
NEWS

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HINDMARSH RESOURCES JOINS URANIUM HUNT IN SA

South Australia's high uranium prospectivity has attracted another capital raising and planned Australian Stock Exchange (ASX) listing with Hindmarsh Resources Ltd joining the ranks of exploration companies targeting the nuclear fuel stock.

Hindmarsh, currently listed on the Newcastle Stock Exchange, plans to issue two million shares at 28 cents per share, raising \$560,000 in order to achieve an additional group of shareholders to comply with ASX listing criteria. Exploration will focus on the uranium sector.

"Our ASX listing comes amid calls for debate on nuclear power and signs that the Federal Government wants to see an expansion of uranium exploration and mining," Hindmarsh Chairman, Mr Richard Bonython, said today.

"This re-emergence of nuclear power as a contributor to lower greenhouse gas emissions and the expansion of its use, particularly in China and India, are expected to increase uranium demand over the next decade, with a trebling of uranium oxide prices to US\$29 a pound over the past two years reflecting the trend.

"Past market conditions and government policies generated little exploration and there are now prospective areas for uranium exploration available, particularly in South Australia where uranium is mined, but where little recent exploration has taken place," he said.

Hindmarsh, which will be a pure uranium play, has two granted exploration licences, eight applications pending approval, and a stake in a further five licence areas and three applications through joint venture agreements with the newly listed Southern Gold – in which Hindmarsh also has a 4.9% shareholding.

The Company's exploration interests are in two main areas, SA's Curnamona Province (which hosts the Honeymoon and Beverley uranium deposits) and in the Gawler Craton, west of Prominent Hill.

Managing Director, Ms Kate Hobbs, says Hindmarsh expects to be drilling by the December quarter this year but the Company also has other aspirations.

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“While our exploration program is a good starting point for the Company, we will also be interested in acquiring a more advanced uranium project if the opportunity arises, in SA or elsewhere,” Ms Hobbs said.

Details of the offer

Hindmarsh is offering two million ordinary shares at a price of 28 cents per share to raise \$560,000, representing 9.6% of the Company’s issued capital, bringing total funds to \$ 2.7 million.

The Company will apply to be listed on the ASX – at which point it will cease trading on the Newcastle Stock Exchange – where it is expected to have an initial market capitalisation of \$5.8 million.

The offer opens on 10 June and closes on 24 June, with ASX listing expected from 6 July 2005.

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