

# COMMODITY Insights Bulletin



URANIUM

December 2015

Uranium (Q2, 2015–Q3, 2015)

## Insight: Uranium is in a holding pattern

My view is that uranium will break out of its holding pattern when a number of events combine from Japanese restarts, supply disruption and a return to long-term contracting. The current holding pattern will continue for the medium-term given there is oversupply on the back of Fukushima. On a positive note, the uranium price remains steady, if not spectacular, unlike other commodities that have experienced significant recent price declines such as iron ore and copper. The uranium price is underpinned by strong long-term fundamentals given significant new build in China. However, uranium companies are not and would not expect to be immune to the present reality of the mining cycle with a focus on reduced capex, project deferrals, operational efficiency and some liquidity concerns.

“My view is that uranium will break out of its holding pattern when a number of events combine from Japanese restarts, supply disruption and a return to long-term contracting.”

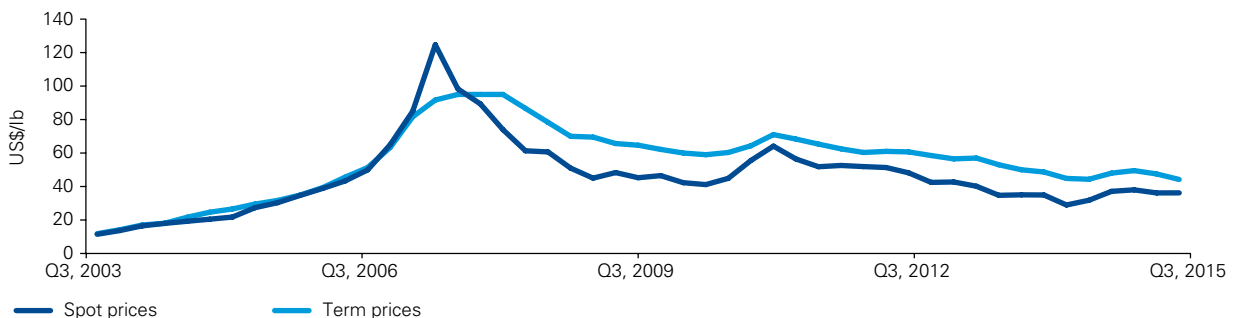
**Derek Meates**  
KPMG in Canada

### Uranium price trends<sup>1</sup>

The uranium spot prices averaged at about US\$37/lb year-over-year (y-o-y) in the first 9 months

of 2015 — a 15 percent increase from the 2014 average of about US\$32/lb — performing better than most other commodities. The recent comparatively sluggish growth of the Asian economies has not impacted the uranium market to the same extent as other commodities.<sup>2</sup>

Figure 1: Prices of uranium, Q3, 2003–Q3, 2015<sup>3</sup>



Sources: Uranium price, Cameco, <http://www.cameco.com/invest/markets/uranium-price>, accessed November 2015; “Resources and Energy Quarterly,” Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015; KPMG analysis

<sup>1</sup> RBC Capital Markets, “Uranium Market Outlook, Third Quarter 2015,” 24 August 2015; “Resources and Energy Quarterly,” Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015; KPMG analysis.

<sup>2</sup> “Why uranium prices are poised to rebound,” Market Watch, 18 September 2015; RBC Capital Markets, “Uranium Market Outlook, Third Quarter 2015,” 24 August 2015, accessed November 2015.

<sup>3</sup> The uranium market is largely driven by long-term contracts (term price), since it is a historical uranium market of about 200Mlbs per annum versus the spot price market that is not a liquid market, with annual volumes of about 30Mlbs.

