



## Funds See Uranium Outpacing Oil, Metals

Houston, TX - (AXcess News) - Nov. 6, 2006 - With lagging oil prices and metals pretty much at their peak, fund managers are looking to uranium as the next wave, believing that a rally in uranium stocks is due as the world's energy supply limitation pushes uranium spot prices higher.

Bloomberg reports that New York-based Firebird Management LLC began buying shares of uranium producers five years ago. "We're in a global nuclear revival," Firebird's James Passin said.

James Dines, who publishes the Dines Letter says uranium prices could hit \$70 to \$100 a pound. "Naturally, the higher the uranium price goes, the more valuable the ore deposits of uranium -mining corporations become," said Dines.

After a flood at Cameco Corp.'s Cigar Lake mine, uranium prices jumped 7 percent last week to a record \$60 per pound.

TradeTech, which is the first to report on uranium spot prices, said Cameco's flooding stalled an anticipated 18 million pound uranium production from its Cigar Lake mine that is putting a crimp in future supplies. TradeTech's Gene Clark says fundamentals support higher prices.

According to Clark, "Buyers have a brief window of opportunity to obtain uranium at prices that will likely be considered a bargain in the not-too-distant future."

Sprott Asset Management's Bob Mitchell concurs, saying uranium is likely to rise to \$70 per pound by January. Sprott is invested in uranium stocks to the tune of \$180 million.

Much of the growing demand for uranium is coming from the move to nuclear power as a means of meeting growing energy demands, so much so that the United Nations nuclear watchdog, the IAEA, says that nuclear energy is now supplying 16 percent of the world's energy and that there are 28 reactors under construction that will add to the 442 already in service. That, says IAEA Chief Mohamed ElBaradei, is going to put an even greater demand on supply.

While funds are starting to take positions in uranium stocks, Bayswater Uranium Corporation (TSX Venture: BAY.V) on Monday completed an \$8 million private placement, which Bayswater says will be used for general exploration expenses. A second private placement for an additional \$2.25 million is expected to close shortly.

Bayswater is on Dines' radar screen and its shares have climbed over 30 percent since mid-October, getting a boost from the Cameco flooding news, rising spot prices and mostly its own acquisition trail of properties.