

KEPCO Discovers High-Grade Uranium Deposits in Canada



Korea Electric Power Corporation (KEPCO), a state-run electricity producer, announced Wednesday that it successfully discovered high-grade uranium on exploration project in Waterbury Lake area in Canada.

KEPCO and a consortium led by KEPCO have invested \$15 million since January 2008 and signed a contract for exploration project in Waterbury Lake area with Fission Energy, a Canadian based resource company specializing in exploration and development of uranium properties. Of the total 97 holes, the company finally discovered high-grade uranium from approximately 20 holes.

KEPCO Consortium is composed of KEPCO, Korea Hydro & Nuclear Power Co. (KHNP), Korea Nuclear Fuel Co., Hanwha Corp. and Gravis Capital Corp. Among the companies, KEPCO holds 20% of the stake while KHNP owns 15%. Korea Nuclear Fuel Co., Hanwha Corp. and Gravis Capital Corp each have 5% of stakes.

The Athabasca Basin is a region of Alberta Canada known as the world's leading source of high grade uranium that supplies about 30% of uranium worldwide. However, of the 250 exploration blocks in the region, exploration companies effectively discovered uranium at only three of those blocks for the past five years.

This means a lot to South Korea as the nation's companies, for the first time, discovered high-grade uranium that is highly competitive since the nation has begun overseas uranium exploration projects after the Asian financial crisis.

KEPCO Consortium secured 50% of the stake in return for investing \$150 million for the exploration project. For the expenses required for additional exploration, KEPCO Consortium will cover a 50% of the expenses and Fission Energy will cover the remaining 50%.

KEPCO accelerates efforts for raising uranium self-sufficiency targeting uranium rich countries such as Africa and the Central Asia through acquisition of stakes at overseas blocks with abundant resources and mergers and acquisitions (M&A) of mining companies.

[Written by Il-ho Moon - Jin Choi / edited by Soyoung Chung]

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2010.05.19 17:38:23, 최종수정 2010.05.19 17:52:42