

SE Business
HD **Cameco doubles down on Yeelirrie's potential**

BY Peter Klinger
WC 389 words
PD 25 November 2014
SN The West Australian
SC TWAU
ED First
PG 4
LA English
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Cameco has dismissed the scope of BHP Billiton's erstwhile ambition for Yeelirrie as unviable and inefficient as it steps up its own efforts to advance the **uranium** project near Wiluna.

On the same day as **uranium** miner Paladin **Energy** launched yet another capital raising — this time for \$205 **million** — to try to fix its balance sheet, Cameco asked the WA Environmental Protection Authority to rip up earlier approvals given to BHP.

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Cameco wants to process twice as much **uranium ore** as BHP had intended, describing the **mining** giant's now-redundant Yeelirrie plan as "not . . . efficient or economically viable".

The change of Yeelirrie's scope, focused on doubling the processing capacity to 2.4 **million** tonnes a year for annual output of 7500t of **uranium** peroxide, prompted Cameco yesterday to re-start the environmental approval process.

Cameco has time to develop Yeelirrie, WA's biggest **uranium** project which it bought from BHP for \$430 **million** two years ago.

Under a State Agreement, Cameco has until mid-2018 to submit a development proposal.

But with the **uranium** price displaying a few green shoots — the spot price has risen from a historically low \$US28 a pound to \$US38/lb over the past four months — Cameco will want to get its approvals in place to be ready to cash in on the hoped-for revival for the nuclear fuel.

Market expectations of an eventual **uranium** price recovery are of little help to Paladin, which yesterday launched its now- annual raising to deal with debt at its loss-making Langer Heinrich mine in Namibia.

Paladin has to repay \$US300 **million** (\$345 **million**) of **bonds** in a year's time.

The raising comprises a \$61 **million** placement at 42¢ a share to HOPU Clean **Energy**, a Singapore-based **China**-focused private **equity firm**, and a one-for-two entitlement offer at 26¢, underwritten by JPMorgan.

It is four months since Paladin received \$US190 **million** from **China** National Nuclear Corp for selling a 25 per cent **stake** in Langer Heinrich, another measure by the Perth miner to address its balance sheet problem.

Paladin has trumpeted the HOPU placement, which gives the **firm** a 15 per cent **stake** in the Perth miner, as struck at a substantial premium to its last share trade of 38¢.

CO palrs : Paladin Energy Limited | bkhlp : BHP Billiton Ltd | smdc : Cameco Corp | bltplc : BHP Billiton PLC

IN i211 : Metal Ore Mining | iuran : Uranium Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

NS ccat : Corporate/Industrial News

RE waustr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania | austr : Australia

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AN Document TWAU000020141124eabp00008