

Yellowcake debate back on the menu

Koba has acquired 5,100sq km of prospective uranium tenure next door to the Honeymoon mine in South Australia

With yellowcake prices showing no signs of slowing down and nuclear power looming as a crucial ingredient in the global quest to reduce emissions, calls to overturn uranium mining bans are growing louder by the day.

Federal and state politicians continue to trade barbs on the contentious topic and in May the Federal Opposition leader Peter Dutton came out in support of nuclear energy and uranium mining, pledging to build seven nuclear power plants across Australia if the Coalition won power at the next election.

Dutton's pledge followed calls from West Australia Liberal party leader Libby Mettam and the Association of Mining and Exploration Companies (AMEC) to overturn the state's current ban on permitting new uranium mining projects.

Cauldron Energy Ltd chief executive Jonathan Fisher believes regulatory authorities in WA are anticipating the state's ban on new uranium mining permits to be reversed, citing the ease at which the company was able to get drilling approval.

Cauldron's flagship Yanrey project is home to the 38.9mt @ 360ppm uranium Bennett Well deposit – 15km south-west of Paladin Energy Ltd's 25.9 mlb @ 850 ppm uranium Manyingee deposits.

"When the uranium ban was announced in 2017, you couldn't get a POW approved to go and drill uranium in WA, whereas now you can," Fisher told **Paydirt**.

"We're pushing pads at the moment and will hopefully have the rig mobilised up to site within the next couple of weeks. There has already been a practical change and in my view that's the bureaucracy saying, 'the policy is going to change pretty soon', so we had better make sure that exploration pipeline is full – we're going to drill 25,000m this year, at least."

In South Australia, where uranium mining and exploration is permitted, Boss Energy Ltd produced the first drum of uranium from its Honeymoon operation – 80km northwest of Broken Hill – in April, with plans to eventually ramp up to 2.45 mlbpa.

Boss' market cap has grown from \$37 million in 2015, when it acquired Honeymoon, to more than \$2 billion today and



the strength of the uranium price this year, hitting \$US106/lb in January, has undoubtedly helped the company capture the market's attention.

Koba Resources Ltd has established a 5,100sq km tenement package directly adjacent to Honeymoon. Managing director Ben Vallerine said the current market conditions for uranium were the best he had seen in a long time.

"Boss did extremely well because they purchased their assets when the uranium price was very low – about \$20/lb," Vallerine said. "Uranium funding is very easy to get at the moment. The money that was going into lithium needs somewhere else to go but now copper and gold are flying as well. I think the wider retail investors are definitely taking some gains from lithium and some of those guys are probably pretty nervous."

US-focused Peninsula Energy Ltd found its established Australian backers eager to jump onboard the company's recent capital raise in May, securing \$106 million from a predominantly Australia-Pacific institutional investor base with a small showing from North American and European parties through global mining investor Red Cloud Securities LLC.

Although later stage uranium projects are set to be the immediate beneficiaries of the uranium price upswing, Peninsula managing director Wayne Heili said the willingness of investors to commit to uranium projects at any stage indicated the strength of its long-term demand outlook, noting the ease of finding capital for early-stage projects had been a long time coming.

"It's been a decade since there's been good funding for exploration projects and there's been very little uranium exploration over that time. It wasn't really until 2022-23 that money started trickling back into that space and the first money did come to the near-term producers," Heili said. "Now, we're seeing growth in the number of companies raising money to do exploration and there's some good targets out there. More companies are putting uranium on their list of target minerals, there's definitely money for everybody in this space right now because the market fundamentals are tremendous."

In the US, China and even Japan, where a tsunami and subsequent meltdown of the Fukushima nuclear power plant caused the most recent uranium price dip, governments have outlined

plans to upgrade existing nuclear reactors and build more. China aims to increase its reactor capacity to 70GW before 2025 and has at least 23 new plants under construction, while the US Congress passed the Atomic Energy Advancement Act in March, potentially streamlining approval processes for new reactors if the bill gets through the senate.

Vallerine suspects the Australian Government's deal to acquire nuclear submarines as part of the AUKUS agreement may have included incentives for the country to supply uranium to the alliance's member countries, a theory made all the more plausible by the announcement of a US ban on Russian uranium imports starting in August this year.

Heili, who lives in Wyoming and is a US citizen, was confident the results of the upcoming US election would not affect the strong demand outlook for uranium.

"In the Senate, that bill passed by unanimous consent meaning all members approved the Bill – all Democrats and all Republicans," Heili said. "Who would have thought that nuclear energy would be the one topic both our political parties could agree on? Both parties are strongly in support of nuclear power and nuclear power generators are [Peninsula's] best and only customer, so the outlook for uranium continues to be positive no matter which party prevails in the presidential race."

Vallerine is confident in the potential of Koba's land position in what he now con-

Ben Vallerine



siders to be Australia's premier uranium district in SA following the closure of the Ranger mine in the Northern Territory.

He also believes WA's uranium mining industry could become very successful in a short time, pointing to the State's dominance of global lithium supply as evidence it was still one of the best equipped mining jurisdictions to quickly adapt to changing demand.

"I think the majors are already inter-

"There could definitely be a uranium mining hub up there – it's quite close to ports."

Fisher is passionate about rekindling enthusiasm for the WA industry and is well placed to reflect upon the State's on-again, off-again relationship with uranium mining. He said changing attitudes in the State reflect a nationwide shift in attitudes towards uranium mining and exploration, driven by the desire to reduce emissions



Cauldron Energy chief executive Jonathan Fisher (right) on site with a landowner

ested [in WA uranium projects], Cameco [Corp] has bought Kintyre and Yeelirrie, which was with BHP [Ltd] for a long time and [Deep Yellow Ltd] have put their foot on Mulga Rock," Vallerine said. "I think someone like Boss, who is not a major but is now a producer certainly might be interested in something in WA.

"All the major companies want to see a defined project and Boss is right next door to us. They don't want a piece of us now but if we find 30 mlb they might be interested. There are definitely assets in WA that would make money in that sort of situation. The area around Cauldron is particularly encouraging because Paladin has a rather large deposit up there and there could be 70 mlb in Cauldron's Yanrey licence.

but also to keep the country's resources industry on top.

"There's a land-grab in SA happening because it's open and easy to get on ground, there is activity in the NT but it's harder to get on ground and actually explore," Fisher said. "Queensland is still relatively low activity, although if the Labor Government gets turfed out in October, which a lot of people are expecting to happen, there will potentially be change in the uranium policy.

"There is a lot of activity in WA now, there has obviously been a change in sentiment within the state, in respect to the uranium policy and explorers are getting ahead of that curve."

– Michael Cameron