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A glowing alternative fuel

In Quebec, Niger and elsewhere around the world, there's a growing market for uranium exploration

By Brian Truscott in Vancouver

VANCOUVER -Uranium plays the world over are now a common sight: U.S. analyst James Dines got it very right back at the start of the year when he was calling for US\$100-plus prices for a pound of the stuff, thanks in part to increasing demand for alternative energy sources.

Well-known players such as Cameco Corp. (CCJ/NYSE) and Areva (CEI/EPA) were just two of the few high-profile companies dealing in yellow cake at the start of the decade. That's now changed, with hundreds of companies poking and prodding various basins around the world.

Enter Northwestern Mineral Ventures Inc. (NWT/CVE), a TSX Venture-listed company primarily active in Niger and Quebec -- two of the world's key uranium-rich destinations.

"We've specialized in acquiring large land positions in districts known for uranium deposits. We're not interested in small land packages around the world and that's why we've focused on Niger and Quebec," said Marek Kreczmer, Northwestern's president and chief executive.

This has created a perfect storm, of sorts. In June, Northwestern signed a 50/50 joint-venture agreement with another uranium play, Uramin Inc. (UMN/LON), forming a new company that will soon be listed on the London Stock Exchange Group PLC's Alternative Investment Market.

The deal -- and the business -- is all about eight highly prospective claims in Niger, a country that started giving out new uranium licences in early 2006, of which Northwestern was one of the first.

"At the time, we were looking for a partner -- it was a strategy to minimize geological and political risk and to find [a company] well positioned to operate in Africa," Mr. Kreczmer said.

That strategy has paid off, for a number of reasons. The Uramin deal came just before another deal: Areva's US\$2.5-billion deal to buy Uramin. That didn't alter Northwestern's Uramin agreement, which put US\$4-million into its coffers plus a 38.5% interest in what will be a listed U.K. company.

"It's going to be a pure Niger uranium play -- that's unique and it's one which is well-funded," Mr. Kreczmer said.

Areva's arrival also means serious access to additional historical data as well as a potential entry into other parts of Africa, he said. It doesn't hurt that Areva already has two uranium producing mines in Niger.

Mr. Kreczmer said Northwestern has board control of the new company, yet to be named, during the current exploration phase. "But once we hit the pre-feasibility phase, Uramin will take over operations," he said. "We are explorers and have no ambitions of being builders."

Ultimately, Northwestern should end up with about 35 million shares in the new joint-venture company. If the stock does well in the market, it will only help fuel the company's other core play in Canada.

"Yes, if it does well, we could be a cash-rich company," he said. "We would then make the decision to fund the company's operations and/or pay our existing shareholders."

Coincidentally, Northwestern's Quebec property is adjacent to an Areva-owned site that's about four or five times the size of Northwestern's own 800-square-kilometre claim, where Mr. Kreczmer's team has already identified 20 potential targets for further exploration.

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