

• ALASKA

# Ucore seeks uranium, rare earths

Junior explores Alaska's only historically producing mine claims for high-tech metals and commercial deposits of the nuclear fuel

By SHANE LASLEY  
Mining News

Ucore Uranium Inc. is reporting positive assay results from core samples drilled by two rigs churning at the Bokan Mountain uranium and rare earth elements exploration project 60 kilometers, or 37 miles, southwest of Ketchikan. The company is also awaiting assay returns for mineable quantities of REEs used for many high-tech applications.

In addition to verifying uranium and REEs reported in earlier drilling, the 6,000-meter program will test the company's geological model for the style of mineralization and determine if mineralization in the area known as the I&L zone persists to depth and/or along strike length, especially to the southeast where radiometric data suggest high radioactive levels along a strike length of three kilometers, or almost two miles.

## Bokan hosts Alaska's sole uranium mine

The Vancouver, B.C.-based junior said the Bokan Mountain property hosts more than 30 known uranium occurrences related to a peralkaline, or certain type of igneous rock, ring dike complex known as the Bokan Intrusive Complex. One of these zones, Ross Adams, is located 450 meters southwest of I&L and produced 1.3 million pounds of U3O8 at a reported average grade of 0.76 percent. These were among the highest average grades ever recorded by a U.S.-based uranium mine.

Newmont Exploration Ltd. produced almost 50,000 metric tons of ore from underground operations at the Ross Adams deposit between 1968 and 1972, and was the last of a string of operators that produced uranium from the property going back to 1958.

## Historic exploration discovers I & L

Exploration in the early 1970s discovered a uranium deposit adjacent to the Ross Adams area. Drilling in this new area, known as the I & L deposit, defined a uranium-rich vein and shear system. Though drill results suggested the potential for an economically viable uranium resource, the deposit was never developed.



A 1989 study for the U.S. Department of Interior outlined a uranium resource of 11.8 million pounds of uranium at Bokan Mountain as well as one of the most significant rare earth element resources in the United States.

Newfoundland, is also having samples from Bokan Mountain analyzed for these high-tech elements.

Due to the use of rare earth elements in many modern technology devices, including superconductors, miniaturized magnets, electronic polishers, refining catalysts and hybrid car components, the demand for these elements has increased dramatically.

In addition to REEs, the Warner and Barker study estimated that Bokan Mountain has a resource of more than 637 million pounds of zirconium dioxide. The nuclear power industry uses nearly 90 percent of the zirconium produced each year. The element is also used as an alloying agent in steel, surgical equipment and to remove trace gases from vacuum tubes.

Yttrium and niobium are two other high-tech elements found at the prospect. Yttrium is used to produce the red phosphor in plasma televisions and garnets, made of yttrium and iron, are used as microwave filters in microwave communications equipment. Niobium's most interesting applications are in the field of superconductivity, where an alloy of niobium and titanium is used to make superconductive magnets.

## Uranium; the green fuel?

Ucore said increasing demands for uranium due to more public awareness of see UCORE page 12

In 1989 Warner and Barker carried out a detailed study of Bokan Mountain for the U. S. Department of the Interior, Bureau of Mines. The study outlined an 11.8 million-pound U3O8 resource at Bokan. In addition to uranium, the survey uncovered yttrium oxide (Y2O3) and zirconium dioxide (ZrO2) in one of the most significant rare earth element (REE) resources in the United States.

## Initial assays are in

On July 30, the uranium explorer reported assay results from the first two holes of the drill program that started in early June. Hole LM08-10, the first hole of the 2008 season, intersected 10.67 meters with an average grade of 0.23 percent uranium (U3O8) and included a 2.57-meter intersection grading 0.50 percent U3O8. Hole LM08-11 intersected 8.98 meters grading 0.07 percent U3O8 and included 1.1 meters grading 0.26 percent U3O8.

