

COMMODITY Insights Bulletin



Uranium (Q4, 2014 and Q1, 2015)

Insight: Patience is a virtue

The uranium market remains on hold waiting for the right signals. The signals involve a mixture of the speed and extent of Japanese restarts, a potential supply disruption given the limited number of significant uranium producers, a return to historical levels of long term contracting and/or a geopolitical event. There is rightfully optimism within the industry based on the long term market fundamentals. However, currently there is over supply in the market and it will require patience to see out the market signals. In my mind, the return to long term contracting volumes at the necessary incentive price will be the real signal. I also believe that patience with the current market dynamics is required but will be rewarded in the longer term.

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> **Derek Meates** KPMG in Canada

Uranium price trends¹

In 2014, uranium spot prices averaged at US\$33/lb – a 13 percent decline from the 2013 average of US\$38/lb – despite the increase in prices in the second half of H2, 2014. The uranium spot prices witnessed an increase of about 28 percent from US\$30/lb in Q2, 2014 to US\$37/lb in Q4, 2014, which may have been due to supply disruptions at some of the key mines.

Term prices declined about 14 percent, from US\$54/lb in 2013 to reach US\$46/lb in 2014. Although, the prices

for uranium continued to drop through 2014 in Q1, 2015, the prices increased 3 percent as compared with those in Q4, 2014. In Q1, 2015, spot prices reached US\$38/lb, increasing about 9 percent y-o-y.

As a reminder the spot market for uranium is not a liquid market with annual volumes of approx. 30 Mlbs versus an historical uranium market of closer to 200 Mlbs per annum the majority been driven by long term contracts i.e. the term price.²



Figure 1: Prices of uranium, Q1, 2003-Q1, 2015

Source: Uranium price, Cameco, http://www.cameco.com/invest/markets/uranium-price, accessed May 2015; "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015 accessed May 2015; KPMG analysis

"Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis
 "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; UBS Global Research, Uranium weekly – Uranium price down US\$3.0/lb w/w to US\$35.50/lb, 4 May 2015, via Thomson research/Investext, accessed May 2015; KPMG analysis

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With the introduction of several new reactors (particularly in China), uranium demand is expected to grow in the medium term. However, there is potential brownfield supply in Canada and Kazakhstan, which subject to appropriate price signals, may satisfy the initial increase in demand in the short term.

In 2015, uranium spot prices are expected to average at about US\$41/lb – an increase of 24 percent from US\$33/lb in 2014.³

At present, the revival of nuclear reactors in Japan is witnessing slow progress. However, the country is expected to restart electricity production through some of the reactors in 2015. Japan's Kyushu Electric Power Co. is scheduled to resume its 890 megawatt Sendai Nuclear Plant in mid-August 2015 – which will be Japan's first nuclear plant revival – post Fukushima. Further, Japan's Nuclear Regulatory Authority has approved the restart of Ikata 3 nuclear power reactor in Ehime prefecture of Southern Japan. Shikoku Electric Power Co.'s Ikata 3 is expected to be restarted by the end of 2015.⁴

Although the start-up of Japanese reactors has the potential to create significant positive market sentiment, uranium supply remains sufficient in the short term. For example, recently, Tokyo Electric Power Company (TEPCO) announced their plans to sell about half of its' uranium reserves that could raise about US\$102 million. Currently, the company holds about 17,570 tons of uranium, which could run its Kashiwazaki-Kariwa plant (expected to restart in 2016) for 10 years.⁵ The real impact of Japanese restarts is potentially in kick starting the long term contracting process to resume in line with the markets previous history of more than 150 Mlbs per annum in long term contracting.⁶

Figure 2: Market balance vs. prices, 2014–20F*



*Market balance presents the difference between the world primary uranium production and the world uranium consumption.

Source: "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015 accessed May 2015; RBC Capital Markets, Global Mining Trends and Values, May 2015; Haywood Capital Markets, Uranium Price Continues Pull-Back as Positive Macro News Sparks Sector Interest, 30 April 2015; Cantor Fitzgerald, Quarterly Commodity Outlook, 28 April 2015, BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015; KPMG analysis Moving ahead, higher prices over 2015–2020 will be driven by the growth in the nuclear energy sector across emerging economies, globally. With about 65 reactors in the underconstruction phase, nuclear power generating capacity is expected to increase about 20 percent over the next five years.⁷

