Reprinted with permission:

HRA Journal

HARD ROCK ANALYST JOURNAL • VOLUME 5, NUMBER 12 • DECEMBER 2005

Nova Uranium Corp (NUC-V)

New Coverage

Twice in the past year and a half we completed a review of the uranium sector and began to write up exploration stories only to see sector stocks double in a few days and our horns pulled in. The uranium market has had its own cycle, but like other metals is in a supply deficit after *35* years of low prices. It is dominated by a few producers who sell a specialised product on long-term contracts to energy producers who, unlike others of their ilk, view the fuel purchase as minor part of costs. Now, with concerns about the radioactivity of uranium use being overridden by greenhouse gas concerns, we consider uranium to be in a long term bull market. We are watching a number of stories in different areas. Odds are you will see other companies added as the market cycles and their individual exploration cycles mesh to create good speculative opportunities. In the meantime, we are introducing Nova, which is a little off the beaten track in terms of both geography and geology. Its main project is located in an area with very good access and the grades discovered to date are high enough to be potentially mineable and low enough to be unthreatening. The next few months will be spent extending past sampling in large surface exposure of uranium bearing rock as well as drilling new target areas and bulk sampling to confirm the best historic grades. Though a little unusual the appeal of the project for us lies in the relative simplicity of moving it forward and the fact that the potential for very large numbers in terms of "pounds in place" . If the proves up the 100 million pound plus potential it appears to have the market is likely to ascribe a value to it far above the $8 million it currently carries.

Spec buy ahead of bulk sampling of the Nova zone and sampling of other nearby zones.

CORPORATE HISTORY

Nova is a new company that was listed specifically to focus on the Mont Laurier project that is outlined below. For that reason it has an uncommonly simple share structure.

Nova's four principals incorporated Nova in October 2004 and created a control position through the issuance of five million founder's shares. These shares are subject to timed release from escrow over a period of three years.

NUC was funded prior to listing with a unit placement of flow-through (at $0.25) and common (at $0.10) shares. The units were structured so that all purchasers bought both flow through and common share with an effective average price of $0.16. This placement totaled just under 3.5 million units. The shares from this placement were pooled and are released in 20% increments. 700,000 shares become tradable on the 26th of December, January and February. The November release, just passed, did not seem to have much

(Continued on page 2)

impact on the market but it's worth noting these dates as potential accumulation opportunities.

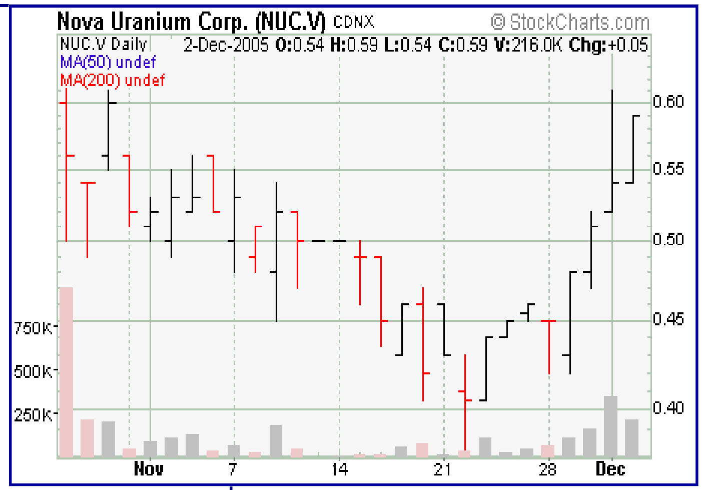
NUC went public on October 26, with an IPO of 6 million shares plus a full over-allotment of 900,000 shares @ $0.50, raising just under $3.5 million. This amount should be sufficient to take Nova through the first year of exploration and there is no immediate need to go back to the market.

The only dilutive securities are management and employee options and one year broker warrants, all priced at $0.50. One of the unusual aspects of Nova's share structure is that no warrants have been issued for any of its placements. There is little overhang on the stock.

Since listing NUC has turned over 3.8 million shares at an average price of $0.53, representing close to half the current tradable float.

