Allocated Uranium

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Agenda

- Uranium market vision
- Reason for change
- ConverDyn Hub
- Storage system
- Electronic Warehouse Receipts (EWR)
- Trading EWRs
- Advantages of Allocated Uranium
Producers & Investors

- Price volatility
- New U3O8 mines
- Contracts that support investment
- Desired exposure to price risk
- Investor interest

Utilities

- Utility hedging strategies
- Corporate expertise
- Price risk
- Performance risk

Reason to change
• Direct access to channels of trade
• Industry accepted delivery mechanism
• Robust uranium accounting systems
• High level of physical security (NRC license)
• Guaranteed product purity
• Independent custodian

• U3O8 on account: multi-million lbs
• Uranium Accounts: hundreds
• Traded volume 31,000,000 kgU/yr
Unitized Uranium Storage & Management System

Electronic Warehouse Receipts

• Negotiable EWRs
• EWR backed by physical inventory
• Transfers between Commingled and Segregated Storage
Electronic Warehouse Receipt (EWR)

- Electronic Document of Title to 250 pounds U3O8
  - Title to identifiable “slice” of U3O8 contained in a UF6 cylinder
  - Negotiable (can be traded)
  - Regulated under UCC

- Stored in Electronic Depository
  - www.allocatedmaterials.com
  - Owner has control of EWR
Trading EWRs

• No ConverDyn notices needed
  • ConverDyn receives daily transaction reports

• Trading via Designated Brokers
  • Open EWR accounts with AMMC
  • Instruct broker to buy or sell EWRs
  • AMMC records title to EWRs
  • Transfer payment via broker
  • Receive EWRs on AMMC system

• Change of ownership recorded in Electronic Depository
Advantages of Allocated Uranium

• Clear and Secure Interest
  • Title to identifiable “slice” of U3O8 in UF6 cylinder
  • Risk management benefits

• Ease of Financing
  • Can use EWRs as collateral
  • Common in other commodities

• New Market Participants
  • Ease of access
  • Well established delivery and management systems
  • Market access
  • Liquidity
  • Cost effective