"These holes are located 100 meters apart along the strike of the I & L Zone," said Jim McKenzie, president and CEO of

Ucore. "Hole 10 was drilled across the same steeply dipping vein structure intercepted in last year's first two holes, and Hole 11 serves to extend the mineralized zone 100 meters along strike to the southeast."

McKenzie said Ucore plans to move one of two drill rigs away from the core of I&L zone for aggressive step-outs to the southeast, where radiometric anomalies suggest additional strike potential over two kilometers away. Permits from the U.S. Forest Service are now in hand to drill three more target areas, and ongoing reconnaissance has identified new mineralized zones.

"Our exploration team has developed a geological model, which also will be drilled this year," he said. "We are awaiting multi-element assays, including rare earth analyses, from the first two holes. Drill results will continue to be announced as they are received and confirmed."

## Ucore tests for rare earths

Ucore, which recently reported high grade REEs at its Lost Pond project in



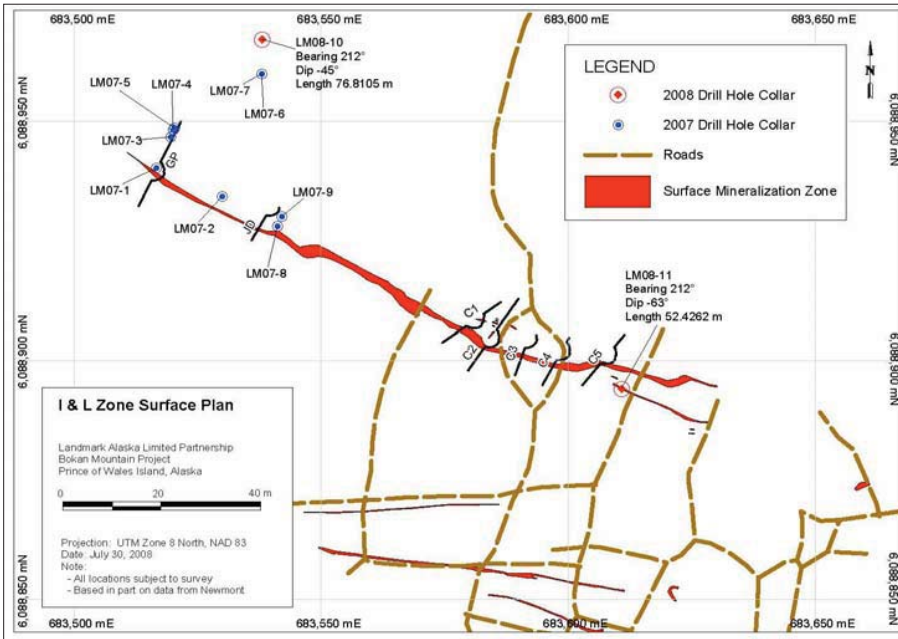
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COURTESY UCORE URANIUM INC.



Ucore Uranium has received assay results from the first two holes of the 2008 season.

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**UCORE**

the importance of clean energy is the reason it is focusing on uranium exploration and development.

Uranium-fired power plants produce 2.6 billion megawatt hours of electricity per year, or 15 percent of the world's supply. France supplies 76.8 percent of its energy consumption with nuclear power; and nuclear reactors supply 19.4 percent of U.S. energy needs and 16 percent of energy used in Canada.

According to Ucore, nuclear energy is

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the only proven clean energy source capable of producing enough energy to meet world demand. Pound for pound uranium produces 20,000 times more energy than coal without producing greenhouse gases, the company points out.

This equates to less area being mined and less power-plant waste per unit of energy. Waste from coal-fired plants produce more radiation per unit of energy produced than spent uranium from a nuclear plant producing the same amount of power, Ucore said.

Nuclear energy is also cost efficient. The average cost to produce electricity at nuclear power plants in 2007 was \$1.76 per kilowatt-hour; 71 cents less than coal-generated power and \$5.02 less than natural gas-generated power.

Like other fuels, the price of uranium has increased significantly over the past five years, and many experts predict that long-term uranium prices will remain strong as the demand to support the world's nuclear reactors continues to out-strip supply. ●

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