

# Investing in our **ENERGY**<sup>™</sup>

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**Q3 2011 Results Conference Call**

November 8, 2011





# **Chris Sattler**

Chief Executive Officer



# Cautionary Statement

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*Readers are advised to refer to independent technical reports containing detailed information with respect to the material properties of Uranium One. These technical reports are available under the profiles of Uranium One Inc. and UrAsia Energy Ltd., at [www.sedar.com](http://www.sedar.com) and provide the date of each resource or reserve estimate, details of the key assumptions, methods and parameters used in the estimates, details of quantity and grade or quality of each resource or reserve and a general discussion of the extent to which the estimate may be materially affected by any known environmental, permitting, legal, taxation, socio-political, marketing, or other relevant issues. The technical reports also provide information with respect to data verification in the estimation.*

*Scientific and technical information contained herein has been reviewed on behalf of Uranium One by Mr. M.H.G. Heyns, Pr.Sci.Nat. (SACNASP), MSAIMM, MGSSA, Senior Vice President of Uranium One Inc., a Qualified Person for the purposes of NI 43-101.*

*Certain of the statements herein are forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of uranium, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Uranium One to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the completion of the transaction described in this document, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the integration of acquisitions, to international operations, to prices of uranium as well as those factors referred to in the section entitled "Risk Factors" in Uranium One's Annual Information Form for the year ended December 31, 2010 and Management Information Circular dated August 3, 2010, each of which is available on SEDAR at [www.sedar.com](http://www.sedar.com), and which should be reviewed in conjunction with this document. Although Uranium One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Uranium One expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.*

*For further information about Uranium One, please visit [www.uranium1.com](http://www.uranium1.com).*



## Quarterly Highlights

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### Q3 2011

- Total attributable production was a record 2.5 M lbs
- Average total cash cost of \$14 per pound sold
- Record attributable sales of 3.1 M lbs
- Record revenue of \$157.7 million
  - average realized sales price of \$51 per pound in line with the average spot price during the quarter of \$51 per pound
- Earnings from mine operations were \$73.7 million during Q3 2011, a 164% increase from earnings from mine operations of \$27.9 million in Q3 2010 due to increased sales volumes and an increase in the realized sales price
- Net earnings of \$45.8 million or \$0.05 per share, compared to net loss of \$44.8 million or \$0.08 per share during Q3 2010
- Our cash position remains strong with \$356 million in cash and cash equivalents at September 30, 2011



## Option Agreement

- Renegotiation of Mantra Resources Option Agreement with ARMZ on March 21, 2011
  - Additional flexibility on timing
  - Lower purchase price of \$1.0 billion
  - 12 month Option extendable to 24 months if Option partially taken up (approximately 15%) by the end of January 2012

## Transaction Closing

- Acquisition of Mantra Resources by ARMZ closed June 7, 2011

## Uranium One Operator of Mkuju River Project

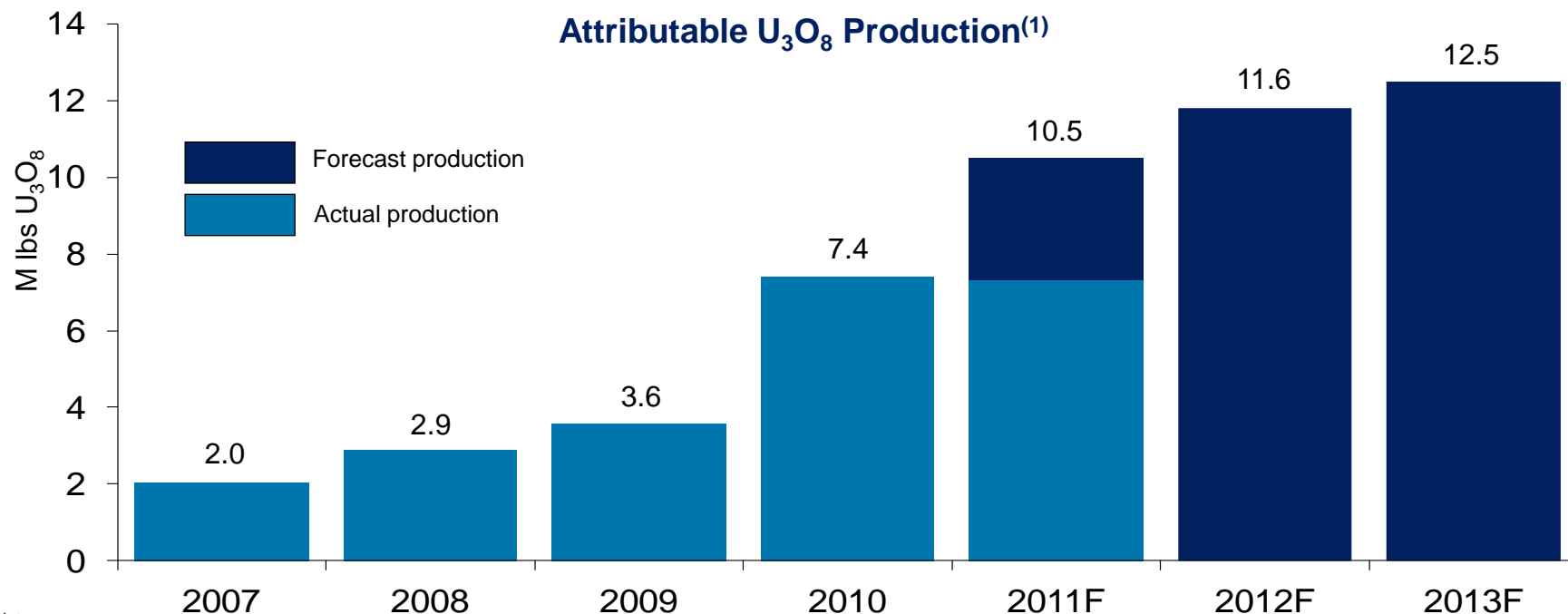
- Uranium One became operator of Mkuju River Project on June 7, 2011

