

# Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

**December 2010**

## SHORTLIST OF URANIUM INVESTMENT RECOMMENDATIONS - as at November 30, 2010

Location of listing	Trading symbol		Share price <i>current</i>	Year-end <i>2009</i>	Change in %	12 months H	L	Net issued shares (million)	Market capitalization
<b>Canada</b>			<b>Cdn\$</b>	<b>Cdn\$</b>		<b>Cdn\$</b>	<b>Cdn\$</b>		<b>Cdn\$ mln.</b>
Uranium One	UUU	TSX	5.07	3.02	68	5.49	1.97	589.8	2,990.3
Forsys Metals	FSY	TSX	2.50	4.10	-39	4.85	1.40	79.6	199.0
<b>Mega Uranium *</b>	MGA	TSX	1.20	0.76	58	1.21	0.34	251.1	301.3
<b>Ur-Energy *</b>	URE	TSX	2.27	0.81	180	2.34	0.76	101.6	230.6
<b>Strateco Resources *</b>	RSC	TSX	0.91	0.82	11	1.03	0.39	122.7	111.7
<b>Tournigan Energy *</b>	TVC	TSX.V	0.33	0.23	43	0.45	0.09	152.7	50.4
<b>Khan Resources *</b>	KRI	TSX	0.44	0.63	-30	1.08	0.18	54.0	23.8
<b>Kirrin Resources *</b>	KYM	TSX.V	0.12	0.10 1)	-	0.15	0.04	22.8	2.7
<b>United States</b>			<b>US\$</b>	<b>US\$</b>		<b>US\$</b>	<b>US\$</b>		<b>US\$ mln.</b>
<b>Uranium Energy *</b>	UEC	AMEX	7.00	3.78	85	7.00	2.11	60.8	425.6
<b>United Kingdom</b>			<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>		<b>£ mln.</b>
Kalahari Minerals	KAH	LSE	2.15	1.74 2)	24	2.32	1.40	226.2	486.3
Niger Uranium	URU	LSE	<i>pence</i> 6.25 3)	<i>pence</i> 5.74	9	<i>pence</i> 8.62	<i>pence</i> 3.43	113.2	7.1
<b>Australia</b>			<b>A\$</b>	<b>A\$</b>		<b>A\$</b>	<b>A\$</b>		<b>A\$ mln.</b>
<b>Deep Yellow *</b>	DYL	ASX	0.26	0.31 4)	-16	0.36	0.12	1125.8	292.7
<b>Alliance Resources *</b>	AGS	ASX	0.45	0.60	-25	0.70	0.28	341.2	153.5
<b>Greenland Minerals &amp; Energy * 5)</b>	GGG	ASX	0.90	0.58	55	1.10	0.31	275.1	247.6
<b>Manhattan Corp. *</b>	MHC	ASX	0.92	1.27	-28	1.82	0.57	90.2	83.0
<b>African Energy Resources *</b>	AFR	ASX	0.27	0.13 6)	108	0.37	0.06	292.9	79.1
<b>Raisama *</b>	RAI	ASX	0.24	0.50	-52	0.62	0.15	82.3	19.8
<b>Removed:</b>			<b>Cdn\$</b>	<b>Cdn\$</b>		<b>Cdn\$</b>	<b>Cdn\$</b>		<b>Cdn\$ mln.</b>
Crosshair Exploration & Mining	CXX	TSX	0.14 <b>x</b>	0.20	-30	0.32	0.11	131.5	18.4
Extract Resources	EXT	ASX	6.06 <b>xx</b>	8.32	-27	11.45	6.03	243.3	1,474.4

**x** as at July 31, 2010                      **xx** as at August 31, 2010

**2010 market performance to date : 22%**                      **2009 market performance: 125%**  
**2010 market performance featured companies to date: 32%**                      **2009 featured companies : 212%**

\* featured as Special Situation

- 1) included as at December 1, 2010
- 2) 40% equity interest in Extract Resources; included as at September 1, 2010
- 3) after payment of an aggregate dividend of 36.4 pence per share in April / May 2010 from the sale of 20,912 million Kalahari Minerals shares at £ 1.65/1.665 for gross proceeds of £ 22.4 million
- 4) included as at September 1, 2010
- 5) also the world's largest undeveloped rare earth elements resource; share price as at July 30, 2010
- 6) included as Special Situation as at August 1, 2010



**Mega Uranium (MGA – TSX)** is an international mineral resources company with quality uranium resources in Australia and interests in extensive exploration properties in Australia, Canada and Cameroon.

In **Australia**, Mega holds or is earning an interest in 16,000 km<sup>2</sup> of ground in Queensland, South Australia, Northern Territory and Western Australia.

**Lake Maitland**, the Company's largest uranium deposit, located in Western Australia, has a NI 43-101 compliant Indicated resource of 23.8 million pounds U<sub>3</sub>O<sub>8</sub> and an Inferred resource of 2.2 million pounds U<sub>3</sub>O<sub>8</sub>;

**Ben Lomond** has 10.7 million pounds U<sub>3</sub>O<sub>8</sub> in Indicated + Inferred resources; the Maureen Deposit has a NI 43-101 compliant Indicated resource of 5.95 million pounds U<sub>3</sub>O<sub>8</sub> and an Inferred resource of 0.38 million pounds U<sub>3</sub>O<sub>8</sub>; and other Georgetown deposits have a historical Inferred resource of 6.4 million pounds U<sub>3</sub>O<sub>8</sub>.

At the end of February 2009, Mega announced that it had entered into an agreement to sell a 35% interest in the Lake Maitland Project to JAURD and ITOCHU of Japan for an aggregate amount of US\$ 49 million. This values the total Project at US\$ 140 million, compared with an in-the-ground value of approximately US\$ 1.2 billion.

Mega was granted a Mining Lease for Lake Maitland in October 2009, which is a major step in the permitting process. The project is now at the definitive Feasibility Stage on schedule to commence uranium production in early 2012.

On October 25, 2010, Mega announced that it had received approval from the Environmental Protection Authority of Western Australia ("EPA") the Environmental Scoping Document ("ESD") of the Project.

The ESD identified the key potential environmental impacts in connection with the Project and defines the scope of environmental investigation and status that will be carried out to complete the Environmental Review and Management Program ("ERMP"), which is the next stage in the assessment and approval process.

The ERMP is the highest level of assessment in Western Australia with public review period of 14 weeks during which it will be possible to make submissions to the EPA of the Project.

Mega is targeting the third quarter of 2011 to have the ERMP released for public review.

The approval of the final ERMP is one of the last permitting stages before the construction phase of the Lake Maitland Uranium Project can commence.

Mega plans to have the first draft of the ERMP ready for submission to the EPA for review towards the end of 2010, with the expected release for public review mid-2011.

On September 29, 2010, Mega announced the approval of a test pit program for its Maitland Uranium Project by the Western Australian government. The Company has commenced preparations for the program and expects to begin work on site in October 2010. It is expected to take approximately 6 weeks to complete. Mega also intends to undertake an exploration drilling program to seek extensions to the known Project resource.

