



Capturing the complex spectrum of uranium industry cost and supply issues

The Uranium Supply Analysis (USA) System includes two main components:

- ◆ A comprehensive data base of technical and financial information on uranium properties.
- ◆ An interactive computer system for analyzing data on the uranium industry.

The system, owned and operated by NAC International, integrates geotechnical, financial and contractual commitments with demand data for various applications. It has the capability to generate a wide variety of informational reports.

Description of the Data Base

The cornerstone of the USA System is a data base containing technical and financial information on the world's operating, planned and potential uranium projects. The data base is updated annually—with current information on worldwide uranium production capability, demand and estimated production costs—allowing System users to conduct detailed analyses of the uranium market.

In addition to providing a means of analyzing the information contained in the NAC-supplied data base, the USA System allows the user to modify the data base to account for new technical and financial information on uranium projects and to conduct sensitivity analyses using this new information. The user also has the ability to modify data, based on various currency exchange rates and measurement units.



Uranium Supply
Analysis (USA)
System

FOR MORE INFORMATION
on NAC's USA System or
other Consulting products
and services,
please contact:

Gary Leamon
+1-678-328-1211
gleamon@nacintl.com

Geoff Varley
+44 1491 636284
gvarley@nacintl.com

Applications

The USA System has a broad range of uses:

- **URANIUM PRODUCERS:** to determine the impact of changes, in both capital and operating costs and production levels, on the overall competitiveness of uranium projects and to conduct potential project acquisition evaluations
- **URANIUM BUYERS:** to evaluate contracts and bids and to develop uranium procurement strategies
- **MARKET ANALYSTS:** to analyze the relative competitiveness of projects; assess potential market share for specific projects; assist in projecting market prices; and, in conjunction with NAC's Nuclear Industry Status Reports, establish production and marketing plans and identify potential uranium buyers.

Data Provided for Each Project

The Uranium Mining and Milling Project dialog window allows the user to view or modify project data for projects in the system. Technical and financial data provided for each project include:

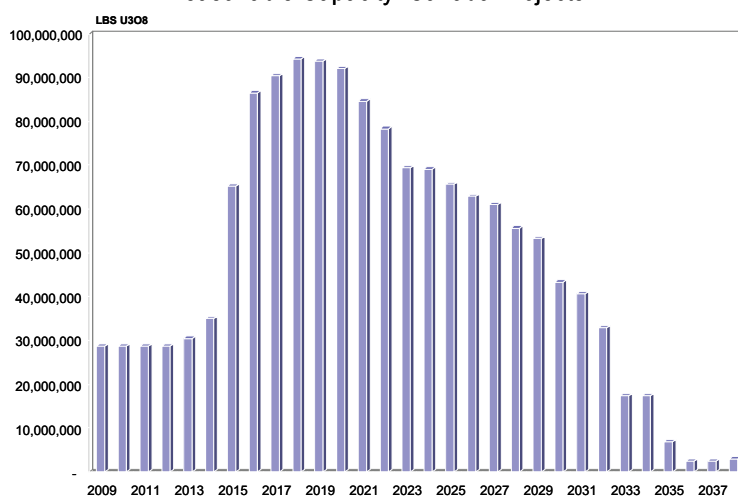
- ◆ Movable ore
- ◆ Recoverable reserves
- ◆ Annual capacity schedules
- ◆ Average ore grade
- ◆ Operating cost (without a rate of return [ROR])
- ◆ Capital cost (without a ROR)
- ◆ Production cost (capital + operating [without a ROR])
- ◆ Forward cost (forward capital + operating + ROR)
- ◆ Full cost (total capital + operating + ROR)

Output from Market Analysis Capability

The USA System generates reports directly linked to Microsoft Excel for spreadsheet and graphical analysis. Report outputs available include:

- ◆ Annual Capacity
- ◆ Cash Book
- ◆ Financial Profile
- ◆ Cash Flow
 - Group Cash Flow
 - Project Cash Flow
 - Group Range and Project Range
 - Group Summary and Project Summary
- ◆ Index
- ◆ Market Analysis
- ◆ Planned Profile
- ◆ Technical Profile

