WNA Reference Scenario



Sources:
WNA Market Report Sep 2013

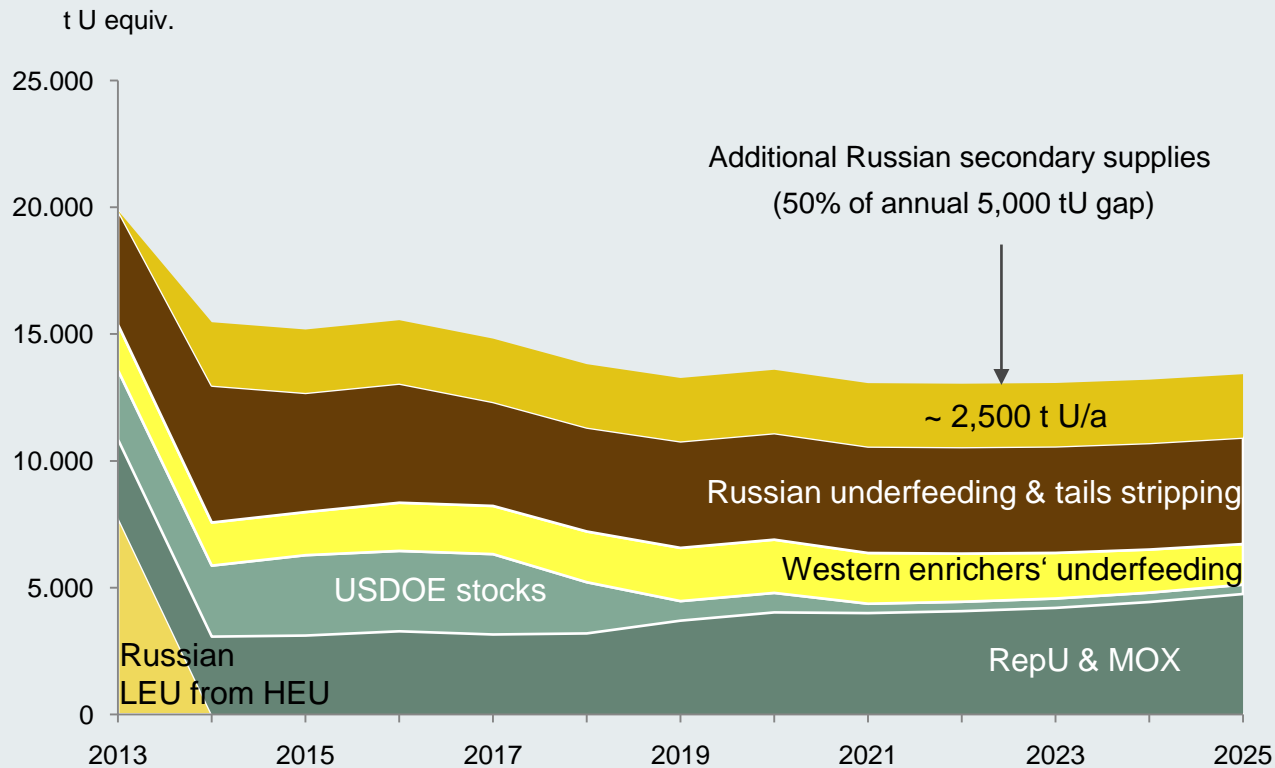
World Uranium Supply & Demand (3)

