



# EXPORTS | Safeguards being negotiated

# China sniffing SA uranium supplies

## resources

**Need to be more mines coming on line by (2010)**

### CAMERON ENGLAND

CHINESE companies have approached South Australian uranium companies in a bid to lock down supply, despite not yet being able legally to buy Australian uranium.

One object of their attention has been SA's stalled Honey-moon uranium mine, 500km northeast of Adelaide.

Leigh Curyer, chief financial officer of mine owner srx Uranium One, formerly Southern Cross Resources, said yesterday a Chinese delegation already had visited the mine.

It also visited "others within Australia in February, 2004, as part of a global search for uranium mining projects".

"The visit is reflective of China's interest in the commodity to service their expanding nuclear power-generation requirements over the coming years," Mr Curyer said.

There had been discussions "based on the Chinese and Aust-

ralian governments signing the safeguards agreement for the export and use of the commodity specific to power-generation facilities".

No further discussions had "occurred for quite some time".

China cannot yet buy Australian uranium as there is no bilateral safeguards agreement, but this is being negotiated.

Southern Uranium, a subsidiary of Adelaide-based listed company Southern Gold, has been approached by several Chinese interests and is in continuing contact with them.

"We've got down to the level of the exchange of technical information and confidentiality agreements," managing director Stephen Biggins said.

"They understand that they may need to invest in the exploration side to get access to the offtake agreements."

These agreements could include taking an equity stake in a company, or investing in minerals exploration and mine development, in return for a guaranteed mineral supply.

Heathgate Resources president Horst Maerten said yesterday his company - which runs the Beverley uranium mine

520km north of Adelaide - had not been approached by any Chinese companies.

He said Australian governments had to decide to take advantage of the strong global demand for uranium, which was not just coming from China.

Federal Labor Party policy, which binds the State Labor

Government, is for no new uranium mines but the State Government wants the policy reconsidered at the next ALP national convention, in 2007.

Uranium Information Centre manager Ian Hore-Lacy said yesterday only about 55 per cent of the world's uranium needs were being supplied by mines, with the shortfall made up through recycling and the reprocessing of nuclear weapons stockpiles.

"The consensus is that there will need to be more mines coming on line by the end of the decade," Mr Hore-Lacy said.

On Wednesday, Adelaide uranium explorer Hindmarsh Resources recommended its shareholders accept a \$20 million takeover bid from Canadian company Mega Uranium.



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**PRODUCING:** Beverley uranium mine, 520km north of Adelaide