



Chinese join hunt for uranium

Barry FitzGerald

CHINA'S well-flagged interest in buying Australian uranium from existing mines has been extended to its direct participation in potential new discoveries thrown up by the gathering uranium exploration boom.

The \$6 million float of Adelaide's UraniumSA, launched yesterday, has Chinese investors on its list of seed capital investors. And on its board is Xu Gang, the Australian representative of China's monopoly uranium buyer, Chinese National Nuclear Corp.

UraniumSA's managing director, Russel Bluck, said having Mr Xu on the board represented CNNC's first active interest in uranium exploration in Australia. But he said CNNC was not a "direct" holder in the company.

Mr Xu is a non-executive director, as is Alice McCleary, deputy chancellor of the University of South Australia and a member of the Takeovers Panel.

The company chairman is Tom

Phillips, former chief executive of Mitsubishi Motors Australia and a director of Australia Post.

As its name suggests, UraniumSA's focus is on the uranium potential of South Australia, home to three of Australia's four uranium mines/advanced

9 million shares available to the public. The sponsoring broker is Melbourne's Lands Kirwan Tong.

UraniumSA's main exploration properties are in the Kingoonya palaeo-drainage system.

Other explorers that have

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projects - Olympic Dam, Beverley and Honeymoon.

The group has secured more than 7500 square kilometres of prospective exploration ground in what it called the Gawler Craton uranium province. Much of the package has been contributed by listed groups Stellar Resources and Marathon Resources.

Stellar shareholders are to get a preferential offer for 14.73 million UraniumSA shares at the issue price of 20c each and Marathon shareholders 6.26 million shares.

That would leave about

taken up ground in the area are Toro and Heathgate, operator of the Beverley mine in South Australia's Curnamona Craton.

The area is considered prospective for sediment-hosted uranium deposits amenable to in-situ leach extraction, such as that used at Beverley.

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Different styles of uranium deposits are the target.

UraniumSA says the region could become a uranium exploration hot spot.