Fuel Cycle Week©
The Business of Nuclear
Vol. 10 • No. 437 • August 11, 2011

Nuclear Buzz

Special U-Asset Storage: ConverDyn

By Andrea Jennetta, Publisher

There is good news about ConverDyn, I am happy to report.

On Monday, the U.S. converter announced a new storage and management system at the Metropolis, Illinois facility, for uranium assets owned and held by investors, hedge funds, traders and other non-end users (who run the spot price up just to drive our utility fuel-buying friends cray-zee.).

The idea for this kind of service has been kicking around for about four years, since those slick hedge funds introduced the financial world to the glamorous, fast-paced world of uranium.

Investors need to be able to "kick the tires," so to speak. The way converters, enrichers and fuel fabricators typically manage fungible customer inventories, all on paper without clear title and segregated, physical storage of specific uranium assets, never sat right with that group.

"The storage and ownership platform…is designed to meet the demanding requirements of long-term investors by providing a secure and standardized uranium product that allows owners to easily identify, audit, finance, store and trade allocated uranium," ConverDyn explained.

The converter is partnering with The Allocated Materials Management Co.

Price & Production

Miners See Mixed Effects in Frail Economy, Falling Dollar

By Nancy E. Roth, Managing Editor

The Fed's surprise pledge to keep the prime interest rate near zero for another two years in light of worsening U.S. economic conditions put a parachute on plummeting financial markets this week, but sent the already-slumping U.S. dollar sprawling to its lowest level in 40 years on Tuesday.

The U.S. dollar dropped to $1.43 per euro, losing 1.1%, and to 77.03 per yen, a 1% decrease. More dramatic was the dollar's fall from 75.50 Swiss francs to 71.98, a loss of 4.7%. Both the Swiss and Japanese governments took measures this week to rein in their soaring currencies, allowing the dollar and other currencies to rise in relative value.

The U.S. dollar also got a surprise lift relative to the euro on Wednesday when concerns again rose about sovereign European debt—this time in France. Both currencies were down by the end of the trading day.

By and large analysts seem not to expect any of these jolts to stem the trend of investment away from the greenback, however. Many think the U.S. dollar will remain supine for some time. This adds another layer of complexity to the growing pile of uncertainties that have been weighing on the uranium market in the wake of the events at Fukushima.

Miners: Deriving Competitive Advantage?

Asked this week how it could affect the uranium market, producers, as usual, were all over the map. Analysts and experts were similarly divided.

Some miners doubted that the drop would have any effect at all.

"I think there are a number of market factors that will drive production plans more than the falling dollar," wrote one U.S. producer in an email. "I would expect that producers' and developers' production strategies will be based on broader uranium market demand. Of course that will drive [uranium] prices, weak dollar or not."

see Miners See Mixed Effects on page 7

More Inside

Extract, Deep Yellow, Marenica Thrive!
See page 3

LLC, which is owned by Joe McCourt of NYNCO, and Tony Anselmo, who has worked with NYNCO for some time. The two are serving as chief of marketing and sales and chief financial officer, respectively.

ConverDyn's very own Mal Critchley is the point man there. Call him for details.

EVOLUTION MARKETS	Uranium Prices Term: September 2011 cob August 10, 2011	
	BID	OFFER
U3O8 (physical)	$50.00	$51.50
U3O8 (financial)	$50.00	$51.50
UF6 (physical)	$142.00	$147.00

Source: Evolution Markets Inc. +1 914.323.0252
www.evomarkets.com Disclaimer

Whither TEPCO's U-Mine Assets?

Speaking of uranium assets, I heard that the Japanese language version of yesterday's Nikkei Shimbum ran an article on the various investments, subsidiaries and whatever else TEPCO is liquidating as it struggles to meet its obligations after the Fukushima debacle. The utility gained $150 million in proceeds by selling off its overseas mining assets in Canada. No specific projects were mentioned.

Meanwhile, from what I understand, TEPCO will not decide until at least September what it will do with its uranium inventories. Reading between the lines of a comment from Cameco Vice President Ken Seitz to financial analysts during a Tuesday conference call, TEPCO may have already asked for, and received from the miner, the deferral of a 700,000 pound delivery *(see related article on page X)*.

