



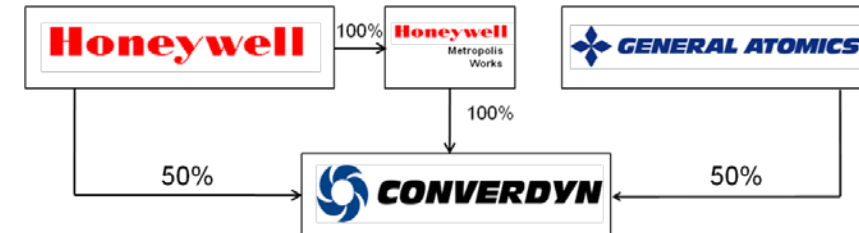
HALEU Workshop

April 28-29, 2020

Converting Uranium, Opportunities, and Services into Stakeholder Success

ConverDyn History and Structure:

- ConverDyn formed in 1992 as a JV between Honeywell and General Atomics
- Honeywell operates Metropolis Works conversion facility – **the only UF₆ conversion facility in the United States**
- ConverDyn has exclusive marketing rights to all production from Metropolis



Honeywell Metropolis Works:

- Has supplied over 500,000 tU of UF₆ to US and global customers
- Operating license recently extended by NRC through **March 24, 2060**
- **Metropolis UF₆ plant was placed into idle standby in Nov. 2017 pending market improvement and customer support**
- Currently working with US customers to secure future operation of facility

Metropolis Works is the United States domestic conversion industry



- Purify uranium ore and convert it from an oxide to UF₆ usually under a toll processing agreement.
- Unique distillation process produces highest UF₆ purity levels (99.99%). Important for centrifuge enrichment.
- Transport the finished product to the enrichment facility identified by the customer.
- Only producer of US unobligated UF₆

Metropolis is a national asset essential to US nuclear infrastructure

- MTW is the largest global uranium trading platform 130 Mlbs U3O8 changes hands each year
- We receive uranium from almost all uranium mines in the world
- Uranium ore purity varies from 93% to 98%. MTW consolidates all of the ore to provide a standardized product that can be traded without differentiation
- Ensure that safeguard and obligation requirements are satisfied



The Choice To Idle Metropolis



- ConverDyn and Honeywell made the announcement to place the Metropolis Works conversion facility into an idle state in November 2017
- This decision was made after years of spot price deterioration and a lack of long-term contracting
- ConverDyn purchased tens-of-millions of KgU as UF₆ of conversion inventory, that, in our view, was the primary cause of depressed prices
- The decision was and remains a costly one; millions of dollars per year in standby costs and extensive shutdown and restart costs on top of that
- Restart timeline flexible from day one; objective was to “restore producer economics,” however long that process takes



The 2017 idling of Metropolis Works’ conversion operations is a concerted effort to restore producer economics to the marketplace

- Honeywell continues to maintain Metropolis Works in a condition ready for restart
- From the initial decision point, we will require 18-24 months before full production is reached
- No unsurmountable technical/regulatory barriers to restart
- Secure long-term contracts in order to support MTW operation
- A new customer base would make a significant difference
 - NFWG \$150M budget recommendation
 - HALEU demand pull forward



Metropolis Works is ready for restart; to support HALEU demand

Ability to Support HALEU Program

- In response to the reduction in global demand the plant capacity was reduced to 7000tU/year in 2017. Original name plate of up to 15000tU/year could be reinstated if supported by demand
- Modular construction allows all equipment to be replaced
- No life limiting features. Indefinitely sustainable
- 40 years operating license



Questions?