



Mulga Rock joins WA's biggest uranium deposits



PETER KLINGER

Energy and Minerals Australia finally gave shareholders something to cheer about on Friday when it announced the long-awaited resource upgrade for its Mulga Rock uranium project north-east of Kalgoorlie-Boulder.

The 25 per cent increase in JORC-compliant resource to 27,100 tonnes of U3O8 confirms that Mulga Rock is one of WA's biggest deposits of the nuclear fuel.

But what prompted shareholders to mark the tightly-held stock up 10 per cent to 16¢ (EMA remains at its lowest levels in more than six months) was that the resource upgrade included for the first time uranium oxide from the Ambassador deposit's sandstone layers.

There has been considerable investor uncertainty surrounding Mulga Rock (and the main deposit Ambassador in particular) because the U3O8 identified previously sat within lignite mineralisation. It is an unusual occurrence for a WA uranium deposit and sparked questions of how to best extract the Mulga Rock U3O8.

But EMA has drilled beneath the lignite and hit sandstone, which also contains U3O8.

It has enabled EMA to now suggest an open pit mine to extract U3O8 within the lignite and a more conventional in situ recovery for the deeper ore contained within the sandstone.

More details on EMA's plans for Mulga Rock will be in the scoping study due next month. The study will address infrastructure sharing with the AngloGold

Ashanti-proposed Tropicana gold project development, which lies further to the north-east.

Masking all this positive news, of course, is the cloud still hanging over EMA courtesy of a legal challenge by shelf company Yarri Mining to wrest ownership of Mulga Rock. The WA Supreme Court of Appeal is to rule on Yarri's latest legal claim.

Yarri's beneficiaries remain unknown — the search goes cold in a non-descript office building in London — although there has been a suggestion one of WA's richest men is keenly interested in Mulga Rock.

FORTE WAITS ON JORC

Shareholders will be hoping that Forte Energy is about to head to the printers with its maiden resource statement for the Bin En Nar uranium asset in Mauritania.

It is almost two years since Forte and French uranium giant Areva signed a co-operation agreement about the Perth junior's Mauritanian assets. The focus was Bin En Nar, which has produced some exciting intercepts and assays grading as high as 6310 parts per million U3O8.

Under the terms of the agreement, signed on June 25, 2008, Forte had to produce a maiden JORC resource of between 60 million and 80 million pounds of U3O8 within two years for Areva to agree to a joint venture to advance development of the asset.

Since then Forte has been peppering the ground around Bin En Nar with drill holes although the size of the samples has led to delays with some of the assaying.

There has been no news, and therefore no reason, to suggest Forte

is not sticking with the two-year timetable. Coffee Mining has been on site in Mauritania to help prepare the JORC resource.

Forte's shares, at 11¢, are languishing in line with many explorers. Therefore, positive news out of Bin En Nar cannot come soon enough.

WHEATBELT TO IRON IT OUT

Greg Bromley's Mindax got a few Wheatbelt farmers excited last October when it said it may have discovered a new uranium province around Mukinbudin. That was based on drilling results that yielded intercepts of up to 1690ppm of uranium.

Now George Sakalidis reckons the Wheatbelt is home to more than just wheat and sheep.

His Magnetic Resources has just finished a first rock chip sampling program around Wubin and Dalwallinu and struck iron ore grading as much as 65.9 per cent.

At Dalwallinu only 9 per cent of the 154 samples analysed contained iron ore grades of more than 40 per cent hitting as much as 65.9 per cent.

The results were more widespread at Wubin where 32 per cent of 278 samples indicated the presence of 40 per cent-plus iron ore. The highest grade was 59.5 per cent.

The rock chip sampling has helped Magnetic identify eight iron ore target areas at Wubin which are expected to come into the mix when the junior deliberates on the make-up of its next drilling program.

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Wheatbelt: A potential uranium province at Mukinbudin and iron ore deposits at Wubin confirm the region is home to more than wheat and sheep