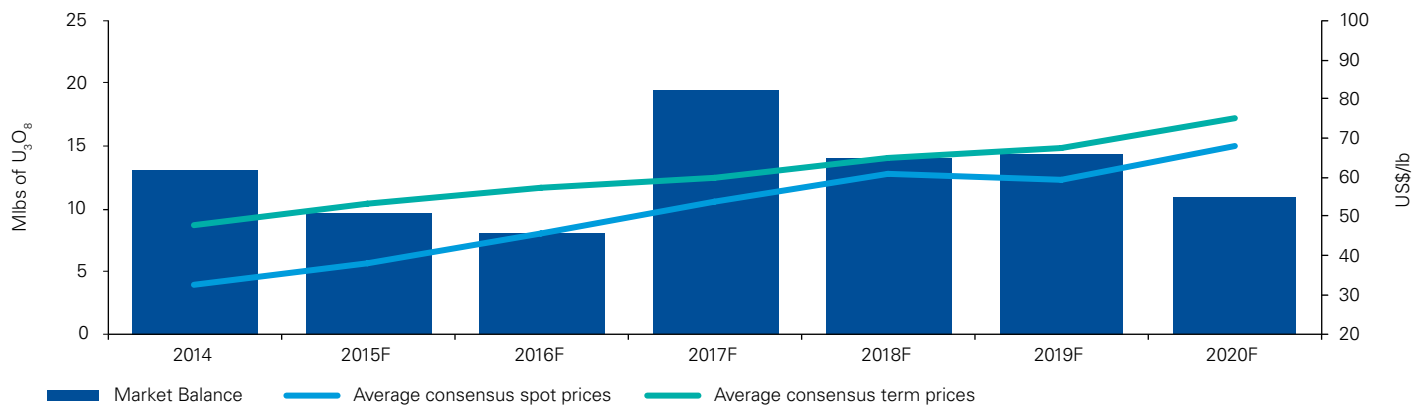
During Q2, 2015, uranium spot prices averaged US\$36/lb, an increase of 25 percent y-o-y as compared with those in Q2, 2014. However, over the short- to medium-term, price increases are expected to be held back by high inventory levels that stockpiled since Fukushima. In 2015, uranium spot prices are expected to average US\$38/lb — a 14 percent y-o-y increase as compared with 2014 average prices. Term prices increased marginally by about 2 percent y-o-y in the first 9 months of 2015, to reach US\$47/lb, from about US\$46/lb in the first 9 months of 2014.<sup>4</sup>

In Q3, 2015, the gradual nuclear reactor restart in Japan finally commenced with the launch of Kyushu Electric Power Co. Unit Number 1 reactor at Sendai in August 2015, while the Unit Number 2 of the two Sendai reactors began its full commercial operations in October 2015. Applications for restart have been

made for another 22 reactors, in addition to the J-Power Ohma 1 reactor, which is still under construction. Takahama reactors 3 and 4 have already received restart approvals from the National Regulatory Authority, along with the approval of restart for the Ikata 3 reactor. These three reactors (Takahama 3, 4 and Ikata 3) are expected to become operational in 2016.<sup>5</sup>

Over 2015–2020, the prices are expected to be driven by the growth in the nuclear energy sector across emerging economies, globally. The spot prices are forecast to reach US\$68/lb in 2020, at a CAGR of 12 percent from US\$38/lb in 2015. With about 66 nuclear reactors in the under-construction phase globally, high-consumption growth and limited supply is expected to result in higher uranium prices over the medium-term.<sup>6</sup>