Supply and demand⁸

Supply

Figure 3: World uranium supply, 2014–19E



Source: BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015; KPMG analysis

- Global uranium supply declined about 6 percent in 2014 as compared with 2013, to reach 182.2 Mlbs of U₃O₈. This can primarily be attributed to shut downs and production disruptions at major mines such as Rio Tinto's Rossing mine in Namibia and Paladin's Kayalekera mine in Malawi. Despite the low-price environment in early and mid-2014, companies by and large maintained uranium production, with a hard focus on costs, liquidity and capital management, with the expectation that the prices would eventually return to sustainable levels. Some new mines were started in 2014 amid a low-price environment; for example, Cameco's Cigar Lake mine, started in March 2014 is the second-largest high-grade uranium deposit after McArther River. The mine is expected to ramp up its production to about 18 Mlbs by 2018.⁹
- To meet the global uranium demand, it is necessary to start up several new operating mines. The challenge will be whether the necessary incentive price of uranium will be present. Several companies have indicated that a price north of US\$70 is required to incentivize new supply. Sluggish investments in new uranium mines over the years may lead to market imbalances. In addition with the increase in regulatory approvals for setting up new uranium mines, it will be a challenge to sustain mine development with the large-scale progress and growth in the nuclear energy sector of emerging economies in the long run.¹⁰ For example, there are some headwinds
- ³ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; "Market Commentary – Uranium and the Russia Factor," u3o8.biz, 12 May 2015, accessed May 2015
- ⁴ "Japan Nuclear Update", Nuclear Energy Institute, May 2015, accessed May 2015; "Restart of Japan's First Nuclear Reactor Post Fukushima Disaster Delayed", NDTV, 2 June 2015, accessed May 2015
- ⁵ "TEPCO To Sell Large Portion of Uranium Reserves," Fukushima Update, 19 May 2015, accessed May 2015
- "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis
 "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; World Nuclear Power Reactors & Uranium Requirements, World Nuclear Association, http://www.world-nuclear.org/info/Facts-and-Figures/World-Nuclear-Power-Reactors-and-Uranium-Requirements/, accessed May 2015
- ⁸ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015; Converted to Pounds (lbs); 1metric ton (t) =2.204 Klbs
- ⁹ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; Uranium Markets, World Nuclear Association website, accessed May 2015; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/ Investext, accessed May 2015
- ¹⁰ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015

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in the industry, Areva – nuclear group which is 87-percent owned by the French state – recently announced that the company faced US\$5 billion loss in 2014, partly as a result of the delays to its reactor project in Finland.¹¹

In Q1 2015, the world's largest uranium source – McArthur River/key Lake – witnessed a 29 percent decline in its production, due to equipment maintenance and repairs over the period. However, the projected annual production of the mine remains unchanged to reach 13.7 Mlbs of U3O8 in 2015.¹²

Some of the shorter term increased demand could be met by potential brownfield supply in Canada and Kazakhstan, subject to appropriate price signals. It is also worth monitoring the progress of the sovereign backed Husab mine in Namibia with a potential 15 mlbs to come to the market.

• Kazakhstan comprises 12 percent of the global uranium resources, which produced about 58.3 Mlbs of U_3O_8 in 2014 and is further expected to increase over 2018. Over 2015–2019, supply will marginally increase at CAGR 2 percent CAGR to reach 62.4 Mlbs of U_3O_8 in 2019. The government has announced plans to build a Russian nuclear power reactor at Kurchatov. Kazatomprom – world's largest uranium producer – is expected to increase output in 2015 – to reach about 61 Mlbs of U_3O_8 in 2015 from 59 Mlbs¹³ of U_3O_8 in 2014 – accounting about 40 percent of the global production.

Demand¹⁴



Source: BMO Capital Markets, Mining and Commodity Roundup, May 2015; viaThomson research/Investext, accessed May 2015; KPMG analysis

 Global uranium demand witnessed an increase of 2.3 percent in 2014 to reach about 186.4 Mlbs of U₃O₈ as compared with that in 2013. Increased demand from China's nuclear power industries was offset to a large extent by the decreased demand in mature markets such as Japan, which was not able to restart a reactor in 2014. Currently, the world nuclear energy output remains below the pre-Fukushima levels. However, with about 65 new reactors in the 'under-construction' phase, backed with nuclear expansion plans in several countries, the midand long-term projections indicate a rising trend for the nuclear power sector.¹⁵

