
IS KAZAKHSTAN ABOUT TO NATIONALIZE MORE URANIUM ASSETS?

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I wrote in March about worlds top uranium nation, Kazakhstan, making thinly-veiled threats against uranium miners.

And this past week, we may have seen the first moves on this front.

On Friday, the worlds top public uranium producer, Cameco, announced that it is restructuring its mining operations in Kazakhstan. With some major changes coming for the firms operations here.

The biggest shift is a reduction in Camecos ownership of the Inkai project – a joint venture between the Canadian firm and Kazakh state uranium miner KazAtomProm.

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Up until now, Cameco has owned 60 percent of Inkai – with KazAtomProm holding a minority 40 percent. But that arrangement will now flip – with Cameco saying it has a new agreement with the government to drop its ownership to 40 percent, while KazAtomProm will rise to 60 percent.

On the face of it, this looks like it could be the Kazakh government following through on threats to reclaim uranium assets from foreign firms. Although there are a few other moving parts to the story.

For one, the new deal with Inkai also comes with an expansion plan. Where the government will allow production here to be doubled – to 10.4 million pounds of tri-uranium octoxide per year, from a current 5.2 million pounds.

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The new deal also provides for a significant extension of the Inkai mining licenses. Which will now be good until 2045 – adding up to an additional 21 years to the previous expiration dates of 2024 and 2030 for the three licenses here.

So the good news is that Cameco is getting something out of this. With the decrease in the major miners ownership somewhat offset by the rise in overall production here (Camecos 40 percent share of production from the expanded mine will be 4.2 million pounds yearly, as compared to a current 3 million pounds).

Overall, this could be a sign that Kazakhstans government is taking a harder stance when it comes to uranium assets. But at least it looks like theyre trying to be business-minded about the changes. Watch for more adjustments coming in the Kazakh sector.

Kaynak/Source: