

Uranium Potential to be Developed at Arctic Fox and Isbjorn Properties in Australia

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VANCOUVER, Sept. 15, 2021 - [MegaWatt Lithium and Battery Metals Corp.](#) (CSE: MEGA) (FSE: WR20) (OTC PINK: MEGAW) (the "Company" or "Megawatt") has decided to accelerate developing the uranium potential at its Arctic Fox and Isbjorn properties in the Northern Territory, Australia. This follows the receipt of an interim report from the geology team highlighting the significant uranium potential within both properties based on reconciling high-grade historical surface readings with observations following field reconnaissance and sampling program (refer to Megawatt Completes Fieldwork at Arctic Fox and Isbjorn Rare Earth Properties on September 9, 2021).

The Board has decided that developing the uranium and rare earth element potential of both properties concurrently can create significant incremental shareholder value. Moreover, this decision is timely as it coincides with rapidly improving fundamentals for the uranium sector which has propelled the contract price to multi-year highs. Further, the Northern Territory government is pro-uranium mining - a stance which it has maintained since 1953.

Cyclical upturn for uranium

Megawatt's Board notes that over the past 15-months, the uranium contract price - negotiated privately between buyers and sellers - has increased significantly and is now trading at multi-year highs (circa US\$42/lb)¹. Notably, a confluence of factors - including decarbonisation policies, new reactors coming onstream, COVID impact on supply, and moderating global inventories - have underpinned the uranium price re-rate.

In a recent research note, global investment bank, Morgan Stanley², predicted the uranium price to reach US\$48/lb by 2030 due to several factors:

- Steady increase in global nuclear capacity achieving a 1.7% CAGR 21-25 (factoring in China adding 22GW to 70GW by 2025) then 2.5% CAGR 26-30;
- An expert panel recommending the EU designate nuclear power a green investment which would boost interest in nuclear and
- Structural uranium market deficit due to several mines closing over the last 12 months.

Northern Territory: Favorable jurisdiction for uranium mining

The Northern Territory has some of Australia's best-known and high-grade uranium deposits. Moreover, the Northern Territory government has a long history of allowing uranium mining³, which commenced in 1953.

Significant uranium potential

Encouragingly, both Megawatt's properties are in a region with supportive mining communities and excellent transportation infrastructure to the port of Darwin. Further, the Arctic Fox and Isbjorn properties have significant exploration potential for uranium mineralization (refer to Megawatt Provides Further Investigative Data for Uranium and REE Prospectivity for Australian Territory on May 31, 2021⁴). Notably, historic surface samples within the tenure provide ready target areas for further exploration.

Most of these sites were visited during the geology team's recent field reconnaissance and sampling program to the Arctic Fox and Isbjorn Projects (refer Figure 1). The assays are expected to be returned within the next few weeks which should provide clarity on which areas to focus on developing moving forward.

Arctic Fox Project

The property is contiguous to Arafura Resources' (ASX: ARU) world-class Nolans Bore Deposit, which is a rare earth

element-phosphorus-uranium fluorapatite vein system. The mineral resource at Nolans Bore comprises 56Mt @ 2.6% rare-earth oxides 162ppm U₃O₈ (0.42 lb/tonne U₃O₈) - this translates to circa 9,062t uranium oxide⁵. Further, the Nolan Deposit will encompass a mine, process plant and critical infrastructure, with commissioning slated for 2022.

Assayed samples of scree material from gneiss source rock, within the middle of Artic Fox, returned the following high-grades⁴: Sample ID N1-4A: 1,000ppm U equating to 1,179ppm U₃O₈; and Sample ID N1-4B: 690ppm U equating to 814ppm U₃O₈.

Incrementally, two assayed rock chips found in ARU's ground, which are on a contiguous NW-SE radiometric trend in borehole properties, returned encouraging results⁴: Sample #1 ID 5429731: 650ppm U equating to 767ppm U₃O₈; and Sample #2 ID 5423492: 270ppm U equating to 318ppm U₃O₈.

Reinforcing the region's uranium potential, the Colonial Metals Group (private), which owns a sizeable footprint directly adjacent to Artic Fox, potentially has several economic orebodies within its tenure according to a 1973 study⁶.

