

## Universal Power Sparks Investor Interest with its Newest Uranium Acquisition in Tanzania

By Hsiao Lin

Universal Power Corp. (TSX.V: UNX, FSE:3U2A) is beginning to catch fire in the minds of investors as it picks up speed with its latest acquisition in Tanzania's Karoo super group and prepares to release its 43-101 and the outline for the property's drill program.

The company's website describes its recent acquisition of a 90% interest in two key acquisitions with uranium potential in Tanzania. The Madaba and Mkuju prospects cover over 1000 km<sup>2</sup> along the extension of the Malawi Kayelekera Uranium zone that Paladin Resources (ASX, TSX.V:PDN) has been developing over the last few years.

Located on map section QDS (Quarter Degree Sheets) 253, the Madaba area is part of Luwegu River Basin of the East African Karoo super group. The Karoo is the African equivalent of the Canadian Shield - a very large, very old geological formation that has been the scene of numerous, rich mineral discoveries.

The Mkuju occurrence is situated in QDS 278/3, 289/1 & 2 and 290/1. The geology consists of mainly sandstone. The richest uranium deposits are typically found in sandstone formations, and are known as roll-front deposits - so named for the crescent shape the uranium (in solution) makes at the interface between oxidizing and reduction conditions within the permeable sandstone or conglomerate host rock. Famous examples of roll front deposits include the Mi Vida mine near Moab, Utah, and the deposits found on the Colorado Plateau. The Karoo super group is known to host major uranium deposits (of both the roll-front and unconformity variety), yet much of it remains underexplored.

The Karoo system in southern Tanzania continues into Malawi and is separated by Lake Nyasa, with the Karoo on the other side of the lake having similar geology. This has been confirmed with Paladin's discovery of the Kayelekera Deposit (a roll-front deposit), which has a 43-101 compliant current resource of over 25,000,000 pounds of U<sub>3</sub>O<sub>8</sub>. Paladin has recently had its bankable feasibility study approved, and is due to go into production in late 2008.

Historic airborne and ground radiometric surveys carried out over Universal Power's entire property have revealed over 10 Uranium and Thorium anomalies at Mkui. Drilling done by Geosurvey International (GmbH) has returned intersections grading 0.04% Uranium oxide over 11.7m - the richest of which contained 0.122% Uranium oxide over 1.6m from a depth 79.5 to 81.1m.

The company is in the process of completing its 43-101 report on the prospects and expects to have it in hand by the end of the month. A drill program based on the report's recommendations will be implemented in November.

Tanzania has attracted a great deal of attention recently due to a combination of factors that create a favourable investment climate: inherent mineral wealth, political reforms geared toward the free-market, low labor costs, and, of course, high metals prices. According to the Tanzanian Geological Survey's website, "much of the present exploration activity in Tanzania is concentrated in gold, base metals, platinum group metals (PGM), uranium, gemstones, diamonds and industrial minerals. Tanzania has excellent geological databases, good infrastructure, attractive mineral policy and readily available exploration services. These factors make investing in Tanzania attractive and cost effective".

The meteoric rise in uranium prices from .00/lb U<sub>3</sub>O<sub>8</sub> in December 2000 to US8.00/lb U<sub>3</sub>O<sub>8</sub> in June 2007 has turned investors' attention to new exploration venues, making Tanzania especially interesting as of late. Paladin's website states that "despite the significant rise in reported uranium prices, world primary uranium production only increased by 2,540 metric tons U<sub>3</sub>O<sub>8</sub> (5%) in calendar year 2005. In fact, in the first six months of 2006, uranium production in the two dominant production centers, Canada and Australia, actually declined by 2,610 metric tons U<sub>3</sub>O<sub>8</sub> (19.5%), demonstrating the fragility of the existing supply chain."

The Tanzanian acquisitions represent a pivotal point in Universal Power's development, as it rounds out the company's portfolio of properties, enabling the company to conduct a year-round drilling program.

For several reasons, this is a particularly auspicious time for investors, who can expect a great deal of news in the coming months. This most recent acquisition, as well as the impending 43-101 and drill program, create a solid platform for the next stage of the company's growth and diversification. Investors can also look forward to another acquisition - a polymetallic prospect - in the next month or so. The market is reflecting this anticipation, as UNX is trading around its 52-week high, in the textarea.70 range.

"We think we have a well-diversified portfolio chasing gold, uranium, and base metals," said Barry Swanson, the company's president and CEO. Given

that the uranium market outlook is predicted to remain strong during the mid to long term, management plans on continuing its momentum forward. "From a shareholder's point of view, we're well positioned in area plays. We have a strong management team... the timing's right, we're diversified enough." said Mr. Swanson.

The company is also exploring for uranium and IOCG (iron ore, copper, and gold) in the Great Bear Lake area of the Northwest Territories, as well as for uranium in the Sibley Basin in northwestern Ontario.

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