Reasonable Capacity: Canada Projects



Technical Parameters

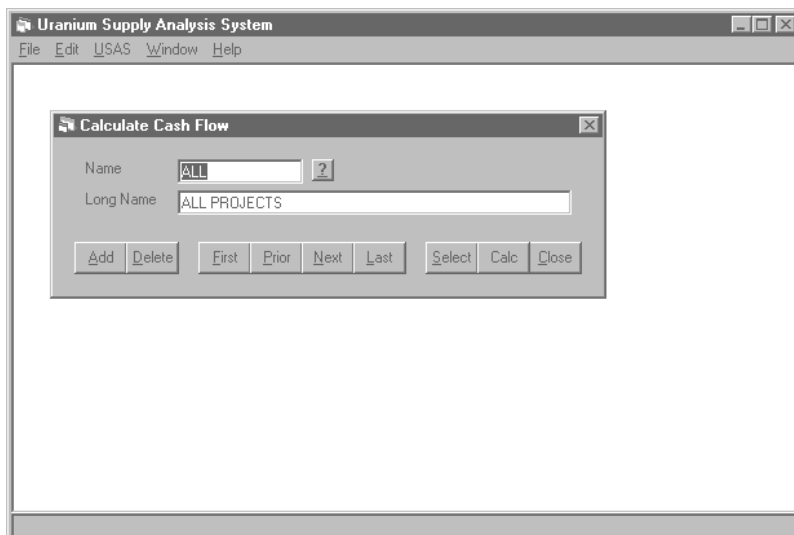
The following gives a description of the main technical parameters for the properties in the USA System.

- ◆ **ORE RESERVES**—The total number of tons of uranium bearing material that will be extracted from the ground and processed by a mill (or the mathematical equivalent in the case of in situ leach, byproduct, etc.).
- ◆ **ORE GRADE**—The average percent U_3O_8 or uranium content of ore reserves. Also referred to as mill-feed grade.
- ◆ **RECOVERABLE RESERVES**—The total number of pounds (or other requested unit of measure) of U_3O_8 or uranium that can be produced from the ore reserves in a form normally acceptable for sale to the market place.
- ◆ **PRODUCTION CAPACITY**—The expected maximum number of units (pounds U_3O_8 , kg U, etc.) that can be produced in any given year during the life of the project. Also, referred to as design or nominal capacity.
- ◆ **PROJECT LIFE**—The number of years from the current year to the final year of the project when activities are terminated.

Financial Parameters

The following provides a listing and definition of financial parameters for worldwide properties. All of the production cost figures are given in price per unit of U₃O₈ in constant January 1, 2010 currency. The production cost estimates are based on the properties' capacity and estimated technically achievable start-up year for nonoperating projects.

- ◆ **CAPITAL COST:** The remaining, unamortized-original (up to commercial production) capital expenditure entered as cost per year, or cost per unit of capacity or recoverable units over remaining production.
- ◆ **OPERATING COST:** The direct day-to-day expenditures for extraction and processing reserves (including royalties) that would be expected if the properties were operating at capacity.
- ◆ **PRODUCTION COST:** The mathematical sum of *capital cost* and *operating cost*.
- ◆ **RATE OF RETURN (ROR):** The minimum return on investment required to induce a producer to continue production or continue working towards production start-up. A discounted-cash-flow ROR (DCFROR) factor is calculated for each year and applied to that year's cash flow. The assumed ROR for each project is before-taxes and is intended to cover a minimum cost of capital based upon risk and facility status.
- ◆ **FORWARD COST WITH ROR:** Those *capital* and *operating* expenditures not yet incurred (excludes *sunk costs*) plus a return on future investments. Often referred to as the minimum sales price a producer must receive to continue producing.
- ◆ **FULL RECOVERY COST WITH ROR:** The total of all *capital* and *operating* expenditures not yet recovered, including a return on all capital. Often referred to as the minimum sales price a producer would like to receive.



Some of the More Than 400 Properties Included in the 2010 Edition of the USA System

