Universal Power: Uranium Exploration With a Polymetallic Twist

By Eric Pratt

A brand new entry in the global uranium exploration ring, Universal Power Corp. (TSX.V:UNX) began trading under its new name and symbol on October 2nd of this year. Universal's unique mix of Uranium, Silver and Iron Oxide Copper Gold ("IOCG") prospects gives investors a unique blend of exposure to upside across various in-demand commodities.

With an eye towards limiting exposure to political risk, the company has assembled a portfolio of properties in Tanzania and Malawi in Africa, Canada's Northwest Territories and Ontario.

Canada

Of particular interest is the Great Bear Lake IOCG property that covers 45,000 acres roughly 400 kilometers north of Yellowknife, and due south of Alberta Star Development's (TSX.V:ASX) Contact Lake Property.

The Eldorado & Contact Lake claim block now consists of eleven contiguous claims located 5 km southeast of Port Radium on the east side of Great Bear Lake Northwest Territories and 470 kilometers north of the city of Yellowknife.

The area consists of 87,706 acres and is comprised of two distinct areas, Contact Lake North and Contact Lake South. The Eldorado & Contact Lake IOCG + uranium project areas include five past producing high grade silver and uranium mines. In Contact Lake North, the Echo Bay Mine produced 23,779,178 ounces of silver, and 6,900 lbs of uranium, the Eldorado Mine produced 15 million pounds of uranium, and 8 million ounces of silver and the area also included the Cross Fault Lake Uranium mine (Normin NTGO: SENES Report 2005).

The average head grade for the Echo Bay mine was 66 ounces per ton silver and the average head grade for the Eldorado silver -- uranium mine was 0.75 % uranium. In the Contact Lake South area, The Contact Lake Mine, the Bonanza and the El Bonanza mines were all former producers of silver and high grade uranium, and are included in Alberta Star's land package.

Uranium was first discovered in the Great Bear Lake area in 1929 by Gilbert Labine when the Eldorado Mining Company uncovered high grade silver -- pitchblende veins at Port Radium. Newly discovered veins at Port Radium, Eldorado and Contact Lake were mined until 1940.

In 1941 the Eldorado Mining Company gifted Columbia University 5 tons of Uranium oxide for chain reaction experiments and the mine re-opened to supply the ore to the United States Government, to develop the Manhattan Project. When the price of Uranium dropped, the mine was deemed no longer profitable and was closed in 1960, and all exploration for Uranium in the area ceased.

Universal's Great Bear Lake project is geologically analogous to the Olympic Dam deposit at Roxby Downs in the Gawler craton of southwest Australia.

It is an extremely large deposit of copper, uranium, gold and silver, which supports an underground mine as well as an integrated metallurgical processing plant. It is the largest known single deposit of uranium in the world, though uranium represents only a minority of the mine's total revenue.

The deposit was discovered by Western Mining Corporation in 1975 and started production in 1987. It now belongs to BHP Billiton,(NYSE:BHP) which acquired WMC Resources in 2005. The mine currently operates by an underground mining method called sublevel open stoping, using modern and highly productive mining equipment. The March 2005 mine production rate is an annualized 9.1 million tonnes making it one of Australia's larger mines. 2005 metal production is thought to be in excess of 220,000 tonnes of copper, 4,500 tonnes of uranium oxide, plus gold and silver. The copper and uranium oxide are exported through Port Adelaide.

Universal's Havoc Property, located in the Havoc Lake area in the Sibley Basin near Thunder Bay, Ontario is a mid-Proterozoic-age sedimentary basin that has the potential to host unconformity related uranium deposits such as those found in Saskatchewan's Athabasca basin, home of the world's richest uranium mines.

Similarities between the Sibley Basin and the Athabasca Basin have been recognized before but led only to modest exploration of the area in the late 1970's and early 1980's.

The presence of commercial grade Uranium was confirmed in 2005 by Rampart Ventures (TSX.V:RPT). Drilling results included 2.99% U308 over 1.5

metres. . Surface prospecting returned samples of 4.32 % and 5.24 %. Rampart is underway on their 2007 drilling program.

The Sibley Basin (also referred to as the Nipigon Embayment) of northwest Ontario is a late Proterozoic (Helikian age) sedimentary basin that shows significant geological parallels with the Athabasca Basin of Saskatchewan. These similarities have long been recognized before, but led only to a very modest amount of exploration for uranium in the late 1970s and early 1980s. Overall, the Sibley Basin is the least explored of all the Helikian-age sedimentary basins in Canada. It is also the most accessible, with an extensive network of logging roads.

Africa
Universal's most recent acquisition is a 90% interest in two key acquisitions in Tanzania in the Madaba and Mkuju prospects covering over 1000sq kilometres with Uranium potential located along the extension of the Malawi Kayekar Uranium prospect that Paladin Resources (TSX:PDN) has been developing over the last few years.

Paladin recently approved a Bankable Feasibility Study that indicated a mine life of 7 years and a processing life of 11 years were achievable from the existing resources. This gave a reserve of 10.46Mt at an average grade of 0.11% U308 for 11,377t U308. Based on an annual production rate of 1.5 million tonnes per annum and a 90% recovery the BFS shows that an average of 1,493t U308 will be produced for the first 7 years from a feed grade of 0.109% U308 and 530 tonnes per annum U308 over the last 4 years using accumulated marginal material grading 0.039% U308.

In Tanzania, three uranium occurrences will be the focus of a National Instrument 43-101 study, where the sandstone of the Karoo are reminiscent of the sandstone which hosts uranium deposits in South Africa and in the state of Colorado in USA. No systematic prospecting has been done in the Tanzania Karoo sand stones, but, such work is anticipated to be very rewarding.

About the Author

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