

Uranium Sector Review

Exploration, Development & Production

September Quarter 2009



This report is subject to copyright and may not be redistributed without written permission from RCR. The information contained in this report is for use by US and Australian residents only. Copies are available for purchase from RCR.

20 August 2009

**Uranium Sector Review
September Quarter 2009**

Resource Analyst (Uranium): John Wilson

Resource Analyst: Dr Tony Parry

Resource Analyst: Dr Trent Allen

Resource Capital Research

Suite 1306
183 Kent Street
Sydney, NSW 2000

Tel: +612 9252 9405
Fax: +612 9251 2859
Email: info@rcresearch.com.au
Web: www.rcresearch.com.au

Resource Capital Research
ACN 111 622 489

Contents

Contents	2
Overview and Investment Comment	3
RCR September Quarter Featured Company Summary	5
[Industry Background and Analysis.....]	
Comparative Charts	8
Financial Data	9
Company Statistics	9
Reserves, Resources and Historic Mineralisation	10
Valuation and Performance Data	10

Exploration, Development and Production Companies

African Energy Resources Limited	11
[Alliance Resources Limited]
[Black Range Minerals Limited]
[CanAlaska Uranium Limited]
Eleckra Mines Limited	13
Energy and Minerals Australia Limited	15
[Energy Metals Limited.....]	
Energy Resources of Australia Limited*	17
Extract Resources Limited	19
Greenland Minerals and Energy Limited.....]	21
Monaro Mining NL.....]	23
[NGM Resources Limited]
Paladin Energy Limited*	25
PepinNini Minerals Limited	27
Toro Energy Limited	29
[Uranex NL.....]	
[Ur-Energy Inc.....]	
[West Australian Metals Limited]
[White Canyon Uranium Limited]
[Uranium Price Fundamentals]
[Uranium Company Share Price Performance Tables]
Report Contributors	31
Disclosure and Disclaimer.....]	32

* Indicates companies with detailed financial projections and valuation available.

[This is the Abridged Report version of the September Quarter RCR Uranium Sector Review. The purchase price of RCR September quarter reports (uranium, gold and iron ore) which includes the Comprehensive version of the Uranium Sector Review (88 pages) is A\$2,200. There is also a Subscriber Report version (for uranium, gold and iron ore) which is available for A\$110. Contents and purchase details can be found at www.rcresearch.com.au]

Overview and Investment Comment

The price movements of junior uranium stocks have been more selective in the past couple months, following strong price gains earlier in the year.

Market indecision remains over outlook for a "W" shaped recovery.

Production growth or exploration stocks with strong near term news flow remain the preferred exposures in the current market.

The spot uranium price is currently US\$47.50/lb.

The Fund Implied (FIP) price is currently US\$47.50/lb.

The contract uranium price has remained relatively stable through 2009 - currently US\$65.00/lb.

Equity market performance

The market valuation of Australian companies with one or more uranium projects is up 11% over the past month, up 24% over the past 3 months, and down 6% over the past 12 months. This compares with Canadian companies with one or more uranium projects, up 9% over the past month, up 19% over the past 3 months, and down 26% over the past 12 months.

In the past 1 month, the majors have had mixed share price performance: Cameco (CCO) is up 10% (3 month performance +4%), Denison Mines (DML) is down 10% (3 month performance -21%), Uranium One (UUU) down 2% (3 month performance -28%), Energy Resources of Australia (ERA) up 6% (3 month performance +4%) and Paladin (PDN) down 8% (3 month performance -7%).

The Merrill Lynch Uranium Equity Index is down 4% over the past month, down 6% over 3 months and up 125% from the recent low reached 27 Oct '08 (195).

Uranium price outlook

The uranium spot price is currently trading at US\$47.50/lb, down 8% from 3 months ago (US\$52.00/lb) and compares with US\$52.50/lb at year end December 2008. The Fund Implied Price (FIP) is US\$47.50/lb (same as the spot price), which compares with US\$41.40/lb at year end. The FIP has generally been a good leading indicator of near term spot price performance.

No significant direction change in price is anticipated near term and RCR's price outlook is flat. With the end of the northern hemisphere summer near, there is potential for the return of buyers and an uptick in demand, though traders are focused on the supply side with the possible impact of increased DOE liquidations, as it exercises a provision to exceed the 10% cap, with modest concerns of downside pressure.

The FIP at US\$47.50/lb, level with the spot price, suggests market expectations for no significant direction change in the spot price. Since the beginning of July, the FIP has traded in a range from ~US\$44/lb to ~US\$52/lb recently. This is up from US\$35/lb at the end of March.

The long term contract uranium price remains at US\$65.00/lb. It is down from US\$70/lb Dec '08, though has been relatively stable, compared to the more thinly traded spot market price, since peaking at US\$95/lb from May '07 to March '08. The gap between spot and contract prices is currently US\$17.50/lb, having increased slightly over last quarter, due to the decline in the spot price.

Industry fundamentals remain strong, underpinning support for the contract uranium price, with anticipated growth in nuclear reactors and risk of supply shortage mid term (4-8 years).

World planned and proposed nuclear power reactors

There are 49 nuclear power reactors under construction globally, up from 45 last quarter.

Currently there are 436 nuclear power reactors in operation and 49 under construction (4 more than last quarter). There are 413 new nuclear reactors planned or proposed globally as of Aug '09, up from 318 (+95 units, +30%) Aug '08. A total of 71 new reactors are expected to be commissioned by 2015.

China – a further revision to nuclear energy target - 86 GWe by 2020...

Uranium production from Kazakhstan and Africa continues to increase apace.

A number of Australian uranium juniors are moving toward production and production decisions.

Paladin Stage III expansion in Namibia constrained by water allocation.

Further delay to Forsys (TSX:FSY) deal.

Events of the past 3 months include:

- **China** indicates it may review upwards its nuclear energy production **target to 86 GWe by 2020** (up from 60-72 GWe target previously). This would require 75 new reactors, up from the 11 in operation. 15 reactors are already under construction and the balance (64) would need to commence construction by 2016.
- **Continued growth of uranium production in Africa: Namibian** uranium production increased 52% in 2008 to 5,149t U₃O₈ (11.35mlbs) up from 3,395t in 2007. Production in **Niger** fell slightly (-3%) in 2008 to 3,576t U₃O₈ (7.88mlbs) from 3,697t in 2007. **South African** production increased 22% to 772t U₃O₈ (1.7mlbs).
- **Official figures from Kazakhstan indicate a significant increase in uranium production:** production increased 28% in 2008 to 10,049t U₃O₈ (22.15mlbs) from 7,827t in 2007. KazAtomProm reported 1H09 production of 6,000t, up 57% over 1H08. Production target for 2H09 is 8,000t, taking 2009 production to 14,000t U₃O₈ (31mlbs). Target production 18,000t U₃O₈ (40mlbs) in 2010.
- **Kazakhstan – construction of two sulfuric acid plants underway** – sulfuric acid is used in Kazak ISR uranium extraction. **Zhanakorganskiy** region plant (capacity 500ktpa) – commissioning expected 2011. **Stepnogorsk** plant (capacity 180ktpa) – commissioning expected 2010.
- **Extract Resources (ASX:EXT), Namibia:** Scoping study indicates Rössing South mine production of 14.8mlbpa U₃O₈ - could dwarf neighbouring Rössing mine (RIO, 9.1mlbpa). Estimated opex US\$23.60/lb, capex US\$704m. Rössing South resource upgrade at Zones 1 and 2 to 267mlbs U₃O₈ grading 0.049%. RCR site visit June '09.
- **White Canyon Uranium (ASX:WCU):** Daneros mine, Utah – ore shipments are expected to commence Sept '09. Annual production is targeted at 500,000lbs U₃O₈, with sale or toll treatment to Denison Mines (TSX:DML) mill at White Mesa, 100km away by road.
- **Alliance Resources (ASX:AGS):** Four Mile Project (25% AGS), South Australia, ISR mining permit granted July '09. Production expected 1Q10 – 3mlbpa U₃O₈ with potential to increase to >4mlbpa.
- **Paladin Energy (ASX:PDN):** confirmed third stage expansion at Langer Heinrich, Namibia, increasing production to 5.2mlbpa U₃O₈ expected from 4Q10, up from 3.7mlbpa (Stage II). Stage III expansion downsized from 6mlbpa due to water allocation constraints. RCR site visit June '09.
- **Forsys Metals Corp (TSX:FSY):** The company was advised August 19th that the proposed plan of arrangement with George Forrest International Afrique will require review and approval of Industry Canada prior to closure. FSY owns the Valencia alaskite uranium project in Namibia.

RCR September Quarter Featured Company Summary

AUSTRALIA

Company	Code	Comment
African Energy Resources Limited	AFR	Mid to Advanced Exploration A\$4m share placement will fund ongoing uranium exploration of AFR's strategic land position in the Karoo basins of southern Africa (9,150km ²). The Chirundu JV (Zambia, 8.7mlbs U3O8) has a BFS in progress for 1.3mtpa U3O8. Drilling ~17,500m in FY10.
Alliance Resources Limited	AGS	Construction Four Mile has been granted a mining licence and should become Australia's fourth uranium mine, from early 2010. A capital raising (A\$44.7m) will support construction of the +3mlb/yr U3O8 ISR project (AGS 25%). JORC resource 61mlb U3O8, exploration target 110mlbs.
Black Range Minerals Limited	BLR	Scoping BLR has acquired 49% of the Hansen Uranium Deposit, CO (historic ~30mlbs of U3O8), adding to the 55mlb U3O8 inventory at adjoining Taylor Ranch Project (includes 25.4mlbs at 0.113%). It is now seeking a mining permit for a combined Taylor / Hansen operation.
Eleckra Mines Limited	EKM	Advanced Exploration EKM's recent drilling of new targets shows promise to expand its 749koz gold resource in the underexplored Yamarna belt (WA). EKM share price reflects no value for its 6.2mlb Thatcher Soak U3O8 resource - value could soon be unlocked with a deal with Uranex?
Energy and Minerals Australia Limited	EMA	Resource Definition EMA has raised ~A\$12m to fund ongoing development of its Mulga Rock Deposits (54.4mlbs U3O8). The FY10 budget has been boosted to A\$10m, including A\$3.3m for a resource upgrade at the Ambassador Deposit, ahead of a Scoping Study in 2Q10.
Energy Metals Limited	EME	Advanced Exploration Biglyi (NT, EME 53.7%) PFS expected 3Q09. Resource 20.6mlbs U3O8 grading 0.13% (500ppm cut-off). Initial review recommends further shallow extensional drilling and review of potential u/g mining. EME budgeting \$1m for regional NT/WA exploration projects.
Energy Resources of Australia Limited	ERA	Producer ERA is focused on mining, evaluating and exploring its leases in the highly prospective East Alligator River region (NT). The company has a pipeline of growth projects at Ranger with potential to expand, extend and accelerate output. PFS expected 2H10. Strong profit result 1H09.
Extract Resources Limited	EXT	Advanced exploration EXT's Scoping study indicates Rossing South mine (14.8mlbpa) could dwarf neighbour Rossing (2008: 9.1mlbpa; RIO 69%). Shares are reasonably valued on project NPV, but upside is likely to come from continued exploration success and corporate intrigue involving RIO.
Greenland Minerals and Energy Limited	GGG	Advanced Exploration After a Jun '09 upgrade, the giant Kvanefjeld Deposit has a JORC resource including 283mlb U3O8 and 4.91mt total REO, with 79% Indicated. A PFS is expected in late 2009. In Greenland, a national debate is planned, to decide the future of uranium production.
Monaro Mining NL	MRO	Advanced Exploration MRO has two 100%-owned US uranium projects entering pre-feasibility: Rio Puerco (in Grants Mineral Belt, NM) and Apex-Lowboy (NV). Resources 5.5mlbs U3O8 with significant upside. Leveraged to +US\$8m spend by JV partners, including Vale (Apache Basin, AZ).
NGM Resources Limited	NGM	Mid Exploration NGM has a large strategic land holding in the Tim Merso basin, Niger. The region is host to multiple high grade (up to ~0.5% U3O8), large U deposits. NGM ground hosts large radiometric anomalies with confirmed U mineralisation. Resource expected 4Q09. PDN holds 19.9% of NGM.

AUSTRALIA (cont.)

