

## Information Resources

### **Two New U3O8 Books Help Separate Hype from Reality**

*By Nancy E. Roth, Senior Reporter*

Almost everything anyone needs to know about uranium seems to be available online these days. A casual Google search on the topic turns up a plethora of government, private-sector, academic and trade-association Web sites serving up an assortment of attractively packaged data.

But the caveat that applies to all Web-based searches certainly extends to uranium: Many organizations cherry-pick the data to present a self-serving version of the story. Even ostensibly objective government Web sites present data that are often incomplete or in conflict, or are error-ridden and poorly organized, or most maddeningly, are not structured to answer key questions.

Now two independently published soft-cover reference books have appeared that offer an antidote to information chaos. For different reasons, both belong on the bookshelves of those who must stay on top of what's happening in the nuclear-energy industry.

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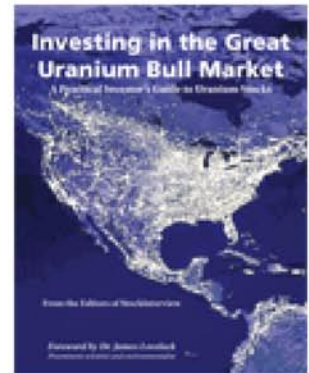
***“The safest mandate for the U.S. utility industry would be to cultivate the growing number of domestic uranium producers for the next two to three decades as a safeguard against potential supply disruptions.”***

—James Finch, *Investing in the Great Uranium Bull Market*

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### **Textbook on Uranium Prospects**

*Investing in the Great Uranium Bull Market*, a compendium of contributions by several nuclear notables, was assembled under the auspices of StockInterview.com. It focuses primarily on the uranium story in the U.S., condensing its coverage of the rest of the world in Chapters 5 and 6. Investors will surely find the book useful, but its scope far exceeds their requirements; in fact, only Chapters 8 and 9 provide specific investment pointers. But the first seven chapters amount to a comprehensive and up-to-date textbook on uranium resources and development.



The contributing editors of the volume, David Miller (Strathmore Minerals) and Kevin Bambrough (Sprott Asset Management) pulled together the contributions of economic and financial experts, such as including Gene Clark (TradeTech), Jeff Combs (Ux Consulting) Julian Steyn (Energy Resources International) and Jean-Francois Tardif (Sprott Asset Management) along with several major technical engineering, geology and exploration specialists.

But the book bears the unmistakable imprimatur, if not

the byline, of StockInterview.com senior editor James Finch, whose meticulously researched and illustrated articles on uranium are a clear standout within the international investment community's coverage—much of which amounts to high-volume hype.

Finch blends substantive but easy-to-read science and technology explanation with economic, financial and political data to arrive at astute, if sometimes blunt assessments of prospects for uranium production in the U.S. and abroad. He devotes an entire chapter to a state-by-state analysis of uranium resources, concluding that Wyoming and New Mexico are the most likely to see development over the rest of this decade.

While acknowledging that “the overwhelming amount of mined uranium” comes from outside the U.S., Finch counsels U.S. utilities to not put long-term trust on any non-U.S. uranium suppliers, apart from Canada. Political policies may shift against uranium production in Australia and Kazakhstan, he says, and the relatively stable African states of Niger and Namibia may allocate their production to buyers in Europe and the Middle East.

“The safest mandate for the U.S. utility industry would be to cultivate the growing number of domestic uranium producers for the next two to three decades as a safeguard against potential supply disruptions,” he warns. “Interest in Kazakhstan and exotic locales, such as Mongolia, Zimbabwe or the Congo, stand a greater risk of disappointment and failure.”

## Red Book Retrospective

*Forty Years of Uranium Resources, Production and Demand in Perspective*, issued by the Nuclear Energy



Agency of the Organization of Economic Cooperation and Development, collects and analyzes the information published in the organization's biannual Red Books from 1965 to 2004. The books were a compact, reliable source of governments' data on uranium resources, exploration and production, and this retrospective of their contents is exhaustive.

The one problem immediately apparent in this otherwise excellent resource is that the Red Book data collection changed with the nuclear industry over those 40 years, scrambling the database from which the volume drew its numbers.

The editors note that when the first Red Book was released in 1965, only 29 reactors, with a capacity of 4,500 MWe, operated world-wide.

By 2003 a total of 435 reactors were operating, with a combined capacity of 359,000 MWe. Data collection methods and standards were updated as required to reflect this growth. The editors say they made “every effort...to fill in gaps in information to ensure as complete a perspective as possible.”

World politics and events also affected the Red Book. During the Cold War decades, the military consumed a major portion of mined uranium. The OPEC oil boycott in 1973 and the events at Three Mile Island and Chernobyl also were reflected in the data. The disintegration of the Soviet Union allowed Red Book researchers access to the uranium industries of former Soviet satellites and republics for the first time in 1993.

The editors could not make the changing resource reporting parameters consistent.

That means that historical comparisons across the entire four decades is impossible. But the editors did include several appendices explaining how the information collection parameters evolved during different periods. And comparisons are possible during the intervals when the parameters remained consistent.

## Understanding the Development Timeline

Investors will find much of interest in this resource. For example, the chapter on mine startups and closures includes a chart on the time between the development stages of key uranium mines worldwide, providing a context for understanding, for example, the lengthy development timeline. It even offers a scatter chart on the history of elapsed time between discovery and the start of mining. Before 1975 the elapsed time was less than 10 years; by the year 2000 the number of years is about 23.

The increase is attributed to prior development of the most easily mined deposits, growing environmental constraints and the effects of depressed uranium market prices.

One frustrating aspect of the volume is that it draws its most current data from the 2004 Red Book, so that most of the charts and tables only go as far as 2002 or 2003. The exciting activity in the uranium industry over the last three years makes this cutoff almost painful. The 2006 issue of the Red Book may help, but the StockInterview book described above will offer the most up-to-the-minute complement. ●