- Over 2014–2016, uranium demand is expected to grow marginally 1 percent to reach about 190 Mlbs of U₃O₈, globally. This increase will primarily be attributed to the marginal increase in output from existing reactors located in developed economies as well as the initial buildup of a few reactors in emerging markets such as China. The progress on Japan's revival of reactors also has the potential to create a positive price environment, although it is expected that only about 3 reactors will be restarted in 2015. Over 2015–2019, uranium consumption is projected to grow at a CAGR of 8 percent, from 174 Mlbs of U_3O_8 in 2015 to reach 237 Mlbs of U_3O_8 in 2019. This growth can primarily be attributed to the growing number of nuclear power reactors, which will eventually result in significant increase in demand for uranium. This is backed by the energy policies in emerging markets, which focus on relatively cheap and low-carbon-emitting energy sources for electricity production.¹⁶
- The US is considered to be the largest source of nuclear power over the medium term, despite the closure of five major reactors over the last two years. With the five new reactors under construction and increased output by most of the existing reactors, the industry sees positive prospects over 2015–2019. Demand is expected to grow at a CAGR of about 3.5 percent over 2015–2019, to reach about 61 Mlbs of U_3O_8 in 2019.¹⁷
- China is expected to be the most significant market for uranium, over the next five years. With 31 reactors in the 'under-construction' phase, the country's nuclear power sector is expected to increase its capacity triple-fold to reach more than 55 gigawatts over 2015–2019. During the period, uranium consumption in China will grow at a CAGR of 24 percent, from about 24 Mlbs of U₃O₈ in 2015 to reach 56 Mlbs of U₃O₈ in 2015 to reach 56 Mlbs of U₃O₈ in 2019. Moving ahead, it has several expansion plans, including an additional 64 gigawatts of capacity in the nuclear power industry.¹⁸ In Q1 2015, China launched four new reactors and has commissioned three which are more than 3 gigawatts.¹⁹
- Other emerging economies have development plans to increase their nuclear power capacities, over the next

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Figure 4: World uranium consumption, 2014–19E

[&]quot; "Areva nuclear group announces 4.8 billion euro loss", Economic Times, 4 March 2015, accessed May 2015; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015

¹² McArthur River/Key Lake, Cameco website, accessed May 2015

 $^{^{13}}$ Converted to Pounds (lbs); 1metric ton (t) = 2.204 Klbs

¹⁴ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015; Converted to Pounds (lbs); 1metric ton (t) = 2.204 Klbs

¹⁵ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; "The uranium trade is about to go nuclear," Market Watch, 24 April 2015, accessed May 2015; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015

¹⁶ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; "World Energy Needs and Nuclear Power," World Nuclear Association, May 2015, accessed May 2015; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015

¹⁷ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015

¹⁸ "Resources and Energy Quarterly," Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; BMO Capital Markets, Mining and Commodity Roundup, May 2015; via Thomson research/Investext, accessed May 2015

¹⁹ "Spot uranium price ignores fundamentals," Mining.com, 12 May 2015, accessed May 2015

few years. For instance, India and the UAE have 6 and 3 reactors, respectively, in the construction phase. Further, Bangladesh has already commissioned its first nuclear reactor, which is expected to start operations by 2021, to reduce its dependence on natural gas. Having said that, there are several risks which might offset the increase in nuclear power capacities which might lead to delays for project start-offs. For instance, the Nuclear Power Corporation of Russia postponed the commissioning of seven Nuclear power plant (NPP) projects in Russia – which were scheduled for preparatory works in 2016 – but has been delayed by three years, to begin in 2019.²⁰ The number of proposed nuclear reactors increased to 316 as of April 2015, compared to 301 in October 2014. However, the number of planned reactors decreased to 165, from 174 in October 2014. The number of under-construction nuclear reactors also decreased from 71 to 65.²¹ The primary reason for this decline is the extended outages in Japan, post Fukushima. The country has about 48 nuclear reactors, however, only two have produced electricity since 2013. Germany has also phased out its nuclear power program, in the wake of the Fukushima incident. The under-construction reactors have faced issues in terms of licensing permits and cost overruns, resulting in significant delays ranging from months to years.²²





Source: World Nuclear Power Reactors & Uranium Requirements, World Nuclear Association, http://www.world-nuclear.org/info/Facts-and-Figures/World-Nuclear-Power-Reactors-and-Uranium-Requirements/, accessed May 2015

Key developments

Ownership changes

The total value of deals increased to US\$205.3 million in Q1, 2015 from US\$34.3 million in Q4, 2014. The number of deals remained unchanged at two during Q4, 2014 to Q1, 2015.