A Japanese industry pal hypothesized that any future sales of the TEPCO material would go in small, hundred-thousand pound increments, so as not to disrupt that delicate spot price. It seems obvious, at least to me, that whatever is decided, TEPCO will not manage these transactions on its own. That raises opportunities for the usual suspects (brokers, traders, producers, investors). Stay tuned, people.

The Real Fallout Is Financial

Is anyone surprised that RWE and E.ON posted catastrophic second quarter results? I know I'm not. But the severity of them is staggering, especially when you consider that the two German utility companies have consistently made a lot of moolah for shareholders (and employ a ton of people across Europe and the U.K.).

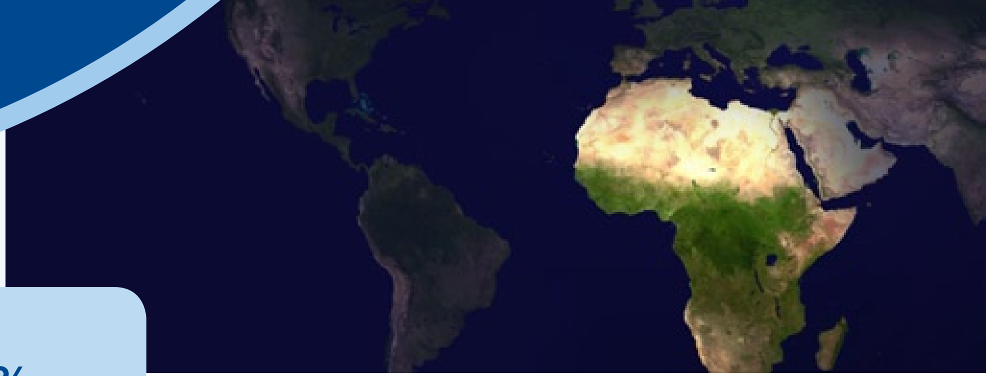
RWE posted a €229 million net loss, a €715-million plunge from the second quarter 2010. Net profit in the January-to-June period fell 22.1% to €1.59 billion, compared to last year. The primary driver for the plunge, of course, is the German government's decision to exit nuclear by 2022, plus the nuclear fuel tax. Reuters reported that RWE shares have lost 40% of their value in 2011.

Meanwhile, E.ON's first-half net income fell €933 million from €3.26 billion euros in 2010, the Düsseldorf-based company said. The utility reported its first quarterly loss, of €382 million, in ten years, Bloomberg reported. It owns and operates six of Germany's 17 nuclear plants.

E.ON also saw losses from long-term gas procurement contracts and its energy-commodities trading unit, which reported an operating loss of €151 million in the first half due to higher costs for "more for non-fossil-fuel power," said Bloomberg. The company may cut as many as 11,000 jobs. About 4,500 employees work in E.ON's nuclear power business.

I'm going to go out on a limb here and predict that in the near future neither of these companies will participate in consortia building new reactors in the U.K. If so, the teams left in Britain's new-build sector will be dominated by French companies like EDF and GDF Suez. I think the Westinghouse AP1000 could face tough competition from AREVA's EPR.

You know who won't be facing competition? The Czech Republic. That's right. Even the *Wall Street Journal* picked up on the fact that Czech utility CEZ is sitting pretty, and could be planning to build more nuclear generation to sell electricity into Germany energy markets. I am crossing my fingers.



AFRICAN PROJECTS

Extract Bumps Husab U3O8 Reserves Up 42%

By Roger Murray, Special Correspondent

Australia's Extract Resources has boosted the Husab project's proven and probable contained uranium reserves 42%, to 320 million pounds (145,103 tonnes) U3O8, according to an Aug. 10 statement (*FCW* #435, July 28). The reserve upgrade also included a 4% average ore grade increase, from 497 ppm (0.050%) U3O8 to 518 ppm (0.052), which Extract said would extend the projected mine life of zones 1 and 2 to over 20 years (including prestrip and ramp-up phases), based on processing 15 million tonnes of ore per year. The grade increase is expected to generate higher process-recovery rates.

Other positive features include a maiden proven reserve of 79 million pounds (35,834 tonnes) U3O8, grading an average 569 ppm (0.057%), which the firm said was the equivalent of four years' capacity production, along with an 18% reduction in the life-of-mine forecast stripping ratio from 7.3:1 to 6.2:1. This is anticipated to have "a positive effect on project economics" by reducing operating costs.

