



Uranium Mining Capabilities in the Russian Federation

ARMZ Uranium Holding Co., Russia

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ARMZ in Russian Nuclear Industry

ARMZ

- Uranium mining and supply
- Worldwide mining and exploration
- World's #2 in uranium resources
- World's #5 in uranium production

Rosatom



1st in the world in terms of nuclear power plants construction abroad
2nd in the world in terms of electric power generation at nuclear power plants

Energoatom

- Nuclear power plant operation, generation and sales



Tenex

- Uranium enrichment, export sales
- 40% of world's uranium enrichment capacity



TVEL

- Nuclear fuel fabrication, export sales
- 17% of world's nuclear fuel market (every 6th reactor)



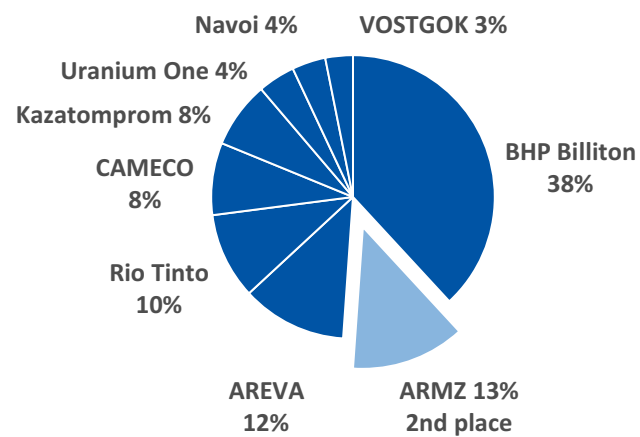


ARMZ at a Glance

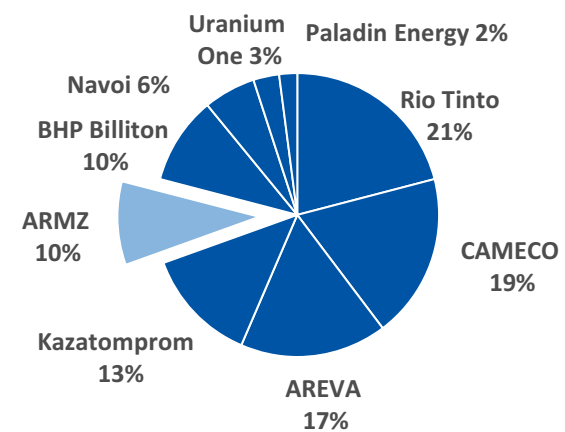
ARMZ Overview

- The only uranium mining company in Russia
- 2nd world company by uranium resources
- 5th largest by uranium production
- Russian Priargunsky - the world's largest in terms of aggregated historical uranium production
- Highly diversified by mining technology and geography - exploration and mining projects on 3 continents
- 14,000 employees at production sites and service companies