On November 23, 2010, Mega announced that it had completed a 1,831 metre 8-hole diamond core drilling at its wholly-owned **Kintyre Rocks Project** in Western Australia. Drilling was on a tenement adjoining the lease containing the Cameco-Mitsubishi joint-venture's 79 million pounds U3O8 Kintyre resource, which is currently in pre-feasibility.

The drilling, which followed up on the Company's two precious reconnaissance drilling programs on the tenement which contributed to the identification of three buried uranium targets, has enhanced the potential of the Project.

As at June 30, 2010, Mega had mineral properties and related expenditures from its continuing operations of Cdn\$ 279.8 million, as compared to Cdn\$ 280.1 million as at the end of fiscal year 2009 (ended as at September 30, 2009). The decrease is due to mineral write downs of Cdn\$ 5 million, utilization of Cdn\$ 8.9 million of funds received under the AURD Agreement, which are recorded as a reduction from mineral properties, offset by expenditures of Cdn\$ 13.6 million in Australia, Cameroon and Canada.

The total book value of Australian properties as at June 30, 2010 amounted to Cdn\$ 191.1 million (68% of total book value of the Company's assets), Canadian properties Cdn\$ 47.2 million (17%) and Cameroon properties Cdn\$ 41.5 million (15%).

As at June 30, 2010, Mega had cash, cash equivalent and marketable securities totalling Cdn\$ 53.3 million, as compared to Cdn\$ 21.9 million at the end of September 2009.

The increase is primarily attributable to the proceeds from the private placement of 58.82 million units at a price of \$ 0.85 per unit for total net proceeds of Cdn\$ 46.3 million in October 2009.

In the first half of 2010, Mega continued its feasibility study of the Lake Maitland Project and progressed exploration of priority projects in Australia, Canada and Cameroon.

In **Canada**, Mega has interests in uranium exploration properties in the country's premier areas, including the Central Mineral Belt of Labrador (joint ventures with Virginia Energy), the Wernecke Mountains in the Yukon (joint venture with Cash Minerals), Athabasca Basin in Saskatchewan (option/joint venture with Forum Uranium and the Thelon Basin in Nunavut (joint venture with Titan Uranium).

In **Cameroon**, Mega has extensive ground holdings over the most significant uranium occurrences known in the country, including the Lolodorf, Kitongo and Salaki prospects.

In April 2010, Mega closed the sale of its South American assets to **U3O8 Corp.** (UWE – TSX.V). Under the terms of the transaction, the Company transferred all of its South American properties and Cdn\$ 4.0 million in cash to U3O8 Corp. in exchange for 30.56 million common shares of U3O8 Corp. valued at Cdn\$ 7.0 million.

As part of the terms of the sale, Mega declared a dividend-in-kind on its common shares in the form of a pro rate distribution on April 26, 2010 to holders of record of Mega shares at the close of business on April 16, 2010.

The disclosure of Mega's South American assets and the associated dividend represent the first step of the Company's initiative to unlock shareholder value attributable to its non-core exploration properties.

As Mega continues to focus on bringing its Lake Maitland Property to production, it is currently evaluating its remaining portfolio of exploration properties outside of Australia, and, in particular its Canadian properties, with a view to identify opportunities to maximize the properties' potential and enhance shareholder value. Such opportunities could include a sale or spin-off of the properties.

In Cameroon, the Company is also reviewing strategic alternatives for its projects which could include, but are not limited to, outright sale in whole or in part, joint venturing the projects or spinning off the assets into a new Africa-focused uranium exploration company.



**Ur-Energy (URE – TSX)** is focused on the identification, acquisition, exploration and development of uranium properties in both the United States and Canada.

In the **United States**, the Company's current Wyoming properties contain NI 43-101 compliant resources in the order of 22 million pounds U3O8 Indicated plus almost 3 million pounds in the Inferred category. Additional potential for discovery arises from 60 million historical pounds U3O8 (non NI 43-101 compliant).

Ur-Energy's flagship property is the **Lost Creek Project** in the Great Divide Basin with a NI 43-101 compliant Indicated resource of 9.8 million pounds u3O8, and an additional 1.1 million pounds U3O8 Inferred resource.

A NI 43-101 compliant preliminary Assessment completed in 2008 conducted favourable economic conditions for product and plant operations on the Lost Creek Project.

In Early December 2009, the US Nuclear Regulatory Commission (NRC) released the Draft Supplemental Environmental Impact Statement (SEIS) for the Project. The positive recommendation of the Draft SEIS document is an indication of significant progress toward approval of the NRC licence for the Project.

Ur-Energy anticipates completion of these efforts to lead to ISR mining in early 2011 to ramp up to a rate of 1 million pounds U3O8 per year. The Company is also planning and permitting a 2 million pounds U3O8 per year in-situ uranium processing plant.

In March 2010, Ur-Energy announced that the 2009/2010 delineation program at the Lost Creek Project had identified more than sufficient uranium resources to ensure continuous production after start-up.

The 2009/2010 drill program was focused on delineating a second production well field (Mine Unit # 2) in the HJ horizon, the primary resource unit at Lost Creek.

During the eight month program from July 2009 through February 2010, 298 holes totalling 213,040 feet (64,935 metres) of delineation and monitor well drilling were completed.

As at September 30, 2010, Ur-Energy had completed 1,087 drill holes, totalling 218,776 metres, on the Lost Creek Property.

In March 2010, the Company announced plans for its **LC South Project**, which includes a drilling program and the commissioning of a preliminary resource estimate prepared under NI 43-101.

The LC South Project is adjacent to the Lost Creek Permit Area and the site of some of the exploration targets identified by Ur-Energy during 2009 as the result of in-depth in-house geologic evaluations.

Ur-Energy now controls nearly 34,000 acres (approximately 13,800 hectares) in and around its Lost Creek Project, including the Lost Creek Permit Area, LC North, LC South, EN and Toby projects.

Ur-Energy will carry out aggressive exploration on the newly identified targets on its properties adjacent to Lost Creek and will begin a 200-hole drill program on LC South in July 2010.

It is estimated that as many as 2,000 to 3,000 drill holes will be required over the course of several years to fully evaluate the various new exploration targets on LC South, as well as LC North and areas within the Lost Creek Permit Area.

In addition, Ur-Energy will commission an independent NI 43-101 study to further evaluate selected portions of the roll fronts and exploration gargets previously identified with the objective to report on Inferred resources within the LC South project area.

The NI 43-101 report will be based upon existing data from approximately 60 mineralised drill holes on the LC South Property. It is expected that the NI 43-101 report may be completed in the second quarter of 2010.

On June 1, 2010, Ur-Energy announced the receipt of final permit approval from the State of Wyoming for the construction and operation of UIC Class I injection wells.

With the Wyoming Department of Environmental Quality (WDEQ) having finalized its approval of the Class I Underground Injection Central Permit (UIC Permit), Ur-Energy is authorized to drill, complete and operate up to 5 Class I non-hazardous injection wells at the Lost Creek site.