Husab Proven and Probable Reserves
(August 2011)

	Ore (m tonnes)	Grade (ppm)	U3O8	
			(m pounds)	(tonnes)
Proven	**62.7**	**569**	**78.7**	**35,698**
Zone 1	25.3	482	26.9	12,202
Zone 2	37.4	628	51.8	23,496
Probable	**217.3**	**504**	**241.2**	**109,406**
Zone 1	123.4	460	125.1	56,744
Zone 2	93.9	561	116.1	52,662
Total	**280**	**518**	**319.9**	**145,103**

Source: Extract Resources

Ore reserves, as opposed to resource estimates, provide the basis for a detailed mine plan, which Extract said it would complete in due course. The initial April 2011 Husab's probable reserve of 225 million pounds U3O8 sprang from a July 10 resource model. An updated model with "the latest geotechnical parameters, operating assumptions and costs generated" from the ongoing definitive feasibility study formed the basis for the update.

The upgrade is the latest phase of the mine optimization and resource extension program the company initiated early this year. This continues in parallel with further drilling, which Extract expects to bring a further resource update in the first half of 2012. The upgrade is for zones 1 and 2 only, and resources identified in zones 3-5 have yet to be quantified as reserves, providing substantial upside to the current projected life-of-mine.

New CGNPC Offer Coming?

Together with the recent environmental approvals for the project, all Extract now needs to advance Husab to development is the mining license. The reserve upgrade will be helpful, as technically the Ministry of Mines and Energy (MME) requires applicants to delineate the reserves for their projects before it approves a mining license application. The upgrade provides a much surer foundation for the construction of a mine than the initial reserve statement and should accelerate the grant of a mining license.

The upgrade also enhances Husab's attractiveness to buyers. The current three-month freeze on a fresh bid from China Guangdong Nuclear Power Co. (CGNPC) for Extract's largest shareholder, AIM-listed Kalahari Minerals (43% equity interest), expires on Thursday, Aug. 11. The global panic that put financial markets in a tailspin this week would probably incline Kalahari toward accepting the previous, revised CGNPC offer of £2.70 ($4.39) per share offer. An even a lower bid would most likely provide shareholders a substantial premium.

Kalahari's share price, which had fallen to £1.93 ($3.14) on Tuesday, was up 8% to £2.24 ($3.64) by midday Wednesday, reflecting both the impact of the reserve upgrade and a rally on global stock markets. On the ASX, Extract shares closed 7% up at A$7.20 ($7.43) on Aug. 10.

Australian juniors **Deep Yellow** (Paladin Energy 20%) and **Marenica Energy** (AREVA 10%, Sichuan Hanlong 3%+ share options) have logged further encouraging drilling/assay results at Namibia's Omahola and Marenica projects, respectively. Though both projects in west-central Namibia have fallen somewhat under the shadow of Husab, if uranium prices and funding conditions are favorable, they each could become mines within the next three years.

Omahola is nearest to a production decision; the interim results of an ongoing prefeasibility study by **SNC-Lavalin** support construction of 2.2 million pound (1,000 tonne) U3O8 per year open-pit mines with a central sulphuric acid processing plant by 2014. Omahola's current resource estimate (Inca/Ongolo/Tubas red-sand deposits) is 24.5 million pounds (11,100 tonnes) U3O8, grading an average 311 ppm (0.03%). This would be sufficient for a 12 year mine life, with phased output increases anticipated, as the JORC-compliant resource base is further increased.

In an Aug. 9 update on the latest chemical assays for M27, the firm said the target "is starting to look more and more like the Ongolo deposit, although it may be structurally simpler, which works in our favor. In addition, the possibility that it could join up with Ongolo means that we may have discovered a much larger, higher grade alaskite deposit."

Omahola: More High-Grade Alaskite Intercepts

Chemical assays have continued to confirm high-grade mineralized intercepts at the Ongolo alaskite deposit and a new discovery, MS7, 2.5 kilometers to the southwest. Ongolo is a key component of Omahola; the initial resource estimate (May 2011) was for 6.2 million pounds (2,812 tonnes) U3O8 at an average grade of 410 ppm (0.04%) at a 275 ppm cutoff. Best intercepts from the latest assays included 16 meters at 714 ppm (0.07%) U3O8, 11 meters at 713 ppm, 13 meters at 605 ppm (0.06%) and 21 meters at 583 ppm (0.06%).

