

18.4 Risk

There are a number of risks associated with the assumptions made to develop these estimates which are described in more detail within Chapter 22.3. The estimates included in this analysis are based on actual costs from operations at the Lost Creek Mine, which to some degree de-risks the estimates.

Table 16. Annual Operating Costs (OPEX) Summary

Life of Mine Operating Costs	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Totals	\$ / Pound
<i>(\$000s except cost per pound data)</i>																			
Salaries and Wages (Plant)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries and Wages (Wellfield)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wellfield costs (excludes closure related)	\$ -	\$ -	\$ (1,391.4)	\$ (1,517.9)	\$ (1,517.9)	\$ (1,517.9)	\$ (1,517.9)	\$ (1,517.9)	\$ (1,517.9)	\$ (1,471.4)	\$ (1,362.4)	\$ (1,204.7)	\$ (1,204.7)	\$ (1,204.7)	\$ (810.1)	\$ (538.2)	\$ (417.3)	\$ (18,712.2)	\$ (3.14)
Processing Plant Costs (excludes closure related)	\$ -	\$ -	\$ (1,999.9)	\$ (2,181.8)	\$ (2,181.8)	\$ (2,181.8)	\$ (2,113.5)	\$ (2,090.8)	\$ (2,090.8)	\$ (1,562.0)	\$ (762.4)	\$ (613.7)	\$ (613.7)	\$ (613.7)	\$ (327.1)	\$ (108.6)	\$ (236.6)	\$ (19,678.1)	\$ (3.30)
Product Shipping Costs & Conversion Facility Fees	\$ -	\$ -	\$ (2,049.3)	\$ (2,483.0)	\$ (2,578.3)	\$ (2,498.6)	\$ (2,520.0)	\$ (2,608.1)	\$ (2,557.8)	\$ (2,507.7)	\$ (1,124.6)	\$ (497.6)	\$ (684.8)	\$ (499.1)	\$ (225.3)	\$ -	\$ -	\$ (22,834.3)	\$ (3.83)
Land Holding & Surface Impact Costs	\$ -	\$ -	\$ (2,974.9)	\$ (3,361.9)	\$ (4,047.6)	\$ (3,851.3)	\$ (3,962.5)	\$ (3,870.2)	\$ (3,493.1)	\$ (3,223.8)	\$ (1,790.7)	\$ (1,274.3)	\$ (1,297.3)	\$ (1,305.6)	\$ (415.1)	\$ (16.5)	\$ (82.5)	\$ (34,967.3)	\$ (5.86)
Wyoming URP Fees	\$ -	\$ -	\$ (332.7)	\$ (349.9)	\$ (344.9)	\$ (296.1)	\$ (303.3)	\$ (296.1)	\$ (220.1)	\$ (183.5)	\$ (51.3)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,378.0)	\$ (0.40)
Insurance & Bonding	\$ (13.4)	\$ (13.4)	\$ (13.4)	\$ (13.4)	\$ (13.4)	\$ (13.4)	\$ (13.4)	\$ (19.4)	\$ (19.4)	\$ (19.4)	\$ (19.4)	\$ (19.4)	\$ (19.4)	\$ (19.4)	\$ (19.4)	\$ (19.4)	\$ (13.4)	\$ (281.8)	\$ (0.05)
Subtotal	\$ (13.4)	\$ (13.4)	\$ (8,761.7)	\$ (9,907.8)	\$ (10,683.9)	\$ (10,359.1)	\$ (10,430.6)	\$ (10,402.5)	\$ (9,899.1)	\$ (8,967.9)	\$ (5,110.8)	\$ (3,609.7)	\$ (3,819.9)	\$ (3,642.4)	\$ (1,797.1)	\$ (682.7)	\$ (749.8)	\$ (2,040.0)	\$ (0.34)
Closure costs (less wages)	\$ (135.7)	\$ (1,865.0)	\$ (9,822.4)	\$ (11,595.6)	\$ (12,069.2)	\$ (11,188.9)	\$ (11,291.1)	\$ (11,115.1)	\$ (10,822.9)	\$ (9,464.8)	\$ (4,799.0)	\$ (3,692.1)	\$ (3,511.1)	\$ (3,352.6)	\$ (1,499.2)	\$ 395.0	\$ 191.5	\$ (105,638.1)	\$ (17.71)
Home Office Support and Allocated Overhead	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ (88.4)	\$ (1,132.7)	\$ (1,321.9)	\$ (1,351.3)	\$ (1,922.8)	\$ (1,321.9)	\$ (2,372.5)	\$ (2,128.5)	\$ (1,262.9)	\$ (1,966.1)	\$ (1,434.9)	\$ (2,698.9)	\$ (1,681.4)	\$ (8,406.8)	\$ (29,091.0)	\$ (4.88)
Total	\$ (638.0)	\$ (638.0)	\$ (638.0)	\$ (726.4)	\$ (1,770.7)	\$ (1,959.9)	\$ (1,989.3)	\$ (2,560.8)	\$ (1,959.9)	\$ (3,010.5)	\$ (2,766.5)	\$ (1,900.9)	\$ (2,604.1)	\$ (2,072.9)	\$ (3,336.9)	\$ (2,319.4)	\$ (8,981.8)	\$ (39,874.0)	\$ (6.69)

1. For the purposes of this economic analysis, development activities and related costs are assumed to begin in year 2024 followed by operations and related costs. The actual timing on which URE makes a decision to commence construction will be dependent on a variety of market factors.
2. Wellfield operating costs include power, maintenance, chemicals and other wellfield operating costs.
3. Closure costs assume no salvage value for materials and equipment.
4. Land holding costs include 62 claims at \$200 each annually.
5. Regulatory fees are now handled through the State of Wyoming Uranium Recovery Program at an assumed average rate of \$120,000 per year.
6. Shipping costs are based on 35,000 pounds U3O8 per truckload and shipments from Lost Creek to Metropolis, Illinois.
7. Bonding requires a 2.5% premium to be paid and 30% collateral to be posted. The posted collateral is returned as closure work is completed and the bonding requirement is reduced.
8. Closure costs are based on WDEQ approved formulas and previously approved surety submittals.