Crosshair Exploration & Mining (CXX – TSX) has earned a 75% interest by spending US\$ 3.0 million in exploration in the Company's **Bootheel Project** in the Shirley Basin, Wyoming, Crosshair has announced a NI 43-101 compliant Indicated resource of 1.09 million pounds U3O8 and an Inferred resource of 3.25 million pounds U3O8.

On Ur-Energy's **Hauber Project**, Wyoming, Bayswater Uranium (BYU – TSX.V) can earn a 75% interest by incurring eligible exploration expenditures of US\$ 1.0 million over 4 years.

In **Canada**, Ur-Energy has two exploration projects in the Thelon Basin in the Northwest Territories, and a third Project in the Baker Lake Basin, Nunavut.

As at September 30, 2010, the Company had a cash resources of Cdn\$ 34.7 million which is sufficient to get the Lost Creek Project into production after receiving the final necessary licences in the upcoming months.

On December 1, 2010, Ur-Energy announced proceeds of Cdn\$ 3.0 million from the exercise of expiring employee stock options.



**Strateco Resources (RSC - TSX)** owns 100% interest of 5 uranium properties and has an interest to option 3 mining properties all located in Quebec, Canada. The properties cover 1,068 claims for a total area of 56,747 hectares. The Company's flagship property is the

**Matoush Project** which covers 212 km on strike length of 312 km and its structure has been traced 11 kilometres to the south and 2.5 kilometres to the north.

In September 2009, Strateco reported Indicated resources doubled to reach 436,000 tonnes grading 0.78% U3O8 containing 7.46 million pounds U3O8. With Inferred resources estimated at 1.16 million tonnes grading 0.50% U3O8 containing 12.78 million pounds U3O8, total resources are now 20.24 million pounds of U3O8 with the average grade having increased 20% to 0.58% U3O8.

A 120,000 metre drilling program, including the 5,000 metres drilled since September 2009, is aimed at establishing whether the Matoush structure has the potential to contain over 60 million pounds of U3O8. The program budget is in the order of Cdn\$ 16 million.

The drill results obtained to date clearly show that the entire length of the Matoush structure (13.8 km) could be mineralised.

17 holes have been completed since systematic exploration began and about 40 more holes are required to cover the entire structure to a vertical depth of about 420 metres.

All the holes drilled during the 2009 campaign on this spacing have intersected the typical alteration envelope seen in the AM 15, MT-22 and MT-34 mineralised zones.

In February 2010, Strateco announced an update of its Preliminary Assessment (Scoping Study). The Mill design was modified to increase annual mill capacity from 2.0 million to 2.7 million pounds U3O8 and 17.8 million pounds over a mine life of 7 years.

At an estimated cost of Cdn\$ 27.84 (US\$ 23.66) per pound U3O8 and an evaluation price of US\$ 75 over the life of the Project, this offers a total operating profit of Cdn\$ 1.04 billion and a Net Present Value of Cdn\$ 323.53 million (\$ 148.26 million at an evaluation price of US\$ 60).

Since September 2009 and for the next two years, 2010 and 2011, Strateco plans to concentrate the bulk of its exploration efforts to the Matoush structure, and more precisely to the ACF-4, which starts at a vertical depth of about 400 metres and extends to a vertical depth of about 85 metres.

On November 9, 2010, Strateco announced the discovery of a new high-grade lens 1.5 km south of the three known high-grade lenses at the Matoush Project. Hole MT-10-011 has confirmed the presence of the new MT-36 lens, named for discovery hole MT-09-036, which intersected 0.48% U3O8 over 4.2 metres including 1.29% U3O8 over 1.2 metres.

From October 2009 to early November 2010, a total of 37,930 metres have been drilled on the Matoush Project in the framework of the major 120,000-metre drilling program.

The main targets are on the Eclat Property and the Matoush Property.

On November 26, 2010, Strateco announced that it had received strong support at public hearings on the environmental impact study for the Matoush Project underground exploration program. The public hearings were a forum for the commissioners of the federal review panel ("COFEX-South") and the provincial review panel ("COMEX") to assess the different views for the environment impact study.. A public presentation on the technical aspects of the Project, led by CNSC, will follow.

Assuming it obtains a licence, Strateco plans to begin its underground exploration program in mid-2011.

On November 26, 2010, Strateco closed a Cdn\$ 4.0 million bridge loan with SEDEX, which was established by the government of Quebec and the Solidarity Fund QFL. The funds are intended to act as a bridge in the event the payment of Strateco's 2009 refundable tax credit for resources is delayed. As at June 30, 2010, Strateco had earned a total of Cdn\$ 13.4 million in tax credits, of which Cdn\$ 5.7 million related to 2009 refundable tax credits.

On November 20, 2010, the Company announced that it had arranged a Cdn\$ 10 million brokered private placement consisting of 6.02 million units at a price of Cdn\$ 0.83 per unit and 5.26 million flow-through common shares at a price of Cdn\$ 0.95 per flow-through common share.



**Tournigan Energy (TVC – TSX.V)** has been exploring for uranium and other metals in Slovakia for over 6 years. The Company holds a 100% interest in 6 uranium licences covering 51.8 km<sup>2</sup> within the 60-km strike length of the Slovak Carpathian Uranium Belt. The Company's flagship property is the Kuriskova Uranium Deposit.

In March 2010 the Company announced that it had completed an updated resource estimate which significantly increases the amount of uranium contained in the Indicated resource and increases the overall size and grade of the Deposit.

About 5.9 million pounds of U<sub>3</sub>O<sub>8</sub> have been added to the Indicated resource category, bringing the Indicated resource to over 20.5 million pounds of U<sub>3</sub>O<sub>8</sub>. The average grade has increased from 0.558% to 0.571% U<sub>3</sub>O<sub>8</sub>.

Overall, the uranium oxide contained in the Kuriskova Deposit has increased by 5.5 million pounds of U<sub>3</sub>O<sub>8</sub> and now comprises 20.5 million pounds in Indicated resources and an additional 17.5 million pounds in Inferred resources.

In July 2009, Tournigan received the results of a Preliminary Assessment. At a mine life of 15 years, average annual production is calculated at 1.38 million pounds U<sub>3</sub>O<sub>8</sub> in the first 5 years at an operating cost of US\$ 17 per pound U<sub>3</sub>O<sub>8</sub>.

The Company has discovered a new zone of high grade mineralization, currently showing an average grade of 0.677% U<sub>3</sub>O<sub>8</sub> and known as Zone 45. This zone remains open along strike and has the potential to add significant amounts of high grade uranium mineralization with further drilling. Tournigan is confident that the upgraded Indicated resource will be the basis of a reserve as the Company continues with the ongoing pre-feasibility study at Kuriskova.

In July 2010, Tournigan announced to immediately start a step-out and infill drilling program, comprising about 4,500 metres. Drilling will initially focus on drill step-outs to test for expansion of the high-grade Zone 45. Metallurgical testing for a pre-feasibility study indicates recoveries of over 90%.