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

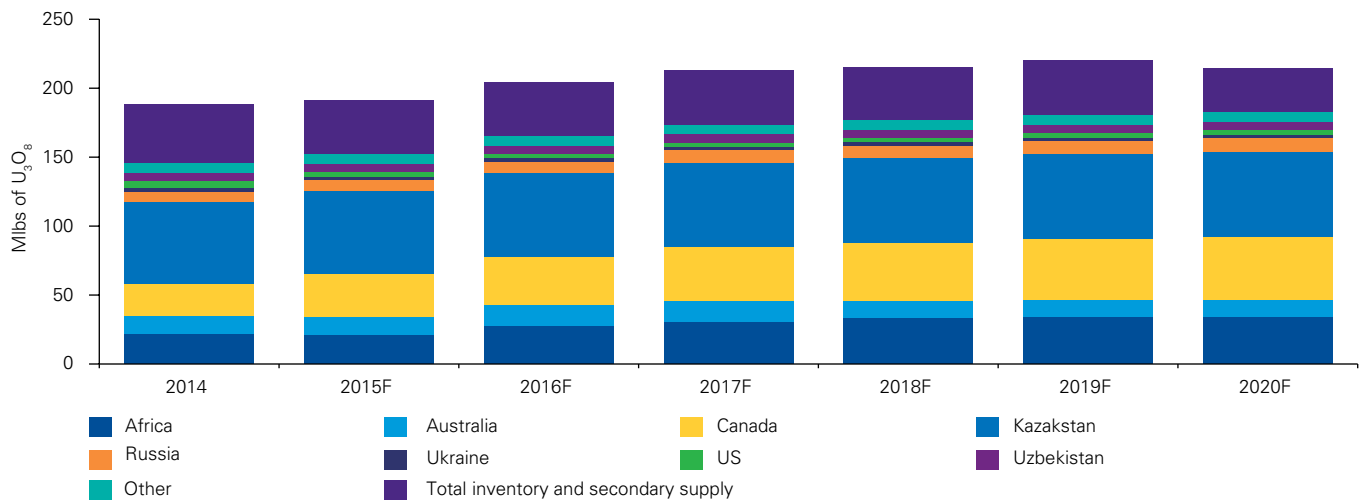


Sources: “Resources and Energy Quarterly”, Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015; RBC Capital Markets, “Uranium Market Outlook, Third Quarter 2015”, 24 August 2015; Cantor Fitzgerald, “Quarterly Commodity Outlook”, 29 October 2015; Raymond James, Uranium, 17 November 2015; Salman Partners, The Morning Note, 7 October 2015; Haywood Securities, “Uranium price recovers some of last week’s losses while equities soften”, 8 May 2015, via Thomson research/Investext, accessed November 2015; KPMG analysis

## Supply and demand<sup>7</sup>

### Supply

**Figure 3: World uranium supply, 2014–20F**



Sources: RBC Capital Markets, “Uranium Market Outlook, Third Quarter 2015”, 24 August 2015, via Thomson research/Investext, accessed November 2015; KPMG analysis

<sup>4</sup> “Current uranium market fundamentals strong — future is even brighter”, Mining.com, 12 November 2015; “Resources and Energy Quarterly”, Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015.

<sup>5</sup> “Japan Nuclear Update”, Nuclear Energy Institute, 19 November 2015; “Resources and Energy Quarterly”, Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015.

<sup>6</sup> RBC Capital Markets, “Uranium Market Outlook, Third Quarter 2015”, 24 August 2015, accessed November 2015; “Plans For New Reactors Worldwide”, World Nuclear Association, October 2015, accessed November 2015.

<sup>7</sup> RBC Capital Markets, Uranium Market Outlook, Third Quarter 2015, 24 August 2015; Resources and Energy Quarterly, Bureau of Resources and Energy Economics, Australian Government, September quarter 2015, accessed November 2015; KPMG analysis

- The global uranium supply is forecast to grow from 188Mlbs of U<sub>3</sub>O<sub>8</sub> in 2014 to reach 191Mlbs of U<sub>3</sub>O<sub>8</sub> in 2015 — a 2 percent y-o-y increase. This increase is primarily driven by the incremental production gains at some of the existing mines and continued ramp-up in production at Cameco’s Cigar lake mine in Canada.<sup>8</sup>
- Despite the recent recovery in uranium prices, uranium producers have remained under pressure throughout 2015. Many of the mining companies focused on cutting costs during the downturn in the price cycle rather than expanding production. Some new projects are being developed globally, though these require further price increases to become commercially viable. For example, the Husab mine (US\$2 billion uranium mine), based in Namibia is owned by China General Nuclear Power Corporation (CGN). Construction of the mine is scheduled to be completed by the end of 2015/mid 2016, and production is expected to be ramped up to 5,770 tons/year of uranium by 2017.<sup>9</sup>
- Over the medium-term, increased uranium demand will be driven by an increase in the number of operating reactors globally and is eventually expected to result in new mines being commissioned. World uranium production is expected to reach 214Mlbs of U<sub>3</sub>O<sub>8</sub> in 2020 — an increase of 2.3 percent from 191Mlbs of U<sub>3</sub>O<sub>8</sub> in 2015. A number of large mines are at various stages of development and are well-positioned to supply the market in the next few years when uranium prices recover sufficiently including the Husab mine, the McArthur River expansion and, potentially, the Imouraren mine.
- Kazakhstan contributes 32 percent of the global uranium supply, which is expected to produce about 60Mlbs of U<sub>3</sub>O<sub>8</sub> in 2015 and is further expected to increase at a CAGR of 1 percent to reach 62Mlbs in 2020. The government has decided to increase uranium exports and is planning to build a Russian nuclear power reactor, probably at Kurchatov, by 2025.<sup>10</sup>
- 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 McArthur River. The mine is expected to ramp-up its production to about 18Mlbs by 2018.<sup>11</sup> In Q3, 2015, Cigar Lake packaged about 3.6Mlbs of U<sub>3</sub>O<sub>8</sub>, while the total packaged lbs was about 8Mlbs until October 2015, which has already exceeded the 2015 target.
- Production at the world’s largest uranium source — McArthur River/Key Lake — in Q3, 2015, was 3.9Mlbs, 26 percent higher than the 3.1Mlbs in Q3, 2014. Further, production was 6 percent y-o-y higher for the first 9 months in 2015 as compared with the first 9 months in 2014. The projected annual production of the mine remains unchanged — 13.7Mlbs of U<sub>3</sub>O<sub>8</sub> in 2015 (Cameco’s share).<sup>12</sup>
- The expiry of the HEU agreement removed 20Mlbs of supply from the market in 2014, and US government stockpile sales declined a further 1.3Mlbs in 2014. However, declines were partially offset by increased supply from re-enriched tails, enricher sales and the sale of commercial inventories. It is expected that supply from the secondary sources will decline, despite the increase in sales from natural uranium by enrichers, post-Fukushima and commercial inventory sales by utilities. Secondary supply is expected to decline, from 23 percent in 2014, to reach 15 percent of total supply in 2020.<sup>13</sup>
- Japanese inventories reached about 100Mlbs in 2013 and just marginally below 110Mlbs in 2014, which is roughly about 5.5 years of requirements based on pre-Fukushima demand. Based on the pre-Fukushima demand levels of about 20Mlbs per year, the current Japanese inventories would equate to about 1.5 years of additional inventory. However, according to RBC Capital Markets, about 27 reactors representing 53 percent of the original fleet capacity are expected to be restarted. On this basis, the 110Mlbs represents 7 years of excess inventories.<sup>14</sup>

