

Uran to expand international growth strategy

Australian-based uranium company, Uran Limited has further expanded the scope of its international growth strategy, yesterday announcing it has been in discussions regarding the acquisition of an interest in Europe's only operating uranium mine, the major Rozna underground uranium mine in the Czech Republic.

The negotiations open up another potential early pathway to production for Uran, following the announcement in December that had reached agreement with two key State agencies in the Ukraine to jointly develop two sedimentary-hosted uranium deposits located in the country's eastern region.

Uran already has a strategic alliance covering the acquisition and development of a portfolio of advanced uranium projects and resources in three former Soviet bloc countries.

Uran said it had been in discussions regarding the Rozna underground mine with the Czech Ministry of Trade and Resources since March 2006, and with DIAMO, the State Enterprise responsible for mining at Rozna, since November 2006.



The underground Rozna mine has operated continuously since 1957, with annual production estimated at approximately 370 tonnes of U (450 tonnes of U₃O₈), with a mined grade of 0.44% U₃O₈. The mine had previously been scheduled to close in 2008, because of low uranium prices at the time and limited reserves due to lack of funds for exploration and reserve definition.

According to figures from the World Nuclear Association, some 408 tonnes of uranium were mined in the Czech Republic in 2005, making it the biggest producer in Western and central Europe.

Uran's Managing Director, Kate Hobbs said the sevenfold increase in uranium prices over the past decade had opened up significant new opportunities for the existing Rozna operation.

"We believe that there is significant potential to extend the mine life through drilling at depth," Ms Hobbs said. "Moreover, while the existing mining and processing operations at Rozna are very well managed and maintained, we believe that there is potential to increase production and profitability through the introduction of new technology and a plant upgrade."

Ms Hobbs said the discussions with the Czech agencies had not previously been disclosed because they were incomplete and uncertain, however the recent publication of an article in a Prague newspaper referring to the discussions had required the disclosure to the Australian Stock Exchange.

As a result of discussions with DIAMO in November 2006, Uran carried out an inspection and preliminary review of the existing mine and processing plant at Rozna. Earlier this month, the company advised both the Ministry and DIAMO that it wished to proceed with discussions to participate in mining at Rozna.

"While there is no certainty that we will be successful in acquiring an interest in Rozna, clearly this forms a significant part of our growth strategy in Eastern Europe and has the potential to complement the recent significant developments in the Ukraine," Ms Hobbs said.

"The negotiations in the Czech Republic are consistent with our strategy of aggressively targeting advanced uranium production opportunities in Eastern Europe and the former Soviet bloc," she said.