On October 14, 2010, the Company announced results from its ongoing drilling program at Kuriskova, which included the period from July to date and included completion of 12 holes comprising approximately 2,500 metres. Drilling was focused on extending high-grade uranium mineralization in Zone 45, with the objective of increasing the size of the uranium resources.

The program has been successful in showing an increase in the strike length of Zone 45 mineralization by 100 metres to now total approximately 165 metres.

Highlights from drilling include: 3.4 metres of 0.693% eU<sub>3</sub>O<sub>8</sub> (LE-K-50), 2.2 metres of 0.378% eU<sub>3</sub>O<sub>8</sub> (LE-K-51), 2.0 metres of 0.343% eU<sub>3</sub>O<sub>8</sub> (LE-K-52) and 3.5 metres of 0.844% eU<sub>3</sub>O<sub>8</sub> (LE-K-57).

The drill rig will now be moved to test possible eastern extensions of Kuriskova Main Zone high-grade uranium mineralization in Zone 1226.

In April 2010 Tournigan announced that it had completed the sale of all of the participation interests in Kremnica Gold and Kremnica Gold Mining, the holder of the Kremnica Gold Deposit located in Slovakia to Ortac Resources.

Ortac has paid Tournigan US\$ 100,000 and delivered a US\$ 1.9 million non-interest bearing promissory note secured by all the assets of Ortac that will be due for settlement upon Ortac completing a Public Listing (IPO) during 2010.

In addition, within 60 days of all required permits having been obtained to permit commercial production of the Kremnica Property, Ortac will pay Tournigan US\$ 3.75 million in cash or in Ortac shares to the equivalent cash value being \$ 15.00 per ounce of the first 250,000 ounces of gold equivalent (gold plus silver) resource defined as proven and probable reserve in the bankable feasibility study.

In July 2010, Tournigan completed a non-brokered private placement of 30 million units at Cdn\$ 0.10 per unit for gross proceeds of Cdn\$ 3.0 million. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company for the period of two years at an exercise price of Cdn\$ 0.20.

Tournigan will use the net proceeds of the private placement to advance its high-grade Kuriskova Uranium Project.

On November 29, 2010, Tournigan announced the filing of a preliminary prospectus in connection with a proposed offering of units with the terms to be determined prior to the final prospectus.



**Khan Resources (KRI – RSX.V)** is holding a mining licence for the **Dornod Uranium Project**, one of Mongolia's largest uranium deposits through a 58% owned subsidiary Central Uranium Company (CAUC), with the remaining shares equally split between the Mongolian Government and Russian state-controlled Priargunsk (each 21%). Priargunsk is 80% held by state-controlled TVEL, which produces 17% of the world's nuclear fuel.

The **Dornod Deposit** is an advanced development project with over US\$ 150 million invested by previous Russian owners.

Khan finished a definitive feasibility Study on the Deposit in March of 2009 and pegged production at an average of 3.0 million pounds of U<sub>3</sub>O<sub>8</sub> per annum at a cost of US\$ 23.22 per pound and over a mine life of 15 years and put probable reserves at 52.9 million pounds of U<sub>3</sub>O<sub>8</sub> out of the 64.3 million pounds of NI 43-101 compliant Indicated resources. The Project assumes a U<sub>3</sub>O<sub>8</sub> price of US\$ 65 per pound and an initial capital cost of US\$ 333 million, which generates a cash flow of US\$ 909 million.

The Net Present Value is estimated at US\$ 288 million, assuming a 10% discount.

Khan signed a Letter of Intent with Japan's Marubeni in October 2008 to discuss joining focus on Dornod, but on July 16, 2009 Mongolia's legislature passed a new Nuclear Energy Law effective August 15, 2009, which gives the Mongolian government the right to take ownership without payment of not less than 51% of the shares of a project or joint venture if uranium resources were determined through exploration with state funding, or not less 34% if State funding was not used during exploration to determine the resource.

To that effect, on January 11, 2010, Khan announced that CAUC had received a formal notice from the State Property Committee of Mongolia (SPC) requiring CAUC to propose to its shareholders a resolution to approve an increase of the Mongolian State ownership in CAUC to 51%.

On January 14, 2010, Khan was informed by the legal council in Mongolia representing CAUC that a settlement had been reached with the Mineral Resources Authorities of Mongolia (MRAM) whereby the suspension of CAUC's mining licence 237A has been terminated being an essential step in the ongoing re-registration process of CAUC's two licences.

In conjunction with the passing of the new law, the Mongolian government also passed certain procedures related to the re-registration of existing exploration and mining licences held prior to the Law becoming effective. The closing date for the submission of the re-registration application for Khan's two key Dornod licences was November 15, 2009.

On November 27, 2009, Khan was informed that Atomredzoloto (ARMZ) a Russian state-owned nuclear energy corporation, intended to make an unsolicited offer to purchase all of the Company's outstanding common shares for Cdn\$ 0.65 per share in cash, valuing the Company at Cdn\$ 391 million and representing a premium of 48% compared to its latest share price of Cdn\$ 0.44.

The Company's Board of Directors unanimously recommended to reject the offer.

On January 25, 2010, Khan announced that it had signed a non-binding memorandum of understanding (MOU) with MonAtom LLC, the Mongolian state-owned uranium development company, to finalize the ownership structure surrounding the Dornod Uranium Project, and create a framework for developing the Project and bringing it into operation as expeditiously as possible and to protect and preserve value for Khan's shareholders.

On February 1, 2010, Khan announced that it had entered into a definitive agreement with CNNC Overseas Uranium Holding, a Chinese nuclear energy cooperation based in Beijing and an indirectly owned subsidiary of China National Nuclear Corporation, pursuant to which CNNC has agreed to acquire all of Khan's outstanding shares for Cdn\$ 0.96 per share in cash.

The CNNC offer represented a premium of approximately 118% to the closing share price prior to the ARMZ unsolicited bid, and a 48% premium to the unsolicited Cdn\$ 0.65 share bid which expired on February 1, 2010 and was abandoned.

Khan's Board of Directors unanimously recommended that shareholders accept the CNNC offer and tender their shares to the offer.

On May 21, 2010, Khan was informed by CNNC that it failed to obtain regulatory approval for its offer and had allowed its offer to expire.

In the meantime, CAUC and its 100%-owned Mongolian subsidiary Khan Resources LLC received notice from the Mongolian Nuclear Energy Agency (the "NEA") stating that CAUC's mining licence and Khan's Mongolian exploration licence have been invalidated. Khan responded by filing a formal claim in the Mongolian Capital City Administrative Court, which on July 19, 2010 was ruled in favor of Khan.

After the NEA having appealed the Court's decision on CAUC, on October 27, 2010, Khan announced that the Mongolia Appeal Court had ruled in favor of the Company.

A court ruling in August 2, 2010 that declared that the NEA decision to invalidate Khan Mongolia's exploration licence covering part of the Dornod Uranium Property was illegal and invalid, has not been disputed by NEA.

On November 12, 2010, Khan announced that, despite it believes that it meets all of the registration criteria, the NEA had published a notice in certain Mongolian newspapers that it does not intend to reinstate its mining licence and exploration licence.