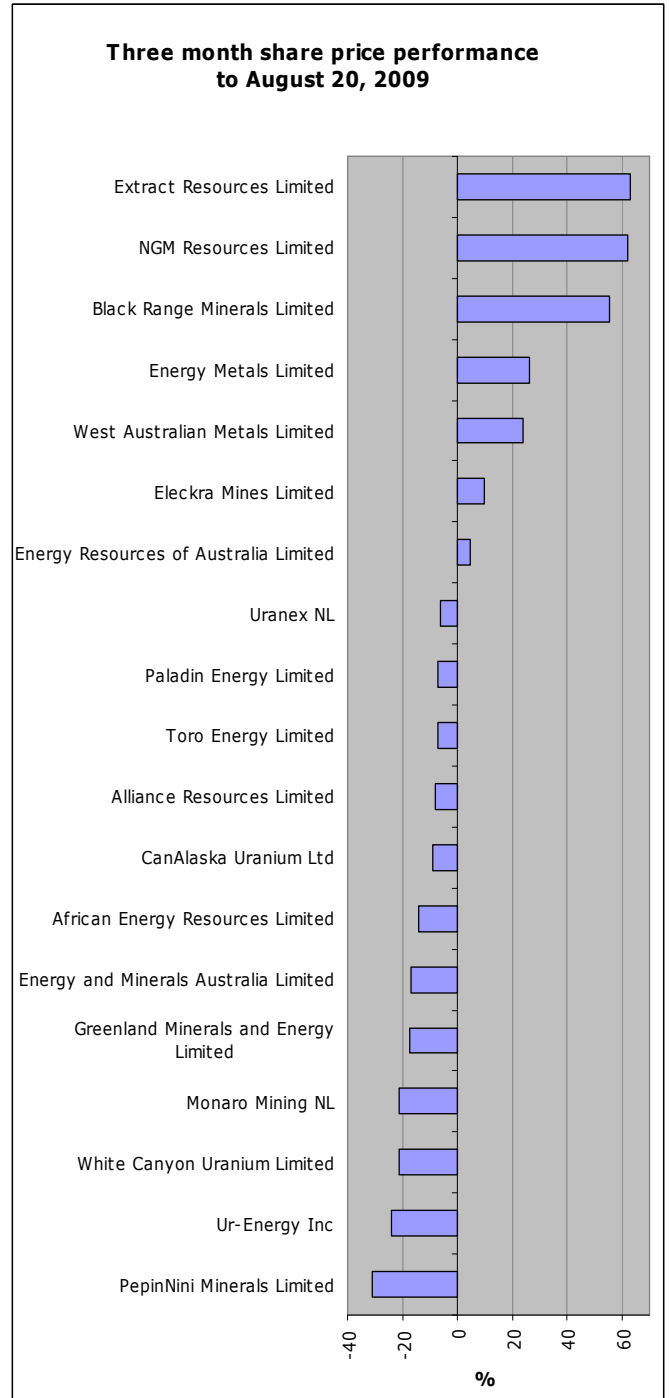
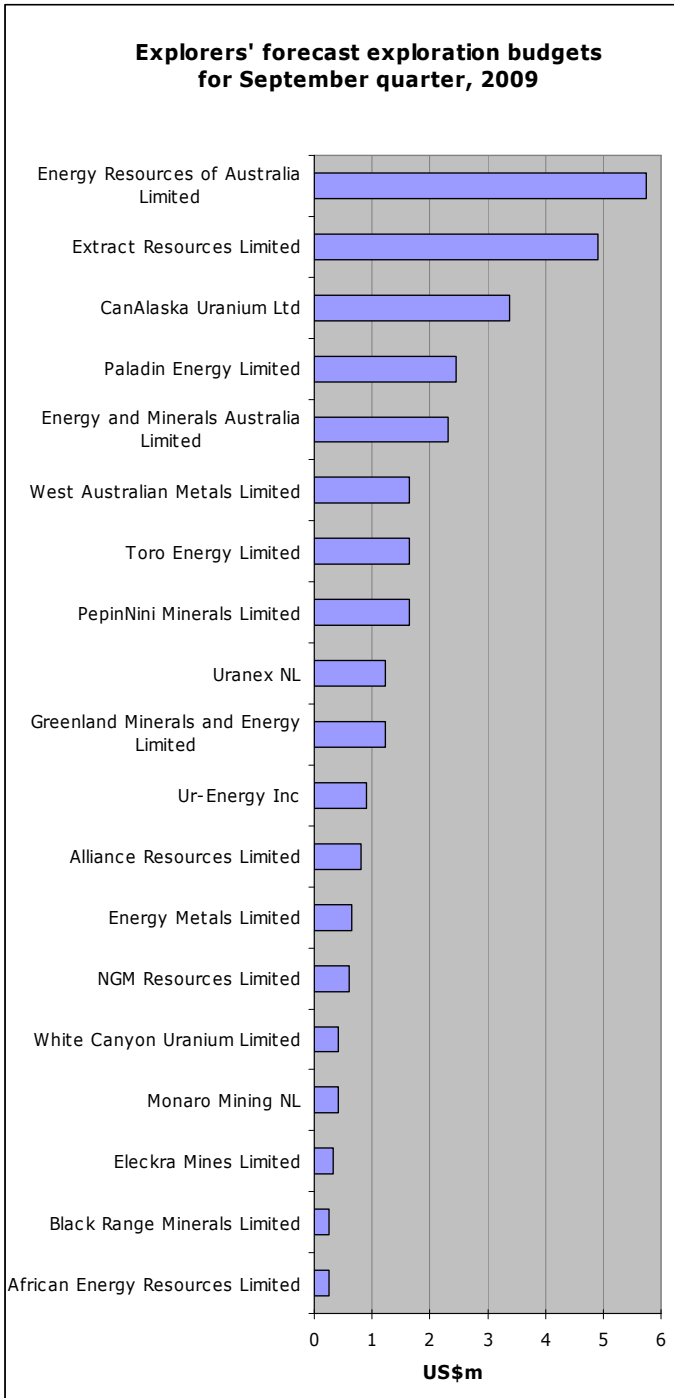
Company	Code	Comment
Paladin Energy Limited	PDN	Producer PDN's commitment to Stage III expansion at Langer Heinrich will increase production to 5.2mlbspa U3O8 from 4Q10. Potential remains for further expansion. The company has a solid pipeline of prospective exploration projects and strategic alliances in Australia and Africa.
PepinNini Minerals Limited	PNN	BFS, Advanced Exploration The BFS for PNN's Crocker Well project (60% Sinosteel, 40% PNN; 14.9mlb U resource) delayed till Dec '09 (flowsheet revisions), but recoveries have improved dramatically. Meanwhile exploration in SA/QLD strategic U, Au and base metals projects gains momentum.
Toro Energy Limited	TOE	Advanced Exploration/Resource Definition/PFS All eyes are on the imminent release of Toro's Wiluna uranium project (24mlb resource) optimisation study. If it meets targets then a market re-focusing on the long term strategic value of calcrite deposits (as per Mega's Lake Maitland transaction) should produce a stock re-rating.
Uranex NL	UNX	Advanced Exploration/PFS Uranex raised \$4.7m 2Q09 and at June 30 had cash of \$8.5m. Project momentum is building with a sonic drill rig commissioned at Manyoni 2Q09, expanded land position and PFS expected Dec '09. Thatcher Soak scoping study expected 2H09; regional consolidation underway.
West Australian Metals Limited	WME	Mid Exploration WME holds the Marenica uranium deposit (80% WME), Namibia, and is well funded with \$9.9m raised July '09. Drilling 12,000m 3Q09. Resource extension and upgrade expected 3Q09. Drilling primary targets and airborne survey over 18k ha of unexplored area at Marenica 2H09.
White Canyon Uranium Limited	WCU	Development WCU has commenced uranium mining at its fully permitted Daneros Project (Utah) with first ore shipments to Blanding Mill (Denison) expected in September, 2009. Regional target 10mlbs U3O8, with exploration drilling expected in 3Q09.

CANADA

Company	Code	Comment
CanAlaska Uranium Ltd	CVV	Advanced Exploration CVV has a strategic land position (2.9m ac in the Athabasca Basin) with a pipeline of high value exploration targets and funding from key strategic investors. Key exploration priorities summer '09 include Cree East and West McArthur JV's and Black Lake (earning 49%).
Ur-Energy Inc	URE	Permitting URE is a near-term uranium producer, with two advanced ISR projects in the Great Divide Basin, WY. Lost Creek is expected to operate from 4Q10 subject to permitting, followed in 2011 by Lost Soldier. Resource inventory 24.9mlb U3O8, potential for +80mlbs.

[PAGE LEFT BLANK INTENTIONALLY]

Comparative Charts



A number of companies have well funded and aggressive exploration programs underway for resource expansion and project evaluation (ERA, EXT, PDN, EMA); And a number of projects are under construction or approaching development decisions (AGS, WCU, TOE, PNN).

Following the strong rebound across the board in equity markets earlier this year, share price performances have been more selective in recent months.

Financial Data

COMPANY	Code	Status ¹	Yr End	Exchanges					Share Price (LC\$/share) ³					Fully Diluted		Market Cap		Book Value		Enterprise Value (Undiluted) (LC\$m) ³		
				Aust	Canada	USA	Europe	other	Listed options	52 week Hi	52 week Low	Current	Shares (m)	Opt+W ² (m)	C. Notes ² (m)	Shares (m)	(undiluted) (LC\$m) ³	Cash (LC\$m) ³	Debt (LC\$m) ³		Value (LC\$m) ³	
20 August 2009																						
AUSTRALIA (A\$)																						
African Energy Resources Limited	AFR	E	June	ASX						0.11	0.01	0.06	175	13	0	188	11	4.2	0.6	19	11	
Alliance Resources Limited	AGS	I	June	ASX						0.98	0.28	0.77	315	9	0	324	242	44.9	0.0	83	242	
Black Range Minerals Limited	BLR	E	June	ASX						0.11	0.01	0.07	619	109	0	729	43	7.5	0.0	17	43	
Eleckra Mines Limited	EKM	E	June	ASX						0.14	0.01	0.04	170	75	0	245	7	2.0	0.0	8	7	
Energy and Minerals Australia Limited	EMA	E	June	ASX						0.60	0.17	0.25	291	9	0	300	71	10.6	0.0	17	71	
Energy Metals Limited	EME	E	June	ASX						1.16	0.31	0.70	117	4	0	121	81	8.5	0.0	26	81	
Energy Resources of Australia Limited	ERA	P	Dec	ASX						28.28	9.35	25.92	191	0	0	191	4944	253.6	0.0	936	4944	
Extract Resources Limited	EXT	E	June	ASX	TSX					8.69	0.75	8.39	229	3	0	232	1919	22.3	0.0	115	1919	
Greenland Minerals and Energy Limited	GGG	E	June	ASX						0.56	0.15	0.38	194	171	0	365	74	12.2	0.0	40	74	
Monaro Mining NL	MRO	E	June	ASX		OTC	FRA			0.33	0.07	0.08	103	4	5	112	8	0.7	0.0	8	8	
NGM Resources Limited	NGM	E	June	ASX						0.27	0.01	0.17	162	28	30	219	28	5.0	0.0	7	28	
Paladin Energy Limited	PDN	P	June	ASX	TSX			NSX		5.95	1.63	4.53	624	15	82	721	2825	183.0	721.1	632	3546	
PepinNini Minerals Limited	PNN	E	June	ASX						0.68	0.14	0.33	78	1	0	79	25	9.3	0.0	32	25	
Toro Energy Limited	TOE	E	June	ASX						0.32	0.09	0.19	556	15	0	571	106	6.5	0.0	144	106	
Uranex NL	UNX	E	June	ASX						0.58	0.11	0.39	96	6	4	107	37	6.7	0.0	14	37	
West Australian Metals Limited	WME	E	June	ASX						0.28	0.05	0.18	449	62	4	514	81	8.0	0.0	13	81	
White Canyon Uranium Limited	WCU	I	June	ASX						0.45	0.06	0.28	188	92	0	280	53	1.5	0.0	35	53	
Total: Australia																	582.3	721.1	2129	11266		
CANADA (C\$)																						
CanAlaska Uranium Ltd	CVV	E	April	TSX.V	OTC	FSE				0.22	0.05	0.16	138	26	0	164	21	6.1	0.0	52	21	
Ur-Energy Inc	URE	I	Dec	TSX.V						101.15	1.65	0.34	0.95	94	7	0	101	89	15.9	0.0	92	89
Total: Canada																	22.1	0.0	144	111		
Total: (US\$) ⁴																	497	591	1875	9338		

(1) P: Producer; E: Explorer; I: Imminent - includes companies with bankable feasibility studies and likely to be in production within 3 years; IHC: Investment Holding Company
(2) Fully Diluted (shares, options + warrants (opt. + w), convertible notes (Conv. N), other obligations)
(3) L.C. - Local Currency unit; End of quarter forecast. (4) AUD/USD: 0.82; CAN/USD: 0.90

Company Statistics

COMPANY	Code	Land ('000 ha) ⁶	Drilling ('000 m)				(A) Exploration (L.C.\$m) ⁷				(B) Corporate (L.C.\$m) ⁷				(A)/(A+B) %									
			Jun-09	Sep-09	2009	2010	Jun-10	Sep-10	2009	2010	Jun-10	Sep-10	2009	2010	Sep-10	2009	2010							
20 August 2009																								
AUSTRALIA (A\$)																								
African Energy Resources Limited	AFR	915	0.0	2.4	0.0	17.4	0.0	0.3	0.2	2.4	0.4	0.4	1.9	1.6	42.9	9.0	60.0							
Alliance Resources Limited	AGS	228	15.0	15.0	63.7	60.0	0.1	1.0	1.8	4.1	0.9	0.8	2.6	3.0	57	41	58							
Black Range Minerals Limited	BLR	6	0.0	3.8	7.5	15.0	0.3	0.3	2.4	1.2	0.3	0.3	1.3	1.2	50	64	50							
Eleckra Mines Limited	EKM	710	5.5	5.0	18.5	27.0	0.4	0.4	1.1	1.5	0.2	0.2	0.7	0.6	73	61	71							
Energy and Minerals Australia Limited	EMA	325	10.0	10.0	41.0	40.0	0.5	2.8	3.0	8.4	0.4	0.4	1.7	1.6	87.6	63.3	84.0							
Energy Metals Limited	EME	400	2.0	7.5	29.5	30.0	1.0	0.8	6.4	3.8	0.1	0.2	0.7	0.7	82	90	84							
Energy Resources of Australia Limited	ERA	8	3.8	4.0	16.5	20.0	6.4	7.0	28.0	28.0	3.0	3.1	12.2	12.3	70	70	69							
Extract Resources Limited	EXT	270	35.0	35.0	130.0	140.0	4.9	6.0	19.7	19.7	0.7	1.0	4.3	4.2	86	82	83							
Greenland Minerals and Energy Limited	GGG	211	1.0	5.0	10.0	8.0	2.6	1.5	11.0	3.3	1.1	0.6	4.0	2.5	71	73	57							
Monaro Mining NL	MRO	280	0.0	0.0	0.0	3.5	0.3	0.5	2.7	1.2	0.6	0.5	3.6	1.7	50	42	41							
NGM Resources Limited	NGM	16	0.0	1.5	0.0	8.5	0.4	0.8	1.0	4.3	0.1	0.0	0.6	0.0	100	63	100							
Paladin Energy Limited	PDN	na	25.0	25.0	100.0	100.0	3.0	3.0	11.6	12.0	8.0	8.0	35.7	32.0	27	25	27							
PepinNini Minerals Limited	PNN	1,580	11.5	9.0	40.5	39.0	2.5	2.0	7.1	7.6	0.3	0.4	1.2	1.6	83	86	83							
Toro Energy Limited	TOE	3,799	6.0	6.5	32.0	25.5	1.4	2.0	6.6	7.5	0.6	0.6	2.5	2.4	77	72	76							
Uranex NL	UNX	3,390	4.0	9.0	18.9	25.5	1.5	1.5	5.2	4.5	0.2	0.5	1.7	2.0	75	75	69							
West Australian Metals Limited	WME	100	1.3	12.0	15.3	22.5	0.8	2.0	3.3	8.0	0.6	0.6	2.6	2.4	77	56	77							
White Canyon Uranium Limited	WCU	4	3.5	3.5	14.0	14.0	0.0	0.5	0.5	2.0	0.3	0.4	1.1	1.4	59	30	59							
Total: Australia																	124	152	537	579	26	32	111	117
CANADA (C\$)																								
CanAlaska Uranium Ltd	CVV	1,011	5.0	2.5	16.0	15.0	4.5	3.8	9.8	15.0	0.6	0.6	2.9	2.4	86	77	86							
Ur-Energy Inc	URE	26	10.0	28.5	58.0	40.0	1.3	1.0	4.5	4.0	1.4	1.0	4.8	4.0	50	49	50							
Total: Canada																	15	31	74	55	6	5	14	19
Total: (US\$) ⁴																	27	31	104	113				