Management & Board

Nova was created by Don Moore and Neil Briggs, who serve as the President and Director respectively. Moore is a well-known promoter who has created a number of successful exploration companies, among them Rupert Resources and NDT Ventures. He loves to promote and we know him to be good at it. Briggs, a geologist by training, joins Moore in most of his ventures. He has a strong exploration background with precious and base metal experience in most parts of Canada and a number of foreign locales. They are joined on the board by Joseph Ovsenek who is both a lawyer and geologist who serves as senior VP of Silver Standard Resources.



Project Summary

The Mont Laurier uranium project is located 200 km (125 miles)northwest of Montreal, which is close enough to be within good infrastructure, but remote enough to garner little concern. Quebec is at any rate a very good jurisdiction for mining, including encouragement in the form of refunds for exploration expenses and tax incentives for development. The system of nuclear reactors and related infrastructure in neighbouring Ontario would be a natural market for a mine's product if one were developed.

The original claims in the group are being earned in from a local prospector for a total $75,000 and 1.25 million shares over three years, plus a 2% royalty that can be reduced to 0.5% for a total cost of $1.75 million. Though there has been limited work on the project since the early 70s U boom, there is enough data from that period to indicate a strong potential to outline a bulk tonnage resource here.

Briefing Book

Nova Uranium Corp.