2008 Uranium Resources by Company (in situ)



2008 Uranium Production by Company

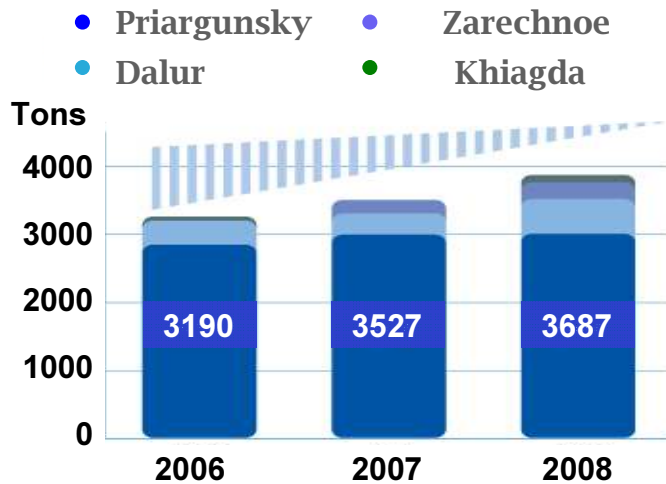


Source: ARMZ

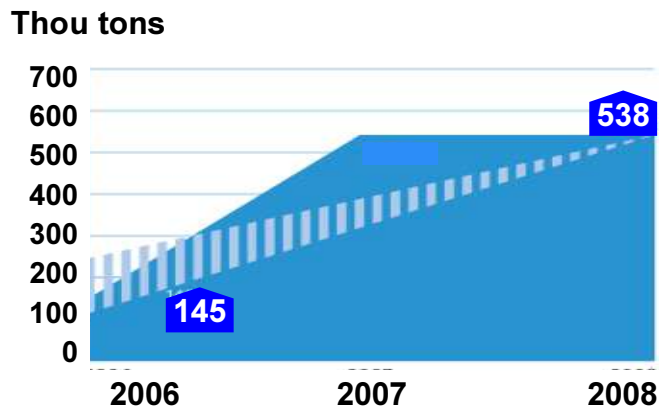


ARMZ Growth Results 2006-2008

ARMZ Uranium Production



ARMZ Uranium Resources



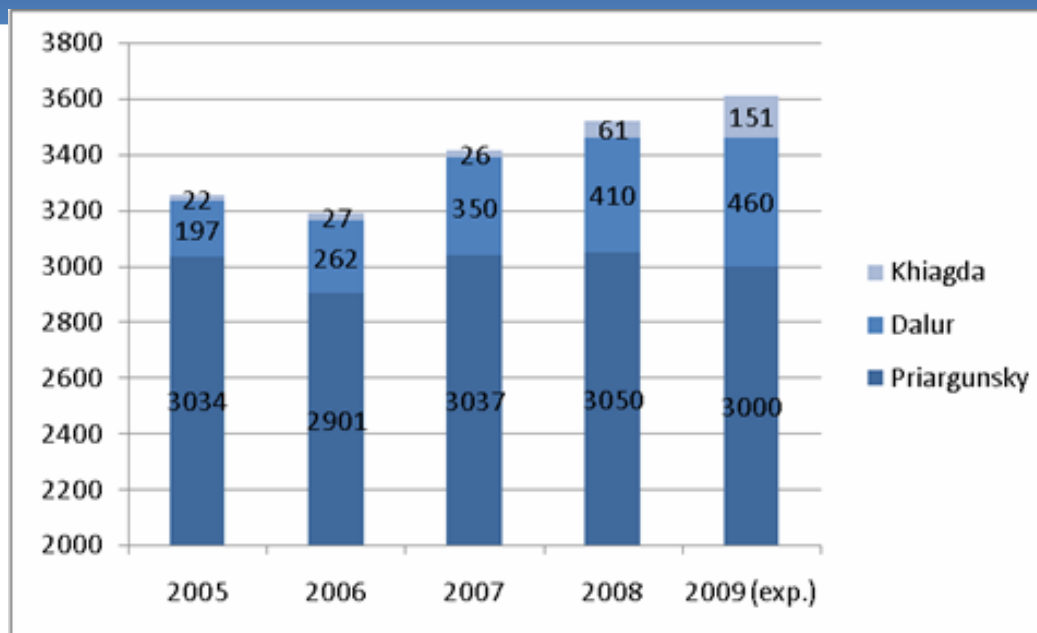
Number of ARMZ Mines and Projects



- 16% growth of uranium output in two years
- 4-fold growth of uranium resources
- 16 uranium deposit licensed
- Number of subsidiaries and projects increased from 4 to 18. New joint ventures set up to mine, drill and explore for uranium in Russia and abroad, new management and service companies in operation