(6) To convert hectares to acres, multiply by 2.47; eg 100 thousand hectares ('000 ha) = 247 thousand acres ('000 ac)
(7) L.C. - Local Currency unit

Reserves, Resources and Historic Mineralisation

COMPANY	Code	Status ¹	Reserves (Equity) ²		Resources (Equity) ²		Historical/Mineralised Material (Equity) ²		Total Uranium (U ₃ O ₈)		Total - Gold Equivalent ³ (Moz)	Production Commencement Year	
			Uranium (U ₃ O ₈) Mlb	Other kt	Uranium (U ₃ O ₈) Mlb	Other kt	Uranium (U ₃ O ₈) Mlb	Other kt	(All Mineralisation) ¹ Mlb	kt			
20 August 2009													
AUSTRALIA													
African Energy Resources Limited	AFR	E	0.0	0.0	6.1	2.8	0.0	0.0	6.1	2.8	0.3	na	
Alliance Resources Limited	AGS	I	0.0	0.0	15.3	6.9	0.0	0.0	15.3	6.9	0.8	1Q10	
Black Range Minerals Limited	BLR	E	0.0	0.0	58.0	26.3	58.8kt (Cu)	14.7	6.7	72.7	33.0	4.0	na
Eleckra Mines Limited	EKM	E	0.0	0.0	6.2	2.8	0.0	0.0	6.2	2.8	0.3	na	
Energy and Minerals Australia Limited	EMA	E	0.0	0.0	54.4	24.7	0.0	0.0	54.4	24.7	3.0	na	
Energy Metals Limited	EME	E	0.0	0.0	20.0	9.1	19.8kt (Vn)	0.0	0.0	20.0	9.1	1.1	na
Energy Resources of Australia Limited	ERA	P	245.7	111.4	416.5	188.9	^	0.0	0.0	662.1	300.3	^	1981
Extract Resources Limited	EXT	E	0.0	0.0	292.2	132.5	0.0	0.0	292.2	132.5	16.0	na	
Greenland Minerals and Energy Limited	GGG	E	0.0	0.0	172.6	78.3	0.0	0.0	172.6	78.3	9.4	na	
Monaro Mining NL	MRO	E	0.0	0.0	5.5	2.5	1.0	0.5	6.5	2.9	0.4	na	
NGM Resources Limited	NGM	E	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	na	
Paladin Energy Limited	PDN	P	90.7	41.1	331.0	150.1	35.1	15.9	366.1	166.1	20.0	2008	
PepinNini Minerals Limited	PNN	E	0.0	0.0	7.9	3.6	0.0	0.0	7.9	3.6	0.4	na	
Toro Energy Limited	TOE	E	0.0	0.0	31.8	14.4	13.2	6.0	45.0	20.4	2.5	na	
Uranex NL	UNX	E	0.0	0.0	29.3	13.3	0.0	0.0	29.3	13.3	1.6	na	
West Australian Metals Limited	WME	E	0.0	0.0	27.4	12.4	0.0	0.0	27.4	12.4	1.5	na	
White Canyon Uranium Limited	WCU	I	0.0	0.0	0.0	0.0	1.4	0.6	1.4	0.6	0.1	4Q09	
Average: Australia													
CANADA													
CanAlaska Uranium Ltd	CVV	E	0.0	0.0	0.0	0.0	0.5	0.2	0.5	0.2	0.0	na	
Ur-Energy Inc	URE	I	0.0	0.0	24.9	11.3	2.2	1.0	27.1	12.3	1.5	4Q10	
Total/Total Average													
			336	153	1499	680	68	31	1813	822			

(1) P: Producer; E: Explorer; I: Imminent - includes companies with bankable feasibility studies and likely to be in production within 3 years; IHC: Investment Holding Company

(2) Reserves, resources and mineralised material published by the relevant company. Tonnes are metric (2204.6 pounds).

The applicable mineral resource codes are by country: Australian: JORC, Canadian: NI 43-101, South Africa: SAMREC

(3) For uranium only. Assumes a uranium price of US\$52.00/lb and a gold price of US\$950/oz * Mineral resource estimates are inclusive of the mineral reserve. ^ ERA reserves are in addition to resources.

Valuation and Performance Data

COMPANY	Code	P/Book (x)	P/Net Cash (x)	EV-Cash	EV-Cash	EV-Cash	Valuation (% of U ₃ O ₈ Price (USD))			Share Price Performance (%)				Current Share Price	
				/Reserves US\$/unit	/Res+v+resources US\$/unit	/Total U ₃ O ₈ US\$/unit	Spot	Contract	FIP	1 month	3 month	6 month	12 month	Hi	Lo
20 August 2009															
AUSTRALIA															
African Energy Resources Limited	AFR	0.6	3.0	na	0.95	0.95	2	1	2	2	-14	205	-59	45	510
Alliance Resources Limited	AGS	2.9	5.4	na	10.62	10.62	22	16	22	-9	-8	92	-2	21	176
Black Range Minerals Limited	BLR	2.6	5.8	na	0.51	0.40	1	1	1	-10	56	112	71	33	536
Eleckra Mines Limited	EKM	0.9	3.8	na	0.73	0.73	2	1	2	-4	10	na	na	69	267
Energy and Minerals Australia Limited	EMA	4.2	6.7	na	0.91	0.91	2	1	2	-13	-17	32	-37	69	267
Energy Metals Limited	EME	3.1	9.6	na	2.98	2.98	6	5	6	9	26	74	-34	40	124
Energy Resources of Australia Limited	ERA	5.3	19.5	15.66	9.23	9.23	19	14	19	6	5	38	34	8	177
Extract Resources Limited	EXT	16.7	86.0	na	5.32	5.32	11	8	11	20	63	265	812	3	1019
Greenland Minerals and Energy Limited	GGG	1.8	6.0	na	0.29	0.29	1	0	1	19	-17	111	3	32	153
Monaro Mining NL	MRO	1.0	11.4	na	1.12	0.94	2	2	2	-10	-21	-19	-72	76	22
NGM Resources Limited	NGM	3.8	5.5	na	na	na	na	na	na	-23	62	1033	431	37	2025
Paladin Energy Limited	PDN	4.5	-5.3	30.41	8.33	7.53	18	13	18	-8	-7	50	-12	24	178
PepinNini Minerals Limited	PNN	0.8	2.7	na	1.67	1.67	4	3	4	-4	-31	71	-52	52	141
Toro Energy Limited	TOE	0.7	16.2	na	2.56	1.81	5	4	5	0	-7	90	-2	40	111
Uranex NL	UNX	2.6	5.5	na	0.85	0.85	2	1	2	-13	-6	103	67	34	250
West Australian Metals Limited	WME	6.0	10.1	na	2.18	2.18	5	3	5	-20	24	125	3	36	253
White Canyon Uranium Limited	WCU	1.5	34.0	na	na	29.91	na	na	na	4	-21	na	40	37	367
Average: Australia															
				23.03	3.38	5.03	7	5	7						
CANADA															
CanAlaska Uranium Ltd	CVV	0.4	3.5	na	na	27.94	na	na	na	-11	-9	11	-14	28	244
Ur-Energy Inc	URE	1.0	5.6	na	2.65	2.44	6	4	6	-10	-24	48	-38	42	179
Average: Canada															
				na	2.65	15.19	6	4	6						
Total/Total Average															
				15.36	2.99	5.62	6	5	6						

AFR.AU

African Energy Resources Ltd

A\$ 0.06

20 August 2009
Uranium
Zambia, Botswana, Malawi
Mid to Advanced Exploration
Exchanges: ASX:AFR

A\$4m share placement will fund ongoing uranium exploration of AFR's strategic land position in the Karoo basins of southern Africa (9,150km²). The Chirundu JV (Zambia, 8.7mlbs U₃O₈) has a BFS in progress for 1.3mtpa U₃O₈. Drilling ~17,500m in FY10.

Capital Profile

Share price (A\$)	0.06
52 week range (A\$/share)	0.01 to 0.11
Number of shares (m)	175
Options and warrants (m)	13
Convertible notes (m)	0
Fully diluted (m)	188
Market capitalisation (undiluted) (A\$m)	10.6
Debt (A\$m) - Sep 09F	0.6
Enterprise value (A\$m)	11.3
Major shareholders: Energy Ventures Ltd (41%), HSBC Custody Nom. (Aust.) Ltd (7%)	
Avg monthly volume (m)	10
Cash (A\$m) - Sep 09F	4.2
Price/Cash (x)	2.5
Price/Book (x)	0.6
Listed company options:	No

Production and Financial Forecasts

YEAR END: June	Jun-09a	Sep-09F	2008a	2009a	2010F
Exploration and evaluation (A\$m)	0.05	0.30	6.70	0.19	2.40
Corporate (A\$m)	0.43	0.40	1.77	1.93	1.60
Exploration/(Expl.+ Corporate) (%)	10	43	79	9	60
Funding duration at current burn (years)			0.6	2.0	0.3
Shares on issue (pr end) (m shares)	174.5	254.5	174.5	254.5	254.5
Drilling - RAB (m)	0	2,400	5,000	0	17,400
Drilling - Other/Diamond (m)	0	0	37,024	0	0
Land holding ('000 ha)*	915	915	3,170	915	915
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	0.00	4.00	7.16	0.04	4.00
Funding from JV partners (A\$m)	1	0	1	4	0
Cash (A\$m)	0.9	4.2	4.8	4.2	1.1
Cash backing (Ac/share)	0.5	1.7	2.8	1.7	0.4
Net asset backing (Ac/share)	8.6	7.3	9.7	5.9	6.9

*Uranium prospective tenements only, both held and under application. Quarters refer to calendar year.

Investment Points

100% uranium focus in southern Africa, exploration budget A\$2-3m in FY10.

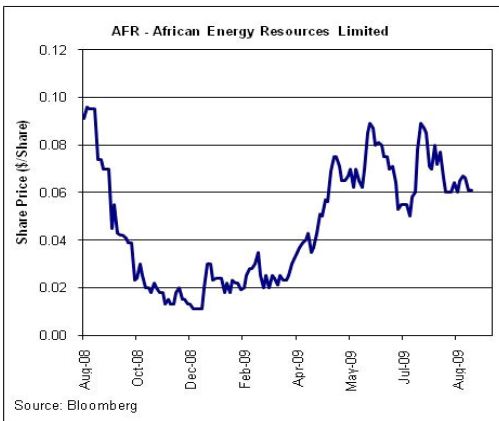
Chirundu JV (Njame and Gwabe, Zambia): Sediment-hosted uranium. Potential mining within 2 years of BFS, opex US\$26-31/lb (Jun '09), capex ~US\$100m.

Njame deposit (resource 5.2mlbs U₃O₈) and Gwabe (3.5mlbs); combined resource includes 7.4mlb / 85% Measured and Indicated U₃O₈ grading 0.029% (Mar '09).

Targets at Chirundu include untested 5km uranium anomaly (Siamboka), drilling 6,500m Sep-Oct '09.

Kariba Valley JV: same system as Chirundu, with 100km underexplored strike, drilling 3,000m in Nov '09.

Cash Sep 09F A\$4.4m after recent A\$4m placement.