The company made several mineralized intercepts, confirmed by fusion XRF chemical assay, at the MS7 discovery hole and an undercut hole, including 9 meters at 704 ppm (0.07%) U3O8 and 13 meters at 561 ppm (0.06%). Drilling started in mid-May with four RC rigs "with immediate encouragement from chip logging and downhole gamma logging returning high eU3O8 results."

A reverse-circulation drilling program is also underway at the first of ten "Inca Lookalike" targets at Inca Far South, to test the extent of mineralization around one of the first drill holes. The company reported "outstanding results" so far, including 8 meters at 2,699 ppm (0.27%) U3O8 and 15 meters at 454 ppm (0.05%). Alaskite host rocks occur over many hundreds of square kilometres in the area, although many prospects grade between between 100-250 ppm (0.01-0.025%) U3O8.

Licenses Renewed Without Alterations

Meanwhile Deep Yellow announced on Aug. 3 that MME had renewed the company's three exclusive prospecting licenses for two more years with no excision of property from the original 4,195 square kilometers. The firm noted that two of the licenses contain most of its priority projects, including the Omahola deposits and the Shiyela iron-ore prospect.

Crucially also, the renewals appear to confirm that the Namibian government plans to is adhere to its pledge that the proposed exclusivity over new exploration and mining rights for uranium and other "strategic minerals" for the new state-owned Epangelo Mining will not affect firms with existing exploration/mining rights. This includes also mining licenses already in the pipeline and the future grant of mining licenses to firms with existing exploration rights.

Namibia's Minister of Trade and Industry Hage Geingob told a recent investors' seminar in London not to fear the country's plan to allocate exploration and mining rights of strategic minerals to Epangelo.

"Sleep peacefully if you have already acquired your mining (and exploration) rights in Namibia. No one will retract them from you," Geingob said.

East Pit Drilling at Marenica

At Marenica, a prefeasibility study is also underway that could lead to a definitive feasibility study next year, assuming Hanlong provides further funding. The current proposal calls for an open-pit mine and heap-leach plant that will annually produce 3.5 million pounds (1,588 tonnes) U3O8. This is based on last November's resource estimate of 73 million pounds (33,100 tonnes) U3O8 grading 169 ppm (0.02%) at a 100% ppm cutoff.

Infill drilling results have demonstrated continued high grade in the resource area's eastern portion. Down-hole probe results from the east pit program included 13 meters at 572 ppm (0.06%) U3O8, 17 meters at 498 ppm (0.05%) and 16 meters at 472 ppm. Marenica said that 86% of holes probed to date had returned intercepts of 100 ppm (0.01%) U3O8 or above. Those results had confirmed "the continuity of the +50 ppm ore envelope in the eastern part of the resource area," the company said/ Ccontinued definition of these high-grade zones "will lead to improvements to the geological and resource model".

Metallurgical test-work is continuing at Australia's AMMTEC laboratories on the proposed heap-leach process route and ore amenability to a range of beneficiation, blending and agglomeration options. Consultants Hydromet, MH Consulting, IMO and Elemental Engineering are to complete a review of all previous metallurgical work, and are due to report by end-September 2011. Optiro has also been hired to perform an economic review of the project.

Q2 Financials

Lower Profits for Cameco; U1 Performance Impressive

By Andrea Jennetta, Publisher

The world's biggest uranium producer released uninspiring second quarter results, while a major medium-tier producer has now announced its second straight quarter of profit.

Cameco (TSX:CCO) posted net profit of C$426 million for the quarter and C$880 million for the first six months, 22% and 15% lower, respectively, than in 2010.

Uranium One (TSX:UUU), on the other hand, saw net earnings skyrocket 450% for the quarter and 252% during the year-to-date.

Cameco had anticipated the decline, company officials told investors at a conference call on Aug. 4.

"Our results for the second quarter and the first six moths of 2011 were impacted by lower sales volumes," Cameco explained. "We continue to expect sales to be heavily weighted toward the second half of the year."

