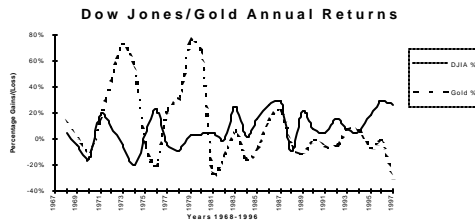




Energy & Energy Tech Stocks



Western Uranium Corporation



Business: Uranium exploration and development company with projects in NV, NM, and Canada.

Traded Toronto Venture:	WUC
Pink Sheets:	WURNF
Shares Outstanding:	33 Million
Fully Diluted:	51 Million
Price 1/31/07:	US \$2.29
Market Capitalization:	US\$76 Million
Working Capital:	\$10 Million
Uranium Resource*:	31 Million lbs.
Progress Rating:	"C"
Telephone Number:	604-669-6446
Web Site:	www.westernuraniumcorp.com

*Historical resource is not yet 43-101 compliant

Western Uranium Corporation (WUC) is an example of why it pays for your editor to invest a few days of travel time to attend investment conferences. My partner Roger Wiegand (editor of *Trader Tracks*) happened to meet up with Pamela Klessig, president, CEO, and director of Western Uranium Corporation and suggested she tell me about Western Uranium Corporation, a company with a historical uranium resource of 31 million pounds and loads of exploration potential. Because the uranium assets were spun into a public company only last April, the story has not yet been told. We feel fortunate to have picked up on this story early, before it becomes widely known. Assuming the price of U₃O₈ remains strong (as we expect it will) and the company is able to upgrade and expand its historical resource (which we also expect), anticipate these shares trading substantially higher over the next several months and years.



WUC has three projects in the U.S., the most advanced being the **Kings Valley Project** in northwestern Nevada. Also located in northwestern Nevada is the **Virgin Valley Project**. The **Treeline Project** is located in northwestern New Mexico. And the company has a high-grade target known as **Ruby Hill** in the **Thelon Basin** in Canada's Nunavut Province. Management believes the three U.S. projects have the potential to host upward to 120 million pounds of uranium or more, based on exploration results to date and remaining exploration potential. The Ruby Hill

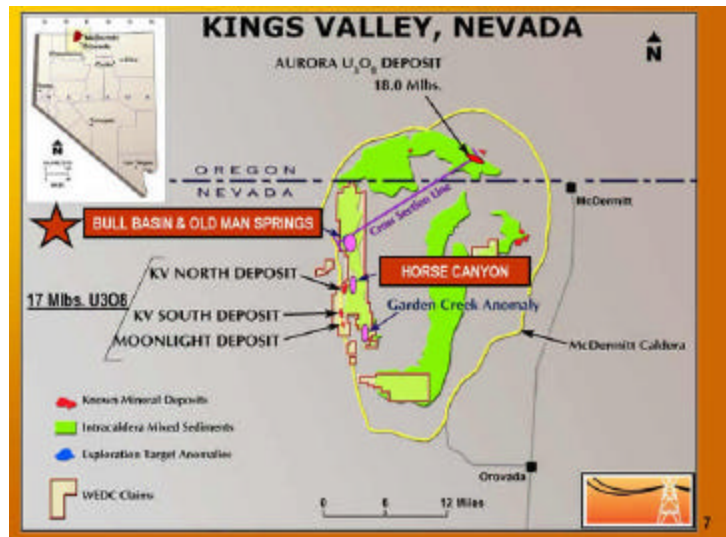
Project is the most “grass roots” of all, but it also may have the best shot at a monster, high-grade deposit. Following is a brief discussion of the company’s properties and their prospects.

Kings Valley Uranium Project **Humboldt Co., Nevada**

This property is located along the western margin of the McDermitt Caldera, Humboldt County, Nevada. Based on work carried out by Chevron Minerals and the Anaconda Company during the 1970s and 1980s, this property has a historical uranium resource of 17.4 million pounds, which at current prices would have an insitu value of \$1.28 billion.

Chevron Minerals first discovered uranium on the property in 1975, and by 1980 it had defined 11.4 million pounds in two deposits, those being known as the KV North Deposit and the KV South Deposit. The average grade of was 0.10%, or two pounds per ton, worth about \$144 per ton at current uranium prices.

In November 2005, WUC acquired two claims covering the Moonlight Uranium Mine. These claims are surrounded by WUC’s claim block. The Moonlight Mine deposit lies 1.4 kilometers along strike to the south of the South Zone defined by Chevron. The Moonlight Deposit was discovered by the Anaconda Company during the late 1970s. An internal document reports that nearly 5.7 million pounds of uranium occur in this area.



During 2006, WUC began a six-hole Phase I drill program that successfully confirmed prior values put out by Chevron Minerals, though we hasten to add that not enough drilling has been carried out yet to qualify resources numbers as being NI 43-101 compliant. Still, these numbers are very encouraging and given the fact that results of last year confirm not only good uranium values but also silver and molybdenum mineralization over a strike length of approximately six kilometers, it isn’t difficult to see the potential for Kings Valley to shape up as a sizeable uranium deposit. And with that should come a much higher price for the stock, with an aggressive drill program scheduled for 2007 when the company hopes to further expand the existing mineralized zones and thus increase the resource in the North Drill Area, the South Drill Area, and around the Moonlight Mine Area.