9 MILE LAKE	BILLEROO	COYOTE BASIN	EAST NORTH BUTTE
ABOKORUM	BISON BASIN	CROCKER WELL	EC BLOCK
AC BLOCK	BJORKRAMYRAN	CROSSEN/SEELINGSTADT	ECO RIDGE
ACADIA	BL CLAIM	CROSS WIND	EL MESQUITE-MALCO TEXAS
AKDALA	BLIZZARD	CROW BUTTE	ELLA
AKOUTA (COMINAK)	BORREGO PASS	CROWNPT 19	ENERGY QUEEN MINE
ALDAN-YUZHAYAY	BRAZIL POTENTIAL	CROWNPT 24	ETANGO
ALGERIA HOGGAR	BUDENOVSKOE AKBASTAU 1, 3 & 4	CROWNPT 29	EZ1
ALIO GHELLE	BUDENOVSKOE KARATAU 2	CROWNPOINT-URI	EZ2
ALLEMAND-ROSS-BEAR CREEK-SAND DRAW	BULLFROG	CUP LAKE	EZULWINI
ALTA MESA	BUSFIELD	CYCLONE (WY 41-81)	FAKILI
AMBROSIA LAKE	CENTRAL MYNKUDUK	DALTON PASS	FAR WEST
AN DIEM	CANYON	DALUR	FE
ANDERSONS	CD BLOCK	DANEROS	FMC CLAIM
ANGELA	CENTENNIAL NORTH	DAWN LAKE	FOGHORN
ANTELOPE	CENTENNIAL SOUTH	DAWSON HINKLER WELL	FOUR MILE WEST
ARGENTINA POTENTIAL	CENTIPEDE	DB1	FRANCE POTENTIAL
ARICHENG	CENTRAL JORDAN	DEEP GOLD	FRANK M
ARIZONA 1	CERRO SOLO	DEMIRTEPE	GACHIN
ARLIT CONCESSION	CHARLIE	DENISON	GAS HILLS - PEACH
AURORA	CHINA ISL	DEWEY BURDOCK	GAS HILLS-STRATHMORE
AZELIK - TEGUIDA	CHINA UG	DIETER LAKE	GEAR
BAGJATA	CHORD	DOMINION REEFS	GEORGETOWN
BAGOMBE	CHRISTENSEN RANCH	DOMINION TR	GERMANY POTENTIAL
BAKOUMA-PATRICIA	CHURCHRK-STRATHMORE	DORNOD 1-12	GOLIAD MINE
BANAT, BIHOR, AND CRUCEA	CHURCHRK-URI	DORNOD NO. 2	GORNOYE
BANDUHURANG	CIGAR LAKE 1	DORNOD NO. 7	GOULDS DAM
BARGE	CIGAR LAKE 2	DOWN YONDER	GRACHEVSKOYE
BEN LOMOND	CENTRAL MINING ADMINISTRATION	DUDDRIDGE LAKE	GREAT NOLIGWA
BEVERLEY	CENTRAL MINING ADMINISTRATION-BLACK SHALE	DUOBBLO	GURVANBULAG
BHATIN	CMB PROJECT	DW BLOCK	HAIRHAN
BIG RED	COLIBRI	E KALKAROO	HANK UNIT
BIGRLYI	COPPER MTN	EAST MYNKUDUK	HANSEN
BIKINI	CORACHAPI	EAGLE POINT	HARAAT

Some of the More Than 400 Properties Included in the 2010 Edition of the USA System

(Continued)