Inventory Build-up and Supply Gap Coverage in the West since the Mid-eighties



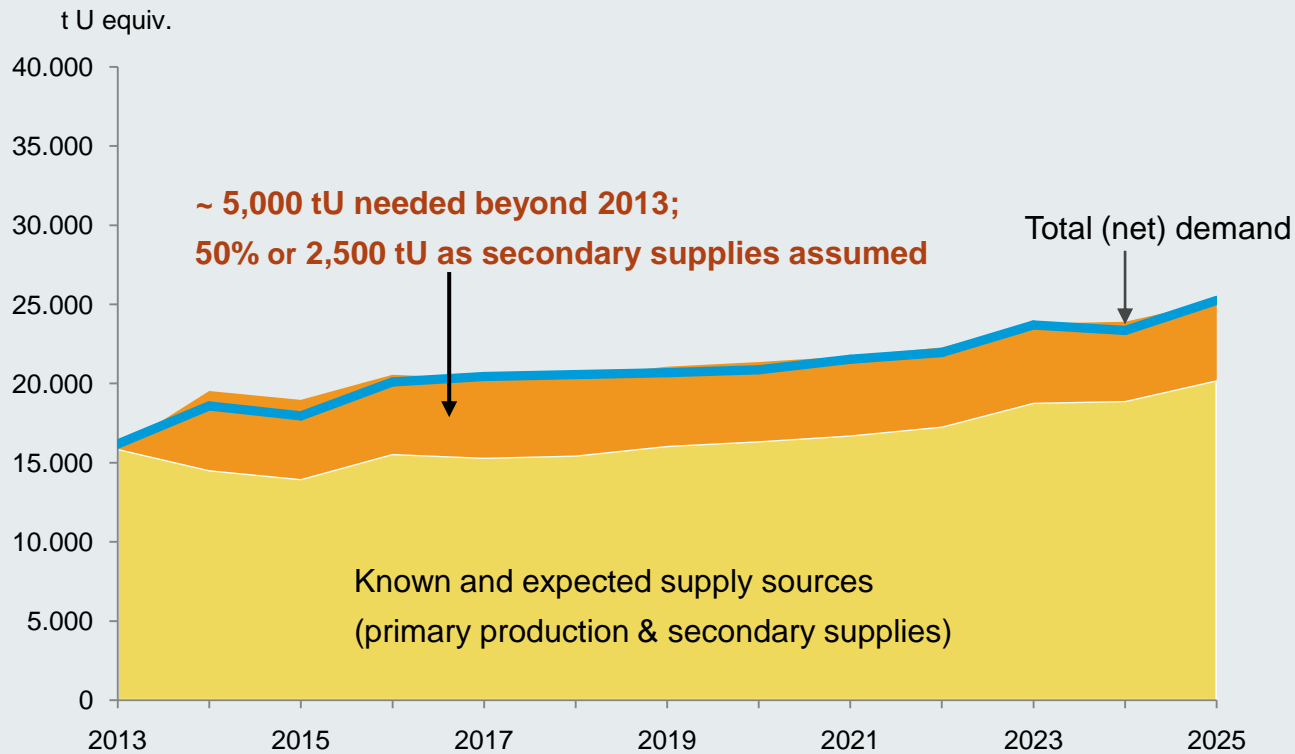
World Uranium Supply & Demand (4)

Uranium from Secondary Supplies - WNA Reference Scenario



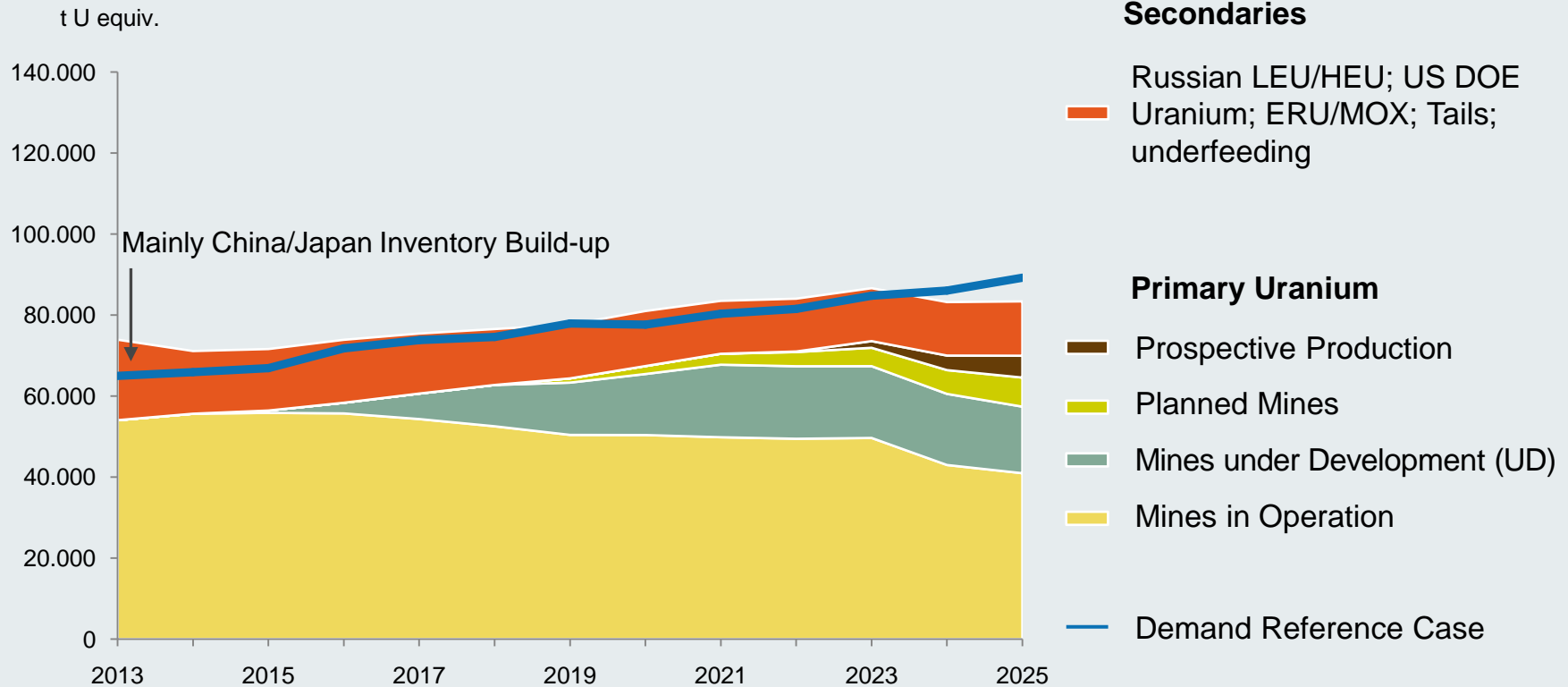
World Uranium Supply & Demand (5)