In August 2010, Khan announced that it had filed a statement of claim against ARMZ and its affiliate Priargunsk, seeking damages from ARMZ and its affiliate in the total amount of Cdn\$ 300 million.

This includes equitable compensation resulting from their breach of fiduciary duties as one of Khan's joint venture partners and a shareholder of CAUC.



**Uranium Energy (UEC – NYSE - AMEX)** controls one of the largest uranium exploration and development information libraries in the US, which contain over 5.0 million feet of drilling data, covering every state in the US, Australia, and Canada.

The Company has a project portfolio of 34 properties of 6 US States totalling 39,224 net mineral acres. Its project portfolio includes total resources of 34 million pounds U3O8, including 10.4 million pounds U3O8 of NI 43-101 compliant resources.

With the acquisition of 100% ownership of the South Texas Mining Venture, which includes the fully licensed and permitted **Hobson Processing Plant** and the fully permitted **Palangana ISR Uranium Project**, which has begun production in mid-November 2010, UEC has become the first new in-situ recovery uranium mine in the US in 5 years.

Two production zones at Palangana (PA-1 & PA-2) have NI 43 101 qualified resource estimates Measured & Indicated: 1,057,000 pounds U3O8 at an average grade of 0.135% eU3O8. Six potential production zones have NI 43-101 qualified resource estimates Inferred: 1,154,000 pounds U3O8 at an average grade of 0.176% U3O8.

Phase I of three separate development phases of the well field is 100% complete with more than 45 injection wells and production wells drilled, cased and tested.

On November 28, 2010, the first shipment of 500 cubic feet of uranium loaded raisins from Palangana were received at the Hobson processing Facility.

Production will be ramped up over the ensuing weeks and months.

UEC is also developing its advanced-stage **Goliad ISR Project** in South Texas, with ISR uranium production expected to begin in 2010. The Project has 6.9 million pounds U3O8, of which 5.4 million pounds is Measured and Indicated, and 1.5 million pounds is Inferred. Uranium mineralization as currently defined by historic drilling remains open laterally in all directions, providing excellent potential targets for additional drilling and increasing the size of the resource.

Goliad is in the final stages of permitting.

In addition to the 6.9 million pounds of U3O8 resources at Goliad, UEC established an Inferred resource of 1.3 million pounds of U3O8 for the **Nichols Property**.

With production at Palangana being followed by Goliad and Nichols, this would make it possible to quickly ramp up annual production to the 2.5 million pounds a year installed processing capacity at the Company's Hobson Processing plant.

In June 2010, UEC acquired the full database of historic drill results from the Company's 100%-controlled **Salvo ISR Project** in South Texas, containing a historic resource of approximately 1.5 million pounds of U3O8. This resource was based on 314 holes performed in the 1990s by Mobil Oil and Uranium Resources.

Salvo is the fourth prospective satellite for UEC's Hobson Processing Facility.

On November 10, 2010, UEC announced the start of drilling at the Salvo ISR Project. The objective of the current drilling program is to verify the historic resource and to expand on the resource drilling new areas of mineralization.

Phase I will consist of approximately 50 holes, plus 5 core holes, which the Company expects, with favourable results, will culminate in an updated NI 43-101 resource estimate being available during the first quarter of 2011.

Phase II will build upon the Phase I results, and include an additional 140 holes, with an estimated completion date during the second quarter of 2011.

Following Phase II drilling, UEC expects, again with favourable results, that an updated NI 43-101 resource estimate will be available by mid-2011.

On October 27, 2010, UEC announced that it had completed the closing of US\$ 27.6 million private placement including the sale of 8.1 million units of the Company at a price of US\$ 3.40 per unit.



**Deep Yellow (DYL – ASX)** is an Australian-based uranium focused company with extensive operations in the southern Africa nation of **Namibia** and **Australia**. The Company's flagship project is the **Omahola Project** in Namibia comprising the INCA Uranium and Tubas Red Sand Uranium deposits, operated by wholly-owned subsidiary Reptile Uranium Namibia (RUN).

The Omahola Project is currently in Pre-Feasibility Study with results anticipated in December 2010. Indicated and Inferred Mineral Resources for Omahola now stand at 18.3 million pounds contained U<sub>3</sub>O<sub>8</sub> with additional resources anticipated.

Deep Yellow's flagship project is RUN's **Omahola Project** which is currently in Pre-Feasibility Study with results anticipated in December 2010. Omahola consists of the INCA uranium deposit and the Tubas Red Sand Deposit.

Indicated and Inferred Mineral Resources at **INCA** total 15.0 million tonnes at 405 ppm for 6,077 tonnes or 13.4 million pounds contained U<sub>3</sub>O<sub>8</sub> (at a 200 ppm cut-off). 60% of resource is in Indicated Resource category. The Company recently announced it has identified 10 new INCA-Type magnetic targets on the same EPL as the current INCA deposit. Reconnaissance drilling of the first of these new targets resulted in an intercept of 11 metres at 1,064 ppm U<sub>3</sub>O<sub>8</sub> from 84 metres. The remaining targets will be tested systematically.

The **Tubas Red Sand (TRS) Deposit** currently contains 13.9 million tonnes of Indicated and Inferred resources at 160 ppm for 4.9 million pounds contained U<sub>3</sub>O<sub>8</sub>. TRS is low grade but can be beneficiated to over 500 ppm U<sub>3</sub>O<sub>8</sub> using simple screening and scrubbing techniques. TRS may potentially flank the 30-kilometre Tubas-Tumas palaeochannel.

In April 2010, RUN discovered alaskite-hosted high-grade (>400 ppm U<sub>3</sub>O<sub>8</sub>) uranium mineralization at its renamed **Ongolo Alaskite Project**. Ongoing drilling has confirmed a mineralized trend stretching over two kilometers in strike length. Drilling is currently targeting an initial resource and metallurgical testing is being conducted to determine if the material can be blended with INCA and TRS as feed for the proposed Omahola Project.

Drilling on Reconnaissance Line 5 at Ongolo returned the following intercepts: 16 metres at 655 ppm cU<sub>3</sub>O<sub>8</sub> from 68 metres, including 8 metres at 1,029 ppm cU<sub>3</sub>O<sub>8</sub> from 73 metres (ALAR 125); 12 metres at 615 ppm cU<sub>3</sub>O<sub>8</sub> from 137 metres, including 2 metres at 1,284 ppm cU<sub>3</sub>O<sub>8</sub> from 142 metres; and 27 metres at 513 ppm cU<sub>3</sub>O<sub>8</sub> from 71 metres, including 5 metres at 900 ppm cU<sub>3</sub>O<sub>8</sub> from 171 metres.

The current strategy at Ongolo is prioritized drilling with 3-4 rigs to identify mineralization with potential to be assessed by open pit mining methods. Deeper drilling will follow at later stages of the Project, as mineralization is open down dip.