Company Comment

Overview: AFR listed on the ASX Apr '07. Tenements are in southern Africa's Karoo Basin uranium province, which is prospective for sedimentary roll-front and calcareous-hosted uranium deposits. **Chirundu JV (uranium, Zambia):** Joint venture with Albion (ASX:ALB), AFR 70%. **Njame Deposit** is the most advanced of AFR's projects - 7km x 1.5km radiometric anomaly first identified in the late 1970's. Uranium mineralisation forms tabular zones within Escarpment Grit sediments. Current JORC resource for Njame is 8.6mt @ 0.028% for 5.2mlb U₃O₈ down to 40m to 50m depth. Of this, 4mlb is at Njame North. The nearby **Gwabe Deposit** was a greenfields AFR discovery. It has a JORC resource of 5.7mlb @ 0.028% U₃O₈ defined at shallow depths (3-29m). The combined Njame and Gwabe resource is 8.7mlb U₃O₈ (Mar '09). Exploration upside: targets at **Njame South, Gwabe South and Siamboka** (5km x 0.6km radiometric and soil anomaly) will be drilled Sep-Oct '09 (6,500m program). **Chirundu JV pre-feasibility study:** (Apr '08) was based on satellite open pits with acid heap leach and individual ion-exchange plants (RIX), resins trucked to central plant at Njame. Base model was for 1.3mlbpa U₃O₈ for 5-6 years. Initial capex US\$68m for Njame and US\$21m deferred at Gwabe (deposits mined sequentially), or a total US\$100m including contingencies. PFS opex (US\$30-40/lb U₃O₈) was revised in Jun '09 to US\$31/lb at Njame and US\$26/lb at Gwabe, with Njame more expensive due to higher mining costs (strip ratio). Target is US\$22-\$25/lb. A mining trade-off study (2Q09) favoured surface mining over drill & blast or free dig (factors include cost, grade control). Metallurgy is ongoing, with uranium recoveries of ~85% at Njame, ~70% at more refractory Gwabe (improvement possible). A BFS was commissioned in 2008 but put on hold to save funds. Mining and engineering studies could be restarted if resource inventory can support 8-10yr mine life (current 5yrs), i.e. a further 4.5mlb-7mlb U₃O₈ at ~0.03% U₃O₈. A mining licence (ML) application has been submitted. **Kariba Valley JV (Zambia),** 80km SW of Chirundu and part of the same geological system, Kariba has 100km strike, including 42km of radiometric anomalies. There is surface uranium mineralisation at **Chisebuka** (0.012-0.482% U₃O₈) and **Namakande** (target 1,800m long, up to 0.062% U₃O₈ in rock chips). Drilling program Nov '09 (3,000m). The Mutanga deposit (7.8mlb U₃O₈ M&I) lies between Chirundu and Kariba Valley JV, suggesting potential for discussion between AFR and OmegaCorp. **Sese Project (uranium, Botswana):** 50km south of Francistown, <5km from highway and railway, 15km north of Letlhakane sedimentary uranium deposit (ASX:ACB; 98mlbs U₃O₈ @ 0.016%). **Foley target:** 7km x 7km, laterites overlying sediments, up to 0.049% U₃O₈, drilling +3,000m Oct-Nov '09. **Investment Comment:** AFR is well funded (cash Sep 09F A\$4.4m) after a share placement to institutions and sophisticated investors (Jul-Aug '09) raised A\$4m. These funds will allow ~17,400m uranium exploration drilling in FY10, most immediately at Chirundu, Kariba Valley JV and Sese. This should provide a consistent flow of new assays from 4Q09. Our 24 month target price for AFR is A\$0.20/share fully diluted (post-placement, based on contract uranium price of US\$65/lb) assuming US\$100m project financing and exploration success to extend LOM at Chirundu to 10 years.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium U ₃ O ₈	Classification	Project	Ore Mt	U ₃ O ₈ %	Cut Off ppm	U ₃ O ₈ Kt	U ₃ O ₈ Mlb	U ₃ O ₈ Mlb	Eqty Mlb	
Reserves										
Reserves[^]										
Njame (Chirundu JV)	Meas, Ind and Inf	70%	8.6	0.028	100	2.4	5.2	3.6		
Gwabe (Chirundu JV)	Meas, Ind and Inf	70%	5.7	0.028	100	1.6	3.5	2.5		
			14.3	0.028	100	3.9	8.7	6.1		
Mineralised Material (est., non compliant w ith JORC)							0.0	0.0	0.0	

[^] Measured and Indicated Resources at Chirundu are 7.4mlb, or 85% of total.

Contacts

Dr Frazer Tabcart
Managing Director
Tel: +618 6465 5500
West Perth, WA, Australia
www.africanenergyresources.com

Directors

A Cooke (Exec Chair)
C Tabcart (Managing Dir)
G Fry (Exec)
V Chitalu (Non Exec)
MP Curnow (N Exec)

Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Chirundu JV	70%	U	Albion	Rollfront heap l. (2.3mtpa)	na	BFS	Zambia
Sese	100%	U	none	Rollfront	na	Mid. Expl.	Botswana
Kariba Valley JV [^]	30/70%	U	Albion	Rollfront	na	Adv. Expl.	Zambia
Bungua Ridge JV	51%/70%	U	Aldershot	Rollfront	na	Early Expl.	Zambia
Luangwa	100%	U	na	Rollfront	na	Early Expl.	Zambia

[^] AFR JV w ith Albion Exploration. AFR earning initial 30% for A\$1m spend at each project.

Analyst: Dr Trent Allen
trentallen@rcresearch.com.au

AFR valuation derived from Chirundu prefeasibility study (2Q08) and subsequent opex update (Jun '09) as part of BFS. Chirundu NPV break-even is at a uranium price of ~US\$30lb on current project parameters.

AFRICAN ENERGY RESOURCES VALUATION

	Uranium Resource*	Valuation	Target Price	Valuation (Low)	Sensitivity (High)
	(mlbs)	US\$/lb	A\$m	A\$m	A\$m
Projects					
+ Njame (Chirundu)	4.2	0.54	2	2	2
+ Gwabe (Chirundu)	3.2	4.29	12	7	22
+ Expansion/satellites (for 10 yrs prod)	4	7.71	27	1	81
+ Regional Exploration			10	10	20
Sub Total			51	20	125
	* Measured and Indicated				
+ Cash			4.2	4.2	4.2
+ Tax Losses			1.7	1.7	1.7
- Corporate			2.1	2.1	2.1
Sub Total			3.7	3.7	3.7
AFR NET ASSET VALUE			55	24	129
Capital Structure					
Shares			254.5	254.5	254.5
Fully Diluted Shares			267.9	267.9	267.9
AFR NET ASSET VALUE PER SHARE	:A\$/share		0.22	0.09	0.51
AFR NET ASSET VALUE DILUTED	:A\$/share fully diluted		0.20	0.09	0.48

CHIRUNDU URANIUM PROJECT (based on PFS, Jun '09 opex guidance and potential satellite expansion)

		Equity	Sensitivity			
LONG TERM URANIUM PRICE^	:US\$/lb	35	40	60	90	125
EXCHANGE RATE	:AUUS	0.80	0.80	0.80	0.80	0.80
CHIRUNDU URANIUM NPV @ 10% NOMINAL*	:A\$m	70%	11	15	36	68
CHIRUNDU URANIUM NPV @ 10% NOMINAL*	:US\$m	70%	9	12	29	84
NPV/SHARE	:A\$/share	na	na	0.21	0.39	0.60
* Includes a pre prefeasibility study project discount of 30% of the project valuation:		30%				
^Uranium price forecasts are US\$60/lb from 1Q10 to 4Q17, thence long term price indicated.						

CHIRUNDU URANIUM PROJECT KEY ASSUMPTIONS*

RESOURCE ESTIMATES		Uranium		
		Mt	%	Mlbs
	Conceptual Uranium Target			
	Njame (Chirundu, meas + ind resource)	6.4	0.029	5.2
	Gwabe (Chirundu, meas + ind resource)	4.9	0.029	3.5
	Expansion to 10yr Life Of Mine	11.0	0.029	7
	Total	25	0.029	16
MINING METHOD	Open Pit, Surface Miners			
PROCESS METHOD	Dedicated Uranium Plant Acid Heap Leach and Ion-Exchange Precipitation			
PRODUCTION RATE	:mtpa	2.3		
	:mlbspa	1.3		
CAPITAL COSTS	:US\$m	100	Njame \$67.8m, Gwabe \$20.6m after 3 yrs, + contingencies.	
RECOVERY - URANIUM	:%	70-85	Njame 85%, Gwabe 70%	
OPERATING COSTS	:US\$/t	11.9-17.4		
	US\$/lb	26-31		
TAX	:%	30	(potential for further fiscal incentives to lower tax rate)	
MINE LIFE	:Years	10	Current resources will support 5 years.	
TARGET COMMISSION DATE	:	1Q12		

* These figures are preliminary in nature and are intended to provide only a general indication of project potential scale and economic robustness. Further refinement may result from ongoing Bankable Feasibility Study.

EKM.AU

Eleckra Mines Limited

A\$ 0.04

20 August 2009
Gold, Uranium
Australia (WA)
Advanced Exploration
Exchanges: ASX:EKM

EKM's recent drilling of new targets shows promise to expand its 749koz gold resource in the underexplored Yamarna belt (WA). EKM share price reflects no value for its 6.2mlb Thatcher Soak U₃O₈ resource - value could soon be unlocked with a deal with Uranex?

Capital Profile

Share price (A\$)	0.04
52 week range (A\$/share)	0.01 to 0.14
Number of shares (m)	141.0
Options and warrants (m)	39.4
Convertible notes (m)	0.0
Fully diluted (m)	180.4
Market capitalisation (undiluted) (A\$m)	6.2
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	6.2
Major shareholders: Perth Select Seafood (5.9%), Troyleigh Inv. Ltd (4.8%) HSBC Custody Nom's (4.6%), Haifa Pty Ltd (4.0%).	
Avg monthly volume (m)	13
Cash (A\$m) - Sep 09F	2.0
Price/Cash (x)	3.2
Price/Book (x)	0.7
Company options:	No

Production and Financial Forecasts

YEAR END: June	Jun-09a	Sep-09F	2008a	2009F	2010F
Exploration and evaluation (A\$m)	0.40	0.40	1.71	1.10	1.50
Corporate (A\$m)	0.15	0.15	0.99	0.71	0.60
Exploration/(Expl.+ Corporate) (%)	73	73	63	61	71
Funding duration at current burn (years)			0.6	1.4	0.2
Shares on issue (pr end) (m shares)	170.4	170.4	62.1	170.4	170.4
Drilling - RAB (m)	5,500	3,000	17,400	15,500	12,000
Drilling - Other/Diamond (m)	0	2,000	3,550	3,000	15,000
Land holding ('000 ha)*	710	710	200	710	710
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	2.50	0.00	0.00	2.66	0.00
Funding from JV partners (A\$m)	0	0	0	0	0
Cash (A\$m)	2.5	2.0	1.6	2.5	0.5
Cash backing (Ac/share)	1.4	1.1	2.5	1.4	0.3
Net asset backing (Ac/share)	4.8	4.7	9.7	4.8	4.5

*Gold and uranium prospective tenements, both held and under application.

Investment Points

EKM's focus is gold and uranium in WA. Exploration budget is ~A\$1.5mpa mostly directed to gold.

Strategic position (~2,500km²) in remote under-explored Yamarna greenstone belt in Yilgarn Craton.

Yamarna (Attila-Alaric) gold resource 749koz Au near surface - many untested targets along 17km strike.

Current drilling is identifying potential additional resources in untested nearby targets.

2Q09 Central Bore RAB drilling produced promising new 300m new mineralised zone - 5,000m RC drill 3Q09.

Newly granted tenements (Golden Sands project) cover unexplored ground between Yamarna and the AngloGold Tropicana discovery (5moz resource).

If EKM does a deal with Uranex on Thatcher Soak, we would expect shares to trade at ~7-8cents.

Company Comment

Overview: EKM listed on the ASX July '06. The company's highest priority is the Yamarna Greenstone Belt where it has established the 749koz (1.78g/t) Attila gold deposit, and a 6.2mlb shallow calcrete U₃O₈ resource, an extension to the Thatcher Soak drainage channel (20mlb global resource).

Yamarna project (WA): (2,500km², gold) EKM has defined an initial gold resource along the Yamarna shear zone - a regional scale mineralised trend considered prospective for multi-million ounce discoveries. EKM's 749koz resource defined to date occurs in the **Attila-Alaric zone** along a 17km strike length. There are gaps in drill coverage with over 50% of the strike length untested. The deposit is open at depth and along strike. Anticipated resource conversion is ~50% with EKM aiming to achieve resources of 1moz - 1.5moz Au before commencing a PFS. Preliminary metallurgical testing has indicated good heap leach characteristics. **Recent Drilling:** In 2Q09 EKM conducted a 5,500m, 310 hole RAB drilling campaign on 5 new unexplored gold anomaly target areas parallel to the existing Attila resource. Best results were reported at **Central Bore** (3.7km E of Attila) over a 300m zone with some good hits (e.g. 4m @ 4.01g/t from surface, 4m @ 14.14g/t from 16m). Other targets produced some reasonable results for future follow up. A 5,000m follow up RC drill program for Central Bore is planned for 3Q09, which will include holes to test the depth potential for higher grade gold shoots that were indicated in previous wide spaced drilling (9 targets identified, 2-3 to be drilled this Q).

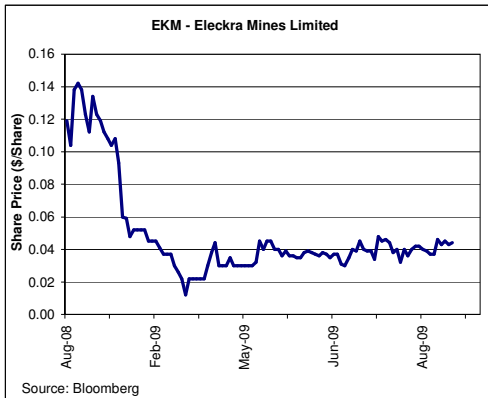
Golden Sands (WA): (1,500km², gold) EKM has recently been granted largely unexplored exploration tenements between Yamarna and the tenements to the south of the AngloGold Ashanti/Independence Group **Tropicana** gold project (5moz resource - currently subject of a PFS for a ~400kozpa operation). EKM is planning an initial program comprising airborne magnetic and radiometric surveys.

Thatcher Soak Tenements: (500km², uranium) EKM holds Eastern portion of the Thatcher Soak calcrete uranium prospect, (total 20mlb global resource - Uranex NL (ASX:UNX) 14mlb and EKM 6.2mlb). The grades are low (UNX 220ppm; 170ppm, @ 100ppm cut off), but deposit is shallow, easily mined. UNX is pushing ahead and is nearing completion of a scoping study. Recently UNX purchased small part of Thatcher Soak resource from South Boulder mines which valued resource at ~A\$0.75/lb. UNX's intent seems clear - strategically they would be in a stronger position through owning the full resource. Best opportunity for EKM to unlock U value would be to sell to UNX.