Indeed, Senior Vice President for Marketing Ken Seitz noted that the company, like its customers, is in a wait-and-see mode with respect to buying, because of Fukushima's influence on the market.

"[During the second quarter] I would say we were less than active in the spot market purchasing …. [W]e saw a lot of material just trading ends among the financial players, among the traders, to get those volume numbers up," said Seitz.

"For ourselves, like many, I think customers as well, are just sort of waiting to see how this market plays out going into the fall. So we were not active with purchases in the second quarter," he added.

Fukushima Effect Unclear

Seitz, together with President and CEO Tim Gitzel, also discussed the specific impact to Cameco due to ongoing uncertainty over the future of Japan's nuclear fleet.

Gitzel said he did not believe the government would be able to shut down those reactors. Japan represents "in the 17 percent range of that (long-term) portfolio and so it's not insignificant, but that's what it would be for us."

"That's not something that we see as realistic, and today we're not canceling any volumes with Japanese customers, we're just looking at deferrals," added Seitz.

In 2011, Japanese utility customers represent roughly 12% of Cameco's deliveries, which the company expects to complete, "with the exception of about 700,000 pounds, which we have agreed to defer for one Japanese utility, and that's about 2% of this year's delivery," said Seitz.

Should the shutdown occur, Cameco is prepared to work with Japanese utilities on a phase-out. Seitz explained it would involve "17 to 18% of our portfolio being liberated for resale so we would have those volumes to place back in the market."

He continued, "I can tell you that some of those contracts with Japanese customers would be at prices lower than today's market prices and some would be higher. So it would be a matter of how that plays out."

Cameco Uranium Results
2011 YTD (in C$)

	2011	2010
Production (Mlbs)	10.5	10.9
Cost of Sales ($/lb)	30.95	28.54
Sales (Mlbs)	11.9	14.9
Avg Sales Price ($/lb)	46.60	44.23
Revenue ($M)	554	661
Gross Profit	186	234

U1: Full Speed Ahead

Uranium One's strong financials were the result of low cash costs, higher sales volumes, and higher average realized prices. Analysts seem to be impressed with the results.

"The company is fulfilling our expectations," wrote Dundee Securities' David Talbot in an Aug. 10 note. "We believe Uranium One's low cost base makes the company particularly well suited for times of lower uranium prices."

Currently U1 has sales contracts for 21 million pounds over the next two years, which includes 5 million pounds at an average fixed price of $67 per pound, and 11 million pounds at weighted average floor prices of roughly $47 per pound. The remaining 5 million pounds will be sold at market price at the time of delivery.

Results were positive across every category: production, sales volumes, revenue, average sales price, earnings and net earnings all rose. The average total cash cost per pound sold was $15 during the second quarter, in line with 2010.

U1's production guidance remained at 10.5 million pounds for 2011 and 12.5 million for 2012. Sales guidance has stayed on track, at 9.5 million pounds this year and 12 million pounds next year

U1 Results
2011 YTD

	2011	2010
Production (Mlbs)	4.5	3.5
Avg Cash Cost ($/lb)	15	16
Sales (Mlbs)	3.6	2.3
Avg Sales Price ($/lb)	59	44
Revenue ($M)	214.8	101.5
Earnings from Ops ($M)	112.9	34.3
Net Earnings ($M)	43.7	4.0
Adj Net Earnings ($M)	41.8	(2.8)

Global Briefs

In contemplation of inking a share subscription agreement and a definitive agreement by end-September, **Korea Electric Power Co.** (NYSE:KEP) has entered into a binding heads of agreement with **Strathmore Minerals Corp.** (TSX:STM), Strathmore announced on Friday. KEPCOis to contribute $10 million of which $8 million will go to Strathmore commons shares, and $2 million to support exploration expenses at the **Beaver Rim** area, to the south of the company's main Gas Hills project in Wyoming. The funds will also help Strathmore perform a prefeasibility study for the **Gas Hills** deposits. Under the final definitive agreement subsidiaries of Strathmore and KEPCO will set up a 60/40 limited liability company.

If the first phase of exploration is successful KEPCO may decide to continue supporting a second phase, contributing another $10 million within the first years, and earning in up to a 40% interest in the Gas Hills properties. In this event KEPCO would contribute a total of $35 million over three years.

