HALEU Workshop

April 28-29, 2020

Converting Uranium, Opportunities, and Services into Stakeholder Success
ConverDyn Overview

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
Uranium Conversion Services

- 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*
Uranium trading platform

- 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.
Metropolis Restart

- 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?