In addition, the Indicated and Inferred Mineral Resource estimate at the **Tubas-Tumas Palaeochannel Deposit** in Namibia currently contains nearly 60 million pounds U<sub>3</sub>O<sub>8</sub> in accordance with the JORC Code and includes a high-grade subset of mineralisation totalling 37.6 million tonnes at 420 ppm for 15,783 tonnes or 34.8 million pounds contained U<sub>3</sub>O<sub>8</sub> (at a 200 ppm cut-off) as Indicated and Inferred Mineral Resources. The Company is considering a scoping study for this substantial high-grade subset of resources.

Deep Yellow's future activities are focused on expanding the uranium resource base and on a Pre-Feasibility Study on the viability of INCA and Tubas Red Sand deposits, and now the emerging Ongolo Alaskite Project to produce 1,000 to 1,500 tonnes U<sub>3</sub>O<sub>8</sub> per annum at a feed grade of +400 ppm.

The Company is targeting becoming a uranium producer in Namibia in 2013-14.

In **Queensland, Australia**, Deep Yellow's Mount Isa District tenement holdings cover ground that is held 100% and tenements subject to the Isa West Joint Venture with Xstrata ( XTA.L - LSE) and the Leichhardt Joint Venture with Universal Resources, now Altona Mining (AOH – ASX).

The 2009-2010 period saw a number of significant developments in the **Mount Isa District**, namely: a maiden JORC Code Indicated and Inferred Mineral Resource estimate for the district totaling 3.64 million tonnes at 420 ppm U3O8 for 1,540 tonnes (3.4 million pounds) U3O8 (using a 300 ppm U3O8 cut-off). Using a 200 ppm U3O8 cut-off the JORC Code resource increases to 2,430 tonnes (5.4 million pounds) of U3O8 at 340 ppm U3O8.

Deep Yellow's short to medium term strategic objective is to outline mineralization amenable to open pit mining and aggregating 5,000 to 8,000 tonnes (11 to 18 million pounds) of U3O8 as satellite to a potential future central processing plant in the Mount Isa area.

The medium to long term target is to define 12,000 to 15,000 tonnes U3O8 based on feeding a central processing plant from combined open pit and underground operations.

In the Northern Territory, Deep Yellow's exposure is to the highly prospective Tanami – Arunta uranium province exploration portfolio which covers approximately 28,755 km<sup>2</sup>. The Company has an operational base in Alice Springs. The defined projects cover 12,270 km<sup>2</sup>. Deep Yellow has 100% rights to uranium with ABM Resources tenements covering an additional 16,035 km<sup>2</sup>.

The Company's principal project in the Northern Territory is its 100% owned **Napperby Uranium Project**. Napperby is a calcrete-hosted uranium deposit with current JORC Inferred resources of 9.3 million tonnes at 360 ppm U3O8 for 3,351 tonnes or 7.4 million pounds contained U3O8 (at 200 ppm cut-off). This resource covers about half the area of an historic pre-JORC estimate of more than 13 million pounds U3O8, with the latter half remaining to be drilled out to JORC standards.

Deep Yellow had net cash of A\$ 24.5 million and no debt as at the end of September 2010. Paladin Energy holds a 19.56% equity interest in the Company.



**Alliance Resources (AGS – ASX)** has a 25% participating interest in the Four Mile Joint Venture, where its joint venture partner and manager Quasar Resources is developing the **Four Mile Uranium Project**, one of the three Australian States and Territories that currently allow uranium mining.

The Project's JORC-compliant mineral resource estimate was increased in January 2010 by 16% to 32,000 tonnes containing 71 million pounds eU3O8 at an average grade of 0.33%.

The increase included an upgrade of 4,00 tonnes (32 million pounds) U3O8 at an average grade of 0.34% from Inferred to Indicated classification, in accordance with JORC code, with the balance classified as Inferred.

The increase was due to an updated mineral resource estimate at the **Four Mile West Deposit (FMW)** to 19,000 tonnes (42 million pounds) U3O8 at an average grade of 0.33%. It excludes additional U3O8 mineralization above or within about 20 metres of the water table over 0.73 km<sup>2</sup> in the western area at FMW. This could potentially add up to 30% to FMW resources on a contained U3O8 basis if this mineralization is provided recoverable by ISR or mineable by other means.

In September 2008, Alliance announced the decision to mine the Four Mile Project using ISR technology as the recommended basis for mine development.

Uranium concentrate production is proposed pending the grant of a Mining Lease, at a targeted production rate of 3 million pounds of U3O8 per annum. Due to a delay in registering the Native Title Registration, production is now not expected to occur before the end of 2010.

In July 2010, Alliance announced that it had received the final Scoping Study report prepared by Como Engineers and Como-ACE in relation to the capital cost estimate for the design, procurement and construction of an In-Situ recovery (ISR) and uranium processing facility, to be developed as a stand alone project with a production rate of approximately 5 million pounds U3O8 per annum.

Capital costs at an accuracy rate of approximately 30% are estimated at A\$ 168 million at an operating cost of A\$ 21.73 per pound.

There exists significant potential for expansion of the mineral resource base with further evaluation and estimation of a mineral resource for the western area mineralization at FMW where mineralization remains open to the west and northwest and there is approximately 30 kilometres of a largely untested range/root.

The combined grades from Four Mile East and Four Mile West have the potential to make the Four Mile Uranium Project the highest-grade operating uranium mine in Australia and, as the Company moves towards first production in 2011, the highest-grade and largest ISR operation in the world, with likely favorable effects on the project economics.

Further development of the Project is subject to the delayed registration of a native title mining agreement on which Alliance has issued further proceedings against Quasar and Heathgate (seeking damages from Heathgate and damages and restitutions of the 75% interest in the exploration licence over the Four Miler area from Quasar).

To conserve cash to meet Alliance's commitments to the Four Mile Project, the Company has sold the Maldon Gold Project to newly formed Octagonal Resources, which is looking to consolidate a number of projects in central Victoria, with Maldon as production hub.

Alliance will be paid A\$ 5.5 million in shares in the newly formed entity and will hold approximately 212% of Octagonal's post IPO share capital (assuming at a A\$ 12 million IPO).



### **Greenland Minerals and Energy (GGG – ASX)**

has secured to acquire 61%, with options to acquire up to 100% of the **Kvanefjeld Project** on the southwest tip of Greenland and is recognized as the world's largest

undeveloped multi-element occurrence of rare earth oxides, sodium fluoride and uranium.

In June 2009, Greenland Minerals and Energy released an updated resource statement confirming Kvanefjeld, at a total 4.91 million tonnes REO, including 0.12 million tonnes or 283 million pounds of U3O8 and 2.21 million tonnes NaF, to be the largest undeveloped rare earth resource in the world.

Early indications are that uranium represents approximately a quarter of the total in ground value of the Kvanefjeld Deposit, to be estimated at more than US\$ 40 billion.

In 2009, Greenland Minerals' focus has shifted from exploration and resource definition to the requirements of a Pre-Feasibility Study on the Kvanefjeld Project, the results of which were released on February 1, 2010, and provide a Net Present Value (NPV) of US\$ 2.18 billion and calculated a free cash flow of US\$ 8.9 billion over the 23-year mining period, if developed.