## Uranium One Mineral Resource Estimate

- 42% increase in Measured and Indicated resources at the Mkuju River Project from 65.5 M lbs to 93.3 M lbs. Inferred resources are 26.1 M lbs (please refer to Slide 12 for details)



- 2.5 M lbs produced in Q3 2011; 8.3 million pounds produced YTD (including October)
- Average cash cost of production sold \$14 per pound 2011 YTD
- Sales for 2011 are expected to be 9.5 million pounds



Notes:

1. Includes commercial production and production during commissioning



## Forward Looking Guidance

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- The Corporation's total attributable production guidance remains at 10.5 million pounds for 2011. Total attributable production for 2012 and 2013 is estimated to be 11.6 million and 12.5 million pounds respectively
- During 2012, the average cash cost per pound sold is expected to be approximately \$19 per pound
- The Corporation expects attributable sales to be approximately 11.0 million and 12.5 million pounds in 2012 and 2013 respectively
- The Corporation expects to incur attributable capital expenditures of \$229 million, of which \$44 million has been deferred from 2011
- In 2012, general and administrative expenses, excluding non-cash items, are expected to be approximately \$39 million, and exploration expenses are expected to be \$11 million



# **Scott Melbye**

Executive Vice President, Marketing



- Forecasted uranium demand growth continues to be positive – even with an 8 to 10% reduction in demand over the next ten years due to Fukushima, this still equates to an annual growth rate of 2-3%
- Growth continues in the emerging markets:
  - China, India, Korea, Russia, Middle East will incorporate lessons learned, but are fully committed to continued deployment of new capacity
  - Emirates have broken ground on 4 new units and Saudi's are contemplating up to 16 units. Jordan and Turkey also moving ahead
  - Bangladesh signed a reactor build contract with Rosatom for 2 units
- New Japanese PM with pragmatic view of nuclear power
  - First idled unit has been approved to re-start



# **Steve Magnuson**

Chief Operating Officer

- Production during Q3 2011 was a record 2.5 M lbs
  - October production 1.0 M lbs
- Cash cost of sales remain lowest in the industry at \$14 per pound sold during Q3
- Mineral Resource Estimate at September 27<sup>th</sup> for Mkuju River Project shows an 18% increase in metal content to 119 M lbs compared to previous estimates



**SKZ-U Converter 80% Complete**



	Q3 2011 Production	9 Months Ending September 30th Production	Q3 U Concentration	Q3 Flow Rate
	M lbs	M lbs	mg/L	m <sup>3</sup> /h
Akdala	0.50	1.38	67	1,885
South Inkai	0.69	1.98	55	3,230
Karatau	0.69	1.89	149	1,637
Kharasan	0.09	0.24	84	642
Akbastau	0.26	0.95	165	560
Zarechnoye	0.21	0.69	32	2,462

### Acid Availability

- Acid availability has improved during the third quarter with Uranium One receiving deliveries of acid from the Russian Federation



## Updated Resource Estimate

- 39% increase in Measured Resources to 55.3 M lbs  $U_3O_8$
- 48% increase in Indicated Resources to 38.0 M lbs  $U_3O_8$
- Inferred Resources of 26.1 M lbs  $U_3O_8$
- 87% or 81.2 million pounds  $U_3O_8$  of the Measured and Indicated resources is within 60 metres of surface (91% of Measured Resources and 82% of Indicated Resources)

	Mkuju River Resources as of September 27, 2011		
	Tonnes (millions)	Grade (ppm $U_3O_8$ )	Contained $U_3O_8$ (M lbs)
Measured Resource	80.3	313	55.3
Indicated Resource	59.3	291	38.0
<b>Total Measured &amp; Indicated</b>	<b>139.6</b>	<b>303</b>	<b>93.3</b>
Inferred Resource	42.5	278	26.1

Notes:

1. The above technical and scientific information concerning the Mkuju River Project is derived from the Company's press release dated November 3, 2011. The above information is based on information compiled by "Qualified Persons" (as defined under National Instrument 43-101) and is also based on assumptions, qualifications and procedures which are set out in such press release. For a complete description of the assumptions, qualifications and procedures associated with the above information, reference should be made to the full text of the press release which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com).
2. Reported at a cut-off grade of 100 ppm  $U_3O_8$
3. All figures are rounded to reflect appropriate levels of confidence . Apparent differences may occur due to rounding

## Honeymoon

- First drum of yellowcake produced on September 10<sup>th</sup>, 2011
- Attributable production during Q3 of 22,700 pounds
- Concentration at 86 mg/L
- Flow rate averaged 175 m<sup>3</sup>/h
- Additional wellfield to go into production in Q4

## Willow Creek

- Ramp-up continues with 30,000 pounds produced in October
- Q3 2011 production of 57,500 pounds



*Honeymoon – Precipitation and Thickening*



# **Graham du Preez**

Chief Financial Officer



# Financial Highlights

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## Highlights:

*Figures in USD millions, unless otherwise indicated*

	Q3 2011	Q3 2010
Attributable sales (lbs)	3,086,500	1,701,300
Average sales price (\$ per lb)	51	43
Average cash cost (\$ per lb sold)	14	12
Revenue	157.7	73.1
Operating expenses	(42.2)	(19.7)
Depreciation and depletion	(41.8)	(25.5)
Earnings from mine operations	73.7	27.9
Net earnings	45.8	(44.8)
Net earnings per share	0.05	(0.08)
Adjusted net earnings	46.2	(6.3)
Adjusted net earnings per share	0.05	(0.01)