

Blue Sky Uranium Ahead of the Pack in Argentina

By Anne Fletcher

Vancouver-based Blue Sky Uranium Corp. (TSX.V: BSK), barely out of the starting gate, makes no bones about its international ambitions.

"We would like to end 2008 as the largest uranium land holder in Argentina and the dominant uranium explorer," says Blue Sky president Sean Hurd.

So far, 18-month-old Blue Sky is more than 4,000 km² along that road, with its Santa Barbara property in Rio Negro province of northern Patagonia staked by the man who may be Argentina's leading uranium exploration geologist.

As Hurd tells it, Dr. Jorge Berrizzo, after 14 years at the Argentinean National Atomic Energy Commission, is finding new freedom in the private sector, just as the Argentinean uranium market is starting to buzz.

While Berrizzo played a large role in the discovery of the Cerro Solo uranium deposit in Chubut province, to the south of Rio Negro, "the problem with working for the government is that your focus is narrow and your funding is limited," Hurd said in an interview.

So Berrizzo has teamed up with a number of private businessmen in the Argentina Uranium Corp. to explore interesting, but untouched, regions. And Blue Sky, bringing to the table its ability as a public company to raise capital, now has a deal with Argentina Uranium to earn a 75% interest in the Santa Barbara property.

Surface sampling has turned up grades of up to 1.5% U₃O₈, along an 11-kilometre trend. That compares to 0.3-0.5% U₃O₈ at the Cerro Solo deposit.

"There is obvious uranium mineralization at the surface, which is rare and exciting," Hurd said. "And we've completed an airborne radiometric and magnetic survey over 3,000 square kilometers. It's the first survey of its kind conducted in that province."

"At Santa Barbara, our objective is to follow up the air survey with detailed sampling, leading to a drill program."

Hurd expects Santa Barbara to be just the beginning. "The geological environment in the western United States where the bulk of the U.S. uranium production comes from (also) exists in Argentina," he said.

While the Argentinean government focused on exploring in Chubut, regions to both the north and the south look geologically promising, he said.

And, after years of slumber, the uranium rush appears to be underway. Argentina has seen uranium exploration since the 1950s, but the country only opened to foreign mineral exploration in 1993 and to uranium exploration, in particular, in 2000.

Meanwhile, the country's mines all closed and exploration tapered off to nothing as the price of uranium bottomed out at US\$7/lb, thanks to the recycling of military stockpiles.

But those stockpiles are petering out, the demand for energy keep growing, the price of oil keeps going up, new nuclear reactors are on the drawing boards, and the spot price of uranium has approached US\$100/lb.

Argentina, with two Canadian-built nuclear reactors in operation, is now building a third, hoping to supply 20% of the country's energy demand from that source by 2025, up from seven per cent today.

That means annual domestic demand for uranium will nearly double, from a current 110 tonnes, to 210 tonnes.

Blue Sky found its Argentinean niche in the first place through its stake in Grosso Group Management Ltd. - headed by Argentina native Joe Grosso - which has been exploring for minerals and for oil and gas in South America since 1990.

Blue Sky director Hernan Celorrio is on the ground in Argentina, dealing with the daily red tape of both federal and provincial governments. "It's very difficult to do that from Canada," Hurd said. The Buenos Aires professor of law was president of Barrick Explorations Argentina from 1999 to 2006.

And Dr. Clifton Farrell, with 25 years in the uranium and alternate energy fields, has just joined Blue Sky as chief operating officer. Along with a PhD in geochemistry from Harvard University, Farrell comes fresh from 12 years at the Nuclear Energy Institute in Washington, where he looked after licensing and regulatory affairs.

Argentina may be looking fairly stable politically these days, but Blue Sky also has a couple of small properties in Columbia. Hurd admits that, even five years ago, any foray into that country would have all but unthinkable.

However, "there's been a vast improvement in Columbia in the climate for exploration," he insisted. "We have option agreements on two uranium properties and we're not operating in the country on our own. We're going through the Grosso Group."

"It's a chance to get in before other companies recognize the opportunity."

Blue Sky doesn't have all its eggs in a South American basket, though. A joint venture with Eagle Plains Resources at Eagle Lake, on the outside edge of Canada's Athabasca Basin, was Blue Sky's first property.

"It's had good historical sampling," Hurd said. "We've completed several surface programs and we are waiting to drill the property as soon as the winter freeze-up comes."

This article is intended for information purposes only, and is not a recommendation to buy or sell the equities of any company mentioned herein. It is based on sources believed to be reliable, but no warranty as to accuracy is expressed or implied. The opinions expressed in the article are those of the author except where statements are attributed to individuals other than the author, in which case the opinions are those of the individual to whom they are attributed.

About the Author

Resource Investor is an internationally distributed newsletter about emerging junior resource companies. Sign up for a free 1-month trial to our newsletter and get instant access to news and investing tips that have helped many of our readers make more money. <http://www.resourceinvestor.com>

Source: <http://www.tntarticles.com>