HIDDEN BAY	LAMBAPUR	NOVAZZA	SKAL
HIGHLAND	LANGER HEINRICH	NOVOVESKA HUTA	SKULL CREEK
HONEYMOON	LAS MARGARITAS: NOPAL I, PUERTO III	NORTHWEST UNIT	SKUPPESAVON
HORSE CREEK	LETLHAKANE	OLOVSKOYE	SKY
HOSTA BUTTE	LEUENBERGER	OLYMPIC DAM	SOUTHERN MINING ADMINISTRATION
IDA DOME	LILLJUTHATTEN	OLYMPIC DAM EXPANSION I	SMITH RANCH
IMOURAREN TD	LK MAITLAND	OLYMPIC DAM EXPANSION II	SOUTHERN FREE STATE (SOFS)
IMOURAREN TS	LOST CREEK	OOBAGOOMA	SOMAIR
INDA	LOST SOLDIER	OZ BLOCK	ST ANTHONY
INKAI I - SITES 1, 2, 3	LUMWANA URANIUM PROJECT	PAHTAVUOMA-U	STRAZ POD RALSSEM
INKAI II - SITES 1, 2, 3	MINING ADMINISTRATION #5	PALMOTTU	STRELTSOVSK,TULUKUEVSK, ANTEI & OKTYABRSK
IRAN POTENTIAL	MADAOUELA	PEDDAGATTU	SWD CLAIMS
IRKOL	MANCOS CHURCH ROCK	PETERSON RANCH	TAUTONA
ISSA KHEL	MANYINGEE MINE	PETROTOMICS	TAYLOR RANCH
ITATIAIA (SANTA QUITERIA PROJECT)	MARDAIGOL	PINE NUT	TAYLOR RANCH URANIUM PROJECT
JAB (WY1-40)	MARENICA	PINE TREE	TONY M
JABILUKA 2	MARQUEZ	PLANT CITY (PRIMARY RECOVERY)	TREKKOPJE
GREEN MNTN. PROJ.: JACKPOT, BIG EAGLE 2	MATOUSH	PLEUTAJOKK	TUBAS
JACQUES LAKE	MAUREEN	POCOS DE CALDAS	TUMMALAPALLE
JADUGUDA	MAYBELL	PRICASPIAN PROV.: MELOVOYE TOMAKSTOYE	TURAMDIH
JEEP MINE	MCARTHUR RIVER 1	RAINBOW	TWIN BUTTES
JJ-1	MCARTHUR RIVER 2	RANGER 3	TWO TIME ZONE
JK BLOCK	MCCLEAN LAKE MINES	RANGER STOCKPILE	UKRAINE-ISR
JORDAN PHOSPHATE	MECSEK HILLS	RED DESERT	ULAAAN
JUAN TAFOYA LAND GRANT	MICHELIN	RED RIM	URAVAN RESERVES FOR DENISON
JUNIPER RIDGE	MIDWEST	REMAJA-HITAM	URAVAN RESERVES FOR GENERAL ATOMICS
KALNICA	MILLENNIUM	RENO CREEK	URGEIRICA
KAMUSHANOVSKOE	MINDY	RENO CREEK-SOUTH WEST	UTAH SECT 16
KAMYSHEVOYE	MOAB KHOTSON	REYNOLDS RANCH	UVANAS
KANYEMBA	MOHULDIH	RIRANG-TANAH MERAH	VAAL RIVER TAILINGS RECOVERY
KANZHUGAN	MOINKUM (MUYUNKUM)	RM BLOCK	VALENCIA MINE
KAYELEKERA	MOONSHINE SPRING	ROCA HONDA	VALHALLA
KETCHUM BUTTES	MOORE RANCH ISL MINE	ROCA HONDA-URI	VALVEDELLO
KEY LAKE (COBBLE ORE, DEILMANN, GAERTNER)	MOUNTAIN LK	ROSITA	VELVET
KHARASSAN I	MPONENG	ROSSING	VICKERS
KHARASSAN II	MT GEE	ROSSING II	VIKEN
KHAVAR	MT. TAYLOR	ROSSING SOUTH	VOSTOK ZVEZDNOYE - STEPNOGORSKIY
KHE HOA	MUDUG PROV.	ROZNA	WESTERN MYNKUDUK
KHIAGDA	MULGA ROCK	RUBY RANCH	WESTERN SHEEP MTN
KIGGAVIK CENTER ZONE AND MAIN ZONE	MUTANGA (LAKE KARIBA)	RUTH	WATE
KINGS VALLEY	MINE WASTE SOLUTIONS (BUFFELSFONTEIN)	RYST KUIL	WATTA
KINGSVILLE DOME	N COLES HILL	S COLES HILL	WEST BEAR
KINTYRE	NORTHERN KARAMURUN	SOUTH INKAI	WEST LARGO-STRATHMORE
KIROVOGRAD DISTRICT	NORTH ZARECHNOYE	SOUTHERN KARAMURUN	WEST LARGO-URI
KLAPPIBACKEN	NAPPERBY	SOUTH MOINKUM	WEST NORTH BUTTE
KM & KME	NARWAPAHAR	SOUTH ZARECHNOYE	WEST RAND TAILINGS RECOVERY
KOCARLI	NASH	SAGHAND	WEST WITS ROCK DUMP
KOONGARRA	NICHOLS TX	SAGTJARN	WESTMORELAND MINE
KOPANANG	NICHOLS RANCH	SAHARA-GRS	WHAT
KOSSACHINOYE	NINGYO-TOGE	SALIHILI-KOPRUBASI	WHIRLWIND
KYLLENG-PYNDENGSOHIONG, MAWTHABAH	NISA	SAVUKA	WILLOW CREEK
KRAJNA DOLIN	NEW MEXICO SECTION 2 TOWNSHIP	SELEC	WORKMAN CR
KURSKOVA JA	NORTHERN MINING ADMINISTRATION	SEMIZBAI	YEELIRRIE
KVANEFJELD	NORTH. MINING ADMIN-BLACK SHALE	CROOKS GAP PROJ.: SHEEP MT. 1&2	YOZGAT-SORGUN
KVARNAN	NOJDFJALLET	SHERWOOD	YUTY URANIUM PROJECT
LA JARA MESA	NORTH BUTTE / BROWN RANCH	SHIRLEY BASIN-CAMECO	ZHALPAK
LA PALANGANA	NOSE ROCK-STRATHMORE	SHIRLEY BASIN-PATHFINDER	ZIROVSKI VRH
LAGOA REAL (CAETITE)	NOSE ROCK-U1	SIERRA PINTADA: TIGRE, GUACHO & MEDIA LUNA	
LAKE WAY	NOSE ROCK-UR	SISSONS-SCHULTZ SOUTH	