

# Materials

## China to secure more uranium resources in Kazakhstan

**Kazatomprom (KAP LN, NR)** announced on 17 Dec that its Russian partner, Uranium One Group (part of Rosatom), will sell the stakes in two JVs in Kazakhstan to China State Nuclear Uranium Resources Development and China Uranium Development Company. This suggests that Chinese SOEs further increase the interest in Kazakhstan's uranium resources to support the fast-growing nuclear power installation in China. We expect more spending on exploration to boost reserves following the investment from China. Besides, given that China Uranium Development Company is the parent company of **CGN Mining (1164 HK, BUY)**, we see potential for asset injection to replenish the uranium reserve of CGN Mining in the medium term.

- **JV Zarechnoye (reserve: 3.5k tU).** Uranium One Group will sell 49.979% stake in JV Zarechnoye to Astana Mining Company which is owned by China State Nuclear Uranium Resources Development. Transaction amount was not disclosed. JV Zarechnoye operates at Zarechnoye deposit that discovered in 1977. The uranium reserves amounted to only 3.5k tU at the beginning of 2024, which is relatively small in our view. The mining operation is expected to come to an end in 2028.
- **JV Khorasan-U (reserve: 33k tU).** Uranium One Group will potentially sell 30% interest in JV Khorasan-U and Kyzylkum to China Uranium Development Company. JV Khorasan-U operates at Khorasan-1 block of Severny Kharasan deposit in Zhanakorgan district of Kyzylorda region. This mine is much bigger with uranium reserves of 33k tU at the beginning of 2024. The operation is expected to last until 2038. All uranium mined at JV Khorasan-U is processed at the production facilities of Kyzylkum.

**OUTPERFORM**  
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### China Materials Sector

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