

Uranium prices seen up with nuclear power demand

The focus is on Australia.

Reuters

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As the demand for uranium for nuclear power reactors increases worldwide, the spot price of the ore should continue to rise, boosting the growth of small producers, Resource Capital Research, of Sydney, Australia, said in a report.

The spot price of uranium is US\$45 per pound, up 27 percent year to date.

With 180 new power reactors proposed or planned worldwide, Resource Capital Research forecast the price would reach \$54 in 2006 and \$60 by May 2007.

There are 441 reactors currently in operation, according to the report.

Over the past year, the market valuation of small Australian and Canadian producers has jumped 84 percent and 97 percent, respectively, over the past year.

Australian uranium producers in particular will likely see more Chinese investments now that the countries in April agreed to clear the way for the sale of Australian uranium to China.

China National Nuclear Corp. agreed in April to form a strategic alliance with Australian miner Uranex NL which owns holdings in Australia and Tanzania.

China National Nuclear Corp. is the Chinese government owned company responsible for the production, marketing, import and export of uranium.

The research firm, which favoured exploration companies with near term news flow and sufficient cash to fund programs, named a few small to mid-sized miners with current or near term production potential (next three years), including Paladin Resources Ltd, International Uranium Corp. and SXR Uranium One