

PRAGUE, 25 January 2007

Australian mining company, Uran Limited, has begun steps towards expansion into the Czech Republic, the biggest uranium producer in central and western Europe, the Czech Ministry of Industry told AFP on Thursday.

Uran Limited has asked for permission to carry out geological surveys of uranium reserves at the country's only functioning uranium mine at Dolni Rozinka in the centre of the country.

The mine is operated by state company, Diamo, which was cleared last year by the Czech government to continue mining operations until the end of 2008 because of the soaring price of uranium on world markets, owing partly to a revival in nuclear power.

The government is expected to decide in June whether and how to continue mining after that date.

"There are still some negotiations with Uran going on", ministry spokesman Tomas Bartovsky told AFP. "They want to prepare an economic analysis of whether these mining operations would be worthwhile," he added.

About 408 tonnes of uranium were mined in the Czech Republic in 2005, according to figures from the World Nuclear Association. This makes it the biggest producer in Western and Central Europe but output is dwarfed by the world's biggest producers, Canada and Australia.

Uran Limited is already involved in prospecting uranium mining opportunities in the former Soviet Union according to the company's web page.