Corporate: EKM raised A\$2.7m in 2Q09 to maintain gold exploration momentum during FY10.
Investment Comment: With an established 749koz resource, encouraging drilling of new Yamarna belt targets, cash ~A\$2m, EKM is trading at a significant discount to our assessed value. Based on UNX recent purchase, we think a deal with UNX could value Thatcher Soak at min.~A\$1.00/lb, and if gold resource was valued at modest ~A\$5.00/oz, then EKM would be valued at 7-8cents/share.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)								
Gold	Classification	Project	Ore Mt	Au g/t	Cut Off g/t	Au t	Au koz	Au Eq koz
Reserves						0.0	0.0	0.0
Resources								
Yamarna - Attila-Alaric	Inf., Ind. & Meas.	100%	13.1	1.78	1.00	23.3	749	749
Mineralised Material (est., non compliant with JORC)						0.0	0.0	0.0
Uranium Resources								
Thatcher Soak	Inferred	100%	16.1	0.017	100	2.7	6.2	6.2



Contacts

Mr. Ian Murray
(Executive Chairman)
Tel: 61 (0) 8 9486 4144
West Perth, WA, Australia
www.eleckramines.com.au

Directors

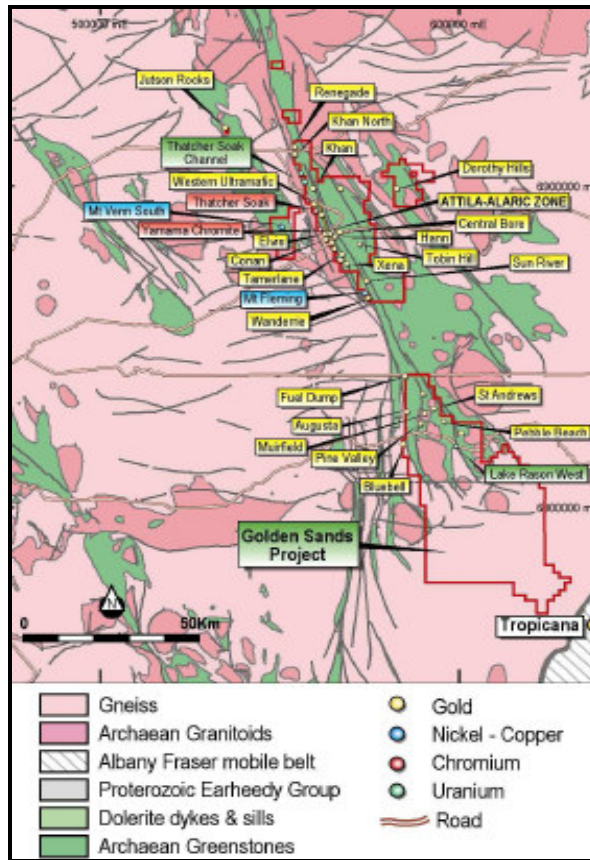
I Murray (Exec Chairman)
R Davis (Non-Exec Dir)
K Hart (Non-Exec Dir)

Analyst: Dr Tony Parry
tonyparry@rcresearch.com.au

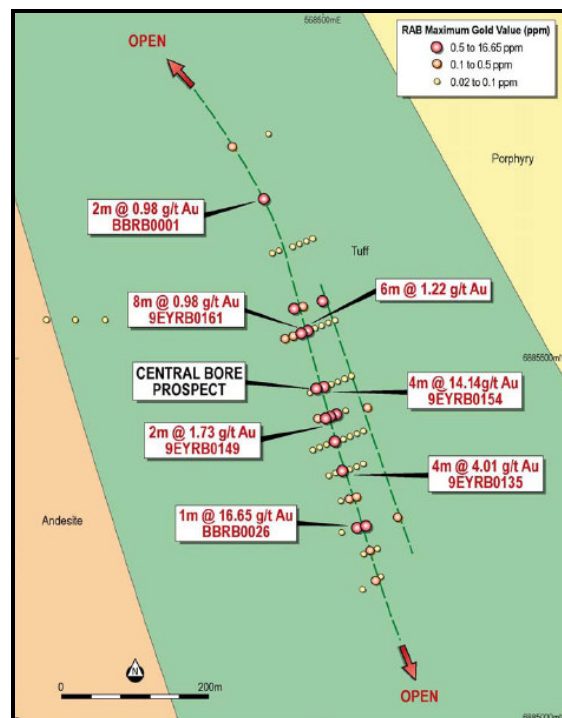
Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Yamarna - Attila	100%	Au	none	ox/sulp	heap leach	Adv. Expl.	Aus (WA)
Yamarna - Gold regional	100%	Au	none	ox/sulp	na	Mid Expl.	Aus (WA)
Golden Sands	100%	Au	none	ox/sulp	na	Early Expl.	Aus (WA)
Yamarna: Thatcher Soak	100%	U	none	Calcrete	Alk. Leach	Mid Expl.	Aus (WA)
Lake Rason + Lake Wells	100%	U	none	Calcrete	Alk. Leach	Early Expl.	Aus (WA)

EKM's Yamarna tenements (red boundary) include the 6.2mlb U₃O₈ Thatcher Soak resource and the 749koz Attila gold resource and numerous advanced gold drill targets. Further south, the newly acquired Golden Sands tenement north of AngloGold's 5moz Tropicana discovery is unexplored.



Eleckra has commenced drilling new gold targets adjacent to the Attila gold resource. RAB drilling in 2Q09 at Central Bore (4km from Attila) produced promising hits over a 300m zone. A 5,000m RC drilling campaign has commenced 3Q09, which will include testing of higher grade potential of Yarmana Deeps.



EMA.AU

20 August 2009
Uranium, Base Metals, Gold
Australia (WA)
Resource Definition
Exchanges: ASX:EMA

Energy and Minerals Australia Limited

A\$ 0.25

EMA has raised ~A\$12m to fund ongoing development of its Mulga Rock Deposits (54.4mlbs U₃O₈). The FY10 budget has been boosted to A\$10m, including A\$3.3m for a resource upgrade at the Ambassador Deposit, ahead of a Scoping Study in 2Q10.

Capital Profile

Share price (A\$)	0.25
52 week range (A\$/share)	0.17 to 0.60
Number of shares (m)	291
Options and warrants (m)	9
Performance Shares (m)	0
Fully diluted (m)	300
Market capitalisation (undiluted) (A\$m)	71.3
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	71.3
Major shareholders: M. Fewster (82%)	
Avg monthly volume (m)	8
Cash (A\$m) - Sep 09F	10.6
Price/Cash (x)	6.7
Price/Book (x)	4.2
Listed company options:	EMAO

Investment Points

EMA's initial development focused on uranium - FY10 development and exploration budget A\$10m.

Mulga Rock Deposits (MRD): first revenue stream uranium, with potential from, Ni, Co, Au and lignite/oil.

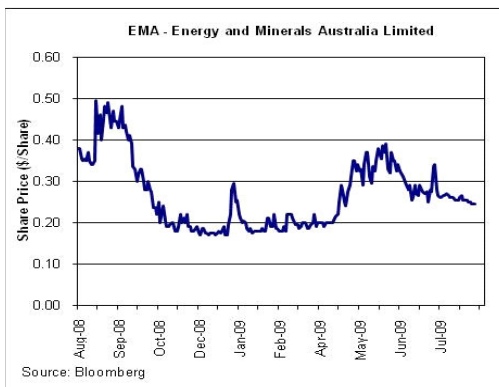
MRD: JORC inferred resource of U₃O₈ is 54.4mlbs grading 0.055% (24.1mlbs high grade) in lignite.

Drilling Aug-Oct '09: acquire Ambassador samples for metallurgy; test U₃O₈ below lignite (sandstone-hosted, possible ISR); upgrade lignite resource.

MRD timetable: scoping study and uranium resource upgrade and expansion 1-2Q10; production 2H13.

Pipeline of adjacent grassroots projects, prospective for MRD-style mineralisation and palaeochannel uranium.

Cash Sep 09F A\$10.6m, after capital raising in 3Q09.



Contacts

Mr Chris Davis
Managing Director
Tel: 61 (0) 8 9389 2700
W. Perth, WA, Australia
www.eama.com.au

Analyst: Dr Trent Allen
trentallen@rcresearch.com.au

Directors

P Golding (Chairman)
M Fewster (Exec)
C Davis (MD)
S Penrose (Non-Exec)

Production and Financial Forecasts

YEAR END: June	Jun-09a	Sep-09F	2008F	2009F	2010F
Exploration and evaluation (A\$m)	0.46	2.82	1.54	3.00	8.40
Corporate (A\$m)	0.39	0.40	1.26	1.73	1.60
Exploration/(Expl.+ Corporate) (%)	55	88	55	63	84
Funding duration at current burn (years)			1.2	0.3	0.4
Shares on issue (pr end) (m shares)	na	387.9	231.7	291.0	387.9
Drilling - RAB (m)	5,000	5,000	0	21,000	20,000
Drilling - Other/Diamond (m)	5,000	5,000	10,000	20,000	20,000
Land holding ('000 ha)*	325	325	325	325	325
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	0.00	12.16	10.00	0.00	12.16
Funding from JV partners (A\$m)	0	0	0.0	0.0	0.0
Cash (A\$m)	1.6	10.6	3.5	1.6	4.1
Cash backing (Ac/share)	na	2.7	1.5	0.6	1.0
Net asset backing (Ac/share)	na	4.4	3.0	1.8	4.2

*Uranium prospective tenements only, both held and under application. Quarters refer to calendar year.

Company Comment

Overview: Energy and Minerals Australia listed in the ASX in May '08. It holds 3,397km² in WA, prospective for uranium, precious and base metals, and lignite.

Mulga Rock Deposits (WA): 250km NE of Kalgoorlie. Mulga Rock was discovered in 1980 by PNC Exploration (Japan) and developed as a uranium deposit – it had an historic, non JORC resource of 46,500t U₃O₈ at grade 0.11% U₃O₈. It is comprised of three known deposits – Ambassador, Emperor and Shogun. Current JORC inferred resource (Jan '09) is **24.5kt (54.4mlbs) U₃O₈ grading 0.055%** at 200ppm cut-off, or 10.9kt (24.1mlbs) U₃O₈ grading 0.106% at 700ppm cut-off. The resource is based on historic assays and uranium-equivalent grades from EMA radiometric data. Aside from uranium, commodities include nickel and cobalt (recent 0.5m @ 2% Ni and 0.9% Co from 44m depth) and gold (1m @ 1.1g/t from 69m depth). Mineralisation evolved via the deposition of metals from enriched groundwater, adjacent to a fault. Host rocks are non-marine sediments and lignite below an impermeable clay cap, at shallow depths ranging from 40m to 70m. **Metallurgical studies** show high recoveries of uranium using acid leach and solvent extraction. Recoveries: Co/Ni, 40/60%; U, 80-99%. Detailed test results (ANSTO) are expected Mar '10. There is also potential to convert lignite to oil at 2-3bbl/t – target lignite resource of 500mt. **Drilling at Ambassador in Aug-Oct '09** could upgrade the current resource, test the extent of sandstone-hosted uranium underlying the lignite deposit, and provide further assays to correlate with the historic data on which some of the resource is based.

Other WA tenements: Narnoo (surrounding the MRD), Minigwal and Gunbarrel, are prospective for MRD-style, calcareous and palaeochannel uranium deposits. Exploration drilling should commence 2H09. An airborne EM survey of the Narnoo Project is also planned.

Development and timetable: Previous work on the MRD area encompasses geological and geophysical data (1,600 drill holes), and surveys for Native Title, flora-fauna and radioecology. Permitting and baseline studies are ongoing. Near-term development targets are focused on the MRD and in particular Ambassador, which is the first production target. An MRD (Ambassador) **resource upgrade is expected in 1Q10**, which could also include base metals (Ni-Co). A **Scoping Study** is expected in 2Q10, targeting +7 years mine life at a production rate of 1ktpa U₃O₈. Mining could commence in 2013; the possibility of ISR is being considered for the sandstone-hosted U₃O₈. EMA's budget has increased to A\$10m for FY10, including A\$3m for resource work and A\$1m for metallurgy, funded by a 3Q09 placement and share purchase plan to raise ~A\$12m at A\$0.21/share.

Investment Comment: The Mulga Rock Deposits form a geologically diverse project with multiple potential revenue streams, including U, Ni, Co, Au and lignite/oil. EMA also has three grassroots projects (U, lignite/U). The company has a fully diluted mkt. cap. of ~A\$100m, or ~US\$1.83/lb U₃O₈ based on the current resource. Development of the MRD fell 3-6 months behind schedule during the GFC; however, the A\$12m capital raising should allow accelerated progress in FY10, leading to a Scoping Study (2Q10). The results of Ambassador in 3-4Q09 could drive share prices in the near term.

