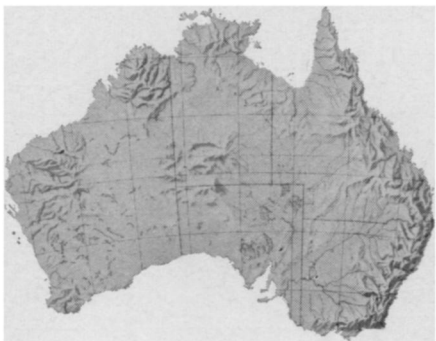


letter from Sydney



# Uranium shipments resume

**After four year lapse government authorizes export: large finds proved in Queensland**

by W. A. Scholes

The Australian Federal Government has approved the first export of uranium oxide in over four years. In a move that could bring in \$75 million in overseas earnings, the Government has given Mary Kathleen Uranium Ltd. permission to export 5,000 metric tons of uranium oxide, subject to certain conditions.

The Minister for National Development, David Fairbairn, says the company would have to place contracts at an approved price, under Government guidelines, subject to international safeguards.

The Mary Kathleen mines are near Mt. Isa, northwestern Queensland. The company's application was made after it had first been announced that enough extra reserves had been proved to meet the strict Government policy requirements for uranium oxide exports.

The Australian Atomic Energy Commission had confirmed earlier that the new reserves fulfilled the policy requirements.

Under the Government's policy, companies proving new deposits up to 2,000 short tons of uranium oxide may be granted permission to export up to 50 percent.

This policy was aimed at conserving stocks for Australia's future needs while at the same time encouraging exploration. "I am delighted that this policy has stimulated exploration and has resulted in the proving of new reserves," says Fairbairn.

The last exports of uranium oxide were made to Britain early in 1964 by United Uranium Ltd. and Mary Kathleen.

The 5,000 short tons of uranium oxide to be exported will make about 4,000 tons of uranium metal for reactor fuel and will mean about 5,000 megawatts of electric power.

Heavy water moderated reactors such as the Canadian Cando would need an initial charge of about 200 short tons of uranium metal and a replacement of fuel at about 120 short tons a year for an electrical output of 1,000 MW. The 5,000 tons of uranium oxide to be exported would be enough to run three such stations for nearly 10 years.

The Mary Kathleen company may be able to announce progress on sales negotiations in its half-yearly report. Japan, which has already sent a mission to investigate possible Australian supplies of uranium oxide, is widely regarded

as the most likely outlet for Mary Kathleen ore.

Even after securing a firm contract, Mary Kathleen will face a formidable job in reorganizing its operation, which has lain idle since it completed its contract with the U.K. Atomic Energy Authority four and a half years ago. Although the plant has been on a care-and-maintenance basis, technological changes will force the company to get new equipment.

This will have the advantage of reducing the number of people needed to work the mine. One of the biggest problems will be in attracting the technical experts needed to get the mine going again.

Since Mary Kathleen announced its aim of exporting uranium ore, there has been interest in the plans of United Uranium NL. It is reported that United will follow the Mary Kathleen lead and put a case to the Federal Government for permission to export. United has links with several big groups in exploration of its areas. A major tie-up is with Newmont Mining Corp. of New York, EZ (Electrolytic Zinc) Co. of Australia, and Peko-Wallsend Investments Ltd. in exploration of the Pandanus Creek and South Alligator areas of the Northern Territory.

United also has a link with Western Nuclear Inc., an American group which previously had an option over some of the Queensland mines areas. United can take up 15 percent of any of Western's Arnhem Land areas.

There have been no reports of significant deposits from there, but there has been a lot of geological mapping, aerial photography and geochemical activity around Pandanus Creek. This is 10 miles west of the Queensland border and 225 miles northwest of Mt. Isa.

United's partners are prepared to spend \$1.2 million exploring the areas in return for a 40 percent interest and the right to buy up a further eight percent.

Pandanus Creek deposits average about 17 pounds a ton, a very high yield. Although the area is not completely tested, its history and preliminary work indicate encouraging prospects.

The South Alligator river area in which the partnership is interested, is one of Australia's most important uranium producers. The mines have produced rich ore in the past—Rockhole had values of 25 pounds a ton—and have great potential.