Russian Supply/Demand Analysis – Additional Material Needs



World Uranium Supply & Demand (6)

Global Supply/Demand – WNA Reference Scenario



World Uranium Supply & Demand (7)

Conclusion and Outlook

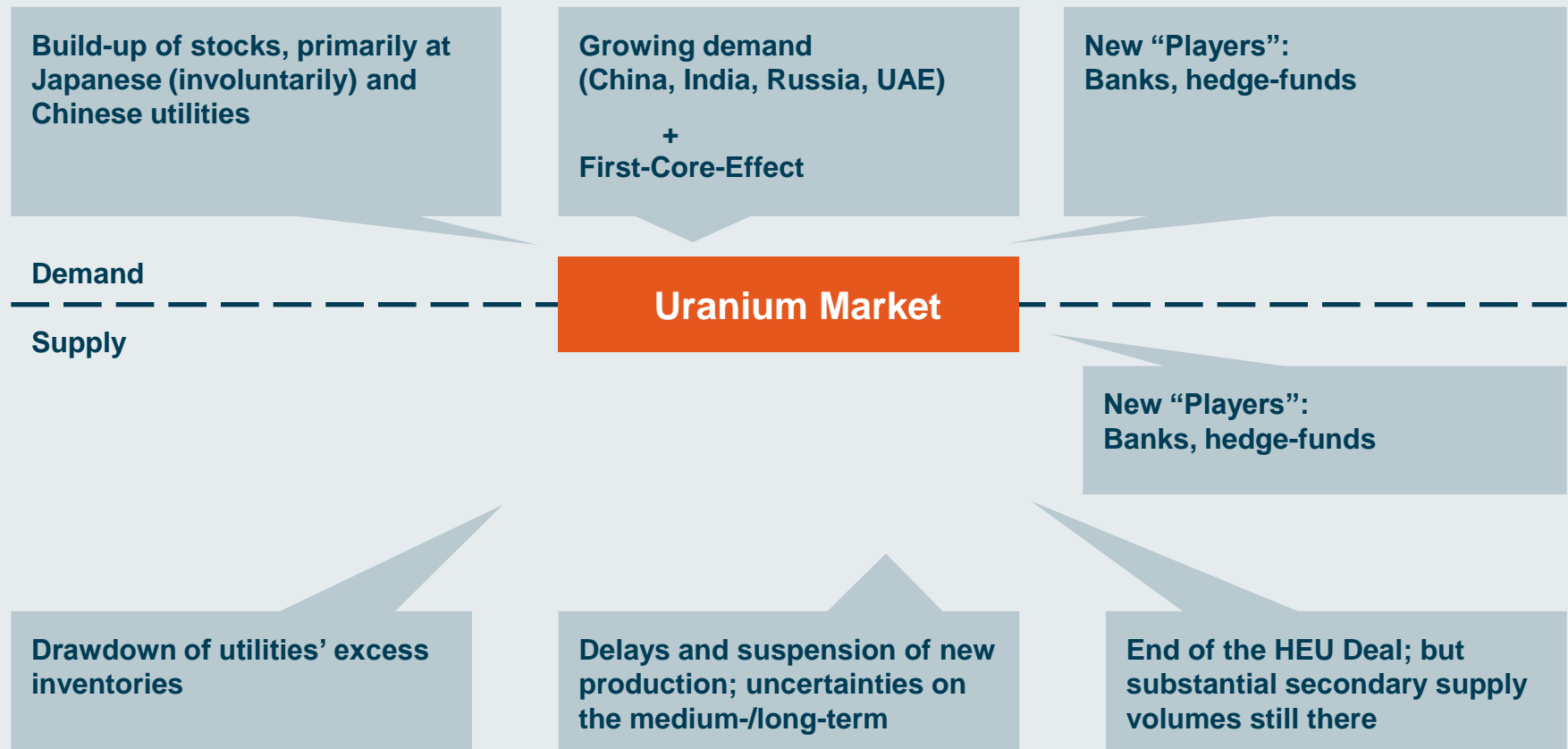
- **Important message to take home:** Secondary supplies, the gift that keeps on giving
- **Near-term:** The build-up of inventories in nuclear emerging countries, particularly in China, reduces the obvious oversupply to an acceptable level
- **Medium-/Long-term:** Good balance between supply & demand through 2023 within the assumptions made
- **Additional secondary supplies** possible, due to
 - Draw-down of inventories
 - Re-enrichment of US high-assay tails
 - HEU inventories