A 43-101-compliant report issued last month showed measured and indicated resources of more than 10 million pounds in the Gas Hills deposits grading 0.89-0.10% U3O8. The company has not obtained a 43-101-compliant estimate on Beaver Rim yet, but based on historical resource estimates that target has a "low average" of 29.4 million pounds U3O8, a "high average" of 55.5 million pounds U3O8, and a "mean" of 40.8 million pounds U3O8. The Gas Hills area produced more than 100 million pounds of U3O8 from 1957 to 1989, according to Strathmore.

The ramifications of **Germany**'s decision to phase out nuclear energy are grow clearer almost by the day. This week German chemical and pharmaceutical manufacturer **Bayer** announced that it may leave its homeland due to the rising cost of electricity resulting from the nuclear shutdown. **CEO Marijn Dekkers** told a German business magazine that the costs would make the company's manufacturing operations uncompetitive on the world market. The company, which employs 35,000 workers in Germany, said the country's energy prices, already the highest in Europe, would drive away energy-intensive business. Bayer is planning to expand operations in **China**, **Brazil** and **India**.

Germany's two leading nuclear utilities, E.ON and RWE both announced disastrous financial results for the second quarter this week. E.ON also gave notice that it would have to cut about 11,000 jobs (*see related story, p. 2*).

Japan is considering going the same route as Germany as a result of the mismanagement of the Fukushima nuclear plant crisis after a record-setting earthquake and tsunami in March. A report by Japan's **Institute of Energy Economics**, a government-established think tank, predicted the country's primary energy supply would fall short by 7.8% by next summer unless the government restarts the nuclear plants shut down for maintenance and refueling. In that scenario Japan would see about a **5.6% drop in its GDP**, the report said.

Uranium production in **Kazakhstan** rose 9% during the first six months of 2011, generating a total of 9,000 tU (23.4 million pounds U3O8), **Kazatomprom** announced in a press release. The company's general income is 145 billion tenge ($1 billion), up 37% from the same period last year. Total profit is 30 billion tenge ($180 million), up 63% from 2010.

A recent poll found that **Vermont** residents are closely divided about whether to renew the operating license of **Vermont Yankee** or shutting it down when the license expires in March 2012. Division runs along party lines, with Democrats supporting plant closure and Republicans opposing it; independents mostly oppose it as well. **Entergy**, the plant's owner, is suing the state, which has denied it permission to continue running the plant and has bought enough fuel to last until March 2013. The Nuclear Regulatory Commission has renewed the plant's license for another twenty years.

Tournigan Energy Ltd. (TSX-V:TVC) said its NI 43-101-compliant feasibility study for the **Kuriskova** uranium project in **Slovakia** will be finished in December. **Tetra Tech**, which is performing the study, will develop a mine-production plan based on the Indicated resources from the April 2011 resource estimate. Although fieldwork and data interpretation have not been finished, some results are now available. The Indicated resource of is 28.5 million pounds U3O8 grading 0.56% at a cutoff of 0.05%within 2.3 million tonnes of ore, and an Inferred Resource of 12.7 million pounds U3O8 grading 0.185% in 3.1 million tonnes of ore at a cutoff of 0.05%. Metallurgical work confirms a uranium recovery rate of 93-94%. ***—Compiled by Miriam L. Mazer***

continued from Miners See Mixed Effects on page 1

Others, however, thought the fallen dollar was a concern for uranium miners both in and outside the U.S.

"Yes, the weakness of the U.S. dollar does have implications for the uranium market…due to the fact that [uranium] commerce is conducted in U.S. dollars," Dustin Garrow, Paladin Energy's executive general manager of marketing told *FCW* in an email.

"The relationship of the U.S. dollar to the producing country's currency is relevant," he wrote. "For example, if the U.S. dollar 'weakens' against the Namibian dollar (meaning that Paladin receives less Namibia dollars for each U.S. dollar sale) then it impacts our profitability.

"U.S. U-producers should be relatively more competitive because their domestic production costs are in relatively 'cheaper' U.S. dollars," Garrow added. "Having said all of that, I have never paid too much attention to the issue, but in the future it could become more pronounced."

