

Universal Power Revs into Exploration in Tanzania

By Jon Shanahan

With the spot price of uranium climbing through \$93/lb (again), and a shortage of sulphuric acid in Kazakhstan – the chemical necessary for the leaching process that isolates U₃O₈ from ore – likely to compound demand, there is every indicator that uranium prices will climb sharply (again) in the coming months. And despite recent seismic shifts for gold and precious metals, most analysts project the bull markets for precious and base metals will continue to snowball.

Universal Power Corp (TSX.V:UNX, FSE: 3U2A) aims to harness a number of promising projects to the current charging-bull resource market.

“I believe - and the company believes - that we're in the second inning of a global supercycle for uranium, fossil fuels, base metals and gold – and maybe silver as well,” says Barry Swanson, Director and CEO of Universal. “We want to make sure we're diversified enough to touch all of those classes.”

Universal has three prime targets: In Tanzania, the Northwest Territories (in Canada), and Ontario – that aim to grow shareholder value. The Tanzanian Mbamba Bay project recently announced some forward momentum.

Tanzanian Mbamba Bay Property to Move Ahead with Exploration

Tanzania has become increasingly attractive for mineral exploration in recent years. An exemplary political climate – replete with mining-friendly policies – has aided an annual economic growth of 5% since 2000, and mining accounts for more than half of Tanzania's foreign exchange. The mining industry has ballooned in the country, and more and more highly promising structures are being explored there.

Universal Power's Mbamba Bay project, near Lake Nyasa, is a perfect example. The 960 square km property is highly prospective for both sandstone hosted and igneous uranium deposits. Airborne radiometric surveys in the early 1980s suggested that the granites and gneisses in the target zone are anomalous for uranium, and are source rocks for a substantial redox-style uranium deposit. Detailed mapping and ground radiometry from the same period outlined a 20m depth of upper sandstone and a 40m depth of transitional stone. These are conditions associated with roll-front type uranium deposits.

Exploration results on neighboring, geologically contiguous properties indicate that the area is richly anomalous. The property is on the same structural trend as the Paladin Resources-owned Kayelekera uranium deposit in Malawi, which bears a proven resource of over 25 million pounds uranium. Work done by Mantra Resources near the Mbamba western boundary assayed up to 0.68% U in trench and chip samples. Drilling in the area performed by Geosurvey International returned intersections of 0.04% uranium oxide over 11.7m, with the richest intersections weighing in at 0.122% uranium oxide over 1.6m.

Universal Power has completed a review of the existing data on the area, as well as a ground radiometric survey that returned readings of up to 3100 cps (counts per second).

Barry Swanson, President of Universal Power Corp said, “We have a technical report back from our ground crew over there, and I've reviewed the information with our QP [Qualified Person, under the regulations of Canada's NI43-101] here. We've made the decision to go ahead and do some further work, so obviously things look promising to us in that area right now”.

An initial exploration budget of \$250,000 has been slated for the next phase of detailed geological mapping and sampling, further ground radiometric surveying, shallow trenching, and RAB (reconnaissance air blast) drilling on 100 holes. Depending on the results, Universal has outlined a second phase of exploration comprised of an additional 50 (deeper) reverse circulation drill holes.

Another project in Tanzania, the Mbinga occurrence, is a mainly sandstone-hosted series of 10 anomalies for uranium and thorium, part of the Karoo trough of SE Tanzania. According to Swanson, “The anomalies that we're seeing there are just as exciting, and in due course we'll be doing some exploration work there as well on a Phase I program. I would expect that to be happening over the next 3-4 months.”

Universal Power Corp. has a 90% interest in both of its Tanzanian projects.

Canada

The company holds interests closer to home as well. The 100%-owned Great Bear Lake project, an area of over 45,000 acres, is shows occurrences

of both uranium and IOCG (iron oxide copper gold) deposits.

The main exploration focus for the Great Bear Project is an area of the Great Bear magmatic zone that has numerous striking parallels to the Olympic Dam structure at Roxby Downs in southwest Australia. Both structures display technothermal evolution, host sequence composition, co-existing magnetite and hematite that result from two contrasting hydrothermal fluids, and are set in a deep crustal scale fault. The Olympic Dam structure has a reported resource of 2.32 billion tons of high-grade copper, gold, silver, and uranium oxide (1.6% Cu, 0.5 g/t Au, 3.5 g/t Ag, and 0.4 kg/t uranium oxide). Recent production hikes at the mine indicate that the mine has a life of at least 50 to 100 years.

The Great Bear area has been historically productive as well. There are three geologically connected historic mining camps on the property – the Port Radium, Contact Lake, and Terra mines – which have collectively yielded a total 48 million ounces of silver, 15 million pounds uranium oxide, and 7,000 pounds of copper in the period from 1930-85.

The region is attracting attention from a number of big players. Alberta Star Development Corp. has performed major exploration on their Contact Lake Project adjacent to the Universal Power's Great Bear property, including extensive drilling. The 2007 exploration season will have seen spending in the area, by Alberta Star and other companies, in excess of \$25 million.

"Today there was announcement by Cooper, who is a neighbor of ours, that they just acquired some more land right next to us," says Swanson of the accelerating interest in the area. "I expect that that project will heat up in the spring as that area becomes a lot more active."

Universal is outlining an aggressive exploration of the Great Bear property, and believes that there is excellent potential for a high-grade polymetallic mineralization on the project. 400 km north of Yellowknife, NWT, the area is easily accessible.

In Ontario, Universal Power's focus on the Havoc Project in the Sibley Basin is also based on similarities to a world-class analogue – the area has striking parallels to Saskatchewan's Athabasca Basin, the world's largest unconformity uranium deposit.

Universal has an option to earn a 60% interest in the property, which consists of 217 claim units. The presence of high-grade uranium was confirmed in the area in 2005 by Rampart Ventures, whose drilling program returned best-values of 2.99% U₃O₈ over 1.5m. The Sibley Basin, like the Athabasca, is a mid Proterozoic-age sedimentary basin. It is the least-explored of all the Helikian-age sedimentary basins in Canada, and is highly accessible through an extensive network of logging roads.

Management

A team with focused expertise and experience leads Universal's efforts. Barry Swanson, Director and CEO, has over 15 years of investment and financial industry experience. The recent addition of Duane Parnham, in a Directorial-consulting role, strengthens the Universal technical aspect. Mr. Parnham is also CEO and director with Forsys Metals Corp, and has a long record of success in geological and environmental consultation – he has raised over \$100 million CDN for over the last three years. John Poloni has a long career in diverse mining projects, with 35 years of industry experience. Finally, Mike Magrum is Universal's qualified person for their uranium efforts; he has experience in most of the uranium-bearing Proterozoic basins across Canada.

Outlook

There are other projects on the horizon for the Universal Power Corp. as well. "We are actively looking at other, larger opportunities - we're sourcing some very good projects," Says Swanson. "I'm looking to add another project closer to the end of the year or early into next year."

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