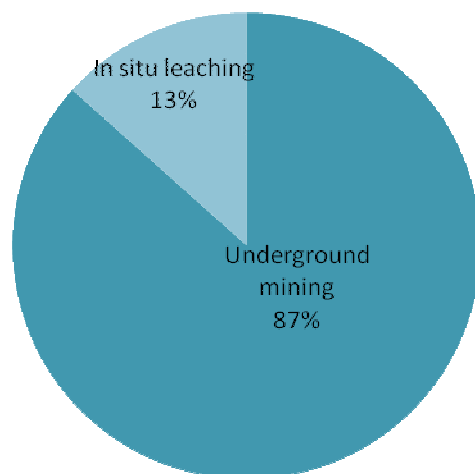
Uranium Production in Russia

Production	t U
2005	3253
2006	3190
2007	3413
2008	3521
2009	3611

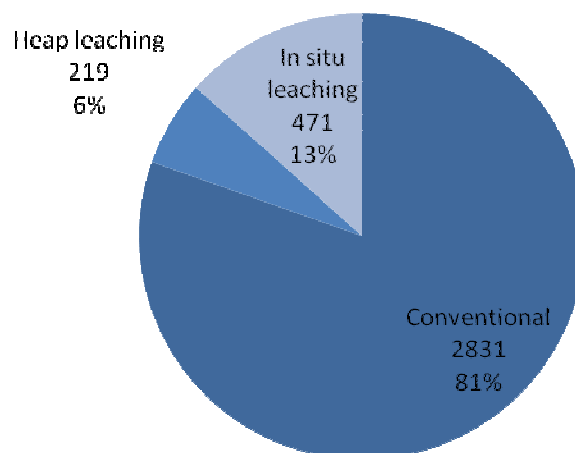


Uranium production in 2008 – 3521 t

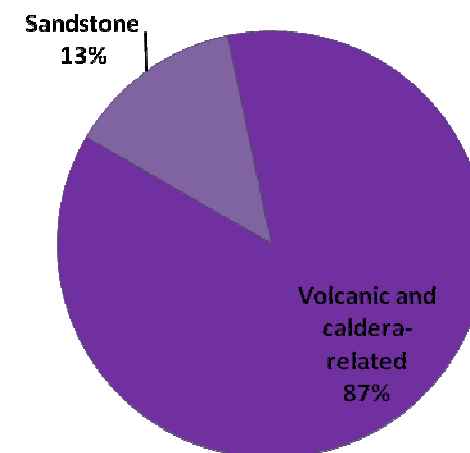
Production method



Processing method

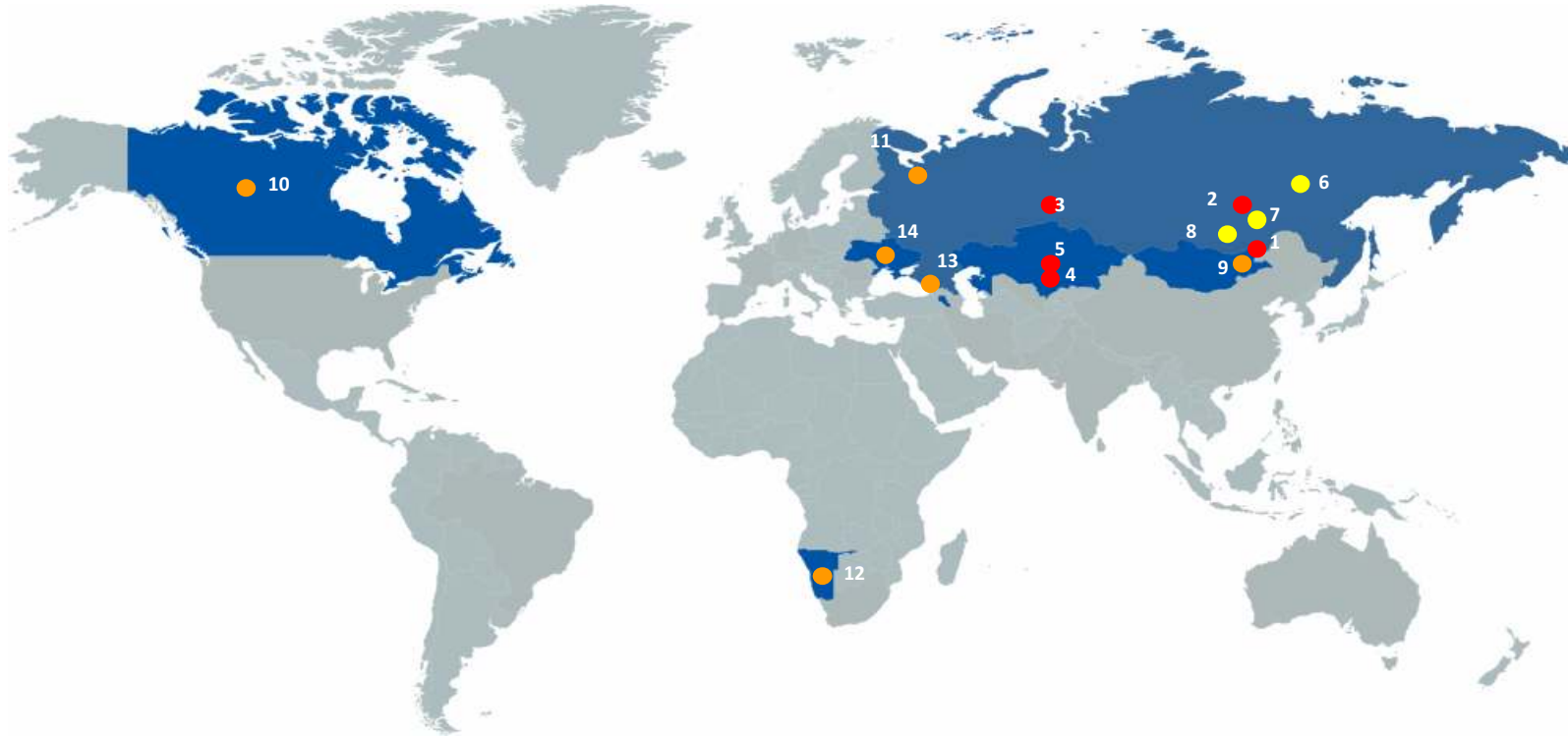


Deposit type





ARMZ Global Presence



● **Operational and under construction facilities**

- 1. Priargunsky
- 2. Khiagda
- 3. Dalur
- 4. Akbastau + Karatau
- 5. Zarechnoe

● **Planned facilities**

- 6. Elkon
- 7. Gornoe
- 8. Olovskaya

● **Exploration ventures and Prospective projects**

- 9. Mongolia
- 10. Canada
- 11. Russia
- 12. Namibia
- 13. Armenia
