

SE Business
 HD **Sinosteel buys out local uranium partner**
 BY BARRY FITZGERALD, **Energy**
 WC 343 words
 PD 16 July 2014
 SN The Australian
 SC AUSTLN
 ED Australian
 PG 20
 LA English
 CY © 2014 News Limited. All rights reserved.
 LP

FOREIGN ownership of Australian **uranium** has moved up another notch with **Chinese** state-owned Sinosteel snapping up the 40 per cent interest held by ASX-listed PepinNini in South Australia's Curnamona project area.

The deal gives Sinosteel full ownership of the joint venture and was struck at a straw-hats-in-winter price of \$2.3 **million**, serving to highlight **China**'s long-term interest in securing future **uranium** supplies for its fast-growing fleet of nuclear power reactors while **uranium** prices are depressed.

TD

The Curnamona tenements are home to the Crocker Well and Mt Victoria **uranium** deposits, as well as being prospective for magnetite and other minerals. Until 2009, Crocker Well in particular was considered a development opportunity by the partnership.

But it has been on hold ever since pending an improvement in **uranium** prices. Crocker Well includes six deposits containing a **uranium** oxide resource of about 12 **million** pounds.

Uranium prices have collapsed from more than \$US70 a pound before a large earthquake in March 2011 triggered the tsunami that caused Japan's Fukushima nuclear power plant to melt down. **Uranium** was last traded for \$US28.35 a pound.

PepinNini would not elaborate on the reasons for the **sale** of its Curnamona **stake**. But the current depressed state of the **uranium** market, and a push by the **company** into nickel and other metals exploration in Western Australia's Musgrave region, explain the decision.

Shares in PepinNini climbed 18 per cent to 1.9c, valuing the **company** at \$2.7m, just shy of the \$2.3m to be received from Sinosteel, assuming a number of conditions and approvals are cleared.

PepinNini's exit follows the recent decision by ASX-listed Alliance Resources to put its 25 per cent **stake** in the world's newest **uranium** mine, the Four Mile project in South Australia, up for **sale**. The collapse in **uranium** prices and a fractured relationship with project operator and 75 per cent owner California's General Atomics were the main factors.

IN i211 : Metal Ore Mining | i1610109 : Electric Power Generation - Nuclear | iuran : Uranium Ore Mining | i16 : Electricity/Gas Utilities | i16101 : Electric Power Generation | ibasicm : Basic Materials/Resources | iutil : Electric Utilities | imet : Mining/Quarrying | iutil : Utilities
 NS ccat : Corporate/Industrial News
 RE austr : Australia | saustr : South Australia | apacz : Asia Pacific | ausnz : Australia/Oceania
 PUB News Ltd.
 AN Document AUSTLN0020140715ea7g0007y