Also, WUC is continuing to test methods of uranium detection over large portions of the Project Area. In the expansion of areas tested utilizing Track Etch, alpha meter and geophysical techniques have identified additional areas for drill testing. The expansion of the areas tested has identified several areas of exploration. One factor that isn’t going to bring any additional value to the stock right now is that a considerable amount of data collected by Chevron is in the hands of WUC and that should help in drilling efforts to build the Kings Valley Project into a sizeable uranium deposit with possible silver-and molybdenum credits.

The Virgin Valley Project **Humboldt Co., Nevada**

The Geological Society of Nevada has reported an exploration target that contains more than 20 million tons grading 0.03% U₃O₈ for over 12 million pounds. The company has started the permitting process to begin drilling this property by the spring of this year.

WUC staked 68 federal lode claims in Virgin Valley following a detailed literature review of documents available at the GSN and the Nevada Bureau of Mines and Geology (NBMG). NBMG Open File Report 96-3 details academic investigations into the Virgin Valley uranium occurrence, while GSN Special Publication #7 quotes an Exxon-developed resource of “>20 million tons at an average grade of 0.03%.” Reportedly there are pockets of higher-grade material on this property. The company has completed preliminary surface work over the Virgin

Valley Project area and several strongly radioactive zones have been identified. Surface sampling of the area has returned values of 1.0% U_3O_8 . While this project is not as advanced as the Kings Valley Project, it clearly has great exploration potential and thus potentially great value to shareholders.

The Treeline Property **Cibola Co. & McKinley Co., NM**

The Treeline Property is located in the east central portion of the prolific Grants Uranium Belt in northwestern New Mexico. Over the past 60 years, the Grants District has produced over 340 million pounds of uranium. Historic estimates indicate that approximately 2.0 million pounds of uranium are present within the Section 24 lease area of the Treeline Property. Six drill holes completed in 2006 confirmed uranium mineralization previously identified by Conoco Resources. A Plan of Operations for up to 47 exploration drill holes has been submitted to the U. S. Forest Service, and drilling is scheduled to begin in summer 2007.

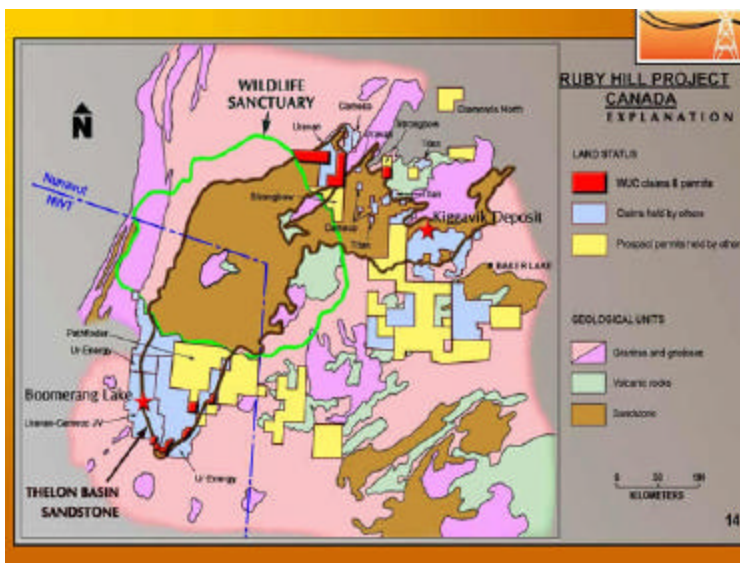
This project includes 480 acres of private land leased by WUC and approximately 3,380 acres of lode mining claims located by WUC. The property was originally drilled by Conoco and others during the early to mid 1970s. Treeline is on trend between two past uranium producers, the Marquez Mine and the San Mateo Mine, whose combined production was over 6.5 million pounds of uranium at +0.20% U_3O_8 . Uranium mineralization on the Treeline Property lies at a depth of between 500 and 1,000 feet and is below the water table. This setting suggests that portions of the deposit may be amenable to relatively low-cost, insitu leach (ISL) recovery methods.

Contained in the acquisition was a substantial historical database compiled by Conoco for the Treeline Project and that data has been reviewed by WUC and now digitized. Also, the TSX.V has accepted an NI 43-101 report on the project prepared by Mine Development Associates of Reno, Nevada, and the company is now in the process of bringing Conoco's historical resource figures into compliance with NI 43-101 requirements.

A Plan of Operations has been submitted to the U.S. Forest Service for 47 drill holes to expand the uranium resource found by Conoco and others. The small orientation survey initiated in 2006 will be expanded. The program included both modern and historical methods of detecting uranium mineralization. The goal is to identify additional fluvial channels containing uranium mineralization.