<sup>8</sup> Paladin narrows its loss, continues to cut costs, World Nuclear news, 28 August 2015; Cigar Lake, Cameco website, accessed November 2015.

<sup>9</sup> RBC Capital Markets, Uranium Market Outlook, Third Quarter 2015, 24 August 2015; Resources and Energy Quarterly, Bureau of Resources and Energy Economics, Australian Government, September quarter 2015, accessed November 2015; KPMG analysis.

<sup>10</sup> Uranium and Nuclear Power in Kazakhstan, World Nuclear Association, October 2015; Resources and Energy Quarterly, Bureau of Resources and Energy Economics, Australian Government, September quarter 2015, accessed November 2015.

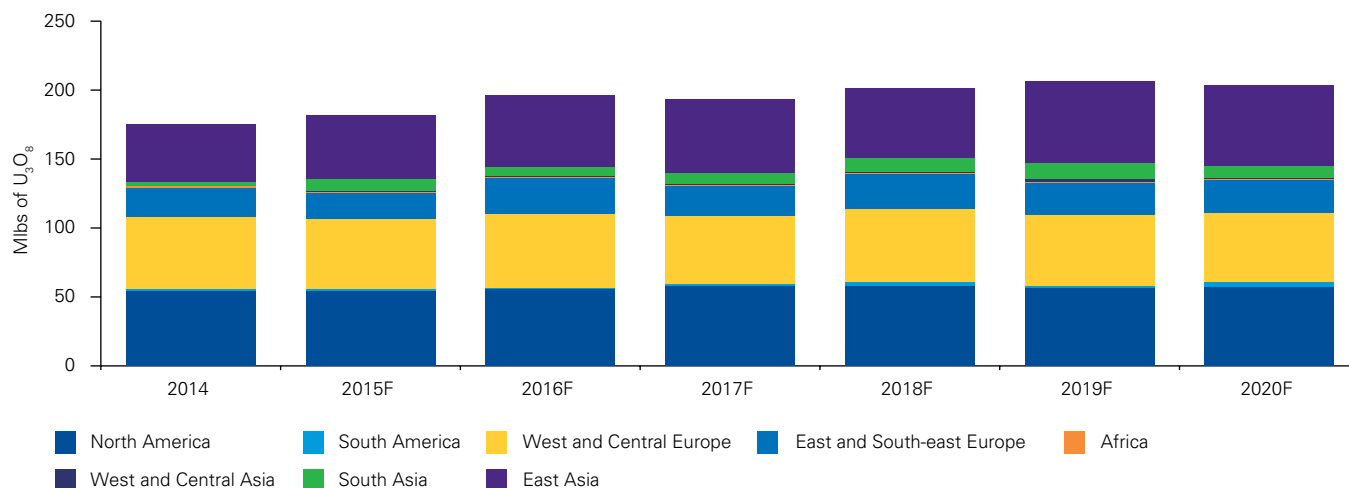
<sup>11</sup> Cigar Lake, Cameco website; Cameco reports third quarter financial results, Cameco Website, 30 October 2015; Cameco: Cigar Lake Ramping To 18Mlbs pa by 2018, Mining Business Media, January 2015; accessed November 2015.

<sup>12</sup> Cameco reports third quarter financial results, Cameco Website, 30 October 2015, accessed November 2015.

<sup>13</sup> RBC Capital Markets, Uranium Market Outlook, Third Quarter 2015, 24 August 2015.

<sup>14</sup> RBC Capital Markets, Uranium Market Outlook, Third Quarter 2015, 24 August 2015.

