

Chile's Largest Uranium Company: U308 Holdings Stakes Its Claim To Future Greatness

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In a sense it's the same old story. Various US, UN and Chilean uranium companies and organisations had a look around in Southern Chile during the 1970s, but then Three Mile Island happened, followed by Chernobyl, and the bottom dropped out of the uranium market. After that the simple equation was: why bother with a metal like uranium in a country that's rich in copper almost beyond the dreams of avarice?

But in such unpromising circumstances are small companies born. It's all a question of timing. So, fast forward to 2007, and the uranium price has taken off once more. An opportune moment for Conrad Windham to cobble together a uranium company, and an opportune moment for Mike Parr to start browsing through old data in Chilean archives.

Let's start with Conrad. Conrad's not been around overly long in the mining sector. But that's not his fault - according to the listing documents U308 Holdings submitted to Plus Markets in January he's only 24. He might have had a birthday since then, but Minesite didn't presume to ask. So not a long track record; but make no mistake, he's no novice either. Constantly banging the drum for thorium in his guise as chief operating officer of All Star Minerals, he's also got an interest in Plus-quoted coal company Oracle Coalfields. He's also on close terms with Bob Young, boss of Agricola Resources and Beowulf Mining, who'll be presenting the latest updates on Beowulf at our September forum. In Bruce Rowan they share a backer, and in Edward Taylor they share a director. So Conrad runs the London end of U308, and for a small company that can be run lean and mean, he's the perfect man. He's been interested in investing since he was in short trousers, he knows a lot of people about town, and a lot of people know him.

Paired up with Mike Parr, with Conrad running the London end, U308 makes a lot of sense. That's because, and without being too indelicate, let's just say that it'll be another twelve years before Conrad puts on enough years to be even half Mike's age. Mike's a man with nearly 40 years of hard graft in the mining sector behind him. He lists Inco as the major former employer on his CV, but as a consultant he's also done work for Phelps Dodge, Rio Tinto, BHP Billiton, Antofagasta, Barrick, DOCEGEO, and the Chilean government-owned copper company CODELCO. He's been on the ground 14 years in Chile, and knew exactly where to look when his thoughts started turning to uranium when the price began to take off.

"It was public information", says Mike, "but it wasn't something you could access easily". Stalking the highways and by-ways of Chilean mineral bureaucracy Mike was able to pick up plenty of interesting prospects. It helped that even within Chile, he had a clear idea of geographical focus. He worked to two models, looking for prospects which showed indications of either matching the Massif Central model, or of matching the sandstone Shirley Basin Wyoming model. And he concentrated on the south of the country. "The ground was absolutely open", he says. "The high Cordillera is all pegged for gold and porphyry copper. You can peg around it and over the top of them, but in the south, we're off the beaten track in respect to any other form of exploration".

There are several advantages to that approach. There's no other exploration activity in the south of the country, so U308 has the field wide open to it. It won't get tangled up financing or administering any complex option agreements. And, with all the ground the company has now pegged, it can call itself the largest uranium company in Chile. Well now, there's hardly any uranium in Chile in any case - although there may be some in the IOCG prospects to the north - so this isn't an earth-shaking claim. It's nice enough to have as a USP though, and with the uranium price gradually ticking up once more, U308 may suddenly start to garner a lot more interest.

A lot depends on the exploration results, of course. So far it's been a mixed bag. The company came to market with an initial nine properties and has already dropped three of them. That rapid turnover hasn't overly alarmed anybody inside the company, but might need a small word of explanation to the wider market. The first four of the company's nine properties were picked up on what Mike refers to as "hard numbers". The other five, he says, were "a bit of an arm wave". On that basis, the fact that one of them has actually showed up as worthy of a second pass isn't bad going. In addition, in May U308 acquired a new property called Poñen, a uraniferous pegmatite target covering 2,400 hectares, 25 kilometres east of Concepcion. Work on Poñen will run alongside work on one of the original prospects, Peralilo, and Mike expects to have drill-ready targets within four months.

It's virgin territory, as there's been no previous drilling in the whole area. "We're generating baseline data as we go", says Mike. His aspirations? "I'd like to see a nice radon gas anomaly that was focused on a structure." Once targets are identified it'll be decision time. Depending on how good the targets actually look, U308 will either look for joint venture partners, or take them forward itself. Mike talks of conversations with stellar mining names like Luksic and Lundin, so that might be the way forward. A solo effort would require a change of pace in London: "If we wanted to drill these ourselves", says Conrad, "it would be a progression to Aim". Plus is okay, he says, but the hard truth is that Aim presents more funding options. An Aim listing oughtn't to present too many problems. We're a long way from Three Mile Island now - it happened before he was even born. And with his short but wide experience, marketing Chile's biggest uranium company ought not to be too hard a sell.