Overview – 3rd Part

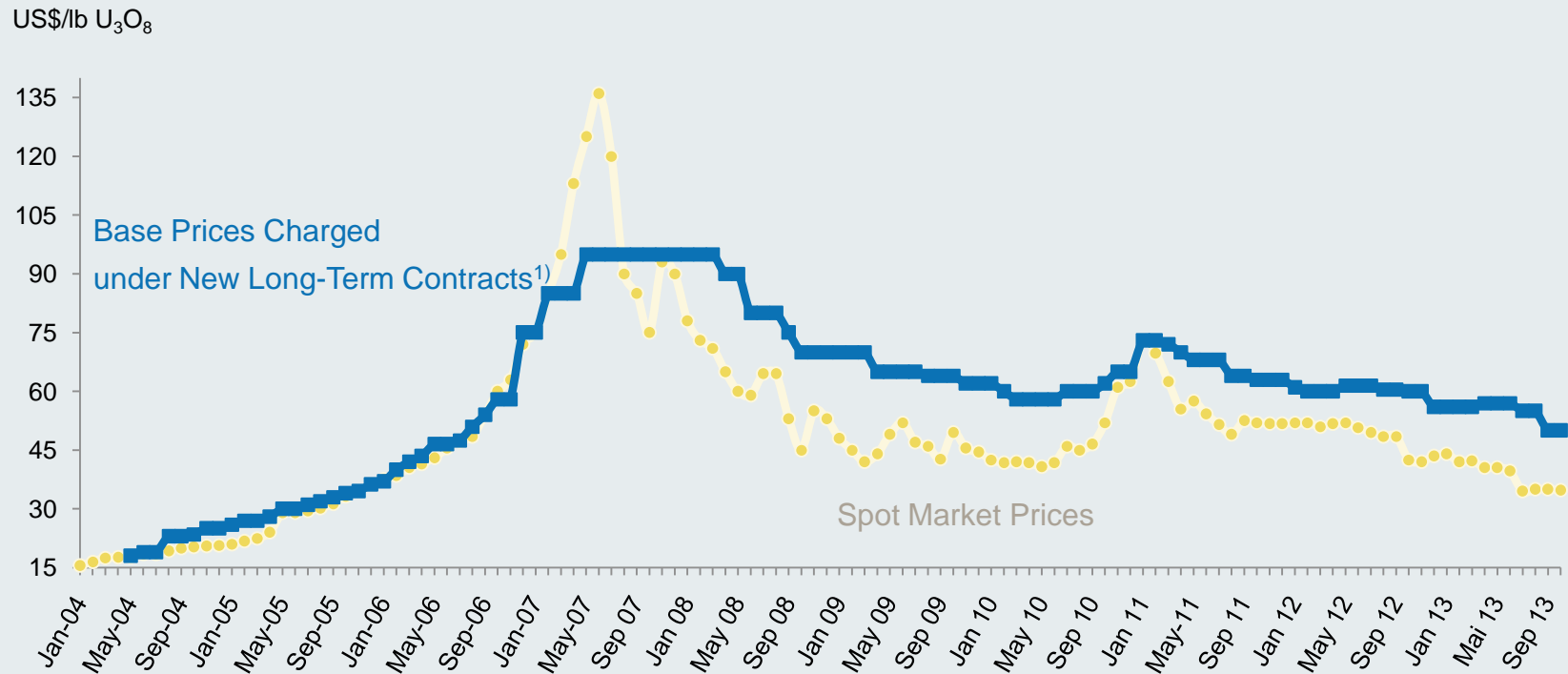
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Uranium Market