- 14. Ukraine



ARMZ projects pipeline



Mongolia
Africa

ARGK
(Armenia)
SWA Uranium
(Namibia)
NBUL (Canada)
Karkhu (Russia)

Elkon
Lunnoe
Gornoe
Olovskoe

Priargunsky
Khiagda
Dalur
Zarechnoe
Akbastau
Karatau

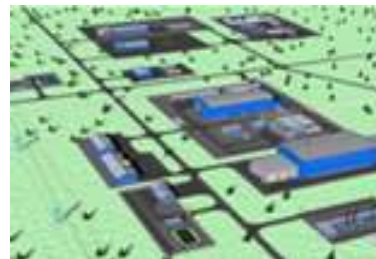
Perspective projects



Exploration projects



Planned mines



Mines existing and under construction



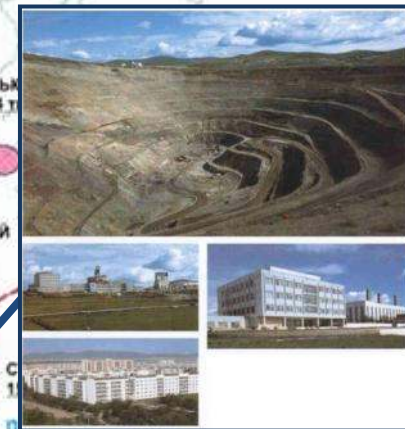
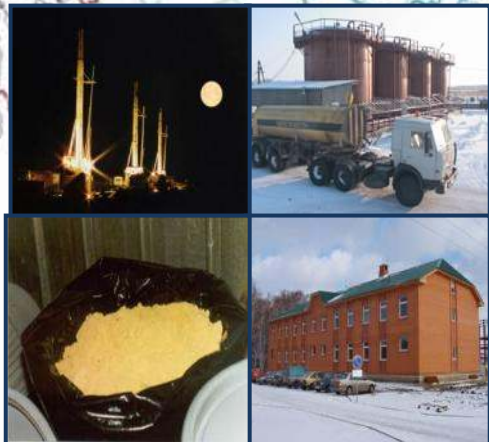


Existing uranium centers in Russia

Dalur	
Location	Kurgan region
Deposits	Dalmatovskoe, Khohlovskoe
In-Situ U reserves (RAR+Inferred)	11 379tU
Ore grade, %	0,03
Mining Method	In situ leaching
2008 U production	410 t
U production plan	800 t/year (to 2017)