Reserves and Resources/Mineralised Material

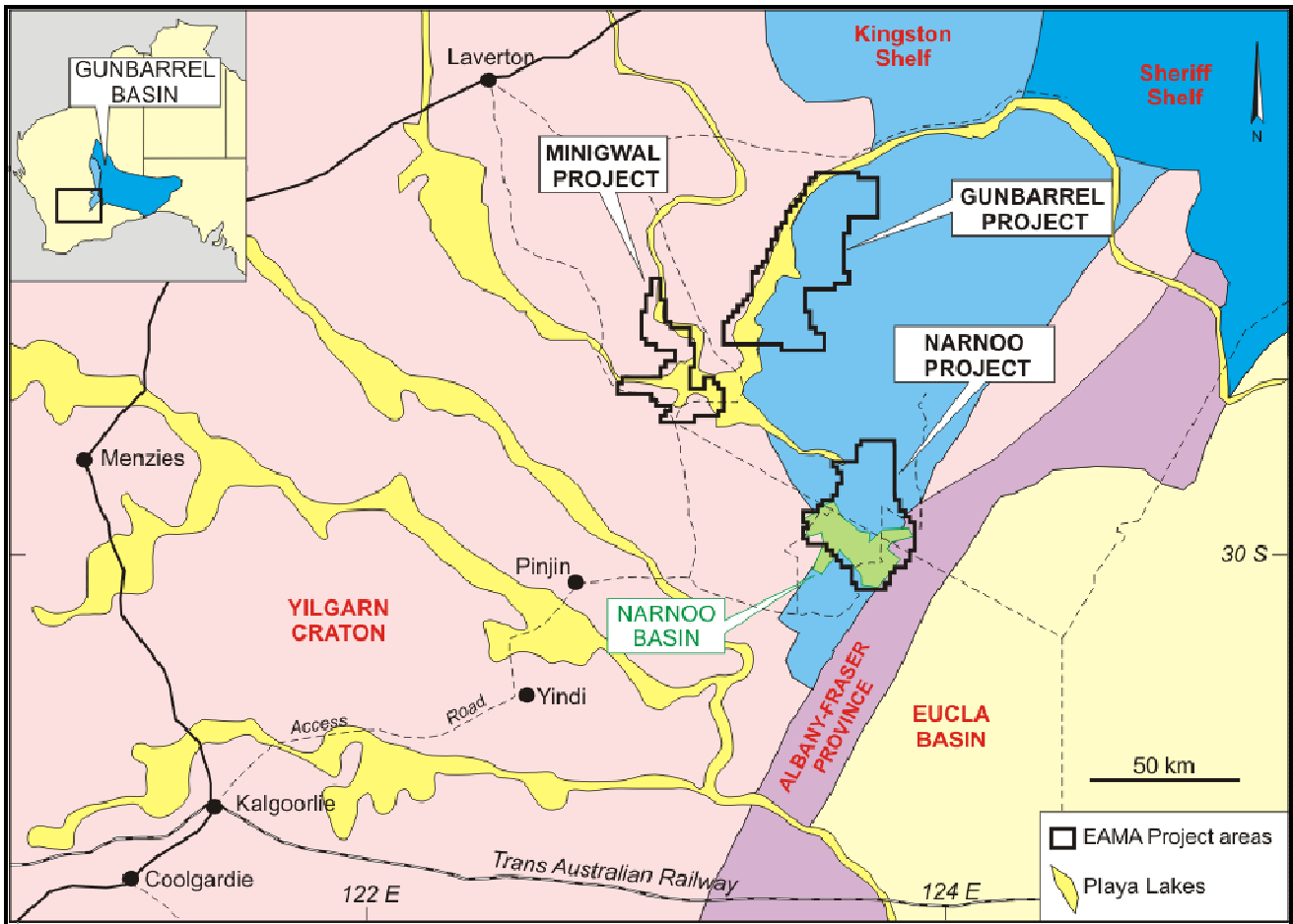
Code for reporting mineral resources - Australian: (JORC)

Uranium U ₃ O ₈	Classification	Project	Ore Mt	U ₃ O ₈ %	Cut Off ppm	U ₃ O ₈ Kt	U ₃ O ₈ Milb	U ₃ O ₈ Milb	Eqty
Reserves									
Resources									
Mulga Rock Deposits									
Ambassador	Inferred	100%	16.5	0.063	200	10.4	23.3	23.3	
Emperor	Inferred	100%	24.1	0.050	200	12.0	26.4	26.4	
Shogun	Inferred	100%	4.0	0.059	200	2.2	4.8	4.8	
Total			44.6	0.055		24.5	54.4	54.4	54.4
<i>High grade</i>			<i>10.3</i>	<i>0.106</i>	<i>700</i>	<i>10.9</i>	<i>24.1</i>	<i>24.1</i>	
Mineralised Material (est., non compliant with JORC)						0.0	0.0	0.0	0.0

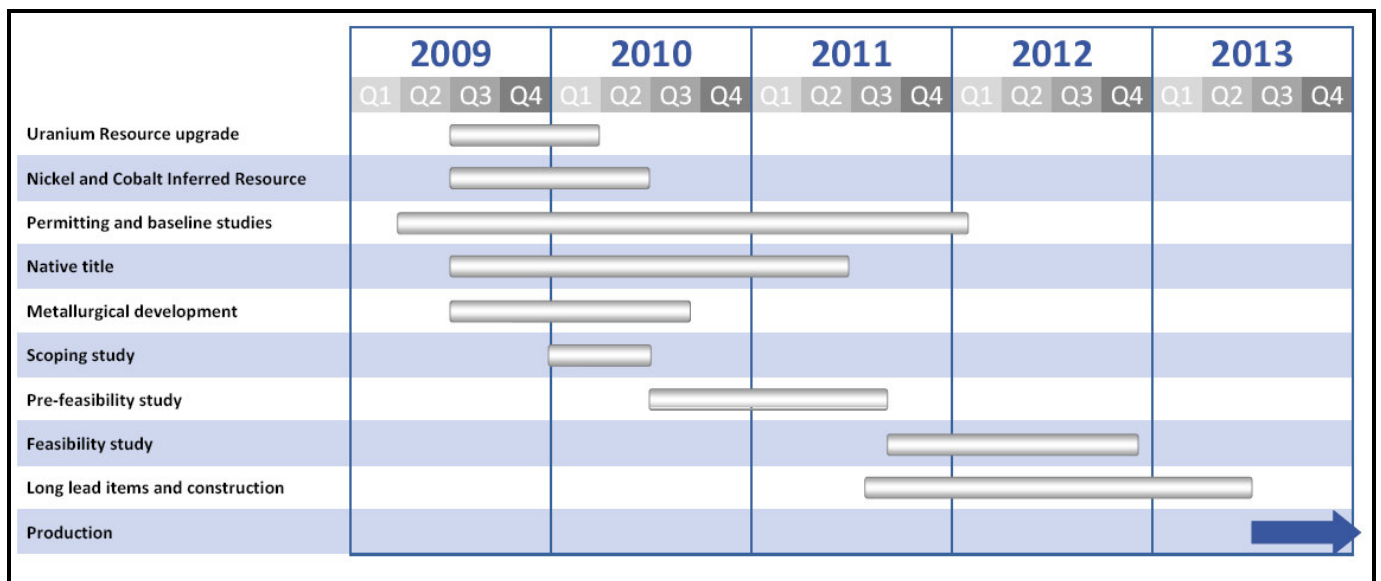
Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Mulga Rock Deposit	100%	U,Ni,Co	na	Lignite	na	Adv Expl	Aus (WA)
Narnoo regional	100%	U,lignite	na	sandstone	na	Early Expl	Aus (WA)
Gunbarrel	100%	U	na	sandstone	na	Early Expl	Aus (WA)
Minigwal	100%	U	na	sandstone	na	Early Expl	Aus (WA)

EMA holds 3,397km² in the Yilgarn Craton and Eucla Basin region of WA. Its tenements are prospective for uranium, base and precious metals, specialty metals and lignite. The polymetallic Mulga Rock Deposits (MRD), part of the Narnoo project, have uranium mineralisation of 54.4mlbs U₃O₈ (JORC inferred, Jan '09).



MRD development stages and sequences: near-term milestones are a uranium resource upgrade at Ambassador after infill drilling, and a Scoping Study. An airborne EM survey is planned for 2H09 (not shown). Exploration at other projects (Narnoo, Gunbarrel, Minigwal) is ongoing.



ERA.AU

20 August 2009
 Uranium
 Australia (NT)
 Producer
 Exchanges: ASX:ERA

Energy Resources of Australia Ltd

A\$ 25.92

ERA is focused on mining, evaluating and exploring its leases in the highly prospective East Alligator River region (NT). The company has a pipeline of growth projects at Ranger with potential to expand, extend and accelerate output. PFS expected 2H10. Strong profit result 1H09.

Capital Profile

Share price (A\$)	25.92
52 week range (A\$/share)	9.35 to 28.28
Number of shares (m)	191
Options and warrants (m)	0
Convertible notes (m)	0
Fully diluted (m)	191
Market capitalisation (undiluted) (A\$m)	4,944
Debt (A\$m) - Sept 09F	0
Enterprise value (A\$m)	4,944
Major shareholders: Rio Tinto (68.39%)	
Avg monthly volume (m)	12
Cash (A\$m) - Sept 09F	253.6
Price/Cash (x)	19.5
Price/Book (x)	5.3
Listed company options:	No

Investment Points

ERA offers 100% exposure to uranium production and exploration in Australia (NT).

ERA is the world's fourth largest uranium producer, mining at Ranger (NT) since 1981.

Ranger 3 Deeps exploration development decision expected 1Q10.

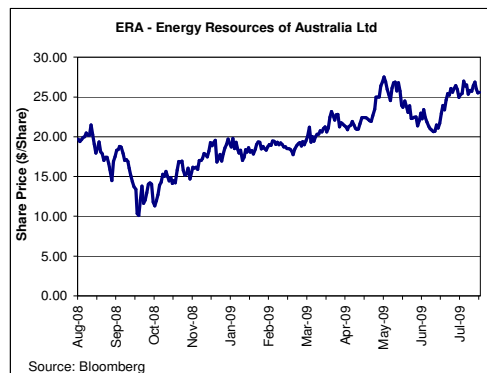
Ranger heap leach EIS expected 3Q10. Detailed engineering underway. 15-20kt U₃O₈ resource.

Legacy uranium contracts declining: 1H09 realised price US\$48.02/lb (+35%) compared to 1H08 (US\$35.69/lb).

ERA growth potential includes further reserve increases at Ranger, Jabiluka, regional exploration success and leverage to the stronger uranium price.

Jabiluka mining lease granted - awaiting development consent from traditional land owners. 12 year mine life.

NPV valuation is A\$23.78/share.



Production and Financial Forecasts

YEAR END: Dec	2007a	2008a	2009F	2010F	2011F
Equity Production (kt)	5,412	5,339	5,442	5,243	5,296
EBIT (A\$m)	100	213	342	424	515
Net Profit (norm) (A\$m)	76	119	235	292	356
EPS (norm) (Ac/share)	40	116	123	153	186
CFPS (Ac/share)	76	137	208	253	308
Dividends (Ac/share)	20	28	34	54	65
PER (x)	65.0	22.3	21.1	16.9	13.9
P/CF (x)	34.0	19.0	12.4	10.2	8.4
Yield (%)	0.8%	1.1%	1.3%	2.1%	2.5%
EV/EBITDA (x)	34.0	19.0	12.4	10.2	8.4
Exploration and Evaluation (A\$m)	14.1	29.0	28.0	28.0	20.0
Drilling - RAB (m)	-	-	-	-	-
Drilling - Other/Diamond (m)	51,127	57,674	16,532	20,000	30,000
Land holding ('000 ha)*	7.9	7.9	7.9	7.9	7.9

*Ranger only. Quarters refer to calendar year.

Company Comment

Overview: ERA has mined ore and produced uranium oxide at Ranger (NT) since 1981. Ranger is the world's second largest uranium mine with normalised production of ~5.5kt of U₃O₈ per year, equivalent to 12% of global uranium mine supply. ERA also holds title to the Jabiluka deposit 22km north of Ranger.

Ranger No. 3: Ranger is an open cut mine scheduled to operate till 2012 after which stockpiled ore will be processed through to 2020. ERA is reviewing potential for a larger pit extension (containing 8kt U₃O₈) or possible underground and plant expansion. Expansion options include de-bottlenecking of the crushing and grinding circuit and a heap leach (to treat additional 15k to 20kt U₃O₈ in situ and on stockpiles; EIS underway, PFS expected 2H10). The Ranger resource upgrade (Jan '09, +128%) received a substantial boost from lowering the cut-off grade to 0.02% U₃O₈ (from 0.08%), in part reflecting the demonstrated potential for extraction via heap leach - potential to be in production 2013. Ranger 3 Deeps' development decision is expected 1Q10 for an underground decline to allow for closer spaced exploration drilling. Subject to approvals, the decline could commence 1H10. Ranger 3 Deeps resource target is 15m-20mt containing 30k-40kt U₃O₈, mineralisation - defined over 1.2km strike (open to the north) and 250m-500m depth. The current pit floor is around 130m deep and reserves are to 180m. Ranger is powered by diesel genset. The laterite plant, commissioned June Q 09 is expected to produce 400tpa U₃O₈ to 2013. Production from a radiometric sorter, to commence 2009, aims to bring forward production of a total of 1,100t (~220tpa) U₃O₈ from 2009 to 2013. There is potential for additional material (categorised as waste) to be treated (approx. 40mt @ 0.04% U₃O₈).

Jabiluka: The project remains on long term care and maintenance and will not proceed without the consent of the traditional owners - the Mirrar. All regulatory permits are granted (some may need to be reviewed). We model mine production to commence by 2017, subject to approval. The Jabiluka grade model was revised in 2007. With optimisation of the existing mine plan reserves increased (Jan '09, +15%) to 67.7kt U₃O₈ (grading 0.49%) up from 59kt U₃O₈ (grading 0.50%) previously. The project is highly prospective for resource upside and the deposit is open at depth and along strike.

