

Silver Spruce Leads the Uranium Boom in Labrador

By Eric Pratt

When it comes to uranium exploration in Labrador, few companies boast the scale and scope of Silver Spruce Resources' (TSX.V: SSE) Central Mineral Belt project (CMB).

Covering a total of 13,100 claims or 3,275 square kilometers of prime ground, a portion of Silver Spruce's claims (approx. 5,600) are the subject of a joint venture with Universal Uranium Ltd. (TSX.V:UUL). Universal is funding 60% of the exploration of the properties with Silver Spruce functioning as the operator. As such, this deal is a strong example of the OPM business model – Other People's Money. Universal shoulders the majority of the exploration risk.

Labrador has been the subject of extensive exploration booms in the past – Voisey's Bay is surely the foremost example – but the surge in uranium prices over the last five years has caused a veritable frenzy of acquisition. Besides the uranium price, the substantial deposits delineated by Aurora Energy Resources Inc. (TSX: AXU) have demonstrated the immense potential of the area to host ore grade mineralization.

Since 2005, Aurora's drilling programs within the Michelin and Jacques Lake areas defined a combined measured resource of 5.34 million pounds U₃O₈ and an indicated resource of 52.54 million pounds U₃O₈. The total measured and indicated resource is 57.88 million pounds of U₃O₈, with an inferred resource of 38.03 million pounds U₃O₈. This 95+ million pound resource ranks as one of the largest primary uranium deposits in the world.

Investors in Silver Spruce are eagerly waiting to see if their company's efforts bear similarly valuable fruit. Silver Spruce's first-ever resource calculation is expected before the end of the first quarter 2008, and if drilling results mean anything, it will be a large resource in the millions of pounds.

To that end, on November 26 Silver Spruce announced results from its optioned Snegamook Lake property, which clearly demonstrated the untapped potential of the area. The drilling comprised six holes of a first-pass drill program totaling 1,375 meters. Results included 36 meters grading 149 ppm (0.3 lb/ton) and 24 m grading 186 ppm (0.38 lb/ton). Shorter intervals graded highs of 1.22 lb/t up to a high of 3.07 lb/t over 1 meter. The Snegamook property covers 21.5 square kilometers.

The company's recently completed \$6.3 million financing certainly gives it the financial firepower required to begin serious and systematic development similar to work at Aurora Energy's deposits. The offering, led by Pacific International Securities as agent, saw 5.5 million "flow-through" units placed at \$1.15 per unit. Each unit is comprised of a common share and a share purchase warrant priced at \$1.75 that is good for 18 months.

Located in the Postville-Makkovik area of Labrador, approximately 150 kilometers northeast of Happy Valley-Goose Bay, a good portion of the company's holdings are proximal to the Aurora deposits.

The properties cover uranium in lake sediment anomalies located by the Newfoundland and Labrador government. Anomalous values range from 8 to 98 ppm, with many in the 20 to 70 ppm range, against a background of

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