

Struthers says let the area play begin, with Titan Uranium

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*The junior mining exploration industry was built on "area plays", where one company makes a big discovery and then scores of others stake all around them, hoping to find that the nearby discovery reaches their ground. One of the biggest area plays right now is in the uranium sector in northern Saskatchewan - in the prolific Athabasca Basin, where the world's highest grade uranium mines are. The entire area was re-ignited early in July when UEX Corp. discovered 8.8 metres of 27% uranium - one of the richest uranium holes in history, which added \$200M market cap to the company that day. Our newsletter friend Ron Struthers, editor of Stuthers Micro-Cap Report, sourced **Titan Uranium, TUE-TSXv**, as the company whose ground is closest to UEX - but Titan only has a \$7 million market cap and almost \$3 million cash. Thanks to Ron for letting us republish his article on Titan to our subscribers. Let the area play begin.*



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Uranium

You are no doubt aware of the high energy prices, oil etc. All the rage has been a comeback in nuclear energy. There are plans for 100s of new nuclear power plants around the world. While this will no doubt increase the demand for uranium, it does not matter one iota.

Even if another nuclear power plant is never built, we will still run out of uranium supply.

The equation is quite simple:

The current global uranium demand for power generation is about 180 million pounds a year. This exceeds current production by about 80 million pounds a year. The difference was being made up with inventories, mostly out of the Russian nuclear weapon disarmament program. Russia has now stated that they will no longer sell the uranium because they now need it for their own power needs.

The result, uranium prices have tripled for the first time since 1984.

This is not going to create anymore uranium though, because 2 decades of low prices has meant a 20 year hiatus in exploration.

I saw this coming a long time ago and is why I recommended buying Cameco back in 2000. We are now up over 750% on this stock and collecting a 3.5% dividend. I have not recommended selling one share yet and see no reason to do so. What is wrong with collecting a 3.5% yield while watching your capital multiply time and again.

Uranium could double in price from current levels, but I doubt we will make another 750% on Cameco. However, the higher uranium price has produced a big splurge in exploration and junior exploration companies. There will be new uranium mines found and if a junior company finds one of these, you can expect 750% gains. This is now our focus

and therefore I am adding another new uranium junior to our small but growing list.

Titan Uranium TSXV: TUE Recent price \$0.59
Trading range since inception 0.50 to 0.80
Shares outstanding 11.7 million
Fully diluted 19.5 million
management/insiders own about 20%

Management/Highlights

TUE has a strong management team with strong geological (uranium) & institutional finance experience.

A 100% option on its first property is drill ready. It had over \$5 million spent on it in 1970-80's dollars by Cameco.

A significant land package in the Northern Thelon Basin (strong comparison to the Athabasca Basin) - the next big frontier for uranium exploration.

Recent acquisition in Athabasca basin of 105,652 hectares in 7 projects, and well cashed up with \$2.7 million in the bank.

Management base in Saskatoon, the uranium capital of the world.

Previously, the company traded under the name Ceduna Capital Corporation (CUN.H - X). Its shares were halted in October 2004 while the company was restructured to focus on the opportunities in the uranium sector.

Titan Uranium has positioned itself well by establishing a major presence in the Thelon Basin in Nunavut and recently in the Athabasca basin.

Management

Philip Olson, M.Sc., P.Ge., President has 30 years experience in mining and exploration. He had been with Claude Resources since 1997 as VP of Bus. Dev. and VP Exploration. From 1995 to 1996 was Regional Manager for Battle Mountain Gold. Previous to this he was Chief Geologist at Falconbridge Ltd., Kidd Creek Division. He is currently a director of the Saskatchewan Mining Association and a director of Pelangio Mines.

Lindsay R. Bottomer, M.Sc. (App). P.Ge., director has 33 years in mining and exploration. He is a Director with Entree Gold and Southern Rio Resources and was previously with IMA Exploration, Echo Bay Mines and the past President of BC & Yukon Chamber of Mines.

Suraj P. Ahuja, P. Geo., Board of Advisors has over 30 years experience dedicated in Uranium. He was the past Vice-President of PNC Exploration, a founder of SKAN Consulting Inc. (Japan) and currently a director of UEX Corp.

Dr. Ron McMillan, P.Ge., Advisor has over 35 years of experience in mining. He has lectured and been published on the topic of Canadian Uranium Exploration Previously with Westmin Resources.

Chadwick Wasilenkoff, CEO was a Financial Advisor with Canaccord Capital. He has financed both public and private companies and is currently Management Consultant at Kraft / Strongwell & J.A. Forsythe and a Director with AuMega Discoveries.

