



# Utah jazz for White Canyon

On the back of delivering first ore from its Daneros uranium mine in Utah late in 2009, White Canyon Uranium Ltd plans to set a cracking pace in 2010.

Given its progress in the past two years it would take a brave punter to bet against the company achieving its ambitions this year.

Less than two years after listing on the ASX, White Canyon has managed to get its production wheels spinning and break a 30-year uranium duck in Utah.

Although there have been uranium mines started in the western state in that period, albeit smaller than Daneros, White Canyon's uranium licence was the first one granted in three decades.

Uranium mining boomed in the 1940s and 50s due to good prices, although declined in the 80s. Since the turn of the century there has been renewed interest in Salt Lake City's uranium sector.

Therefore, White Canyon's groundbreaking 2009 could spell the start of a new era for the industry with Australian yellowcake bakers attracted to Utah, White Canyon managing director Peter Batten told *Paydirt*.

"When uranium boomed a lot of people came into Utah because of its history and the known deposits sitting out there that are generally high-grade, smaller tonnage deposits," he said.

"A lot of companies came in and picked them up but didn't do anything with them. Now that we have our licence granted you might see a couple of Australian companies move into the area. That's because they know they can get a licence through. There's a little bit of competition in the area and there is certainly some optimism."

White Canyon has forecast a bullish outlook for 2010 with the fruits from the tree ready to be picked by March.

"We are able to stride out in 2010 and certainly after the first quarter of 2010 we should be able to make good progress. This year is about establishing our production and base revenue so we're not draining our funds."

The company wants to establish an off-take agreement, ideally with US domestic utilities who would offer a better mid-term contract than selling at spot prices, in the wake of negotiating a toll treatment contract with Denison, Batten said.

There is no doubt confidence is brimming inside the White Canyon camp and it is ready to kick on and consolidate its holdings in Utah with an exploration budget of \$US1.25 million in place.

Once the company has bedded down operations at Daneros it plans to dip into the funds to conduct three drill programmes and

one assessment programme on four of the five low-risk, advanced exploration projects in its portfolio.

"Each of them has historic reserves but we can't quote them because they are not JORC or NI 43-101 compliant. The estimates are

from the 1950s-70s and each one has a significant reserve or resource base on it and each has the potential to be expanded.

"Once everything is going well at Daneros and we've drilled out some of our other projects to a point that we are confident they will support mining and production we'll apply for our second mining permit in Utah and progress from there. 2010 is about getting our revenue base established first and then building our resource base through the projects we hold already."

Such is the company's confidence it expects to list on the TSX in January and is looking to negotiate for more tenements surrounding its assets.

In the meantime the company has based its operations around a four-year mine life at Daneros, where it hoped to produce 10 mlb uranium @ 5 lb/t over three years and extend its existence to 10 years while bringing its other projects on-stream.

Making the company's projects viable is the domestic appetite for uranium among US utilities, Batten said.

However, of the four conventional licensed uranium mills in North America, only Denison Mines Corp's White Mesa mill, 100km east of Daneros, is operational.

The growing popularity of uranium mining may force the regeneration of those mills

that remain idle and Batten is confident that yellowcake as a power source is set to blossom.

He is buoyed by the fact that Energy Fuels Inc has the Piñon Ridge mill in Colorado labelled "under development" by the US Department of Energy, and is set to process 500 tpd uranium subject to approval by Colorado State.

If Energy Fuels' mill gets the go ahead it will be the fifth conventional licensed uranium mill in the US sitting alongside White Mesa, General Atomics' Canon City (Colorado), Rio Tinto plc's Sweetwater (Wyoming) and Uranium One Inc's Shootaring Canyon (Utah). The latter three mills have been closed since the 1980s.

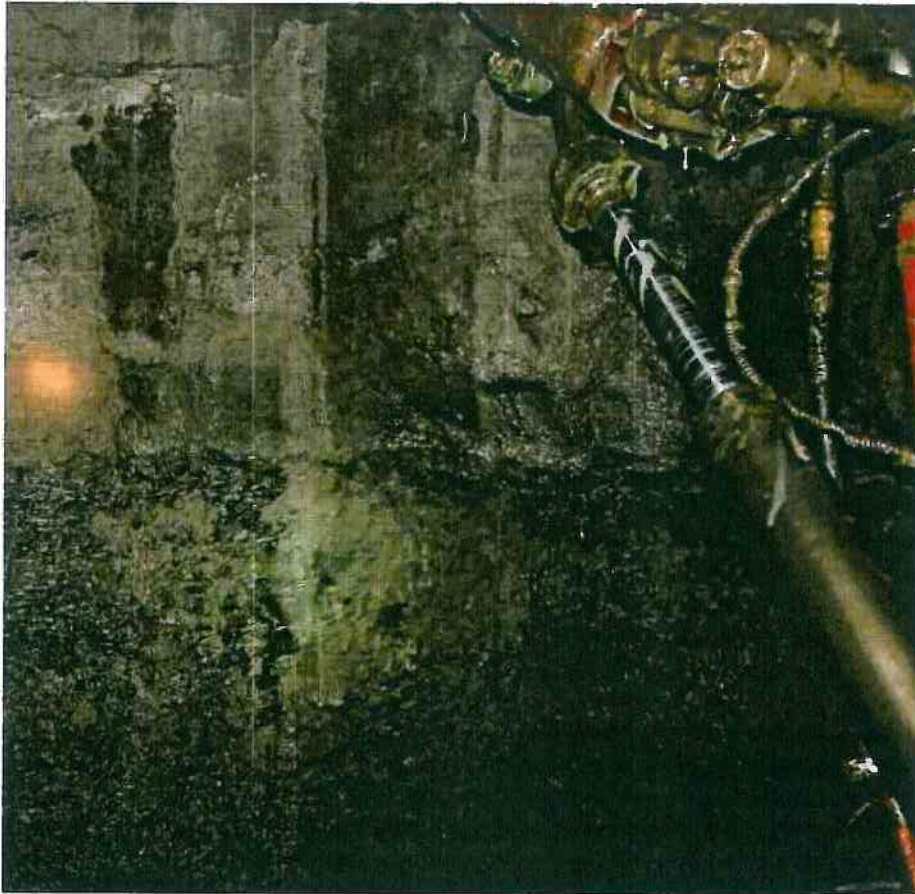
General Atomic and Uranium One have said recommissioning would be dependent on an abundance of supply to feed its mills, which would ultimately be determined by an inflated price for uranium.

"I think that the future of uranium is almost



written. The amount of reactors that are being built indicates that this will be the future in power," Batten said.

- Mark Andrews



Entering the ore body at Daneros, White Canyon's largest project