

# Canadian uranium companies seek partners on Asia tour

By Trish Saywell

Six of eight companies that have signed up to participate in a mineral investment seminar this month in Beijing, Tokyo and Seoul organized by Saskatchewan's Ministry of Energy and Resources are uranium explorers hoping to drum up partners for their projects.

Mining and utilities companies, major industrial groups and government organizations from across East Asia have been invited to attend the investment seminar designed to introduce potential investors to Canadian mining counterparts.

"We're looking for financial partners," Chris Frostad, chief executive of **Purepoint Uranium** (PTU-V, PUMGF-O), told the Northern Miner before his departure to Beijing. "Exploration and moving discoveries through to production require a lot of money over a lot of time and at some point in the development cycle you need to start to identify relationships with organizations of a size and with the economic motivation to work with you on these projects."

Joining Purepoint on the Asian tour are **Cameco** (CCO-T), **Titan Uranium** (TUE-V, TUEFF-O), **CanAlaska Uranium** (CW-V, CVVUF-O), **Triex Minerals** (TXM-V, TRXMF-O) and **Redrock Energy**.

In past years, most mining companies would go first to cities like Toronto to raise capital, says Gary Delaney, Saskatchewan's chief geologist and director of the Northern Geological Survey. "But now there is this tremendous interest and need coming out of the booming economies of Asia."

Falling uranium inventories, concern about supply shortages and surging prices for fossil fuels are driving demand for uranium and stirring up more interest in Saskatchewan, which currently supplies about 26% of the world's primary uranium production.

The Athabasca basin is the premier uranium-producing region in the world. "The grades are phenomenal," says Delaney. "There continues to be potential for new discoveries and we're seeing it all the time."



One hundred percent of Canada's uranium production comes from Saskatchewan and over the next few years, production levels are expected to grow by 65%, Bill Boyd, the province's minister of Energy and Resources, said in a letter addressed to the investment seminar's participants. Indeed the energy content of Saskatchewan's uranium resources surpasses that of all of the country's conventional oil resources, Boyd said.

Saskatchewan's uranium explorers bring a portfolio of projects in or adjacent to the Athabasca basin, Delaney explains. "That's what the investors are looking for. Their long-term goal is supply, but you have to start in the mining game."

Currently the share of nuclear in world electricity is about 16% but many experts believe that percentage will only grow in the coming years. Increasing energy demand, concerns over climate change and a dependence on fossil fuels are combining to make the case for nuclear power stronger than ever.

About 30 nuclear reactors are under construction in 12 countries and most of them are in China, Korea, Japan and Russia, according to the World Nuclear Association, a London-based private sector organization that promotes the peaceful use of nuclear power as a sustainable energy resource.

In the 1980s, a new power reactor (averaging 923.5 MWE) started up every 17 days, WNA says. After 2015, a "realistic estimate of what is possible might be the equivalent of one 1,000 MWe unit worldwide [starting up] every five days."

In a March report, the WNA noted that

South Korea intends to bring eight new reactors into operation by 2015. Japan has two reactors under construction and another ready to start building. The Japanese have also announced sites and timetables for a further ten power reactors to come on stream by 2012 – 2018. China, meanwhile, plans to start building another 17 – 22 reactors in the coming years. Overall it plans a five-fold increase in nuclear capacity to 40 GW by 2020.

"Asia represents the largest number of new nuclear reactors being built and they have to secure a fuel supply – they don't have nearly enough uranium locally," Frostad of Purepoint Uranium says.

"Saskatchewan is the "Saudi Arabia" of uranium and Asian interests have been looking here for a while. The province of Saskatchewan has been in relationship with these companies for some time now and are organizing this trip at the request of the foreign countries."

A string of East-West partnerships in the last two years underscores there are deals to be made.

Last October, Kelowna, B.C.-based Fission Energy (FIS-V) signed a memorandum of understanding with a Korean consortium led by Korea Electric Power for the joint development of its Waterbury Lake property in the Athabasca basin.

The same month, a consortium of Korean energy and natural resource companies led by Hanwha invested \$19 million in CanAlaska's Cree East project. A year earlier, Mitsubishi Development joined CanAlaska Ventures to explore for uranium at its 100%-owned West McArthur project.