Investment Comment: Our NPV valuation is A\$23.78/share, (10% discount rate, uranium price forecasts of US\$50/lb in CY09, US\$60/lb from 2010 to 2017 and US\$40/lb long term). The anticipated strong kick to earnings was evident 1H09 with a profit result of \$127.6m driven by a higher realised uranium price (US\$48.02/lb) and favourable exchange rate A\$:US\$ 71.8 (95.7 1H08). ERA has good mid term earnings growth potential and share price upside from organic growth in reserves and production, exploration discovery, and rising leverage to the uranium price as legacy contracts continue to expire.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian:		(JORC)						
Uranium U ₃ O ₈	Classification	Project	Ore Mt	U ₃ O ₈ %	Cut Off %	U ₃ O ₈ kt	U ₃ O ₈ Mlb	Eqty Mlb
Reserves								
Ranger No. 3 pit	Proved and Probable	100%	7.9	0.23	0.08	18.5	40.7	40.7
Ranger Stockpile	Stockpile	100%	22.3	0.11	0.06	25.5	56.0	56.0
Jabiluka	Proved and Probable	100%	13.8	0.49	0.20	67.7	148.9	148.9
Sub total			44.0	0.25		111.7	245.7	245.7
Resources (in addition to reserves)								
Ranger No. 3 pit	Measured and Ind.	100%	86.2	0.10	0.02	89.7	197.4	197.4
Jabiluka	Measured and Ind.	100%	4.54	0.36	0.20	16.4	36.17	36.2
Ranger No. 3 pit	Inferred	100%	6.1	0.13	0.02	8.1	17.9	17.9
Jabiluka	Inferred	100%	10.9	0.53	0.20	57.5	126.5	126.5
Ranger Stockpile	Stockpile	100%	36.0	0.05	0.02	17.5	38.5	38.5
Sub total			143.7	0.13		189.3	416.5	416.5
Mineralised Material (est.)			0.0	0.00		0.0	0.0	0.0

Contacts

Mr Rob Atkinson (CEO)
 Tel: 61 (0) 8 8924 3500 (ERA)
 David Skinner (IR - Rio Tinto)
 Tel: 61 (0) 3 9283 3628 (RIO)
 Darwin (NT), Australia
www.energyres.com.au

Directors

D. Klinger (Chairman)
 R. Atkinson (Director)
 C. Salisbury (Non Ex Dir)
 R. Carter (Non Exec Dir)
 P. Taylor (Non Exec Dir)
 H. Garnett (Non Exec Dir)
 J. Pegler (Non Exec Dir)

Analyst: John Wilson
johnwilson@rcresearch.com.au

Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Ranger	100%	Uranium	na	Unconformity	acid leach	Production	Aus (NT)
Jabiluka	100%	Uranium	na	Unconformity	acid leach	Pending	Aus (NT)

Energy Resources of Australia Ltd

YEAR END: Dec

Year

ASSUMPTIONS	2007a	2008a	2009F	2010F	2011F
A\$/US\$	0.84	0.85	0.76	0.80	0.79
Uranium Price (US\$/lb)	99.9	61.6	49.5	60.2	60.8
Uranium Price Realised (US\$/lb)	25.1	32.5	48.4	55.3	60.4

EQUITY PRODUCTION

Ranger Production (t)	5,412	5,339	5,442	5,243	5,296
Jabiluka Production (t)	0	0	0	0	0
ERA Equity Production U ₃ O ₈ (t)	5,412	5,339	5,442	5,243	5,296
Cash Costs (US\$/lb)	12.42	16.69	16.69	19.76	19.79

PROFIT AND LOSS (A\$m)

Revenues	362	504	712	820	924
Operating costs	-158	-205	-223	-242	-244
Depreciation/amortization	-46	-47	-55	-59	-72
Exploration	-14	-29	-28	-28	-20
Corporate	-5	-11	-12	-12	-12
Other	-40	2	-52	-54	-60
EBIT	100	213	342	424	515
Interest	1	4	0	0	0
Operating profit/loss	98	209	342	424	515
Tax	-22	-91	-108	-132	-160
Minorities	0	0	0	0	0
Net profit/loss	76	119	235	292	356
Net other	0	103	0	0	0
Net profit/loss (reported)	76	222	235	292	356

BALANCE SHEET (A\$m)

Cash and deposits	34	109	300	547	825
Total current assets	254	278	469	716	994
PP&E	369	491	481	480	492
Total non-current assets	731	893	883	882	894
Total assets	985	1170	1352	1598	1888
Total current liabilities	143	188	152	158	162
Reclamation reserves	186	184	184	184	184
Long term debt	0	0	0	0	0
Total non-current liabilities	236	224	224	224	224
Total liabilities	379	411	376	382	386
Equity	606	759	976	1217	1502
Total debt	55	0	0	0	0
Net debt	37	-107	-299	-546	-823
Average shares (fully diluted) (m)	191	191	191	191	191

FLOW OF FUNDS (A\$m)

EBITDA	145	261	397	483	587
Cash flow from operating activities					
Operating surplus	203	297	483	560	651
Corporate	-5	-11	-12	-12	-12
Net borrowing cost	-2	-5	-8	-19	-31
Net tax paid	-29	-30	-89	-118	-149
Net exploration paid	-14	-29	-28	-28	-20
Other non cash items	-86	185	36	61	73
Net cash from operating activities	67	406	381	443	512
Cash flow from investing activities					
Capital expenditure	-93	-166	-45	-58	-84
Other non cash items	0	-56	-28	-28	-20
Net cash from investing activities	-93	-222	-73	-86	-104
Cash flow from financing activities					
Net proceeds from issue of shares	0	0	0	0	0
Dividends paid	-21	-53	-65	-102	-124
Net proceeds from borrowings	50	-98	0	0	0
Net cash from financing activities	29	-151	-65	-102	-124
Net change in cash	3	32	244	255	284

PRODUCTION STATISTICS

Ranger	100%				
Ore Treated (kt)	1924	2000	3257	3880	3880
Head Grade (%)	0.31	0.34	0.19	0.16	0.16
Recovery (%)	90	88	86	86	86
Recovered grade (%)	0.28	0.30	0.17	0.14	0.14
U ₃ O ₈ Produced (t)	5412	5339	5442	5243	5296
Equity Production (t)	5412	5339	5442	5243	5296
Cash Costs (US\$/lb)	8.73	13.57	16.79	19.75	19.79
Production Costs (\$/t)	54.17	89.76	61.85	58.85	59.55
ERA Share EBIT (A\$m)	131.0	257.4	448.6	457.4	529.7

Jabiluka

Jabiluka	100%				
Ore Treated (kt)	0	0	0	0	0
Head Grade (%)	0.00	0.00	0.00	0.00	0.00
Recovery (%)	0	0	0	0	0
Recovered grade (%)	0.00	0.00	0.00	0.00	0.00
U ₃ O ₈ Produced (t)	0	0	0	0	0
Equity Production (t)	0	0	0	0	0
Cash Costs (US\$/lb)	0.00	0.00	0.00	0.00	0.00
Production Costs (\$/t)	0.00	0.00	0.00	0.00	0.00
ERA Share EBIT (A\$m)	0.0	0.0	0.0	0.0	0.0

Year

FINANCIAL RATIOS	2007a	2008a	2009F	2010F	2011F
Net debt/equity (%)	1%	-2%	-6%	-11%	-17%
Net debt/ net debt + equity (%)	1%	-2%	-6%	-12%	-20%
Current ratio (x)	1.8	1.5	3.1	4.5	4.5
EBIT/interest (x)	83	49	na	na	na
Debt/operating cashflow (%)	82%	0%	0%	0%	0%
Exploration/total overhead (%)	74%	72%	70%	69%	62%
EV/EBITDA (x)	34.0	19.0	12.4	10.2	8.4
Market cap/net cash (x)	-132.5	46.3	16.6	9.1	6.0
Market cap/book (x)	8.2	6.5	5.1	4.1	3.3

FINANCIAL SENSITIVITIES

% Change in EPS for a 10% increase in:

AUD/USD		-36%	-25%	-19%
Uranium Price		24%	34%	24%

% Change in NPV for a 10% increase in forecast minelife commodity assumptions for:

	Base	+ 10%	%
	A\$/share	A\$/share	%
Uranium Price	23.78	25.35	7%

VALUATION (A\$m)

Q3 09

Assumptions	Base	"What if"		
Long Term Uranium Price (from 2018)	US\$/lb	40	70	
Spot AUUS		0.78	0.78	
Projects				
Ranger	100%	NPV@10% US\$16.17/lb	1564	1540
Jabiluka	100%	NPV@10% US\$5.65/lb	841	1589
Resources				
Ranger	100%	253.8 mlb US\$5.00/lb	1586	2538
Jabiluka	100%	162.7 mlb US\$2.50/lb	432	951
Exploration			70	110
Assets				
Cash and deposits			254	254
Rehabilitation Fund			52	52
Other			0	0
Liabilities				
Debt			0	0
Corporate			-78	-78
Reclamation reserve			-184	-184
Net Assets			4536	6771
Fully Diluted Shares (m)			191	191
Net assets/share (A\$/share)			23.78	35.50
Valuation/Reserve lb	US\$/lb		14.40	21.50
Valuation/Reserve & Resource lb	US\$/lb		5.34	7.98

OWNER

Share %

Rio Tinto	68
-----------	----

The largest 20 shareholders hold 72.82% of the total shares issued.

DIRECTOR'S INTERESTS

Shares

R Carter	Director	25,000
----------	----------	--------

EXT.AU

Extract Resources Limited

A\$ 8.44

20 August 2009
Uranium
Namibia
Advanced exploration
Exchanges: ASX:EXT, TSX:EXT

EXT's scoping study indicates Rossing South mine (14.8mlbpa) could dwarf neighbour Rossing (2008: 9.1mlbpa; RIO 69%). Shares are reasonably valued on project NPV, but upside is likely from further exploration success and corporate intrigue involving RIO.

Capital Profile

Share price (A\$)	8.44
52 week range (A\$/share)	0.75 to 8.69
Number of shares (m)	229
Options and warrants (m)	3
Convertible notes (m)	0
Fully diluted (m)	232
Market capitalisation (undiluted) (A\$m)	1932.6
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	1932.6
Major shareholders: Kalahari Uranium Ltd (40.0%), Rio Tinto plc (15.2%), Polo Resources Ltd (10.2%), Acorn Capital Ltd (3.5%)	
Avg monthly volume (m)	7
Cash (A\$m) - Sep 09F	22.3
Price/Cash (x)	86.6
Price/Book (x)	16.9
ASX/TSX listed options:	No

Production and Financial Forecasts

YEAR END: June	Jun-09a	Sep-09F	2008a	2009a	2010F
Exploration and evaluation (A\$m)	4.87	6.00	10.17	19.67	21.00
Corporate (A\$m)	0.73	1.00	2.91	4.32	4.15
Exploration/(Expl.+ Corporate) (%)	87	86	78	82	83
Funding duration at current burn (years)			2.5	1.2	0.2
Shares on issue (pr end) (m shares)	229.0	229.0	212.7	229.0	229.0
Drilling - RAB (m)	0	0	0	0	0
Drilling - RC/Diamond (m)	35,000	35,000	67,956	130,000	140,000
Land holding ('000 ha)*	270	270	270	270	270
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings, net (A\$m)	5.77	0.00	31.44	16.12	0.00
Funding from JV partners (A\$m)	0	0	0	0	0
Cash (A\$m)	28.9	22.3	32.4	28.9	4.8
Cash backing (Ac/share)	12.6	9.7	15.2	12.6	2.1
Net asset backing (Ac/share)	50.3	50.0	46.3	50.3	49.0

*Uranium prospecting tenements only, both held and under application. Quarters refer to calendar year end.

Investment Points

100% uranium focus in Namibia. Exploration budget ~A\$20m pa, cash ~A\$22m, production potential 2013.

Rossing South ("RS") confirmed as a major world class uranium discovery of interest to neighbour RIO (15.2%).

RS Zone1 & 2 resource now 267mlb @ 487ppm.

EXT scoping study targets 14.8mlbpa uranium operation - 60% bigger than current Rossing output.

On current world mine rankings, a 14.8mlbpa operation would be the second largest in the world.

Scoping study indicates low opex (US\$23.60/lb), 15mtpa operation, capex US\$704m.

Still major exploration upside - Zones 1 & 2 (both open) are only ~40% of total 15km potential mineralised trend.

Shares now at reasonable value based on our NPV, further upside with corporate intrigue and exploration.

Company Comment

Overview: EXT's exploration for uranium in Namibia has exceeded expectations as the world class potential of the major Rössing South discovery (located immediately South of the RIO's Rössing uranium mine) becomes more evident. Exploration is advancing rapidly towards 300mlb U₃O₈ and beyond. The recently released scoping study targets a 14.8mlbpa operation (production 2013?) which if operating today would be the world's second biggest uranium mine (with 60% higher output than Rossing itself!).

Rossing South Project - Resource Status: EXT has identified extensive strongly mineralised high grade alaskite which is undoubtedly a major southern extension of the Rössing Mine (RIO 69%) orebody (previously concealed beneath Namib desert cover). EXT has identified two initial mineralised zones (Zones 1 and 2) covering a combined 6km strike length out of a total target zone of 15km.

Zone 1 (2.4km): 3 Rigs (1 RC and 2 core) are currently engaged in resource definition drilling on 50 x 50 m spacings (~80,000m to date) - an upgraded Indicated & inferred JORC resource for Zone 1 of 147mt @ 449ppm for 145mlb contained U₃O₈ was announced in July '09. Further drilling is proceeding which is expected to further increase the resource size and upgrade the JORC classification. **Zone 2 (2.0km):** EXT has completed ~58,000m of an on going intensive resource definition drilling program, using 3 RC rigs drilling on 100m x 100m centres. The maiden Zone 2 JORC inferred resource of 122mlb @ 543ppm was confirmed in Jul '09 - well in excess of target 106mlb and impressive grades- better than Zone 1.

Zone Extensions: All zones drilled to date are open at depth and along strike. EXT's initial drilling ~2.8km S of Zone 2 intersected uraniumiferous alaskite with handheld spectrometer results indicating better results than Zone 1 discovery holes. Very encouraging for resource extensions beyond Zone 2. This anomaly is being drilled, as well as broader reconnaissance drilling on 1.6km spaced lines. Further major resource upside beyond 300mlb seems assured based on this work.

Rossing South Scoping Study Cost Estimates: GRD Minproc has completed preliminary cost estimates based on a 15mtpa operation, conventional acid leach with 92% recovery, head grades 487ppm, for 14.8mlb/year U₃O₈ production. Capex estimate is US\$704m, opex US\$23.60/lb which confirms Rossing South to be very low on the global cost curve. A more detailed PFS is underway with a heap leaching alternative also being considered.

Ida Dome Project: The Ida Dome resource is ~20km south of the Rössing S. A JORC resource of 25.1mlb U₃O₈ was defined before Zone 1. This is now low priority, additional resource potential is high.

Corporate: Rothschild has been engaged by EXT as a corporate advisor, with project financing in mind. Boardroom stoushes now resolved with significant shareholders RIO and Polo Resources appointing Directors, and major shareholder Kalahari to appoint new MD after Peter McIntyre retires Sep '09.