Another mining executive pointed out to *FCW* that higher costs in imported materials and products might erode any gains in U.S. producers' market competitiveness.

"The U.S. economy is more import-based," said the executive. "[Miners'] costs would go up dramatically on things like oil, steel, copper wire, everything. It could be anti-competitive for U.S. producers."

On the other hand, the miner said, producers might sell more because relative to the buyer's currency, the U.S. output would be cheaper.

"You could be doing longer-term deals and getting more market share," U.S.-based utilities consultant Edward Kee, an electricity industry specialist at the economic consulting firm NERA, told *FCW* in a telephone interview. But the competitive gains would not last long, he added.

"If you look at the U.S. as an economy, inflation is countervailing," said Kee. "We buy a lot of stuff from abroad, and so the prices go up [due to the dollar's lesser value]. But our exports are competitive and buyers outside the U.S. have to pay more. It reaches an equilibrium."

Dollar Denomination Affects U-Price

Industry participants also noted that the fall of the dollar would affect the market price, particularly in the spot market, because uranium, like oil, is priced in U.S. dollars. That means the greenback normally sets the marginal price—the highest price achieved in a uranium transaction over a short period of time. That is what determines the spot price.

Kee explained that if a producer outside the U.S., say in Australia, wanted to get the same profit margin in relation to its costs in Australian dollars it might set the sales contract in Australian dollars. That would take the sunken U.S. dollar out of the immediate transaction, but the marginal price, translated into U.S. dollars, would then be higher.

"In theory, if a weaker U.S. dollar persists then the U-price should rise, due to the negative impact on non-U.S. production," Garrow wrote.

This might be the scenario if the U.S. dollar's sojourn in the basement stretches over the entire two-year recovery period that the Federal Reserve Board projected.

But David Talbot, Dundee Capital Market's Toronto-based uranium analyst, wrote in an email, "Last time I saw the U.S. dollar drop I saw no effect on spot prices—none that I could tell, at least."

Overseas Producers Protect Themselves

"Yes, all other things being equal (production costs, political risk and such)," a U.K.-based utility consultant responded to *FCW*'s question about whether U.S. producers would gain competitive advantage.

But a fuel management executive at a major U.S. utility insisted that in the real-time market there would be no discernible advantage for U.S. producers.

"All U.S. utilities sign contracts in dollars," he said. "When I send dollars to Namibia, then they change them for Namibian dollars. All producers know what the market price is. If the U.S. dollar is worth less the Namibian producer will adjust the selling price to a higher dollar amount."

Miners will also do currency hedging, he added. "If they are completely unprotected then they are not doing good management."

OPEN URANIUM DEALS (8/4/2011 — 8/11/2011)

Oreninc

Company Name	Offer Size	Price Per Share	Discount Premium	Security Type	Warrant @ Share	Market Cap	Under-writers	Financing Basis	Open Date, Updated
Majescor Resources Inc. (TSX-V:MJX)	$8.0m	TBA	TBA	Common	–	$49.5m	–	Bought Deal	8/5/2011

RECENTLY CLOSED URANIUM DEALS (8/4/2011 — 8/11/2011)

Company Name	Offer Size	Price Per Share	Discount Premium	Security Type	Warrant @ Share	Market Cap	Under-writers	Financing Basis	Open Date, Close Date

NO DEALS CLOSED THIS WEEK.

Source: Oreninc.com

Providing weekly data on TSX & TSXV uranium financing activity. All figures in $CAD.

Disclaimer

Andrea Jennetta
Publisher
(202) 577-8022
andrea@fuelcycleweek.com

Nancy E. Roth
Managing Editor
(202) 547-8300
nancy@fuelcycleweek.com

Roger Murray
Special Correspondent
+44 207 624 2894
roger@fuelcycleweek.com

Dan Yurman
Reporter
(208) 521-5726
dan@fuelcycleweek.com

Miriam Mazer
Intern
202-550-8008
miriam@fuelcycleweek.com

Fuel Cycle Week is a publication of
International Nuclear Associates Inc.
710 C Street NE
Washington, DC 20002

Phone: (202) 547-8300
Internet: http://fuelcycleweek.com

For subscription information, please contact Andrea Jennetta at andrea@fuelcycleweek.com

Fuel Cycle Week is published every Thursday, 48 times a year.