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Yellowcake frenzy a mark of global hunger

You just can't get enough exposure to uranium, **Robin Bromby** writes

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FEDERAL Labor's plan to scrap its three-mines uranium policy seems to have unleashed a new round of yellowcake frenzy.

And not just here.

Perth brokers have been approached by a large Hong Kong sharebroking firm looking to organise a \$100 million float on the Hong Kong exchange.

The plan is to acquire uranium projects in Australia and elsewhere and, through a Hong Kong listing, afford Chinese investors exposure to uranium.

Back home, more initial public offerings are under way, one involving a director who ran foul of the Australian Securities and Investments Commission last year.

ASIC obtained a permanent injunction against David Zohar and his company, Swancove Enterprises, from operating an unlicensed financial services business after allegations of their involvement in spruiking shares in Red River Resources, Corella Oil and Australian Biogen. Swancove had used a bulk mailing company to send unsolicited letters to more than 55,000 people offering shares in these companies.

Mr Zohar is running an \$8 million IPO by Uranium Oil & Gas. He has been involved in many floats, starting with Fortuna Gold in 1987 and several since, including Greenstone Resources (now Red 5) and Red River. UOG's portfolio includes the Bungalow Well uranium target, 130km from BHP Billiton's Yeelirrie deposit, and uranium and oil projects in the Northern Territory.

An enthusiastic Mr Zohar told *The Australian*: "I have never seen anything like it."

Investors had mailed cheques even before the prospectus was released and applications were now clogging his fax machine.

Mr Zohar said the ASIC move involved what he called a technicality, and was absurd.

"ASIC's having a go at virtually everyone these days."

The latest IPO to hit the market is a \$5 million raising by Venture Minerals, gearing up to drill its Churchill Dam copper-gold-uranium target located, it says, on the same corridor as Olympic Dam. Venture also holds uranium tenements near Redport explorations in Western Australia.

Eromanga Uranium on Friday launched a \$15 million IPO, offering exposure to projects in both South Australia and the Northern Territory.

Next year's Australian Labor Party conference is likely to endorse a plan by leader Kim Beazley to ditch the three-mines limit that had been imposed by Bob Hawke's Labor government.

While the Queensland and West Australian state Labor governments remain opposed to

uranium mining in their states, investors are expecting that resistance will be overcome within the next few years.

Drilling continues apace -- as does land acquisition, with advanced explorer Summit Resources stitching up another 12,000sqkm of prospective ground in Queensland.

Summit, with advanced uranium projects around Mt Isa, will manage exploration of land between Mt Isa and the Northern Territory border. It has brought in listed Newland Resources, which will stump up \$5 million for a half share.

Last Monday, Newland was queried by the Australian Stock Exchange after its share price jumped from 17c to 24c. Newland said it knew of nothing to explain recent trading.

And there have been more good drilling results.

Alliance Resources, a junior partner with an arm of General Atomic of the US -- the operator of the Beverley uranium mine in South Australia -- reported grades as high as 1.657 per cent from the adjacent Beverley 4 Mile prospect.

Another operator, Scimitar Resources, reported grades as high as 0.13 per cent at its Yanrey deposit in Western Australia.

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