



## [ABC Online](#)

### **Inside Business - 08/10/2006: Investors excited by uranium exploration boom**

[This is the print version of story <http://www.abc.net.au/insidebusiness/content/2006/s1770644.htm>]

JAYNE EDWARDS: After years out in the cold, uranium is in the grips of a new boom, helped along this week by the Prime Minister's comments about nuclear power. It's all terrific timing for Uranium SA, which listed on the stock exchange on Wednesday at a very handy premium. But does the reality match investors' growing expectations for the sector?

RUSSEL BLUCK, CEO, URANIUM SA: There's no guarantees in any of this. This is the absolute blue-sky end of exploration. My primary task is to explore them, discover any uranium that's there, and develop it through.

JAYNE EDWARDS: Russel Bluck is a geologist and the managing director of Uranium SA. A veteran of the Poseidon boom, he's worked on numerous start-ups in the last 20 years, but Uranium SA is the first he's carried through to listing.

RUSSEL BLUCK: The exploration space is very crowded. There are more limited areas of ground that have higher uranium prospectivity than others, and it's for that reason that a large part of our tenure package is done by joint venture. Obviously, the best ground is taken up first.

JAYNE EDWARDS: He approached Marathon Resources and Stellar Resources last year about a uranium joint venture. They agreed in January, and he then assembled a board, which is headed by former Mitsubishi CEO Tom Phillips, and includes former taxation institute head Alice McLeary and Xu Gang, who's an independent consultant to the Chinese National Nuclear Corporation.

RUSSEL BLUCK: He's an important asset to the Australian uranium industry in connecting back into China. This is a position that he's taken as, "Xu Gang, an individual".

JAYNE EDWARDS: The company will explore along an ancient riverbed in the Gawler Craton, near the town of Tarcoola in northern South Australia. Last month's IPO of 30 million shares at 20 cents each was snapped up.

RUSSEL BLUCK: The public offer was very heavily pursued, and filled within one and a half, two days of the opening date, which caught us a little by surprise, to be honest.

JAYNE EDWARDS: The price at listing rocketed up to 30 cents. By Friday's close, it had settled to 25.5 cents. Russel Bluck holds around 6 per cent of USA's shares and has deliberately structured the company so the board and management don't have substantial equity. It's the sixth small uranium stock to list in the last two months, but he defends the exploration boom.

RUSSEL BLUCK: Most of the stocks that have been strongly supported have got good technical backing. The only concern I suppose is that it's a speculative market, and all speculative markets end. (Laughs) I've been through most of them. The crashes are painful. There may be something different about this one, in that there's a real demand driving this whole resources and economic cycle. There are a lot of other countries in the world that can supply uranium - if our political settings aren't able to deliver adequate amounts of uranium to the market, the market will take them from these other sources.

JAYNE EDWARDS: In the meantime, Uranium SA will soon begin searching 7,500 square kilometres of the Outback for a uranium deposit that might only be a couple of hundred metres square.

RUSSEL BLUCK: It's been very intense and hard work. Yes, I'll be glad to see the end of it. But it's part of the process of bringing a company into existence - it's the first stage of it - and the trick is to know that once this is over, the business part of the company starts to roll out. I'll be back out as soon as we clear the debris of the listing party and on the ground, getting the exploration rolling, organised and done.

ALAN KOHLER: Uranium and media has a bit in common - they've both got a lot of speculation. Jayne Edwards reporting there. And that's it for the program. Transcripts of all today's stories and interviews will be available at [abc.net.au/insidebusiness](http://abc.net.au/insidebusiness). Thanks for your company. See you next week. And now back to Barrie and the *Offsiders* team.

© 2010 Australian Broadcasting Corporation

Copyright information: <http://abc.net.au/common/copyrigh.htm>

Privacy information: <http://abc.net.au/privacy.htm>