

Looking up: ASX silent on reasons for Tony D'Aloisio's big payout.

Labor about-face fires up uranium

JULIE-ANNE SPRAGUE

Analysts have predicted another rush of uranium floats and increased corporate activity in the sector after Kim Beazley's about face on uranium mining, which yesterday sent investors racing to buy shares in yellowcake explorers.

Three new floats are already in the pipeline with many expected to follow as companies look to take advantage of booming uranium prices and a potential green light for uranium mining after Mr Beazley said Labor should lift its ban on new uranium mines.

"I think we will see some more spin-offs, some more floats and probably a bit more activity from overseas parties interested in taking over some of our juniors because if the Government has no opposition to selling it then it makes a hell of a lot more sense to spend money looking for it," DJ Carmichael director Mike Munro said.

Floats in the pipeline include the Denis McNerney-backed Yellow Rock Resources, which will seek to raise \$2.5 million for projects in WA and the NT. Uranium King and uranium play Burey Gold will also be chasing cash.

Investors added more than \$200 million to the combined value of uranium stocks, shrugging off comments from several Labor State premiers, including Alan Carpenter, who said their States would not allow uranium mining.

Nova Energy shot up 11 per cent, or 13¢, to \$1.28, Newera Uranium climbed 4¢ to 35¢, U308 put on 7¢ to 48¢, Summit Resources added 9¢ to \$1.59 and Compass Resources gained 10¢ to \$3.60. WA market leader Paladin Resources added 22¢ to \$4.21 while Toro Energy surged 14 per cent, or 10.5¢, to 86¢ after revealing a \$3 million farm-in deal with Stellar Resources, which gained 2¢ to 42¢.

Delta Securities director Nathan Bar-

THE MOVERS

		PRICE	CHANGE
U308	7¢	48¢	17%
Newera	4¢	35c	13%
Nova Energy	13¢	\$1.28	11%
Summit	9¢	\$1.59	6%
Toro	10.5¢	86¢	14%
Paladin	22¢	\$4.21	5.5%

barich, who is putting the finishing touches to a prospectus to raise \$5 million for Kalgoorlie Boulder Resources' uranium and gold spin-off, Burey Gold, said sentiment had returned to the sector.

Mr Barbarich said it would be at least four to five years before most explorers entered production but investors were willing to ride out the journey.

"Paladin went from 1¢ to an awful lot a long time before they were ever going to mine their uranium and sell it," he said. "The world is only going one way and that is towards acceptance of nuclear power and that will obviously create the demand and make it untenable for governments to continue to block mining."

Bell Potter Securities adviser Simon Winter is part of a team planning to raise \$6 million for Uranium King, which he said had a JORC compliant uranium resource of six million pounds in the US.

Mr Winter expects many more uranium plays to hit the market but emphasised that investors needed to do their homework before diving in.

"What is important though is the grade and how deep it is and how easy it is pull out of the ground and that is where a lot of them fall down," he said.

Hartleys resources analyst Andrew Rowell said Mr Beazley's comments had opened a window for new mines.