Figure 4: World uranium consumption, 2014–20F



Sources: RBC Capital Markets, "Uranium Market Outlook, Third Quarter 2015," 24 August 2015, via Thomson research/Investext, accessed November 2015; KPMG analysis

- Global uranium demand is expected to witness an increase of about 4 percent, from 175Mlbs of  $U_3O_8$  in 2014 to reach 182Mlbs of  $U_3O_8$  in 2015. The forecast growth is expected to be driven by the initial start-up of new reactors in China as well as moderate output increases across existing reactors in developed markets. The Sendai power plant was the first of Japan's nuclear reactors to restart in August after the Fukushima review of their country's energy policies. Additional reactors are also expected to return online over the medium-term; however, Japan's nuclear power output is projected to remain well below pre-Fukushima levels.<sup>16</sup>
- Over the medium-term, the rapid growth in the number of operating nuclear power reactors is expected to be the driver of the significant increase in uranium demand. As a result, uranium consumption is expected to increase during 2015–20 at a CAGR of 2 percent, from 182Mlbs in 2015 to about 204Mlbs in 2020. This growth is expected to be contributed by the emerging, highly populated economies where energy policies are supportive of nuclear power to provide low carbon emission electricity supplies, supporting their growing industrial base. However, several older reactors in a number of advanced economies are scheduled to close — this might partially offset some of the substantial growth in the nuclear power sector.<sup>17</sup>
- 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 that, subject to appropriate price signals, may satisfy the initial increase in demand in the short-term.<sup>18</sup>
- The US will continue to contribute as the largest producer of nuclear power over 2015–20. Despite some of the recent reactor closures and the increased focus on gas and renewables market as its energy form, five new reactors are under construction in the country with a combined capacity of about 6,000 megawatts (MW). With these new reactors coming up, combined with higher output at existing power plants, it is projected to maintain the US uranium consumption over the period. North American consumption is expected to increase at a CAGR of 1 percent, from 54Mlbs of  $U_3O_8$  in 2015 to 57Mlbs of  $U_3O_8$  in 2020.<sup>19</sup>
- China is expected to be the primary source of uranium demand growth over 2015–20. With about 25 nuclear reactors already in the under-construction phase, the country's nuclear power industry is expected to grow more than double in its capacity to reach about 52 gigawatts (GW) over the period. China's uranium consumption is projected to increase from 21Mlbs of  $U_3O_8$  in 2015 to about 37Mlbs of  $U_3O_8$  in 2020 — an 11 percent CAGR increase over 2015–20. Moving ahead, it has several expansion plans, including an additional 64GW of capacity in the nuclear power industry.<sup>20</sup>
- Over the long-term, it is expected that the growth in uranium demand in China, India and the United Arab Emirates (UAE) will offset the loss of demand due to German and US closures of nuclear plants, resulting in an increase of uranium consumption to 242Mlbs of  $U_3O_8$  in 2025. East Asia, including China, India and Japan, is expected to increase their share to about 33 percent of the global demand in 2025. Emerging economies have development plans to increase their nuclear power

<sup>15</sup> "Resources and Energy Quarterly," Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015; KPMG analysis; RBC Capital Markets, "Uranium Market Outlook, Third Quarter 2015," 24 August 2015, via Thomson research/Investext, accessed November 2015.

<sup>16</sup> RBC Capital Markets, "Uranium Market Outlook, Third Quarter 2015," 24 August 2015; "Japan Nuclear Update," Nuclear Energy Institute, 19 November 2015, accessed November 2015.

<sup>17</sup> "Resources and Energy Quarterly," Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015; KPMG analysis; RBC Capital Markets, "Uranium Market Outlook, Third Quarter 2015," 24 August 2015, accessed November 2015.

<sup>18</sup> "Plans For New Reactors Worldwide," World Nuclear Association, October 2015, accessed November 2015.

<sup>19</sup> "Nuclear Power in the USA," World Nuclear Association, November 2015; "Resources and Energy Quarterly," Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015.