The Ruby Hill Project **Thelon Basin, Nunavut**

The Ruby Hill Project covers approximately 486,000 acres in the Thelon Basin. Western Uranium has exploration rights on nine prospecting permits covering 355,000 acres in Nunavut. These permits are located along the north and northeast perimeter of the Thelon Sandstone Basin. On the south end of the Thelon in the Northwest Territories, the company has three claim groups covering 87,500 acres along the south and southeast edge of the Thelon Sandstone, along with one prospecting permit covering 44,172 acres.



The Thelon Basin was formed at the same time as the prolific Athabasca Basin was formed, and geologists view Thelon as essentially a carbon copy of the Athabasca Basin, from which approximately 30% of the world's uranium is currently being mined. Some of these deposits are incredibly high-grade. We know for sure that the Thelon Basin is mineralized with uranium. Areva has discovered the Kiggavik Deposit, which reportedly contains 50+ million pounds of U_3O_8 grading 0.65%. And the Uravan/Cameco joint venture identified uranium in the southern end of the Thelon where a drill hole cut 0.5 meters grading 0.50% U_3O_8 , 22.4 grams gold/tonne, and 12.3 grams silver/tonne. This prospect is said to

have a number of similarities to the complex, unconformity-type deposits of the Athabasca Basin such as the Key Lake and Cigar Lake deposits. On the basis of its geology and uranium discoveries so far, the Thelon Basin is believed to have the potential to host major uranium deposits. Certainly the Thelon Project is the earliest-stage project for WUC, but it may well hold the greatest potential to host one or more very high grade uranium deposits.

An airborne, deep-penetrating, electromagnetic (EM), and magnetic survey was completed over the entire property during the latter part of the summer of 2006. Preliminary results from this survey have identified a number of strong conductors along structural corridors that appear to be similar to the types of conductors associated with unconformity-type uranium deposits found in the Athabasca Basin. Plans are underway to follow up on some of these conductors using ground geophysical surveys, as widely used in the Athabasca Basin, to assist in defining zones for drill testing. Depending on the results from the ground survey, the next phase of exploration is expected to consist of core drilling to test for alteration and mineralization.

MANAGEMENT

WUC's management team is heavy on exploration talent. As such, the company's focus is on exploring, developing, and expanding the projects noted above, with a view to taking those projects as far toward or through the feasibility stage as possible. Our expectations are that as the company successfully develops those projects, WUC could be a takeover target of a major, especially given the company's potential to outline one or more world-class uranium deposits.

Given space constraints in this monthly issue, we are providing you now with only a very brief description of Western Uranium's management team. For a more extensive background on key management members, visit WUC's Web site or request an investor package from the company.

Pamela Klessig, Director, President, CEO – 27 years' global mineral exploration, development, and production experience with Homestake Mining and several other major mining firms.

John Proust, Director – 20 years advising public and private companies on debt and equity financing, mergers and acquisitions, and corporate restructuring.

Harry Dobson, Director – A financier with extensive interests in the natural resources sector and involved with merchant banking and venture capital opportunities.

Debra Struhsacker, Director – 26 years' regulatory and permitting experience related to mining, natural resource development, and environmental issues.

Robert Chase, Director – 30+ years as top executive or chief financial officer for a variety of companies including banking, oil and gas, mining, forest products, and port terminal operations.

Victor Calloway, Vice President Exploration – 28 years' global mineral exploration and project development.

Nancy Wolverson, Vice President Development – 27 years' worldwide exploration and development experience.

Eduard Epshtein, Chief Financial Officer – Experience with a variety of public companies while with Price Waterhouse, and most recently with IMA Exploration.

SUMMARY

We anticipate additional drilling programs will lead to NI 43-101 compliant resources close to historical resource numbers and that, through its exploration programs, the company will be able to double or even triple those historical numbers. We think this is a story the market has not paid much attention to yet. We suspect some of this letter's competitors may soon be on to it, so, having just learned of WUC only a week or so ago, I wanted to be sure to apprise you of it in this issue of *J Taylor's Energy & Energy Tech Stocks*.

The company is scheduled to carry out aggressive drill programs on most of its projects this year, with a view to expanding the existing resource. Assuming uranium prices remain at or near current levels, it is difficult for me to believe the markets will not soon begin paying more respect to this junior exploration company with 31 million

pounds of historical U₃O₈ already identified. We believe this stock could easily double over the next 12 months with success on just one of its four exploration projects. With success, we would not be surprised if WUC did not become a takeover target. Of course, as always with exploration stocks, investors need to keep in mind that this activity is near the bottom of the industry food chain and, as such, of high risk. So it is especially important you avoid allocating your rent or grocery money in any kind of speculative frenzy in a stock like WUC, much as we like it. As always, we suggest apportioning no more than 5% of your portfolio to this one stock as you continue to spread your risk over several juniors and seek to build wealth systematically, avoiding any sizeable losses. We believe the upside for WUC is sufficient that it should at the very least enhance the stellar returns our subscribers have grown to expect over the years through our systematic approach to building wealth with resource stocks.

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