



FINANCIAL POST

May 26, 2015

Canadian uranium companies could be on China's buy list

By John Shmuel

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The head of China National Nuclear Corp. (CNNC), Wang Ying, said earlier this month that China is looking for companies with large deposits and low costs to meet domestic demand. The acquisition criteria he outlined includes companies that have at least 30,000 tonnes of uranium resource, cash production no higher than US\$25 a pound and total production costs of no more than US\$45 a pound.

Rob Chang, analyst and head of metal and mining at Cantor Fitzgerald, said that four projects in Canada could immediately fall under China's radar based on the criteria.

One would be Fission Uranium Corp.'s Patterson Lake South project, which meets the criteria for size, but whose costs haven't been finalized yet. Cameco Corp.'s Millennium deposit falls just short on size, but its costs are likely in range. UEX Corp.'s Shea Creek deposit meets the size criteria, though costs haven't yet been determined. Finally, Rio Tinto Canada Uranium Corp.'s Roughrider project could also attract attention, since it's the right size and its costs are likely in range.

Those projects make their companies stand out for immediate investment from China, but Chang points out that CNNC has said acquisitions would take place on a five-year timeline, which means additional projects could get China's attention. These include NexGen Energy Ltd.'s Arrow project, Kivalliq Energy Corp.'s Angilak deposit, Denison Mines Corp.'s Wheeler River Project and Areva's Midwest project.

National Post



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