Figure 6: Major deals in the uranium industry



Source: Mergermarket accessed May 2015; KPMG analysis

 ²⁰ "Resources and Energy Quarterly", Bureau of Resources and Energy Economics, Australian Government, March quarter 2015, accessed May 2015; KPMG analysis; "Nuclear Power in Bangladesh", World Nuclear Association, May 2015, accessed May 2015; "Nuclear Power in Bangladesh", World Nuclear Association, May 2015, accessed May 2015; "Russia's nuclear power corporation delays new NPP construction projects in Russia", Russia and India Report, 13 May 2015, accessed May 2015
 ²¹ World Nuclear Power Reactors & Uranium Requirements, World Nuclear Association, http://world-nuclear.org/info/Facts-and-Figures/World-Nuclear-Power-Reactors-

and-Uranium-Requirements/, accessed May 2015 ²² "The rise and fall of nuclear power, in 6 charts", Vox, 30 January 2015, accessed May 2015

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Table 1: Uranium deals announced in Q4, 2014 and Q1, 2015

Date announced	Target	Acquirer	Status	Value of transaction (US\$ million)	Stake (%)
<u>23-Mar-15</u>	Black Range Minerals Limited (Australia)	Western Uranium Corporation (Canada)	Announced	14.82	NA
<u>05-Jan-15</u>	Uranerz Energy Corporation (US)	Energy Fuels Inc. (Canada)	Announced	190.43	100
	The acquisition deal will lead to the creation of an integrated conventional and in-situ recovery (ISR) uranium mining company focused on the US. The transaction will be carried out by merger of Uranerz with a subsidiary of Energy Fuels.				
<u>20-Nov-14</u>	Pinon Ridge Mining LLC (US)	Homeland Uranium Inc. (Canada)	Announced	29.23	NA
<u>29-0ct-14</u>	Polar Star Mining Corporation	Revelo Resources Corp.	Announced	5.08	100

In May 2015 NexGen Energy a uranium exploration company announced \$23 million in financing which is a significant achievement for an exploration company in todays market.²³

Table 2: Recent regulations in the uranium industry

Country	Regulation	Description
Canada	Claim against the government ²⁴	 For the loss of its investment in its Matoush uranium project in northern Quebec, Strateco Resources has filed a claim against the government of Quebec, seeking C\$190 million (US\$164 million) in damages. The company invested an average of C\$20 million (US\$17 million) per year in the Matoush project during 2006–2012.

Table 3: Recent agreements in the uranium industry

Country	Regulation	Description
Russia and Jordan	Nuclear cooperation ²⁵	 In March 2015, the Jordanian Atomic Energy Commission (JAEC) and Russia's ROSATOM (state-run atomic energy corporation) signed the agreement to collectively develop Jordan's first nuclear plant.
		 About 50.1 percent of the cost will be covered by the Jordanian government, while 49.9 percent will be covered by ROSATOM.
Argentina and Russia	Russian investment in nuclear energy projects ²⁶	 A nuclear agreement between Argentina's national atomic energy commission (CNEA) and ROSATOM was signed to cooperate for the development of nuclear energy in Argentina. Another agreement was signed between TVEL – which is Russia's nuclear fuel subsidiary – and Argentina's state technology firm – 'Invap', to collaborate on use of metallic uranium, both for domestic use and export.
India and Canada	Commercial agreement to source Uranium from Canada ²⁷	 On April 2015, Canada agreed to supply India about 3000 metric tons of Uranium under the five-year deal to power the atomic reactors in India, starting 2015. The supply contract was signed between Cameco – Canada-based one of the world's largest uranium producers – and India's Department of Atomic Energy (DAE). All of the
France and China	Extension of nuclear cooperation	 EDF – a major French electric utility company, owned largely by the French Government – and China General Nuclear Power (CGN), signed an agreement to collaborate and share their operational and engineering capabilities, for the existing power plants.
Russia and India	Nuclear reactor construction agreement ²⁸	 ROSATOM and Indian government's nuclear energy department, signed an agreement for construction of more than 20 power plants in India, using Russian scientists and specialists. In addition to, the existing 1,000-megawatt Russian-built reactor at Kudankulam power station in Tamil Nadu (India) and the second unit scheduled for operation in late 2015, India signed another contract with Russia for the equipment delivery of third and fourth power generating units in the same region.

