



Chinese join the uranium search

By **BARRY FITZGERALD**

CHINA'S interest in Australian uranium from existing mines has been extended to its participation in potential new discoveries resulting from the uranium exploration boom.

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

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

Mr Xu is a non-executive director, as is Alice McCleary, a member of the Takeovers Panel. The chairman is Tom Phillips, former chief executive of Mitsubishi Australia and a director of Australia Post.

UraniumSA's focus is on the uranium potential of South Australia, home to three of Australia's four uranium mines and advanced projects — Olympic Dam, Beverley and Honeymoon.

The group has secured more than 7500 square kilometres of exploration ground in what it calls the Gawler Craton uranium province, with much of the package contributed by listed groups Stellar Resources and Marathon Resources.

Stellar shareholders will get a

preferential offer for 14.73 million UraniumSA shares at the issue price of 20c and Marathon shareholders 6.26 million shares. That would leave about 9 million shares available to the public. Sponsoring broker is Melbourne's Lands Kirwan Tong.

UraniumSA's main exploration properties are in the Kingoonya palaeo-drainage system. Other explorers that have taken up ground in the area are Toro and Heathgate, operator of the Beverley mine in SA's Curnamona Craton.

The area has the potential for sediment-hosted uranium deposits amenable to in-situ leach extraction, similar to that used at Beverley.