

**HD** Selling **Stake** in Langer Heinrich Will Alleviate Debt

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Jan 16, 2014 (The Namibian/All Africa Global Media via COMTEX) -- PALADIN **Energy**, the mother **company** of the Erongo Region based Langer Heinrich, says there is strong interest coming from several parties to buy a minority **stake** in the **uranium** mine.

"Paladin offers a unique platform in the **uranium** supply sector generating competition from the nuclear industry for an association both for current production and future growth. Paladin has confidence in an outcome which will alleviate shareholder concerns regarding debt, noting the next tranche of convertible **bonds** is not due until November 2015," the **company** said in a report for the quarter ended 31 December.

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Langer Heinrich produced a record 1 431 307 pounds (649 tonnes) of **uranium** oxide for the December quarter, four percent above budget.

Revenue from Langer Heinrich and the Kayelekera mine in Malawi amounted to US\$101 **million**.

In October, an employee and two contractors were involved in a serious electrical incident at Langer Heinrich. Two of the workers received serious burns while the third worker received smoke inhalation. The more seriously injured worker passed away in October, while the second injured worker has since returned to work. The findings and outcomes of a full investigation into the incident are pending, the **company** said.

Commenting on the **uranium** market outlook, Paladin said amidst moderate transactional volume levels, the **uranium** oxide spot price moved in a narrow range between US\$34,50 per pound and US\$36,25 per pound during the quarter.

Paladin said activity continued to be extremely limited in the longer term market, with the **uranium** oxide term price flat over the quarter at US\$50 per pound.

Last year, construction began on 10 reactors located in Belarus, **China**, the United Arab Emirates and the United States, bringing the total number of reactors in active construction to 71, nine more than immediately prior to the Fukushima accident in March 2011.

In September last year, the Russian government announced a new nuclear building programme consisting of 24 new reactors scheduled to be operational by 2030. The Turkish government announced that the initial reactor at its Akkuyu Nuclear Power Plant is scheduled for operation in 2020 and that governmental approval for the country's second nuclear project, Sinop, is anticipated by June this year.

Persistent low **uranium** prices have resulted in a number of production cut-backs and deferrals of planned expansions. In early November, Kazakhstan's state-owned **uranium** production **company**, Kazatomprom, placed all output expansion projects on hold pending an improvement in the **uranium** market. The Russian **uranium** production **company**, ARMZ, announced that the Honeymoon ISR Mine in South Australia would be placed on care-and-maintenance status while ceasing all new capital investment in new Russia-based **uranium** projects.

In the United States, **Energy** Fuels announced that it was deferring the development of its Canyon Mine in Arizona while also deferring the production at the Pinenut mine.

Leach tank failures at the Rossing mine in Namibia and the Ranger mine in Australia resulted in reduced **operations** in Namibia and a production halt at Ranger, both facilities operated by Rio Tinto affiliates.

"Investment analysts specialising in **uranium** including Cantor Fitzgerald, Cormark Securities, Raymond James and ScotiaBank recently underscored the looming market imbalance in **uranium** demand and supply and the crucial imperative for higher sustainable incentive prices of at least US\$70 per pound to support new supply, virtually twice the current spot **uranium** price level," said Paladin Managing Director, John Borshoff.

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

**NS** gdis : Disasters/Accidents | c18 : Ownership Changes | cactio : Corporate Actions | ccat : Corporate/Industrial News | gcat : Political/General News | grisk : Risk News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

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**IPD** accident

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