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## Kazakhstan unrest underlines Australia's uranium advantage

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## Energy

**Nuclear power generation is growing again. Political stability makes us a doubly attractive uranium fuel supplier.**



**Duncan Craib**

The world is decarbonising, and Australia has a once-in-a-generation opportunity to capitalise on the inevitable surge in global uranium demand that will accompany it.

Global financial institutions are taking a new look at the Australian uranium sector, and with good reason.

Civil unrest over the past week in Kazakhstan – the world's largest exporter of uranium – and the consequent impact on uranium prices highlights the geopolitical sensitivity of the commodity.

This sensitivity means Australia should be the preferred destination of investment capital.

State governments need to encourage this investment by implementing a regulatory regime to encourage exploration and development.

COP26 in Glasgow underlined how increased adoption of low-carbon energy sources will be key to reducing global emissions. Major economies are looking to nuclear energy as a low-carbon solution, and Australia can play a leading role in supplying the primary production.

At COP26, China announced a \$US440 billion program to build 150 new reactors. It has 15 nuclear power plants under construction, which is more than the rest of the world has built in the past 35 years.

Similarly, Europe depends heavily on nuclear power. France has announced that it intends to build more new nuclear power plants, as has Britain.

Japan is in the process of reopening its

nuclear power stations, and countries such as the United Arab Emirates, Saudi Arabia and India are building new units.

This change in sentiment is reflected in the underlying commodity price of uranium, which, after a decade of underinvestment, is now 80 per cent higher than 24 months ago.

With its political and economic stability, Australia should be poised to capitalise on this growing demand for uranium.

Australia supplies just 7.4 per cent of global uranium demand, despite holding a third of the world's uranium reserves. And Australia's untapped uranium resource opportunity is immense – about 1.7 million tonnes, with extensive reserves in the Northern Territory, Western Australia, Queensland and South Australia.

To put this in context, in 2020-21 Australia exported 6166 tonnes of uranium. This is the equivalent of enough uranium to

provide 75 per cent of Australia's national electricity market with zero-carbon-emissions nuclear power.

Even allowing for a four-fold increase in exports, Australia's 1.7 million tonnes of uranium could meet Britain and France's total electricity needs for 60 years.

Growing global recognition that nuclear power will play a key role in mitigating climate change while addressing the energy crisis is encouraging global political support from governments, businesses and environmental interests alike.

State government support for uranium exploration and project development is essential if Australia is to unlock its full uranium potential and help fill the looming long-term supply gap facing global fuel buyers.

South Australia has taken the lead and is building considerable uranium expertise through the development of uranium mines

and associated supply chains, the development of the National Radioactive Waste Management Facility and establishment of the Australian Radioactive Waste Agency in Adelaide.

And last year the NSW government threw its support behind a bill to repeal the state's 30-year ban on uranium mining.

Despite Australia's tremendous potential, there are only two operating uranium mines – BHP's Olympic Dam and Heathgate's Beverley operations. Both are located in South Australia, where a third mine, the Honeymoon project, is making preparations to restart production.

Along with increased royalties and taxes,

an expanded uranium sector would continue to help fund infrastructure, schools, roads and hospitals, while also providing high-paying jobs in regional communities.

Very rarely are state governments gifted with a new mining industry that drives economic development while mitigating global climate change.

Aligning global demand with primary production provides Australia with significant opportunities for growth in the uranium mining sector.

That's why Western Australia and Queensland need to step up and follow South Australia's lead in encouraging the development of new uranium projects.

*Duncan Craib is chairman of the Mineral Council of Australia's Uranium Forum and chief executive of Boss Energy.*

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Our uranium could meet UK and France's energy needs for 60 years. PHOTO: BLOOMBERG