

Grade

The most important investment concern for uranium projects

The grade of a potential project should be the overarching concern for those interested in investing in uranium.

This is according to Venmyn Deloitte MD [Andy Clay](#), who notes that so many uranium projects have closed or have performed poorly that one needs to ensure that the economic fundamentals, and most importantly the required grade, be in place before starting any uranium venture.

Uranium can be used in military or civilian applications, with the main use in civilian applications as a fuel source for nuclear power plants.

Many countries, including South Africa and Kazakhstan, have vast low-grade deposits. These may have grades that are technically acceptable for power plant usage following processing, but may not provide the project owner with high returns.

In a previous higher-price commodity environment these vast resources were attractive but, increasingly, investors are being advised to focus more on grade than deposit size as an investment criterion.

“The hunt is on for quality resources,” says Clay, although he observes that the ease of processing is also another criterion that may be important since projects that are mechanically and chemically suitable for mining and processing are likely to also bring down the cost.

“Resources are oversold and, for specialist minerals such as uranium, it is all about grade,” he reiterates.

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Kind regards,
Deborah Spicer



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Contact:

Tel: +27 11 656 1450
Office Hours: 7am - 5pm (GMT+2) Monday to Friday

venmyinfo@deloitte.com | venmyndeloitte.com

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