

Top Biz News

CNNC unit buying uranium mine stake

By Wan Zhihong (China Daily)
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CNNC International Ltd, the listed unit of China's largest nuclear power plants operator China National Nuclear Corp (CNNC), said yesterday it would buy a stake in a uranium mine in Niger from its parent for HK\$414 million (\$53.3 million), and fund the deal by issuing convertible notes.

The company will acquire Ideal Mining Ltd from its parent CNNC. Ideal Mining holds a 37.2 percent stake in the Azelik uranium mine in Niger, it said in a statement to the Hong Kong bourse yesterday.

The Azelik mine comprises three uranium deposits and has an estimated mine life of 17 years. It is estimated that the mine contains resources of around 11,227 tons of uranium, said the statement.

Production is expected to start in the second half of this year with an estimated annual production capacity of around 700 tons when complete, it said.

Philip Li, an executive with CNNC International, told Dow Jones that the company would look at acquisition opportunities for uranium resources in Kazakhstan to support the rapid development of China's nuclear power industry.

The firm aims to be the largest uranium supplier in China. It would consider more acquisitions in the future, Li said.

Analysts said the company's efforts to boost uranium resources are in line with China's move to build more nuclear power plants to meet the rising domestic demand for electricity. "As China has accelerated the development of the nuclear power industry, more feedstock is required to fuel these projects," said Han Xiaoping, chief information officer of China5e.com, a leading energy website in the country.

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According to the National Energy Administration (NEA), the country's energy regulator, China has 20 nuclear reactors under construction now, with total capacity of 21.92 GW.

CNNC is now developing uranium resources in countries like Niger, Kazakhstan, Mongolia and Namibia.

CNNC made profit of 5.2 billion yuan last year, up 13.5 percent from a year earlier.