Listed: **TSX Venture - NUC**

Share Issue:
15.7 MM; 17.6 MM FD

Share Float: **10 MM**

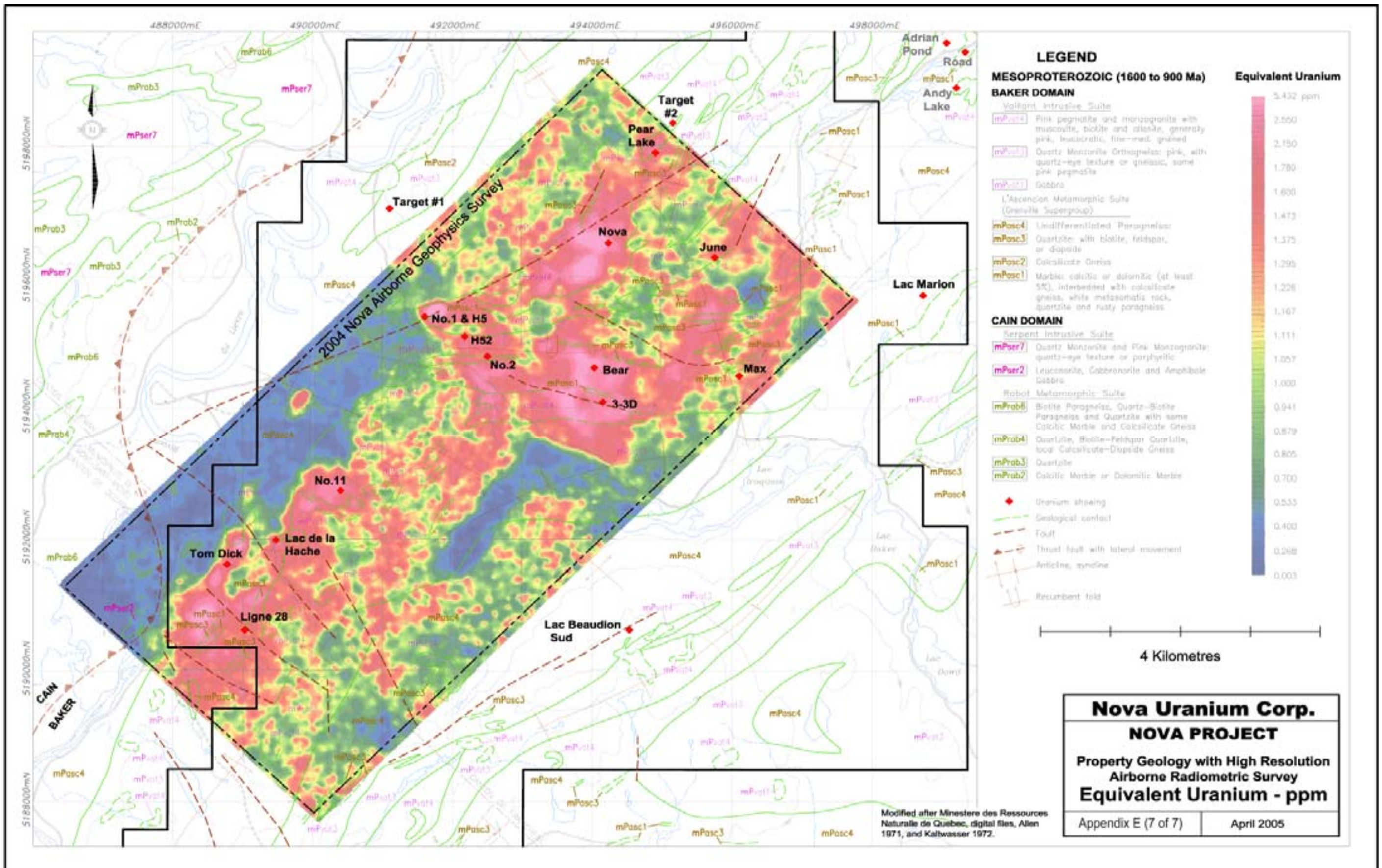
Working Capital **$3.5 million**

*6 Week High-Low: **$0.64-0.38**
Recent Price: **$0.59**
3 mo Av Daily Volume: **37,000**
*since IPO @ $0.50

Phone #: 1-800-398-5645
e-mail: info@novauranium.com
Website:
http://www.novauranium.com/

History and Setting

A portion of the project was held and explored for U by Canadian Johns Manville through 1978. This included testing with 275 generally small diameter drill holes, but most of the detail from this is not availible. They farmed out the ground to SOQUEM, the Quebec government's



exploration company, who dropped it in 1982. Much of the known detail stems from the transferee period and from government and academic reporting.

To recognise the project's potential it is important to to realise how the understanding of it evolved. The uranium is hosted in a suite of rocks that is rougly 1 to 1.5 billion years old and have undergone extensive metamorphism that confused some of the early focus. In a nutshell, the main U hosting rock units are alternating white and dark-reddish layers that dip at 20° to 30° from horizontal.

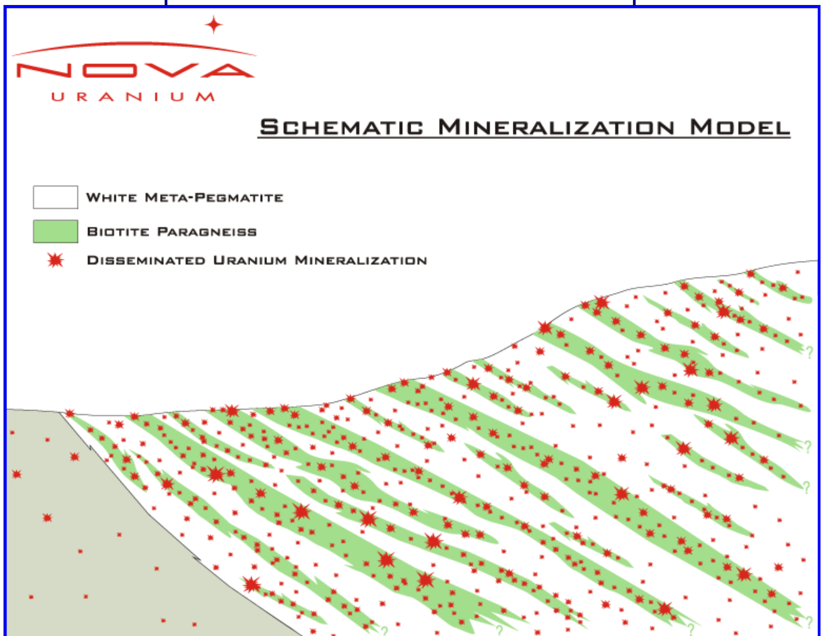
The white layers were thought to have been created from solidifying magma, and similar to uranium hosts in other areas. These layers were the early focus of work, generating broadly dispersed uranium results in the near but sub 1 lb/ton range (0.05%, or 1/2 of a kilo per tonne).