Khiagda	
Location	Buryat Republic
Deposits	Vitim district
In-Situ U reserves (RAR+Inferred)	27 356 tU
Ore grade, %	0,04
Mining Method	In situ leaching
2008 U production	61 t
U production plan	1 800 t/year (to 2018)

Priargunsky	
Location	Zabaikalsky region
Deposits	Streltsovky district
In-Situ U reserves (RAR+Inferred)	132 823 tU
Ore grade, %	0,159
Mining Method	Underground
2008 U production	3 050 t
U production plan	5 000 t/year (to 2020)



Уральский
Забайкальский

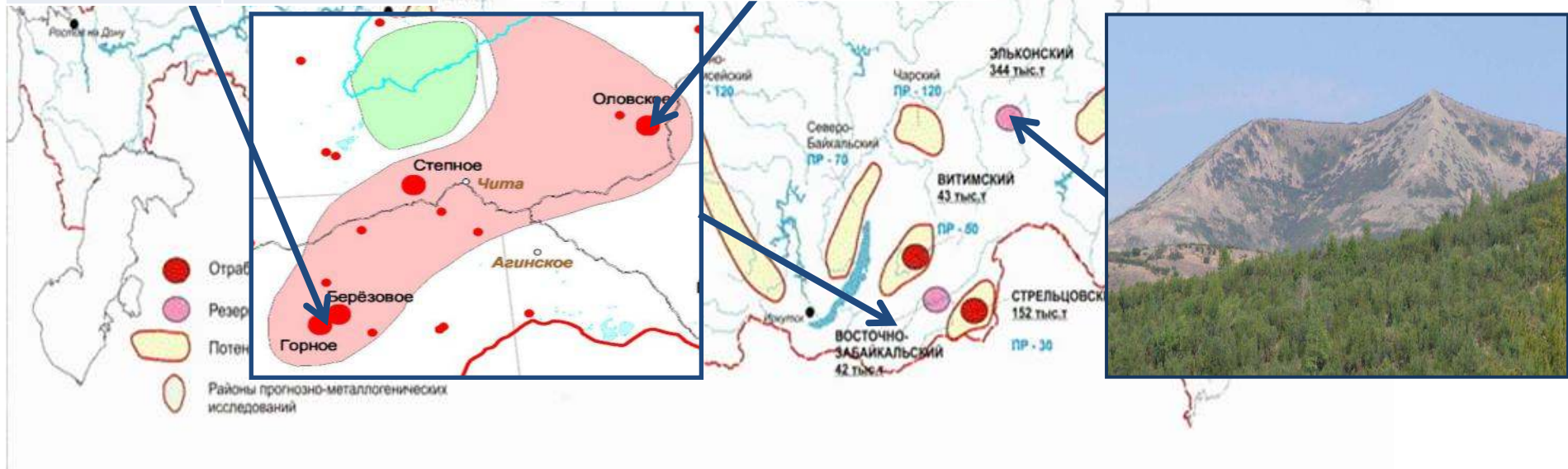


Planned new uranium centers in Russia

Gornoe	
Location	Zabaikalsky region
Deposits	Gornoe - Berezovoe
In-Situ U reserves (RAR+Inferred)	8 794 tU
Ore grade, %	0,226
Mining Method	Underground + Heap Leaching
U production plan	600 t/year

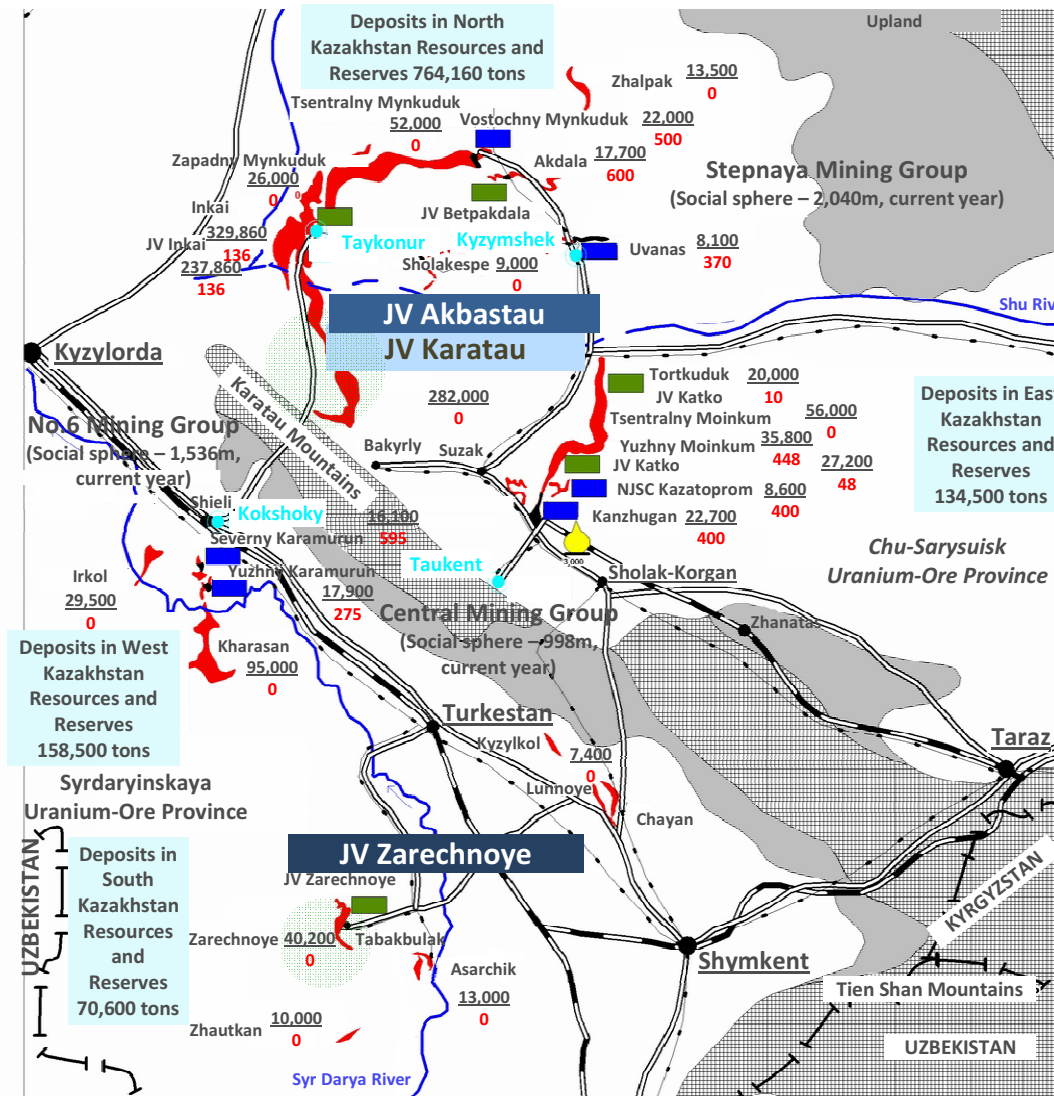
Olovskaya	
Location	Zabaikalsky region
Deposit	Olovskoe
In-Situ U reserves (RAR+Inferred)	12 868 tU
Ore grade, %	0,088
Mining Method	Underground + Open pit, Block Leaching +Heap Leaching
U production plan	600 t/year

