



PRAGUE, Feb 19 (Reuters) - Australia's uranium hopeful Uran Ltd. said on Monday it had submitted an offer to take an unspecified stake in the Rozna mine in the Czech Republic, Europe's only operating uranium mine.

Uran said it was asked by Diamo, the mine's state-run operator, to send a proposal by February 20, so that Diamo might tell the government whether to keep or close the mine.

Diamo now gets 300 tonnes of uranium per year from its Rozna mine, which has reserves in place to about 2012 and may have more, subject to exploration.

"We have secured financial backing from large international institutional investors to carry out what we have proposed to Diamo," Kate Hobbs, managing director at Uran, told Reuters in a brief telephone interview.

She declined to detail the offer, which is part of Uran's drive to become Australia's newest uranium producer through advanced acquisitions in eastern Europe.

Both Czech Prime Minister Mirek Topolanek and Industry and Trade Minister Martin Riman have said they were in favour of prolonging uranium extraction beyond a planned mine closure in 2008. A decision is due by the end of June.

With its Rozna its only underground mine, the Czech Republic is the world's 12th largest producer of uranium, according to Uran.

The company said it could extend the mine's life through drilling and raise production and profitability by upgrading the plant and bringing in new technology.

The Czechs have been gradually closing down uranium deposits since the end of Communism in 1989 as world demand dropped. But the rally in uranium prices in the past years has made the sector economically viable again, Diamo has said.

Apart from mining at Rozna, the company gets an additional 40 tonnes per year as the result of environmental clean-up at the Straz pod Ralskem mine.

Key customers are power firm CEZ and Germany's Urangesellschaft.

((Reporting by Marek Petrus, editing by Quentin Bryar;
Reuters Messaging: rm://marek.petrus.reuters.com@reuters.net;
e-mail: prague.newsroom@reuters.com or
marek.petrus@reuters.com;
Tel: +420 224 190 477))
(\$1=1.274 Australian Dollar)
Keywords: CZECH URANIUM/

Monday 19 February 2007 19:17:09 AEST