Later work indicated these white layers are actually in

part quartzite, essentially a beach sand compressed into sandstone then later reformed (metamorphosed) by deep burrial and stress, within a paragneiss sequence. Paragneiss is rock originally formed from sediment that has been metamorphosed into a banded sequence that mimics rock similarily reformed from magmatic sources.

That same work has also indicated that in some of the early work drilling under-represented the uranium grade, and more importantly that the dark layers, previously ignored, contain uranium at higher grades. These darker layers include some of the paragneiss, but also granitic dykes or sills, sheets of coarsly crystalline rock, a rock type that often contains some uranium. Recognising that the darker layers, paragneiss and "pink pegmatites", contain uranium is the basis for the current work program.

After recognizing that the pink pegmatite held values, and that the drilling was understating the uranium grade, a series of bulk samples were taken. Based on comparing these to previous results, a small resource was outlined in an engineering study in 1985.



This totalled 3 million tonnes of 0.119%, or 2.4 lb/t, U_3O_8. This is a little over 7 million pounds of U_3O_8 in a small portion of this large project area.

At a uranium price of US$35 per pound, a 2.4 lb/t uranium grade has the same in situ value as a bulk tonnage, oxide gold zone running 5 g/t (at $500/oz). A 1 million oz gold deposit of this type can generate a strong net at 1.5 g/t. At current prices it would have the same in-situ value as a 15 million pound uranium deposit. In practice a larger deposit would be needed to really entice a development decision. We think Nova has the scope for this, in a region that has a limited history of uranium exploration.

Scope and Potential

The Mont Laurier holdings contiain a primary trend length of some 12-15 km that is part of a larger regional anomaly. There is reason to think Nova's holdings are the better part of this trend, but we also consider it important that the broader anomaly offers a larger potential. This could bring in other explorers to help tell the story, and helps with attracting major players.

The regional anomaly is from a government airborne radiometrics survey. The survey measured gassing of radioactive potassium, thorium and uranium. Potassium is measured since it is an alteration product associated with hydrothermal fluids that create many metal deposits. It is the uranium and thorium, and their relationship to each other, that is important here. The map on the previous page shows the Uranum anomalies generated by Nova's own airborne survey flown last year. They appear as red and pink in the map and as the scalebar shows even the anomalies within the project area itself are very large.

The regional anomaly is defined by high thorium readings. Thorium is used in some reactors, but is here being used as a guide to locating uranium since it is much more abundant then is U. The thorium anomaly could key into uranium deposits at depth.

The area that Nova has acquired is however one of high uranium anomalies. This conforms with their model of locating readily pittable mineralization. They have picked up a 30 km long anomaly typical of a uranium source near surface. This winter's work will focus on known mineralization in the primary trend, but there will be plenty of new ground to look at next summer.

Within the primary trend there are over 20 known occurances of uranium mineralization. These include the West zone where the 7.2 million pounds at 2.4 lb/t was extrapolated by previous bulk sampling. There are also a number of other area where testing of "white" zones indicated lower grade resources.
The important point will be determining how much grade enhancement the darker layers add to each area. It is possible that areas where this higher grade material is dominant will be located.

There have been results as high 14 lb/t, though not as yet at scale. A "high-grade" area could act as a starter pit to a larger resource.

Our take is that this project contains a large uranium resource, so the question at hand is that of quality. The oxidised material from surface to the water table will be the initial focus, but since the uranium at depth is also likely in oxide forms bulk potential extends below this.

If the project moves the 100 million pound scale, with a significant area of higher grade material, it could become a serious contender as a new uranium production camp. For the moment, we consider the project strong enough that there is a lot of upside just by the company playing catch-up to its peer group. The scale of the surface exposures should allow for plenty of impressively long trenches.

Trenching results from bulk testing of several areas is pending, and drilling is to begin early next year. Ω

HRA Journal is written by Vanguard Consulting Ltd. and distributed by Stockwork Consulting Ltd. (Box 84909, Phoenix, AZ, 85071)

Customer Service: 1-800-528-0559.
http://www.hardrockanalyst.com