

HD Top **Chinese** nuclear **firm** to buy **stake** in Paladin Namibia **uranium** mine

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MELBOURNE, Jan 20 (Reuters) - **China** National Nuclear Corp has agreed to buy a 25 percent **stake** in Australian miner Paladin **Energy** Ltd's **uranium** mine in Namibia for \$190 **million**, locking in supplies as Beijing builds new nuclear plants for cleaner **energy**.

CNNC is the bigger of two state-owned nuclear power conglomerates, controlling nine of the country's 17 reactor units and working on an ambitious reactor construction programme to help **China** ease its dependence on **coal**-fired power.

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The **firm** has agreed to buy 25 percent of the production from the Langer Heinrich mine, which has a capacity of 5.2 **million** pounds of **uranium** concentrate a year, and has the option to buy further supplies from Paladin at market rates.

"I do believe, through the investment in the Langer Heinrich project, CNNC and Paladin will develop a long-lasting business relationship which is beneficial to each other and also bring long-term influence to the global **uranium mining** industry," CNNC Director-in-General for geology and **mining** Du Yunbin said in a statement.

This marks **China**'s second foray into **uranium** in Namibia, following **China** Guangdong Nuclear Power Corp's \$2.3 **billion acquisition** of the Husab project, one of the world's biggest **uranium** deposits, in 2012.

The deal will help stabilise Paladin following three years of pain as **uranium** prices have sagged in the wake of Japan's Fukushima disaster, which killed Japanese demand for the mineral and led to other countries halting nuclear expansion plans.

"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," Paladin CEO John Borshoff said in a statement.

Paladin's battered shares surged as much as 17 percent to a five-month high after the announcement, then eased to trade up 4.5 percent at A\$0.585. The stock was at A\$4.73 in March 2011 when an earthquake and tsunami crippled the Fukushima plant.

CNNC's **acquisition** is subject to approvals from **Chinese** authorities, including the National Development and Reform Commission, which Paladin said were expected to be obtained by mid-2014.

(Reporting by Sonali Paul; Editing by Stephen Coates)

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CO chinuc : China National Nuclear Corp. | palrs : Paladin Energy Limited

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