

## **Mitsui to Participate in Development of Uranium Mine in Russia**

On October 5, Mitsui & Co., Ltd. and the Russian state-owned TENEX agreed to carry out a joint feasibility study on an undeveloped uranium deposit at the Yuzhnaya site in the Aldan district of the Sakha Republic within the Russian Federation. Additionally, the two companies agreed that Mitsui shall obtain exclusive rights to negotiate for the development of the project in the future.

The Yuzhnaya site is believed to contain uranium reserves amounting to 250,000 tons, making it one of the largest deposits in the world. Until now, TENEX had been pursuing its explorations of the deposits independently. However, the Russian company decided to proceed with the study jointly, inviting Mitsui as a partner in the final feasibility study, which will last some 18 months before an investment decision is reached. Mitsui will be foot the US\$6 million for the study, while TENEX will carry out the technical surveying as the operator as well as obtain the necessary domestic permits and licenses.

Thanks to its provision of the funds for the joint feasibility study, Mitsui is entitled – if the project's feasibility is confirmed and both parties reach an agreement on commercial terms and conditions – to acquire approximately 25% of the shares from TENEX in the project company set up to own the interest in this deposit. If the two companies end up establishing a joint venture company (one involved in the construction, production and marketing of uranium from the Yuzhnaya mine), it would make Mitsui the first foreign company ever to obtain a uranium interest in Russia.

The construction of the mine is estimated to cost a total of US\$245 million, with partial production slated to start in 2009. Full production, with a yearly output of 1,000tU, will begin around the year 2015.

Editor: Noriyuki Ishii, JAIF