

Kalgoorlie Miner

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HD 'Phenomenal' growth for **uranium**
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Energy and Minerals Australia boss Mike Young has predicted "phenomenal" growth for **uranium** markets after wiping out the **company's** debt yesterday through a \$A36.5 **million** restructure.

The injection included \$12 **million** from **iron ore billionaire** Andrew Forrest, who moved to acquire a 27 per cent **stake** in EMA through Forrest Family Investments.

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The EMA deal comes just days after Mr Forrest snapped up WA's biggest beef exporter, Harvey Beef, in a deal estimated to be worth more than \$45 **million**. EMA has also convinced Macquarie, Acorn Capital and Element Resources Fund to convert their \$24.5 **million** worth of debt into shares.

Mr Young, the BC **Iron** founder who negotiated a lucrative joint venture with Mr Forrest's Fortescue Metals Group, has hit the ground running since taking over as EMA managing director in February.

He said the transactions would unlock the potential of EMA's Mulga Rock **uranium** project, 240km north-east of Kalgoorlie-Boulder, one of Australia's largest undeveloped **uranium** resources.

"EMA is now set up to move the Mulga Rock project forward to meet **uranium** demand, which is expected to grow at a phenomenal rate in coming years," Mr Young said.

The deal with Mr Forrest is subject to EMA shareholder approval, and an extraordinary general meeting is expected in early July.

"My investment is a strong vote of confidence in the executive management team of Mike Young and Julian Tapp with whom I have had a long and successful working relationship," Mr Forrest said in a statement.

Mr Young said EMA was focused on completing the Mulga Rock feasibility study, and achieving its target of production by the end of 2016.

That timeline could put it in a race with Toro **Energy** to become WA's first **uranium** miner after a ban on **uranium mining** was overturned by the Barnett Government in 2008.

The Goldfields is already home to WA's most advanced **uranium** project, with Toro putting a \$315.6 **million** price tag on its Wiluna project in January.

But both companies would need a significant boost in the **uranium** spot price, which averaged about \$US38 a pound last year, according to figures from the Bureau of Resources and **Energy** Economics.

The market is projected to tighten due to rapid growth in **China's** nuclear power industry, the end of the US-Russian Highly Enriched **Uranium** program and delays in major **uranium** projects worldwide.

With about 70 new reactors under construction around the world and with more planned, nuclear power production capacity is projected to increase by about 20 per cent over the next six years.

BREE forecasts the **uranium** spot price will be \$63/lb by 2019.

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