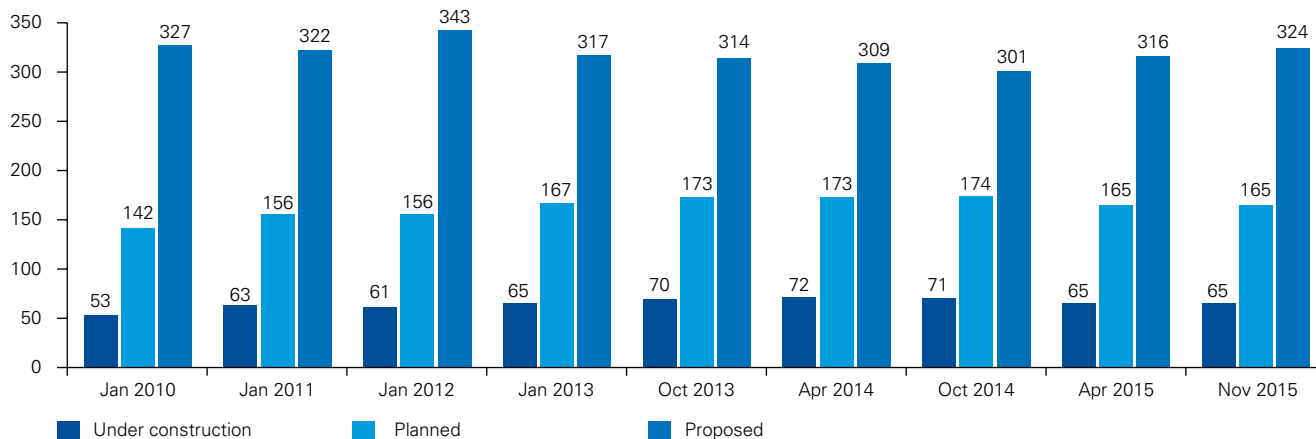
<sup>20</sup> "Nuclear Power in China," World Nuclear Association, November 2015; "China's Coming Nuclear Power Boom," The Diplomat, 24 April 2015, accessed November 2015.

capacities over the next few years. For instance, India and the UAE have six and three 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.<sup>21</sup>

The nuclear power capacity is increasing steadily, with over 60 reactors under construction in about 15 countries. Most of the reactors are currently planned in Asia, with fast-growing economies and rapidly rising electricity demand. The energy security concerns and greenhouse constraints on coal have combined to reinforce nuclear power's position as part of the energy mix for projected new capacity in most of these countries. In India, there are 21 reactors, with about six in construction. Further, 18 units are planned and proposed — including the Western and Russian designs that are being considered.

The number of proposed nuclear reactors increased to 324 as of November 2015, compared to 316 in April 2015. However, the number of planned reactors remained the same at 165 from April 2015. The number of under-construction nuclear reactors also remained the same at 65.<sup>22</sup>

**Figure 5: Number of nuclear reactors, January 2010–November 2015**



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 November 2015

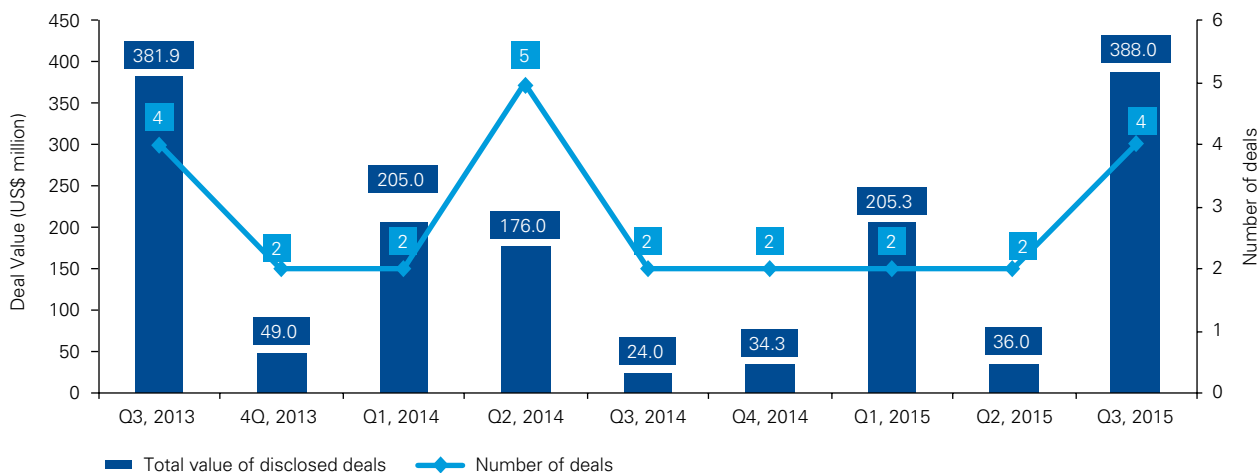
## Key developments

### Ownership changes

The total value of deals increased to US\$388 million in Q3, 2015 from US\$36 million in Q2, 2015. The number of deals

remained unchanged at two during Q2, 2015 and increased to four during Q3, 2015.