A mine processing plant capable of treating 10.8 million tonnes per year is expected to cost US\$ 2.31 billion. Construction is scheduled to commence in 2013 and first production in 2015.

On May 26, 2010, Greenland Minerals announced that the South Greenland Municipal Council officially supports removal of the current uranium policy of zero tolerance, and ongoing feasibility studies at Kvanefjeld.

The Company aims to commence these work programs in 2011 and work through the definitive feasibility process in close consultation with Greenlandic stakeholders.

On September 10, 2010, Greenland Minerals announced that the Greenland government has introduced an amendment to Standard Terms for Exploration Licences in Greenland. The amendments allow for, upon application approval, the inclusion of radioactive elements as exploitable minerals for the purpose of thorough evaluation and reporting.

Greenland Minerals' application under these regulations has been approved.

In early July 2010, Greenland Minerals formalised a A\$ 6 million capital raising and established an A\$15 million equity facility that provides the Company with a further A\$ 21 million to fund ongoing work programs on the Kvanefjeld Project.



**Manhattan Corporation (MHC – ASX)** completed a merger with Manhattan Resources in July 2009 and has emerged as a well funded company (over A\$ 8 million in cash and liquid investments in listed uranium companies) with a significant Inferred resource of 10.9 million pounds U3O8, contained in 16 million tonnes grading 310 ppm U3O8, and a further drill potential of 6.6 to 15.4 million pounds U3O8 already reported for its flagship project, the **Double 8 Deposit** in its 100% owned **Ponton Project**, located 200 km east-northeast of Kalgoorlie within the Gunbarrel Basin in Western Australia.

The Ponton Project includes the 11 million pounds Double 8 Uranium Deposit that is known to contain a further drilled mineralised potential of 6.6 to 15 million pounds of U3O8. The Deposit is located in the Queen Victoria Spring Nature Reserve (“QVSNR”). In addition, in the second half of 2009, advanced drill targets were delineated along 25 kilometres of the palaeochannel at Stallion, Stallion South and Double 8 and at Ponton Creek to the south and Highway Channel, The Shelf and East Arm to the north and east of Double 8.

The 60,000 metre A\$ 4 million resource definition program at Double 8 awaits WA government access approvals and exploration licence grant.

In January 2010, Manhattan successfully applied for 6 new Exploration Licence applications at its Ponton Project. The Company’s 2,030 km<sup>2</sup> granted licences and applications at Ponton now cover the majority of the known palaeochannels prospective for aquifer sand hosted uranium mineralization potentially amenable to in situ leach (“ISL”) uranium recovery techniques.

In March 2010, Manhattan recommenced drilling at Stallion. A 40,000 metre A\$ 3 million program of air core drilling is underway that will first drill the Stallion discovery on 400 metres by 100 metre centres over 8 kilometres of strike of the Ponton palaeochannel. The program will then systematically drill test the Highway Channel, East Arm and The Shelf targets to the north of the QVSNR in 2010.

By the end of September 2010, 32,000 metres of drilling was completed at Stallion, Highway and Highway North, which have defined over 18 kilometres of uranium mineralised palaeochannels.

High-grade sonic drill results include 2 metres 366 ppm U3O8, 6 metres 372 ppm U3O8, 6 metres 435 ppm U3O8 and 3 metres 394 ppm U3O8, with chemical assays up to 1,156 ppm U3O8 over a metre.

Over 450 sonic and air core down hole gamma logs at Stallion, Highway and Highway North are now being converted to grade eU3O8 for resource estimate calculations. A maiden resource estimate for Stallion anticipated for release in the December 2010 quarter.

At **Gardner Range**, Northern Uranium (NTU – ASX) has defined a series of new priority drill targets with potential for high grade uranium ore deposition in Manhattan’s ground. Northern, with Areva as operator, have the right to earn a 60% interest by expenditure of \$1.05 million. Northern flew a detailed VTEM survey and identified prospective conductors extending for 6 kilometres in Manhattan’s E80/3275 and also revealed that the conductor beneath the Don prospect extends to the west northwest below sandstone cover towards Northern’s 100% owned Soma exploration licence.

Northern Uranium has commenced a A\$ 1 million plus, 4,500 metre RC drilling program on the Gardner Range Project.

Northern Uranium and Areva have announced a A\$ 2 million, 7,800 metres RC drilling program for priority targets at the Gardiner Tanami Project of which 3,000 to 3,500 metres of drilling is planned to be undertaken at two targets of Manhattan’s tenements.

Manhattan is well financed with over A\$ 5.3 million in cash and investments in ASX-listed uranium companies as at the end of September 2010.



**African Energy Resources (AFR – ASX)** controls more than 200 km strike-length of prospective rocks in southern Zambia's Kariba Valley uranium province where the Company has delineated 11 million pounds of U3O8 on mineral resources at the Chirundu Joint Venture Project. (70% owned – 30% Albidon), which supports a 7-8 year mine life.

A Feasibility Study is on hold during resource expansion work seeking a 7-10 year project life to justify > A\$ 100 million capital expenditure. The increase of the resource base could be done via exploration successes at the Chirundu, Kariba Valley or Aldershot joint ventures.

Work programs and budget are approved and underway.

The Project could support a low to medium cost acid heap leach operation delivering an average 1.2 to 1.4 million pounds U3O8 per annum at an average cost below US\$ 30 per pound U3O8.

Potential for near-term uranium production within 2 years is possible within a year of confirming a 10-year project life.

Focusing on its five uranium prospects in Zambia, while results of uranium exploration in Botswana were disappointing to date, African Energy made the discovery of a potential large coal deposit at its Sese Project in northeast Botswana, which could add substantial shareholders value.

The exploration budget for the coal project is approximately US\$ 553,000 as part of a total 2010 exploration budget of US\$ 4 million.

A program of resource delineation drilling has commenced on October 18, 2010 at the Sese Coal Project. The program has been designed to quantify the exploration target of 1.0 to 1.5 billion tonnes of 4,000 kcal/kg to 5,000 kcal/kg thermal coal.

The program will comprise approximately 40 diamond drill holes at 2 km spacings to collect core for proximate analysis, with a further 90 reverse circulation (RC) percussion drill holes to infill to a 1 km spaced grid.

On December 1, 2010, African Energy announced that resource delineation drilling in Block-C of the project has intersected thick, near-surface coal seams over a large area.

Sixteen reverse circulation (RC) percussion holes and nine drill core holes have been completed in the eastern part of Block-C within an area of approximately 2 km<sup>2</sup>.

The average seam thickness to date in Block-C is 10 m with an average depth to the top of the coal of 45 metres.

Drilling in the western half of Block-C (an area of 30 km<sup>2</sup>) where coal seams may thicken, has yet to commence.

Drilling in Block-C will; continue until seasonal heavy rains prevent access. Block-B drilling will be undertaken in 2011.