²³ "NexGen Energy Ltd. Closes \$23,740,000 Bought Deal Financing", 26 May 2015, via Factiva, accessed May 2015

24 Strateco Sues Quebec Government for Losses Related to Matoush Project, 1 January 2015, via Factiva, accessed May 2015

²⁵ "Russia-Jordan nuclear cooperation", 14 May 2015, via Factiva, accessed June 2015

- ²⁶ "Argentine President Fernández courts Russian investment in energy projects", 22 April 2015, via Factiva, accessed June 2015
- ²⁷ "Canada-India contract strengthens nuclear ties", 16 April 2015, via Factiva, accessed June 2015
- ²⁸ "Interfax Russia & CIS Energy Daily," 11 December 2014, via Factiva, accessed June 2015

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Country	Regulation	Description
Canada and China	Develop reactors using reprocessed uranium ²⁹	 Joint venture between Candu Energy – a Canada-based company which accounts for 16 percent of the total electricity requirements in Canada – and China's National Nuclear Corporation (CNNC) have agreed to create an reactor – entirely fueled by reprocessed uranium – in less than five years.
Canada and China	Civilian nuclear energy cooperation ³⁰	• A Memorandum of Understanding (MOU) was signed between Natural Resources Canada and China National Energy Administration, to collaborate for establishment of advanced reactors and exports to the third markets.

Cross-section of global uranium projects

Table 4: Cross-section of global uranium projects

Project	Country/Region	Operators	Capex (US\$ million)	Initial production	Annual Uranium capacity (Mlbs)
Akbastau Uranium Mine	South Kazakhstan province, Kazakhstan	Akbastau JV JSC	608.5	2009	5.0
Cigar Lake Uranium project	Saskatchewan, Canada	Cameco Corporation	2,600.0	2014	18.0 ³¹
Etango Uranium Deposit	Namib desert sands, Namibia	Bannerman Resources Limited	870.0 ³²	N/A	6.0–9.0
Husab Uranium Deposit	Swakopmund, Namibia	Swakop Uranium (Pty) Ltd	1,480.0	2015	15 ³³
Imouraren Uranium mine	Arlit, Niger	Areva NC	N/A	N/A	5,000 tons/year
Inkai uranium mine	Ongtustik, Kazakhstan	Joint Venture Inkai Limited Liability Partnership	359.2 ³⁴	2009	5.2
Karatau uranium mine	Ongtustik, Kazakhstan	Uranium one Inc.	N/A	2009	5.2
Kayelekera uranium mine	Karonga, Malawi	Paladin Energy Ltd.	182.0	2009	3.3 (The mine has been put on care/maintenance)
Kharasan Uranium Mine	Qyzylorda, Kazakhstan	Uranium one Inc.	N/A	2009	7.8
Kintyre uranium deposit	Western Australia, Australia	Cameco Corporation	600	N/A	6.0
Langer Heinrich uranium mine	Walvis Bay, Namibia	Paladin Energy Ltd.	142.0	2007	5.2
Madaouela Uranium project	Agadez, Niger	Goviex Uranium Inc.	646.0	N/A	2.5
McArthur River mine	Saskatchewan, Canada	Cameco Corporation	3,500.0	1999	21.0
Michelin Uranium Deposit	Newfoundland and Labrador, Canada	Paladin Energy Ltd.	984.0 ³⁵	NA	5.7
Olympic Dam Copper/ Uranium Mine	South Australia, Australia	BHP Billiton Ltd	N/A	1988	8.8
Rabbit lake uranium mine	Saskatchewan, Canada	Cameco Corporation	N/A	1975	4
Ranger Uranium mine	Northern Territory, Australia	Energy Resources of Australia Ltd	N/A	1980	11.1
Rossing Uranium mine	Swakopmund, Namibia	Rio Tinto Ltd	N/A	1976	9.9
Roughrider Uranium Deposit	Saskatchewan, Canada	Rio Tinto plc	567.0	NA	NA
South Inkai Uranium mine	Ongtustik, Kazakhstan	Atomredmetzoloto JSC	NA	2009	5.2
Trekkopje Uranium Mine	Walvis bay, Namibia	Areva SA	602.9	NA	NA
Wiluna uranium project	Western Australia, Australia	Toro Energy Ltd.	269	2018	1.7
Yeelirrie uranium deposit	Western Australia, Australia	Cameco Corporation	650	N/A	7.7

The list is not exhaustive and contains only a limited number of projects.

Source: Company data, BREE

³² Pre-production capital costs

³⁴ Remaining capital costs from 2010 to 2030

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²⁹ "Candu Energy, CNNC to develop reactors to use reprocessed uranium," 13 November 2014, via Factiva, accessed June 2015

³⁰ "New phase of Canada China nuclear energy cooperation welcomed by Candu," 10 November 2014, via Factiva, accessed June 2015

³¹ Production from the McClean Lake mill which will process all of Cigar Lake's mined uranium

³³ Potential capacity

³⁵ Including US\$132 million contingency



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Publication number: 132464-G Publication date: July 2015