**Figure 6: Major deals in the uranium industry**



Source: Mergermarket accessed November 2015; KPMG analysis

<sup>21</sup> "Resources and Energy Quarterly"; Bureau of Resources and Energy Economics (BREE), Australian Government, September quarter 2015, accessed November 2015; KPMG analysis; "Nuclear Power in Bangladesh," World Nuclear Association, May 2015, accessed November 2015; "Russia's nuclear power corporation delays new NPP construction projects in Russia," Russia and India Report, 13 May 2015, accessed November 2015; Uranium Market, Uranium Participation website, accessed November 2015.

<sup>22</sup> "World Nuclear Power Reactors & Uranium Requirements, World Nuclear Association, accessed November 2015.

**Table 1: Uranium deals announced in Q2, 2015 and Q3, 2015**

Date announced	Target	Acquirer	Status	Value of transaction (US\$ million)	Stake (%)
3 Jun 2015	Anatolia Energy Limited	Uranium Resources Inc.	Announced	25	100
1 Jun 2015	Energia Minerals Limited Carley	Paladin Energy Limited	Announced	11	N/A
6 Jul 2015	Fission Uranium Corp	Denison Mines Corp	Announced	360	N/A
	In July, Fission Uranium announced that it was merging with Denison Mines to create a US\$900 million exploration and development company to combine its uranium assets in Saskatchewan's Athabasca Basin. Fission Uranium and Denison Mines announced on 13 October 2015 that the merger acquisition has been terminated, since the two-thirds approval of shareholders was not reached.				
30 Jul 2015	Gurvan Saihan joint venture	Uranium Industry a.s.	Announced	20	100
1 Sep 2015	Honeymoon uranium project (Uranium One Australia)	Boss Resources Limited	Announced	8	100

**Table 2: Recent regulations in the uranium industry**

Country	Regulation	Description
US	Local governments and nonprofit organizations urge mining regulation reform <sup>23</sup>	On August 2015, the Navajo Nation submitted a petition to the Bureau of Land Management and the US Forest Service to incorporate amendments in the existing laws. This was specifically focused on uranium mining on the Colorado Plateau.

**Table 3: Recent agreements in the uranium industry**

Country	Regulation	Description
Australia	Minerals Council of Australia (MCA) demands new reforms to policies surrounding the approval of uranium mines <sup>24</sup>	Considering the opportunity in the country for more jobs and export revenue, the MCA wants the <i>Environment Protection and Biodiversity Conservation Act 1999</i> to be amended, so that uranium projects no longer require federal environmental approval unless they raise concerns over matters of national environmental significance.
Canada	State government announces continuation of moratorium <sup>25</sup>	In July 2015, the Quebec Bureau d'audiences publiques sur l'environnement (BAPE) concluded that the moratorium imposed on uranium mining will be continued. Uranium exploration and development continues to be blocked by the government over environmental, health and social concerns.
Iran	Nuclear deal promises gradual withdrawal of sanctions on Iran <sup>26</sup>	In July 2015, it was announced that the Iran deal would lead to the following: <ul style="list-style-type: none"> <li>— The country will reduce its enriched uranium stockpile from 12,000kg to 300kg; it can dilute the uranium or export the commodity.</li> <li>— It will also have to remove two-thirds of its infrastructure at the Fordo enrichment center; it will become a nuclear research center and no uranium enrichment will be allowed there for 15 years.</li> <li>— Further, the Arak heavy water reactor will be converted to produce zero weapons-grade plutonium. Moreover, Iran will not be able to build new enrichment facilities for 15 years.</li> </ul>
Russia	Russian parliament outlines state support for uranium mining <sup>27</sup>	In May 2015, Russia's Federation Council approved measures aimed at providing state incentives to the uranium mining industry. Key measures include the introduction of a zero rate for mining tax and property tax, system simplification of granting subsoil use rights, including the economic development of the Far East and Trans-Baikal up to the 2018 policy of the Federal Target Program, and the development of infrastructure in Krasnokamensk.
US	State government makes pitch to take over uranium regulatory authority from federal government <sup>28</sup>	On June 2015, the Wyoming state government passed a new legislation providing the state more regulatory authority over uranium mines from the federal Nuclear Regulatory Commission.

<sup>23</sup> "Local governments, nonprofits urge mining regulation reforms", 26 August 2015, via Factiva, accessed November 2015.

<sup>24</sup> "MCA calls for Australian uranium policy to be brought into 21st century", 16 July 2015, via Factiva, accessed November 2015.