Properties

Thelon Uranium Project

The Thelon project consists of seven separate properties totaling 8 mineral leases and covering an area of approximately 4028 hectares. Since the mid-seventies, major companies have spent an estimated C\$5.5 million on the project, which forms the basis for the targets that Titan plans to drill.

The Thelon Project comprises eight drill ready uranium properties with potential high grade uranium mineralization. Samples from past exploration programs have yielded assays ranging from 0.05% to 2.7% U3O8 over narrow widths. In addition, prospecting on one of Titan's properties, has uncovered more than 2800 mineralized phosphatic sandstone and breccia boulders that are interpreted to have multiple source areas and have one of the highest readings in the range of 38% (U3O8).

"There is strong potential for a significant high grade uranium find in the Thelon area," says CEO Chadwick Wasilenkoff. "Exploration in similar geological environments in Saskatchewan and Australia has discovered a significant number of high grade uranium deposits such as the McArthur River Deposit with proven reserves of 893,000 tonnes of ore grading in the 23 per cent range."

According to Wasilenkoff, "In exploration terms, we believe Nunavut's Thelon Basin is where the Athabasca basin was 30 years ago."

While this is an excellent advance stage uranium property it will take quite some time for the company to get

permitting for drilling so I would not expect a drill program until at least a year from now. In the meantime, the company can prepare for a drill program on their Athabasca properties.

The Athabasca Projects

A 100% interest in 30 mineral dispositions located in the Athabasca Basin, Saskatchewan (the "Claims") from 455702 BC Ltd. and 643990 BC Ltd. (together, the "Vendor"), who are at arms-length to the Company.

The Claims, in seven projects, are located in the eastern, northern and southern segments of the Athabasca Basin. The Acquisition includes seven different properties comprising 105,652 hectares (261,067 acres).

Castle North and Castle South

This is the property next to UEX's Shea Creek discovery (8.8 m of 27.4% U3O8-July 13, 2005)

The Castle Project consists of 16 mineral dispositions totalling 29,580 hectares (73,093 acres) and is located on the southern edge of the Athabasca Basin. The "Castle North" claims are located to the North, East, and South of the "Shea Creek Project", which is a joint venture between Cogema and UEX Corporation ("UEX"). Cogema, the Project operator, has identified three main mineralized zones; the Collette, Area 63B, and the Anne deposits. These deposits are located on a series of north-south trending conductors that extend onto Titan's newly acquired claims. Another defining feature of the "Castle North" claims is its proximity to Cogema's past-producing Cluff Lake Mine (175 million lbs of U3O8 at 1.3%). Both the Castle North and Castle South Projects are road accessible which will enable Titan to complete exploration activities on these Projects on a year-round basis.

Knight

The Knight Project consists of five claims totalling 11,567 hectares (28,580 acres) and is located south of Hocking Lake on the Northern rim of the Athabasca Basin. The claims are located on the southern extension of the "Black Lake Property" (50% UEX / 50% Cogema). The Project area was formerly part of the "Riou Lake Project" as identified by UEX. Surface prospecting, geophysical surveys and diamond drilling on the Riou Lake Project have successfully identified areas of anomalous alteration, uranium mineralization, radioactive radon-bearing springs, and uranium-bearing boulders in till which suggest the Project area is prospective for unconformity-style uranium deposits.

King

The King Project consists of two claims totalling 11,339 hectares (28,019 acres) and is located directly south and contiguous with several Cameco Corporation claims in the western Athabasca Basin. This property has numerous conductors that will be high priority targets for further exploration activity.

Rook I, Rook II, Bishop I, and Bishop II Projects

These four Projects are grassroots projects that have a similar geological relationship to the Shea Creek area. Airborne MEGATEM has identified well-constrained, conductive zones and favourable structural components on each of these properties; however, it will take systematic geophysics and drilling to help clarify the potential of the Projects.

Financial

TUE raised \$3 million at \$0.50 with their IPO so they are well cashed up for exploration programs.

Summary

TUE can drill this winter in a uranium friendly jurisdiction (Athabasca) and they have a big land position their that they could also JV out to other juniors

Two properties in particular have good location - Castle North & Knight - both have strong conductors running through properties from adjacent known discoveries. The recent news from UEX highlights the potential.

In terms of junior uranium exploration plays, TUE is one of the more advanced, high-quality, drill ready prospects around. Titan President Phil Olson believes that, the Thelon Formation is an under-explored region with all the same geological features as the more highly explored, producing Mid-Proterozoic basins elsewhere in the world.

TUE is not just an average company; they have attracted senior geologists, named people and a good asset base. Phil Olson is well known by both Cameco and Cogema and the management team can make a real contribution not only on the promotional side of things but more importantly on the technical and financial end.

The stock has been as high as \$0.80; a break above this price would probably mean the start of a new move to higher prices.

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