Isbjorn Project

Within the Isbjorn property, there are assayed alluvial and stream sediment samples at five locations⁷ which are all significant and require further on-site follow up. These clearly highlight the exploration potential for U₃O₈ mineralization, including:

Sample #1 ID 152798: 593ppm U equating to 699ppm U₃O₈; Sample #2 ID 132967: 302ppm U equating to 356ppm U₃O₈; Sample #3 ID 132966: 292ppm U equating to 344ppm U₃O₈; Sample #4 ID 152799: 514ppm U equating to 606ppm U₃O₈; and Sample #5 ID 152800: 586ppm U equating to 691ppm U₃O₈.

David Thornley-Hall Chief Executive Officer commented: "Following the receipt of the geology team's interim report, we have decided to accelerate developing the uranium potential of the Artic Fox and Isbjorn Projects. Clearly, both properties are highly prospective for uranium mineralization, evidenced by numerous high-grade surface samples that reconcile with the observations from the recent field trip. In addition, the fundamental outlook for uranium has improved significantly this year, while the projects are located in a region with first rate infrastructure and jurisdiction which is pro-uranium mining."

Qualified Person

Mr. Geoffrey Reed (MAusMM (CP)) (MAIG), Consultant for the Company, is a qualified person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects and has reviewed the scientific and technical information in this press release.

References

1. Spot Uranium Price. Available at: <https://www.bloomberg.com/news/articles/2021-09-08/uranium-surges-to-six-year-high-as-fund-buys-up-physical-uranium>
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3. Resourcing the Territory. Available at: <https://resourcingtheterritory.nt.gov.au/minerals/mineral-commodities/uranium>
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5. Arafura Resources Limited 2015 Annual Report. Available at: <https://www.arulld.com/investor/asx-announcements-2021/asx-archive.html>
6. The Australian Mineral Development Laboratories (CR 74/19) Sixth Progress Report MP 4976/73 Geochemical Survey of the Arunta Area Amdel (December 1973)
7. Crossland Nickel Pty Ltd - Report Number CR2016-0105

Technical Information

All scientific and technical information in this news release has been prepared by, or approved by Geoffrey Reed, (MAusMM (CP)) (MAIG), Consultant for the Company. Mr. Reed is a qualified person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Mr. Reed has not verified any of the information regarding any of the properties or projects referred to herein other than those specifically mentioned.

Fox and Isbjorn Properties. Mineralization on any other properties referred to herein is not necessarily indicative of mineralization on the Arctic Fox and Isbjorn Properties.

The data disclosed in this news release related to sampling results is historical in nature. Megawatt has not undertaken an independent investigation of the sampling nor has it independently analyzed the results of the historical exploration work to verify the results. Megawatt considers these historical sample results relevant as the Company will use this data as a guide for future exploration programs. The Company's future exploration work will include verification of the data through further

About MegaWatt Lithium and Battery Metals Corp.

MegaWatt is a British Columbia based company involved in the acquisition and exploration of mineral properties in Canada. The Company holds a 100% undivided interest, subject to a 1.5% NSR on all base, rare earth elements and precious metal properties, including the Cobalt Hill Property, consisting of eight mineral claims covering an area of approximately 1,727.43 hectares located in the Skeena Creek Mining Division in the Province of British Columbia, Canada. Additionally, the Company has acquired a 60% interest in a company that indirectly holds a 100% interest (subject to a 2% NSR) in two prospective silver-zinc projects in Australia, the Tyr Silver Project and the Century South Silver-Zinc Project (see press release dated August 13, 2020), an indirect 100% interest (subject to a 1% NSR) in and to certain mining tenements in Northern Territory and New South Wales, Australia prospective for nickel-cobalt-scandium and rare earths and a 100% interest (subject to a 2% NSR) in and to the Route 381 Lithium Project comprised of 40 mineral claims located in James Bay Territory, north of Matagami in the Province of Quebec, covering approximately 1,727.43 hectares (see press release dated February 3, 2021).

Investors can learn more about the Company and team at <https://megawattmetals.com>.

The CSE does not accept responsibility for the adequacy or accuracy of this release. This press release includes "forward-looking information" that is subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements may include but are not limited to, statements relating to the trading of the Company's common shares on the Exchange and the Company's use of proceeds and are subject to all of the risks and uncertainties inherent to such events. Investors are cautioned that any such statements are not guarantees of future events and that actual events or developments may differ materially from those projected in the forward-looking statements. Such forward-looking statements represent management's best judgment based on information currently available. No securities regulatory authority has either approved or disapproved of the contents of this news release.

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