Elkon	
Location	Republic Sakha (Yakutiya)
Deposits	Elkon Ore Field
In-Situ U reserves (RAR+Inferred)	319 614 t
Au Reserves, t	140
Ore grade	0,146% U 0,84 g/t Au
Mining Method	Underground
U production plan	Up to 5 000 t/year



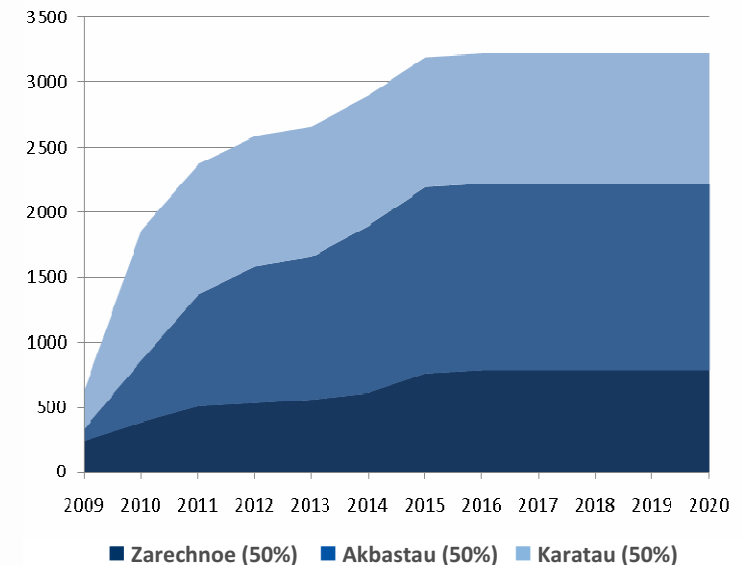


ARMZ Uranium JVs in Kazakhstan



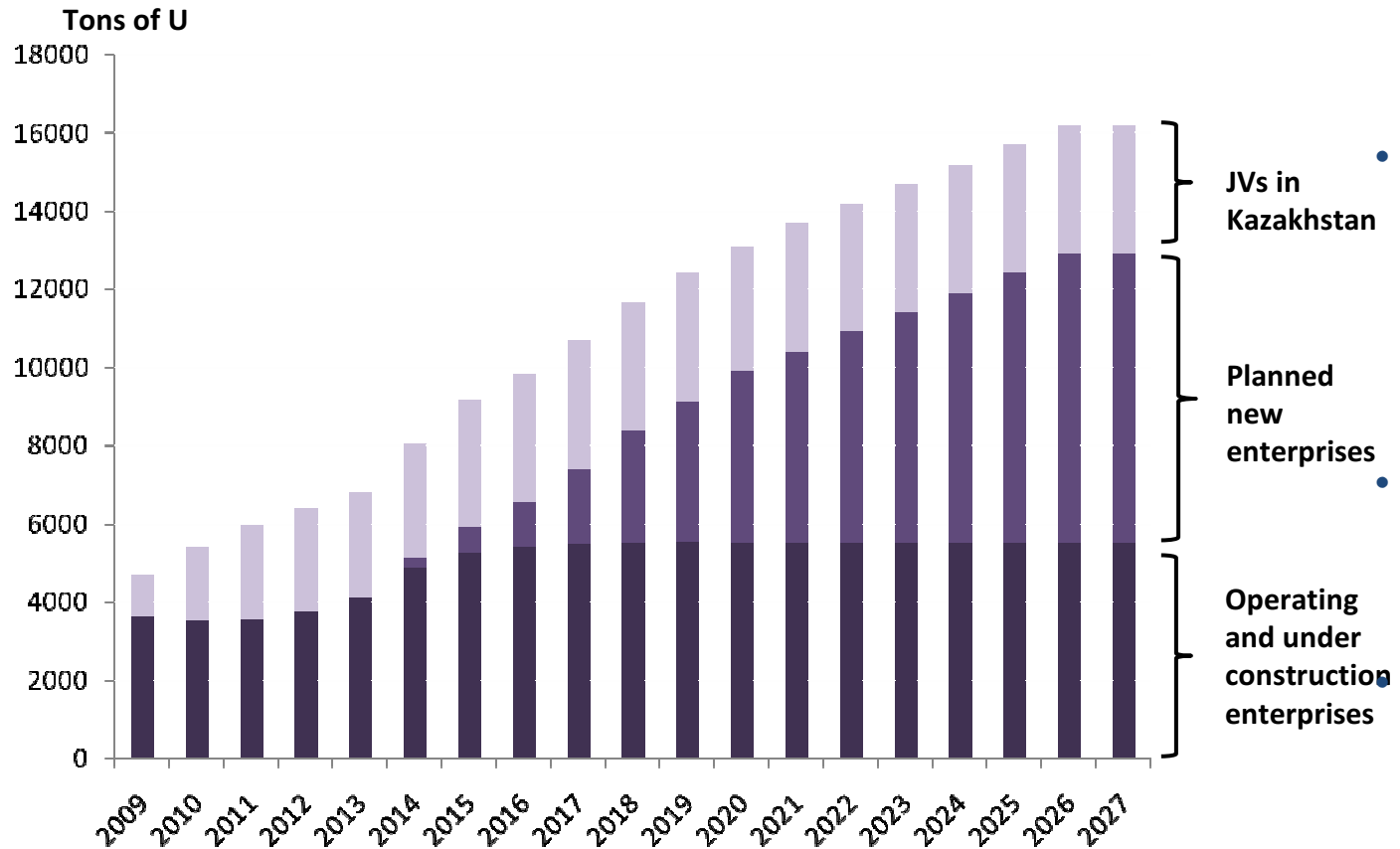
JV	Capacity, tons U/y	Resources B+C1+C2, tons (U)	Resources (P1), tons (U)
Akbastau	3 000	25 100	58 900
Karatau	2 000	18 202	31 600
Zarechnoe	2 000	18 904	30 100
TOTAL	7000	62 206	120 600
ARMZ share	3500	31 103	60 300

ARMZ U Production in Kazakhstan (tons U/y)





ARMZ uranium production outlook



JVs in Kazakhstan

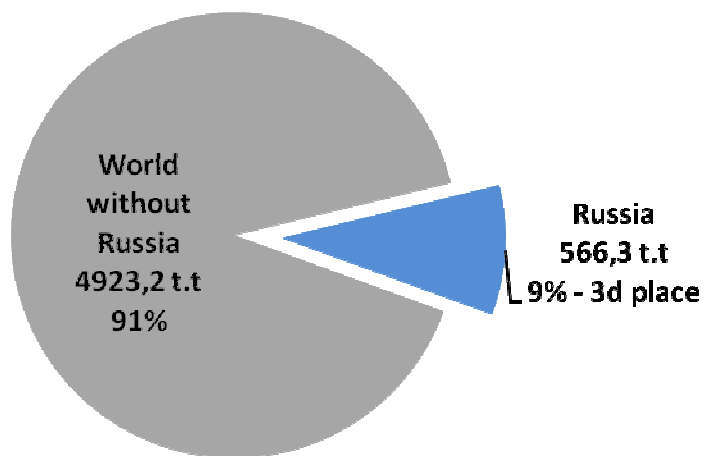
Planned new enterprises

Operating and under construction enterprises

- ARMZ plans to ramp up mines' uranium production capacity to 16000 t per annum by 2026, including 12000 t in Russia
- Major part of required financing will be contributed by strategic investors

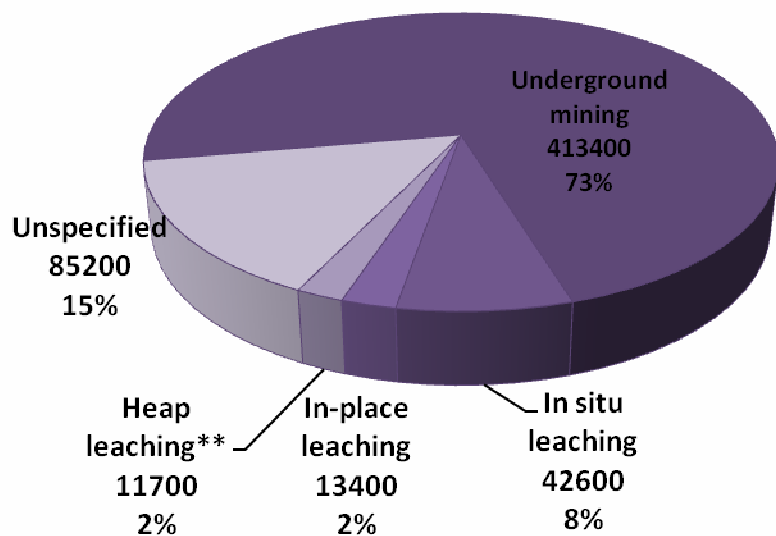


Russian Known Uranium Resources (as of 01/01/2009)

