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HD **Paladin rallies on mine deal**
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MINING PALADIN shares have rallied after the miner announced it would sell a major **stake** in its flagship mine to **China Uranium** Corporation for \$US190 **million** (\$A217.2 **million**).

The **company** revealed yesterday it had struck a deal to sell the quarter **stake** in the Langer Heinrich mine, in Namibia.

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The **sale** will be largely used to pay down debt as the **uranium** price hovers around record lows.

Paladin shares jumped following the announcement yesterday, closing 0.9 per cent higher at 56.5c.

The Perth-based **uranium** producer had been looking for a buyer for a minority **stake** in the mine to improve its balance sheet following a \$40 **million** loss in the September quarter.

Paladin said the deal with **China Uranium**, which is owned by the **China** National Nuclear Corporation, would allow the corporation to buy its pro-rata share of product at the prevailing market spot price.

China National has agreed to pay a \$US20 **million** non-refundable deposit. Completion of the deal is subject to **Chinese** regulatory approvals, including approval by the National Development and Reform Commission, which is expected to be obtained by midyear.

Paladin managing director John Borshoff said the **company** had conducted a wide-ranging **sale** process. "The significant cash injection from this minority interest **sale** will largely be applied to debt reduction, which the board considers an essential step during a time of unprecedented low **uranium** prices," Mr Borshoff said.

CO chinuc : China National Nuclear Corp.

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