



Uranium

Attack of the Killer Bs: new life for old camps

BEAR, BEAVERLODGE, BLIND RIVER AND BANCROFT
ALL SEE EXPLORATION

Very few explorers are doing grassroots exploration for uranium these days. Why should they? There's no real need.

Uranium was out of fashion for so long that a great many known uranium prospects were available for the taking when the market turned. As a consequence, most of the uranium exploration now taking place is at the advanced economic-evaluation stage, or at least an exercise in confirming old resources.

The historic uranium-producing districts of Canada — the Great Bear Lake, Beaverlodge, Blind River and Bancroft camps — all finished their productive lives with resources left over. Sure enough, those long-neglected resources and prospects are getting another look from a new generation of explorers.

The biggest of the old districts, Elliot Lake in Ontario, saw its mines close after high-priced Ontario Hydro contracts ended in the 1980s. As present-day prices approach the level of those old contract figures, it isn't surprising to see companies moving back into the area with development plans in their heads.

Notably, both of the serious contenders have pulled former Rio Algom development projects off the shelf, with known resources.

Pele Mountain Resources (GEM-V, PMNHF-O) has moved all the way to mine-planning studies on its property in Joubin and Gunterman Twps., about 11 km east of Elliot Lake. The property covers several historic showings from the 1950s, called the Pardee, St. Mary's, Stancan, and Calder-Bousquet occurrences, and in 1977, Rio Algom estimated about 30 million tonnes grading 0.047% U_3O_8 on the property.

A new resource estimate by Pele's consulting firm, Scott Wilson Roscoe Postle — this one compliant with National Instrument 43-101 — puts a similar figure on the resource, 30.5 million tonnes at 0.05% U_3O_8 , and classes it as inferred. The calculation used a cut-off grade of 0.03% U_3O_8 and assumed a uranium oxide price of US\$70 per lb. Preliminary work on mining costs suggested underground mining would have a cost around US\$65 per lb. given a

Canadian dollar at US85¢.

Pele has finished a 22-hole drill program, with most holes in a 600 by 800-metre area where the camp's principal ore host, the Main Conglomerate, is between the surface and a vertical depth of 200 metres. Pele hopes to bring some of the inferred resources up to the indicated category based on the results of that drilling. Assays should be out some time this month.

Pele also has plans to use down-hole radiometric surveys of Rio Algom's old drill holes (some of which were drilled using small A-size core), to give estimates of uranium and rare-earth metal content by correlating the radiometric readings with assay results in the drill cores. Early metallurgical tests are under way at Memorial University in St. John's, Nfld., to test liberation size, and leaching tests are slated for the summer.

Early geotechnical results show the rock is sound enough to allow room-and-pillar mining, and Pele is making initial estimates of economic stope size.

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