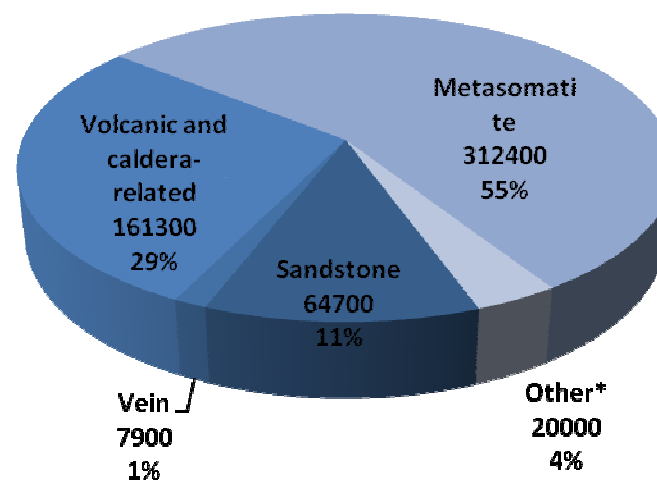


Uranium Resources	<USD 80/kgU	<USD 130/kgU	<USD 260/kgU
RAR	100 400	181 400	181 400
Inferred	57 700	298 900	384 900
RAR+Inf	158 100	480 300	566 300

Uranium Resources by production method



Uranium Resources by deposit type

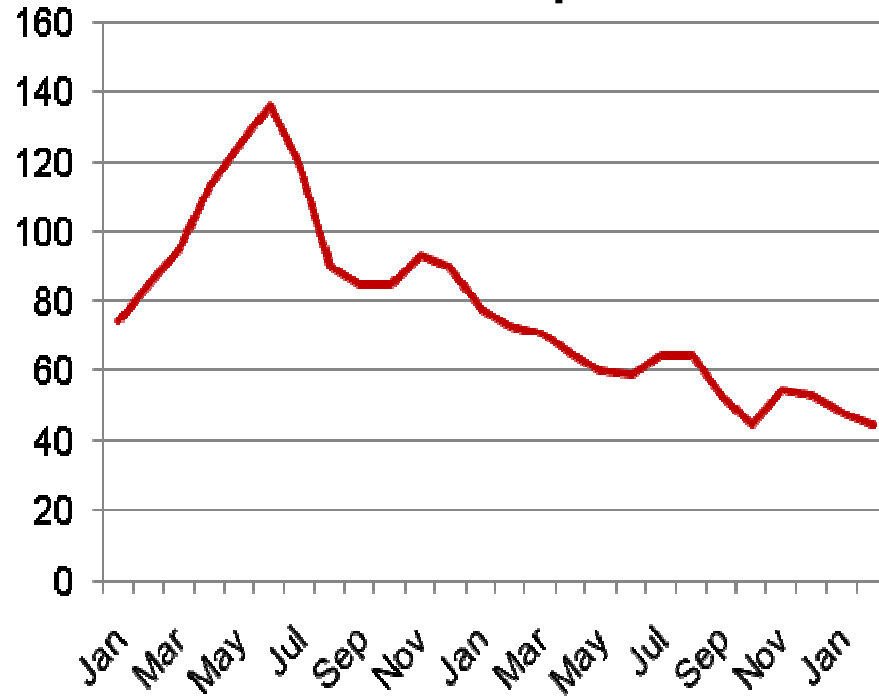


Russia total known uranium recoverable resources 566.3 ths.t

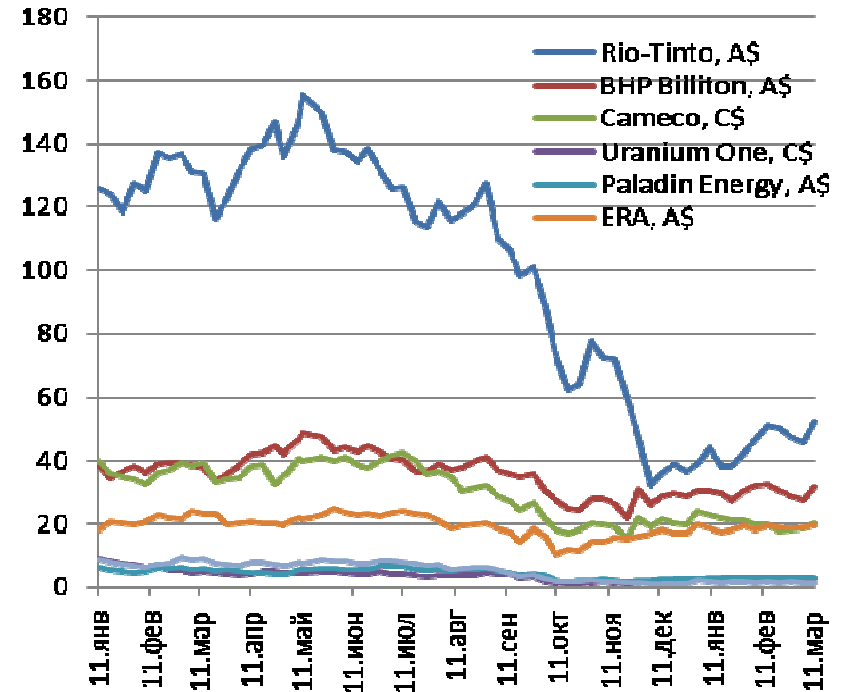


World economic & financial crunch: how U miners are affected

Uranium prices



U Miners Share Price





Primary Uranium Producers

- Ramping up uranium production
- Expanding existing mines and mills,
- Acquisition of junior companies with attractive projects
- Establishing joint ventures in exploration for and mining of uranium