The drilling and associated down-hole geophysical program is expected to provide data of sufficient density to permit to classification of an Inferred resource at the end of the first quarter of 2011.

The drilling and down-hole geophysical program is expected to provide data of sufficient density to permit the classification of an Inferred resource.

It is expected that all work, including resource estimation, will be completed during the first quarter of 2011.

On October 20, 2010, African Energy announced to raise up to A\$ 1.44 million by placing 9.6 million shares at A\$ 0.15 per share to fund the Sese Coal resource drilling program.



**Raisama Limited (RAI – ASX)** completed its Initial IPO in November 2009, raising A\$ 12.5 million and was listed on the ASX on December 2, 2009.

The Company has prospective uranium interests in Australia and the Kyrgyz Republic. These include five projects in Western Australia and one project in South Australia.

The Company's portfolio of assets includes the 100%-owned **Sunday Creek Project**, located within the uranium prospective Paterson Orogen of Western Australia. It is located approximately 30 kilometres east of the 36,000 tonnes Kintyre Uranium Deposit sold by Rio Tinto to Canada's Cameco and Japan's Mitsubishi for US\$ 500 million in 2008.

Data of radiometric survey will be interpreted and integrated within the existing geological data and historical drilling to define drilling targets in preparation of the tenements.

In March 2010, Raisama announced that it had identified high-grade uranium mineralization at surface in a previously unexplored region at its **Chain Pool Project** in the Gascoyne Province of Western Australia, located 40 kilometres southeast of the Manyingee Uranium Deposit.

Raisama has now identified 19 new uranium targets at the Chain Pool Project area. Chip sampling includes results up to 2,239 ppm (0.224%) U<sub>3</sub>O<sub>8</sub>. The newly identified uranium targets extend over a distance of more than 15 km in a northwest trend marginal to a major structural boundary. The strike of the targets range in extent from 0.4 km to more than 2.6 km and provide significant exploration potential.

The Phase I drill program is planned to complete 20 RC drill holes for a total of 3,000 metres. The program has an expected duration of 3-4 weeks.

Raisama's **Baltic Bore Project** is located approximately 100 km southeast of the Manyingee Uranium Deposit and 5 km north of the Jailor Bore terrace calcrete uranium deposit in the Gascoyne Province, and covers an area of approximately 180 km<sup>2</sup>.

In July 2010, Raisama announced that exploration drilling at Baltic Bore consisting of a total of 56 air core drill holes for a total of 547 metres was completed with samples submitted for chemical assay. Drilling near surface intersected high-grade uranium within three targets. Results were up to 1 metre grading 1,217 ppm U<sub>3</sub>O<sub>8</sub>.

At the **Yannarie River Project** area in Gascoyne Province, Raisama identified four main uranium targets ranging in size from 0.25 km<sup>2</sup> to more than 5.5 km<sup>2</sup>. The strike of the targets range in extent from 1.6 km to more than 6.5 km, providing significant follow up exploration potential.

Tenement grant is expected during the second quarter of 2010.

In the **Kyrgyz Republic**, Raisama owns 75% of the **Kashkasu II Project** (22.5% owned by Monitor Energy, MHL – ASX) located approximately 300 km south of Bishkek, the capital of the Kyrgyz Republic. The Company's two licences cover an area of approximately 50 km<sup>2</sup>. Uranium mineralization was historically mined to the east of the current licence area from 1952 to 1961.

During the first quarter of 2010, assay results were returned from the 4 diamond holes drilled in 2009 at the Kashkasu II Project, which showed high grades of up to 1,651 ppm U<sub>3</sub>O<sub>8</sub> over 2 metres.

In August 2010, Raisama announced that multiple, high-grade uranium intersections from a new 7-hole drill program for a total of 826.5 metres have significantly extended the strike length of Kashkasu II.

The best intersections from the drilling included 5 m @ 686 ppm U<sub>3</sub>O<sub>8</sub> and 3 m @ 982 ppm U<sub>3</sub>O<sub>8</sub> from drill hole EKD04 and 4 m @ 522 ppm and 3 m @ 810 ppm U<sub>3</sub>O<sub>8</sub> from drill hole EKD05.

The drill results indicate the presence of multiple, high-grade zones of coal and sandstone hosted uranium mineralization at Kashkasu II within a broad area where mineralization has been identified at surface and now confirmed in drilling over a strike extent of more than 1,100 metres.

In September 2010, Raisama announced that the known strike length of the high-grade uranium mineralization at the Kashkasu II project has been significantly extended through a trenching program which identified a number of new uranium occurrences. The surface sample results indicate the presence of multiple, high-grade zones of coal and sandstone hosted uranium mineralization over a strike length of more than 2,000 metres, with some of the new samples more than 750 metres from previously drilled areas.

In October 2010, Raisama announced the start of a new diamond drill program at Kashkasu. Three targets, north-west of the currently known mineralization, will be drill tested. The new targets have been generated through the Company's recent field trenching and mapping program which returned values up to 4,020 ppm U3O8.

In April 2010, Raisama signed a Memorandum of Understanding ("MOU") for a Strategic Alliance with its major shareholder Hebei Mining of China.

The MOU offers the Company significant advantages in relation to the conduct of business in China, future co-operation with one of China's most progressive and respected provinces and the potential for making any uranium produced from its Kyrgyz projects.

On November 26, 2010, Raisama agreed to acquire **Peak Oil & Gas** to create a diversified Australian energy company.

Under the terms of the offer Raisama will offer 15 shares in Raisama for every 11 Peak shares and values Peak Oil & Gas at A\$ 0.30 per share, or A\$ 39 million.

The completion of the transaction is expected in early 2011.

For Raisama the transaction will provide an imminent transition from explorer to producer with significant cash flow from the start-up of Peak's Cadlao Oil Project in the Philippines expected in late 2011, and an investment in a suite of quality oil and gas projects in Asia Pacific to complement Raisama's existing suite of uranium assets.

## CALENDAR OF MINING EVENTS

### 2011

February	15 – 17	* CIS Metals Summit – Moscow
February 28	- March 2	* Africa Investment Summit – London
March	2 - 3	* Underground Mining Conference – Beijing
March	22 - 24	* <b>x Mines and Money Hong Kong 2010 – Hong Kong</b>
April	4 - 8	* Asia Mining Congress – Singapore
April	28 – 29	* 3 <sup>rd</sup> China International Nuclear Power Congress - Beijing
May	5 – 6	* Zambia Mining and Energy Indaba – Lusaka
May	17 – 19	* <b>x World Mining Investment Congress – London</b>
July	19 – 22	* African Mining Congress – Johannesburg
July	21 – 22	* <b>x Australian Uranium Conference, Fremantle</b>

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# 4th Annual mines and money

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**Robert Friedland, Executive Chairman, IVANHOE MINES**  
**Andrew Michelmore, CEO, MMG**  
**Rob McEwen, Founder, GOLDCORP, Chairman and CEO, MINERA ANDES INCORPORATED & US GOLD CORPORATION**  
**Zheng Zhi, Chairman, CHINA MINING UNITED FUND**  
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