<sup>25</sup> "Future of Quebec uranium mining industry remains in limbo", Canadian Manufacturing, 21 July 2015, accessed November 2015.

<sup>26</sup> "Highlights of Iran nuclear deal", Fox news, 14 July 2015, accessed November 2015.

<sup>27</sup> "Russian parliament outlines state support for U mining", World Nuclear News, 22 May 2015, accessed November 2015.

<sup>28</sup> "US court blocks interior Department fracking rules", 24 June 2015, via Factiva, accessed November 2015.

## Cross-section of global uranium projects

**Table 4: Cross-section of global uranium projects**

Project	Country/Region	Operators	Initial production	Annual uranium capacity (Mlbs)
Akbastau uranium mine	South Kazakhstan province, Kazakhstan	Akbastau JV JSC	2009	5.0
Cigar Lake uranium project	Saskatchewan, Canada	Cameco Corporation	2014	18.0 <sup>29</sup>
Etango uranium deposit	Namib desert sands, Namibia	Bannerman Resources Limited	N/A	6.0–9.0
Husab uranium deposit	Swakopmund, Namibia	Swakop Uranium (Pty) Ltd	2015	15 <sup>30</sup>
Imouraren uranium mine	Arlit, Niger	Areva NC	N/A	5,000 tons/year
Inkai uranium mine	Ongtustik, Kazakhstan	Joint Venture Inkai Limited Liability Partnership	2009	5.2
Karatau uranium mine	Ongtustik, Kazakhstan	Uranium One Inc.	2009	5.2
Kayelekera uranium mine	Karonga, Malawi	Paladin Energy Ltd	2009	3.3 (The mine has been put on care/maintenance)
Kharasan uranium mine	Qyzylorda, Kazakhstan	Uranium One Inc.	2009	7.8
Kintyre uranium deposit	Western Australia, Australia	Cameco Corporation	N/A	6.0
Langer Heinrich uranium mine	Walvis Bay, Namibia	Paladin Energy Ltd	2007	5.2
Madaouela uranium project	Agadez, Niger	GoviEx Uranium Inc.	N/A	2.5
McArthur River mine	Saskatchewan, Canada	Cameco Corporation	1999	25.0 <sup>31</sup>
Michelin uranium deposit	Newfoundland and Labrador, Canada	Paladin Energy Ltd	N/A	5.7
Mulga Rock project	Great Victoria Desert, Western Australia	Vimy Resources	N/A	3.0
Olympic Dam copper/uranium mine	South Australia, Australia	BHP Billiton Ltd	1988	8.8
Rabbit Lake uranium mine	Saskatchewan, Canada	Cameco Corporation	1975	3.9
Ranger uranium mine	Northern Territory, Australia	Energy Resources of Australia Ltd	1980	11.1
Rossing uranium mine	Swakopmund, Namibia	Rio Tinto Limited	1976	9.9
Roughrider uranium deposit	Saskatchewan, Canada	Rio Tinto plc	N/A	N/A
South Inkai uranium mine	Ongtustik, Kazakhstan	Atomredmetzoloto JSC	2009	5.2
Trekkopje uranium mine	Walvis Bay, Namibia	Areva SA	N/A	N/A
Wiluna uranium project	Western Australia, Australia	Toro Energy Ltd.	2015	1.7
Yeelirrie uranium deposit	Western Australia, Australia	Cameco Corporation	N/A	7.7

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

Source: Company data

<sup>29</sup> Production from the McClean Lake mill, which will process all of Cigar Lake's mined uranium.

<sup>30</sup> Potential capacity.

<sup>31</sup> Cameco filed an application in January 2015 with the CNSC to increase licensed annual production up to 25Mlbs. That application was approved in April. Cameco Update, McArthur River Operation: <http://www.cameconorth.com/uploads/downloads/factsheets/McArthur-River-2015.pdf>. An application for provincial approval to produce at the new rate is pending.



**Derek Meates**  
**KPMG in Canada**  
**T:** +1 306 934 6200  
**E:** [dmeates@kpmg.ca](mailto:dmeates@kpmg.ca)

Derek Meates has extensive experience working with global listed entities and exploration companies in the mining sector in both Australia and Canada.

## KPMG GLOBAL MINING INSTITUTE

[kpmg.com/miningcommodities](http://kpmg.com/miningcommodities)

[kpmg.com/socialmedia](http://kpmg.com/socialmedia)



[kpmg.com/app](http://kpmg.com/app)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG International Cooperative (“KPMG International”), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Designed by Evalueserve. Publication name: Commodity Insights Bulletin — uranium

Publication number: 133103-G Publication date: December 2015