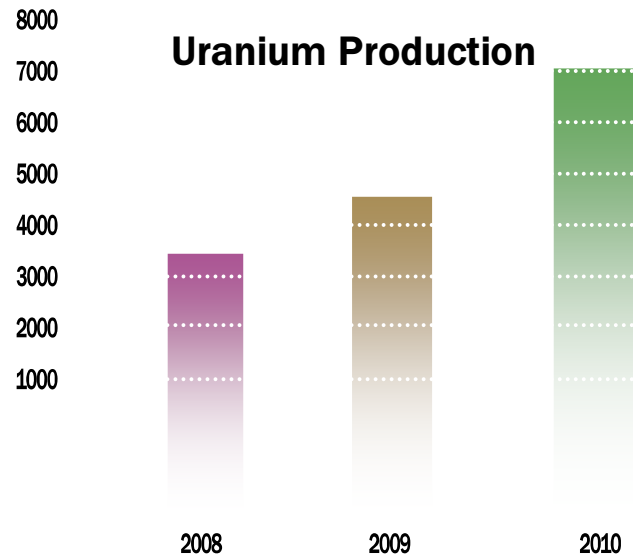


Junior Uranium Companies

- Maintaining or scaling down uranium production plans
- Lack of financial resources for project development/
Raising capital becoming increasingly difficult
- Plans to build new mines delayed or abandoned



ARMZ Weathering the Crisis



- Supported by Ministry of Natural Resources and Federal Agency of Resources & Mining, ARMZ implements a program for Russia's uranium resources expansion

- Expanded resources at operational mines and facilities under construction in Russia and Kazakhstan: Priargunsky, Dalur, Khiagda, Akbastau, and Karatau

- Started exploration projects overseas

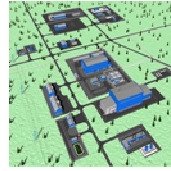
- Started the program of uranium assets merging and acquisition

**In the face of the world economic and financial crisis,
ARMZ has expanded and developed its plans**



Operational Enterprises

- Project's expertise and implementation of project management systems
- Application of advanced technical tools and materials
- Implementation of modern underground mining equipment



Planned Enterprises

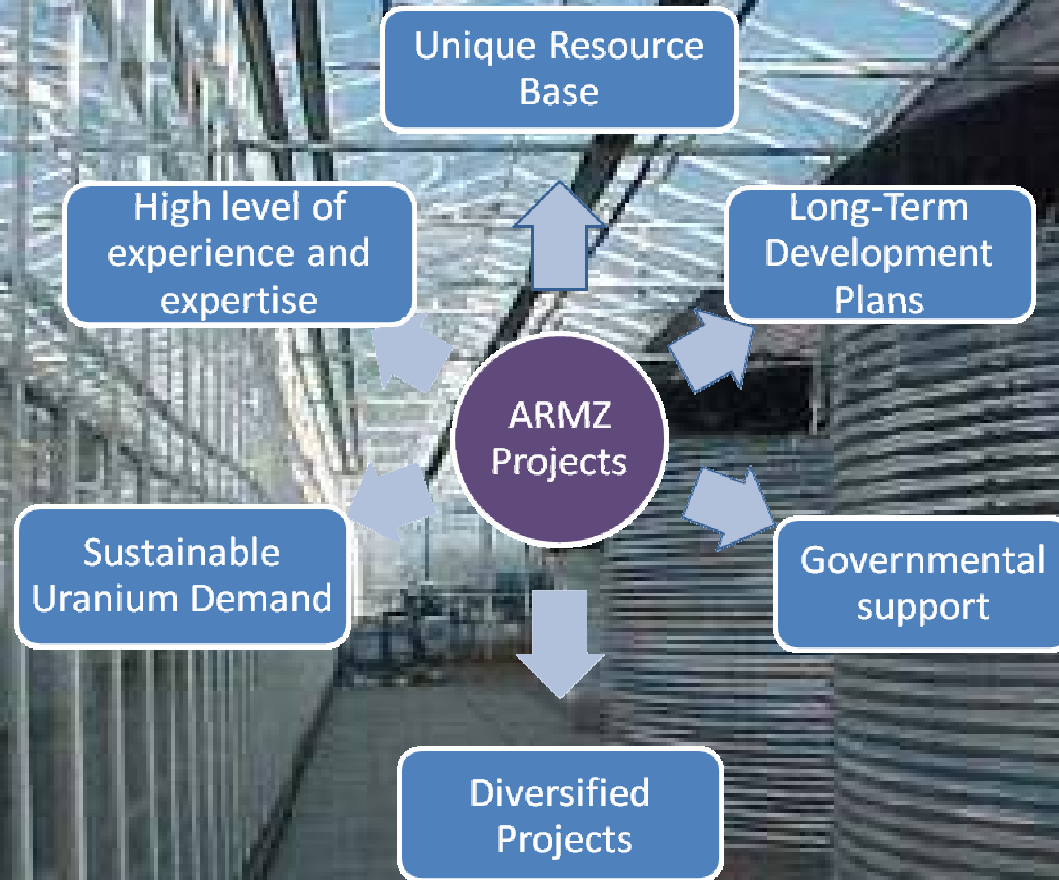
- Application of advanced methods for designing of uranium mining enterprises
- Implementation of up-to-date methods for construction of uranium mining enterprises
- Development and application of in situ leach methods of uranium mining



Mining and processing methods

- Development of efficient technologies for U mining, sorting, processing and production
- Intensification and further development of In-Situ uranium leaching method

ARMZ advantages and goals



**To ensure the competitiveness of ARMZ
through the creation of a diversified world-class mining company**