

Uranium Boom Echoes in Atomic Minerals' Colorado Exploration

By Katherine Young

With energy demand predicted to increase and continued serious concern about the consequences of burning fossil fuels, experts are predicting nuclear will remain an important world energy source for the foreseeable future. Increasing nuclear energy demand prompted a uranium spot price high of \$138.00/lb this summer, which then dropped back to the \$80 mark and has since regained to about \$92.00/lb. Many are speculating that the price could remain flat at \$90/ pound. Cognizant of the profits available at prices like these – the price has tripled in about three years – uranium juniors like Atomic Minerals are returning to known uranium zones like Utah and Colorado.

Statistics from the US government's Energy Information Association's (EIA) 2007 World Energy and Economic Outlook noted that world electricity generation from nuclear power is forecasted to increase dramatically from 2,619 billion kilowatt hours in 2004 to 2,972 billion kilowatt hours in 2030. And the EIA expects nuclear power generation to increase through 2030 around the world, except OECD Europe, with the Asian market creating the biggest growth.

In addition worldwide nuclear power generation outside of the OECD is expected to increase 4% year on year, between 2004 and 2030. This increased demand, driven by environmental concerns, higher fossil fuel prices and energy security concerns could send the uranium price back upward in coming years.

On the supply side, there is Cameco's Cigar Lake, which was to come online right about now with an estimated 113 million pounds of the yellow stuff – until the underground workings flooded. This major supply of uranium is showing no signs of coming back online until at least 2011.

Some analysts suggest that even that date is optimistic. Cameron French writing for Reuters on December 12, 2007 said, "With [the Cigar Lake] mine expected one day to supply over 10 percent of the world's mined uranium, any further [beyond 2011] delays starting production would put upward pressure on uranium spot prices that have already hit a record high earlier this year."

Buoyed by high uranium prices and price predictions, Atomic Minerals (TSX.V: ATL) is putting its experienced team together with geology in southwestern Colorado that is associated with some of the largest and most prolific uranium resources in US history.

Atomic's Dolores Anticline project is located in the Paradox Basin and the Uruvan Belt only 30 miles from the famous Lisbon Valley in Utah, and only 30 miles from Denison Corp's White Mesa Mill, the only operating uranium mill in the United States. The Dolores Anticline is in the four corners uranium area made famous by Charlie Steen who discovered a massive, highly-enriched uranium deposit, which became the Mi Vida Mine in the Lisbon Valley, Utah in 1952. Steen's was the first massive find in the uranium boom of the 1950's prompted by government support of the industry to fuel the Manhattan Project during World War II.

Uranium was so prolific in the area in the 1950's that Moab, Utah earned a reputation as the uranium capital of the world. By 1955 the Colorado Plateau was home to 800 uranium mines. By the end of the boom in 1962 Utah had produced over 9 million tonnes of ore before the government-boostered boom ended with dwindling demand due to the end of the war.

Picking up where history left off, Atomic's Dolores Anticline project consists of 1,177 claims in the area, totalling 24,280 acres in the Dolores Anticline, an asymmetrical northwest trending fold in the Paradox Basin.

An anticline is a fold in the layers of rock that pushes the earth up into a dome shape. The folding can create gaps – known as traps – where oil, natural gas and uranium tend to gather.

Utilizing existing literature on the area, geological analysis and a radon survey, Cady Johnson, PhD author of a Feb. 2007 NI 43-101 technical report on the Dolores Anticline project, concluded, "It is clear that there is good potential for undiscovered uranium deposits to exist beneath the properties considered here. Fractures known to have been conduits for mineralizing solutions, carbon-facies rocks that host all known uranium deposits in the Slick Rock and Lisbon Valley Districts, and paleochannels in the Moss Back Member of the Chinle Formation are all present or judged to be present beneath the subject claims."

Following recommendations from the 43-101 report, Atomic Minerals began drilling on the first transect of the Dolores Anticline in mid-November 2007. Atomic plans a 30,000-foot program at the Summit Point and Box Canyon Exploration Projects

To add to great properties, Atomic Minerals has attracted some of the best people in the business to join its team. On December 19, Atomic announced it has appointed John J. Sutherland as a director of Atomic Minerals. Sutherland is best known for his advisory role with growth companies – with particular emphasis on mineral exploration companies – and appears to have a Midas touch.

Sutherland serves as a director with Aquiline Resources (TSX:AQI), the sole owner of the Navidad Silver-lead deposit, which contains an astounding 453 million ounces silver and 3 billion pounds lead, making it the largest resource of its kind in the world. Aquiline's recent court success in procuring sole rights to that property is a major coup for both the company and Sutherland.

Notably, Sutherland was CFO of Arequipa Resources leading up to its acquisition in 1996 by Barrick Gold for \$1.1 billion. He also co-founded and acted as Vice President and CFO of Tekion Inc., which he grew from 4 to 75 employees in the space of less than three years while raising \$18 million in capital.

At present, Sutherland is Vice President and Chief Financial Officer of Goldgroup Resources, Corporate Secretary of Uracon Resources and a director of four other publicly listed companies.

Atomic's Vice President of Exploration, Richard Dorman has extensive history mining for uranium in Colorado, Wyoming, Utah and Nevada. He works with Mark Steen (the eldest son of Charlie Steen) actively exploring in various areas in the Lisbon Valley. He has recently attracted the attention of James Finch, a US based uranium pundit who said of Dorman's projects in the Lisbon Valley, "the area is right, and it may be ripe for a discovery."

If so, Atomic has all the right ingredients – an experienced exploration team, financial leadership, connections within the uranium industry and properties in one of the best-known and most prolific regions in the United States. Also attractive is Atomic's tight share structure and a price tag that flirts promisingly with its 52-week low.

Investors can expect results from the first portion of the drill campaign at the Dolores Anticline to be announced early in 2008.

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