Main Influences – A Simplified View



Uranium Base Prices for Spot & Term Contracts



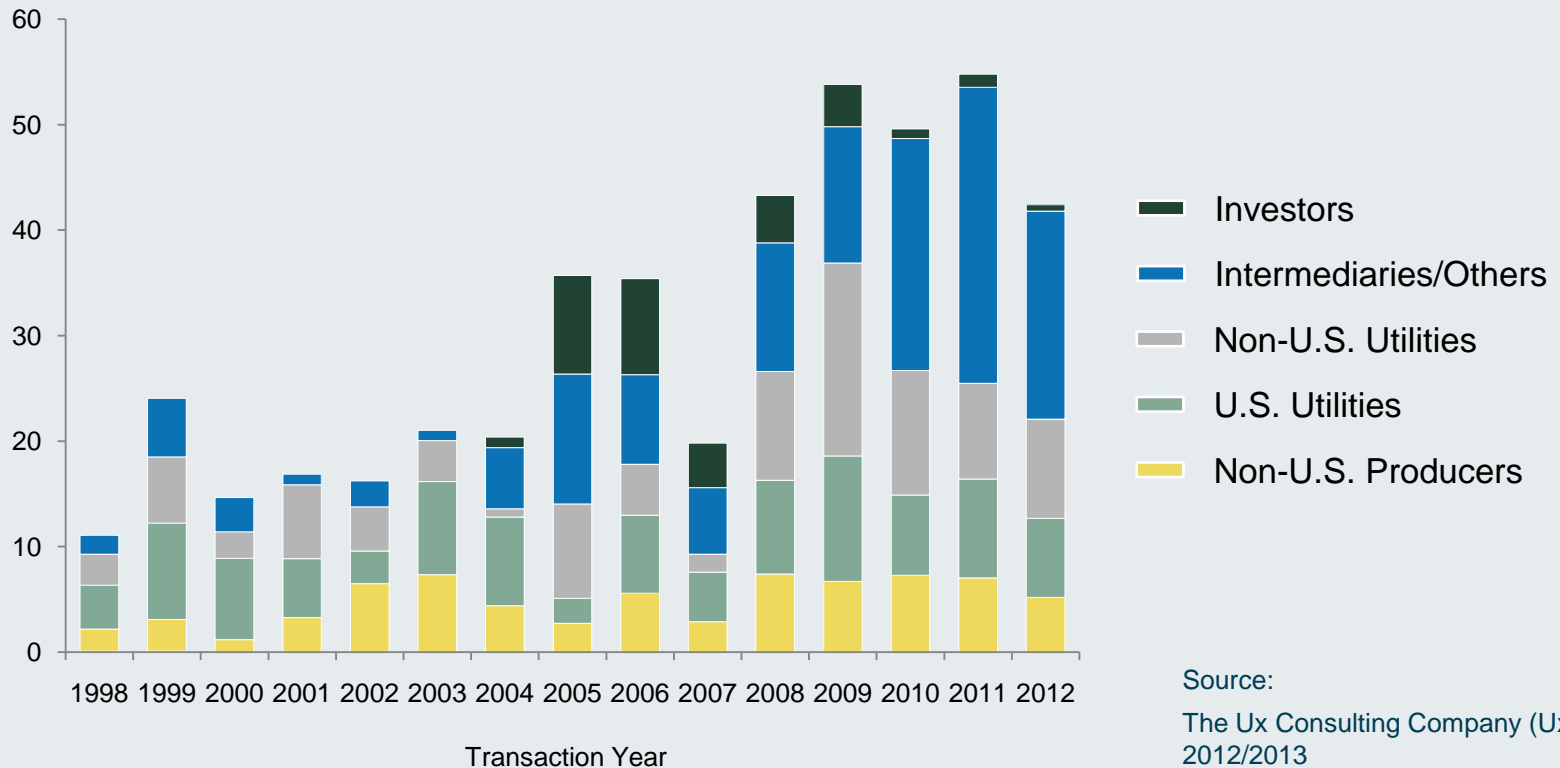
Source: UxC Weekly Reports

¹⁾ Base prices are given for the month of contract conclusion

Natural Uranium Spot Market Volume by Buyers

Financial Investors' Share Declining since 2010

Million lbs U₃O₈



Source:

The Ux Consulting Company (UxC),
2012/2013