Investment Comment: EXT shares have continued their spectacular run, and have pushed through the A\$7.50 - A\$8.00 target we set in our last Review. Now that we have scoping study cost data, our preliminary modeling (based on 10% discount rate, US\$60/lb long term U price and fairly severe 30% discount applied to scoping study NPV) indicates assessed value around A\$7.20 (~US\$4/lb for current RS resource). This suggests the RS project as scoped is fully valued at current share price. That notwithstanding, we expect further share upside (~20-30%) with on-going corporate intrigue (RIO stake) a factor (Forsys takeover took place at ~US\$7.50/lb for an inferior grade resource), and the very high probability of further major exploration upside.



Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium U ₃ O ₈	Classification	Project	Ore Mt	U ₃ O ₈ %	Cut Off ppm	U ₃ O ₈ Kt	U ₃ O ₈ Mlb	U ₃ O ₈ Eqty Mlb
Reserves								
						0.0	0.0	0.0
Resources								
Rossing South Zone 1	Indicated & Inferred	100%	147.0	0.045	100	66.0	145.0	145.0
Rossing South Zone 2	Inferred	100%	102.0	0.054	100	55.4	122.1	122.1
Ida Dome	Indicated & Inferred	100%	53.3	0.021	100	11.4	25.1	25.1
Total Resources			302.3	0.044	100	132.8	292.2	292.2

Mineralised Material (est., non compliant with JORC)

0.0 0.0 0.0

Contacts

Mr Peter McIntyre
(Managing Director)
Tel: 61 (0) 8 9367 2111
South Perth, WA, Australia
www.extractresources.com

Analyst: Dr Tony Parry
tonyparry@rcresearch.com.au

Directors

S Galloway (Non Exec Chair)
P. McIntyre (MD)
N. MacLachlan (Non Exec)
J Main (Non Exec)
I Zaamwani-Kamwi (Non Exec)
S Dattels (Non Exec)
C McFadden (Non Exec)

Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Rössing South	100%	U	none	Alaskite	Acid leach	Adv. Expl, PFS	Namibia
Ida Dome	100%	U	none	Alaskite	Acid leach	Adv. Expl, PFS	Namibia
Hildenhof	100%	U	none	Alaskite	na	Early Expl.	Namibia
Uis	100%	U	none	Calcrete	na	Early Expl.	Namibia

Extract Resources valuation is based on Rossing South NPV @ 10% nominal discount rate, further discounted by 30% for scoping study level data. Target price is based on current market perceptions of a long term uranium price of ~US\$60/lb

EXTRACT RESOURCES VALUATION

	Uranium Resource		Valuation	Target Price	Valuation Sensitivity	
	(mlbs)		US\$/lb	A\$m	(Low)	(High)
Projects					A\$m	A\$m
+ Rossing South (NPV @ 10%) *	267	(actual)	3.93	1248	724	1772
+ Ida Dome	40	(target)	3.15	150	105	225
+ Exploration - further resource potential	100	(target)	2.00	<u>238</u>	<u>167</u>	<u>357</u>
Sub Total				1636	996	2355
+ Cash (Sep '09)				22.3	22.3	22.3
+ Tax Losses				25.1	25.1	25.1
- Corporate				<u>15.5</u>	<u>15.5</u>	<u>15.5</u>
Sub Total				31.9	31.9	31.9
EXT NET ASSET VALUE				1668	1028	2386
Capital Structure						
Shares				229.0	229.0	229.0
Fully Diluted Shares				231.7	231.7	231.7
EXT NET ASSET VALUE PER SHARE	:A\$/share			7.29	4.49	10.42
EXT NET ASSET VALUE DILUTED	:A\$/share fully diluted			7.21	4.45	10.31

* Includes a scoping study project discount of 30% of the project valuation:

ROSSING SOUTH URANIUM PROJECT (based on EXT prelim cost estimates, 267mlb resource)

			Equity			Sensitivity		
LONG TERM URANIUM PRICE [^]	:US\$/lb		30	40	60	80	100	
EXCHANGE RATE	:AU\$/US\$		0.78	0.78	0.78	0.78	0.78	
ROSSING SOUTH URANIUM NPV @ 10% NOMINAL*	:A\$m	100%	450	724	1248	1772	2279	
ROSSING SOUTH URANIUM NPV @ 10% NOMINAL*	:US\$m	100%	351	565	974	1383	1778	
NPV/SHARE	:A\$/share		1.96	3.16	5.45	7.74	9.95	

* Includes a scoping study project discount of 30% of the project valuation: 30%
[^] Uranium price forecasts are based on US\$60/lb until 4Q17, then long term price indicated

ROSSING SOUTH URANIUM PROJECT KEY ASSUMPTIONS*

RESOURCE ESTIMATES			
Current Uranium Resource			
		Uranium	
		Mt	Mlbs
	Rossing South Zones 1 & 2		
	Prelim. Cost Study (GRD Minproc)	249	267
	Total	249	267
MINING METHOD	Open Pit		
PROCESS METHOD	Dedicated Uranium Plant Conventional acid leach (same as Rössing) Radiometric sorting		
PRODUCTION RATE	:mtpa	15.0	
	:mlbspa	14.8	
CAPITAL COSTS	:US\$	704	Plus sustaining capex of US\$20mpa (US\$1.30/t).
RECOVERY - URANIUM	:%	92	(with radiometric sorting)
OPERATING COSTS	:US\$/t	23.40	(unescaled)
	:US\$/lb	23.60	
TAX	:%	35.0	
ROYALTIES	:%	3.0	
MINE LIFE	:Years	17	based only on current resource
TARGET COMMISSION DATE	:	2H12	

* These figures are preliminary in nature and are intended to provide only a general indication of project potential scale and economic robustness. Considerable refinement may result from the current feasibility study which is underway for Rossing South.

GGG.AU

20 August 2009
Rare Earth Elements, Uranium
Greenland
Advanced Exploration
Exchanges: ASX:GGG

Greenland Minerals and Energy Ltd

A\$ 0.35

After a Jun '09 upgrade, the giant Kvanefjeld Deposit has a JORC resource including 283mlb U₃O₈ and 4.91mt total REO, with 79% Indicated. A PFS is expected in late 2009. In Greenland, a national debate is planned, to decide the future of uranium production.

Capital Profile

Share price (A\$)	0.35
52 week range (A\$/share)	0.15 to 0.56
Number of shares (m)	223
Options and warrants (m)	178
Convertible notes (m)	0
Fully diluted (m)	401
Market capitalisation (undiluted) (A\$m)	77.9
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	77.9
Major shareholders: GCM Nominees (18.1%), Westrip Holdings (15.6%), Gravner Ltd (15.0%), ANZ Nominees (10.5%), HSBC Custody Nom. (5.5%)	
Avg monthly volume (m)	12
Cash (A\$m) - Sep 09F	12.2
Price/Cash (x)	6.4
Price/Book (x)	2.0
Listed company options:	GGGO

Production and Financial Forecasts

Year End: June	Jun-09a	Sep-09F	2008a	2009F	2010F
Exploration and evaluation (A\$m)	2.59	1.50	11.78	10.97	3.30
Corporate (A\$m)	1.09	0.63	4	3.98	2.50
Exploration/(Expl.+ Corporate) (%)	70	71	0	73	57
Funding duration at current burn (years)			0	1.0	3.1
Shares on issue (pr end) (m shares)	218.5	222.5	192.9	218.5	239.2
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	1,000	5,000	17,522	10,000	8,000
Land holding ('000 ha)	211	211	211	211	0
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	5.0	1.0	38.8	5.0	11.0
Funding from JV partners (A\$m)	0	0	0	0	1.6
Cash (A\$m)	14.9	12.2	21.5	14.9	17.8
Cash backing (Ac/share)	6.8	5.5	11.2	6.8	7.4
Net asset backing (Ac/share)	18.5	17.9	18.7	18.5	19.7

Quarters refer to calendar year.

Investment Points

Multi-element focus at Kvanefjeld - uranium component valued at approx ~US\$15.5bn (US\$55/lb).

Potential to be one of the world's largest REE and U deposits - plus economic potential NaF, Zn and Sn.

JORC resource (Jun '09) containing 283mlbs U₃, 4.9mt REO, 1mt Zn and 3.1mt NaF- defined over 2km x 1km, open at depth (>300m) and along strike.

Exploration budget '09 is A\$3m. Drilling ~5,000-7000m (geotech and met) in June-Sept '09.

Metallurgy and mineralogy budget ~A\$5m in 2009. Pre-feasibility study, with mine plan (Coffey) and process flow sheet (GRD Minproc, ANSTO), expected late 2009.

Placements in 2Q09 raised A\$6m @ A20-25c/share.

Greenland Government (elected Jun '09) will allow issue of uranium production to be decided by public debate.

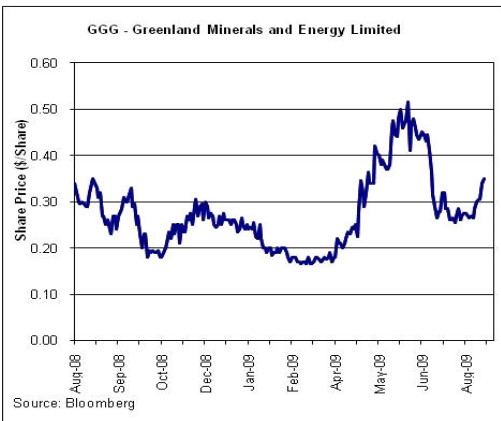
Company Comment

Overview: Greenland Minerals and Energy Limited is a Perth based company that listed on the ASX in June 2006 (ASX:GGG). It is evaluating the uranium-rich Kvanefjeld multi-element project in Greenland, a self-governing Danish province. The project was acquired in 2007.

Kvanefjeld (uranium, Greenland): The project (80km²) is located on the SW tip of Greenland, at Narsaq. Within the Ilimaussaq alkaline intrusive complex, it is one of the world's largest undeveloped rare earth elements and uranium deposits. The Danish Atomic Energy Agency and the Danish Geological Survey completed >11,500m of diamond drilling (1957-1983) and defined a resource of 126mt @ 0.04% U₃O₈ (1km² area). Other potentially economic elements and minerals include zinc, tin and sodium fluoride. Uranium likely accounts for ~25% of the potential in-ground value. GGG's ownership of 61% is moving to 90% with A\$10m cash payment, and 100% with additional A\$50m.

The deposit: is a flat-lying slab of disseminated mineralisation, open at depth and in three directions, and accounts for ~10% of the prospective host rock. Current **JORC resource** (Jun '09) is 457mt @ 0.028% U₃O₈ for 283mlbs, 1.07% REO for 4.91mt (includes yttrium) and 0.22% Zn for 0.99mt, with 79% of these in the Indicated category. There is also 363mt @ 0.85% NaF for 3.09mt. Changes from previous (Aug '08) resource include 27% increase in U₃O₈ and 88% increase in REO. Total '09 exp. budget is ~A\$3m, planning to drill 5,000m-7,000m (Jun-Sep) for metallurgical and geotechnical testing. The resource covers 2km by 1km and extends from surface to 280m depth. There is significant resource and exploration upside within the ~6km x 4km Ilimaussaq intrusive (e.g. prospects K2-K8). GGG indicates **historical metallurgical testwork** recoveries of 70%-90% using pressure alkaline leach. Further metallurgical and mineralogical tests began 4Q07, with a 2009 budget of A\$5m (met currently in Phase 4, with SGS Lakefield). There is potential to beneficiate the ore and reduce downstream processing costs through upgrade of U₃O₈ (e.g., from 0.04% to 0.14%) and REO. Potential production (open cut) is in the order of 3,000tpa U₃O₈ and compares with Rössing (3,700tpa U₃O₈; 174kt resource @ 0.03% U₃O₈, 470mlbs). There is potential to commercialise the large NaF resource, which could have applications in dentistry, agriculture, ceramics and aluminium smelting. **Pre-Feasibility Study:** began in 4Q08, drawing on the historic feasibility study. Results expected in late 2009, including mine plan (Coffey Mining) and multi-element process flow sheet (GRD Minproc, ANSTO). Environment studies are well advanced (Coffey Natural Systems, Orbicon).

Investment Comment: GGG's focus is on advancing the Kvanefjeld project in Greenland. The resource has potential to be one of the world's largest REE and uranium deposits, with huge exploration upside. A successful Pre-Feasibility Study would provide confidence in project economics, especially regarding mineralogy and metallurgical recoveries, and be a step towards potential re-rating of GGG mkt cap to over A\$500m (>US\$3/lb U₃O₈ resource) mid-term. Two share placements in 2Q09 (A\$6m @ A20-25c/share) were oversubscribed. Mineral rights will transfer from the Danish Crown to Greenland as part of the self-governing transition, expected to be formalized in Jan '10. The recently elected governing Inuit Ataqatigiit party (Jun '09) has an anti-uranium stance; however, it has said it will allow the issue of uranium production as a byproduct of multi-element exploration and mining to be decided by public debate, as per a framework established by the Greenland parliament in Nov '08.



Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium	Classification	Project	Ore	U ₃ O ₈	Cut Off	U ₃ O ₈	U ₃ O ₈	U ₃ O ₈ Eqty
U ₃ O ₈		Equity	Mt	%	ppm	Kt	Mlb	Mlb
Reserves								
Resources								
Kvanefjeld*	Inferred	61%	457	0.03	150	128	283	173
Mineralised Material (est., non compliant with JORC)						0.0	0.0	0.0

*Also total REO (4.91mt contained @ 1.07%), Zn (0.99mt contained @ 0.22%) and NaF (3.09mt contained @ 0.85% NaF).

Contacts

Mr Roderick McIlree
Managing Director
Tel: 61 (0) 8 9226 1100
West Perth, WA, Australia
www.ggg.au

Analyst: Dr Trent Allen
trentallen@rcresearch.com.au

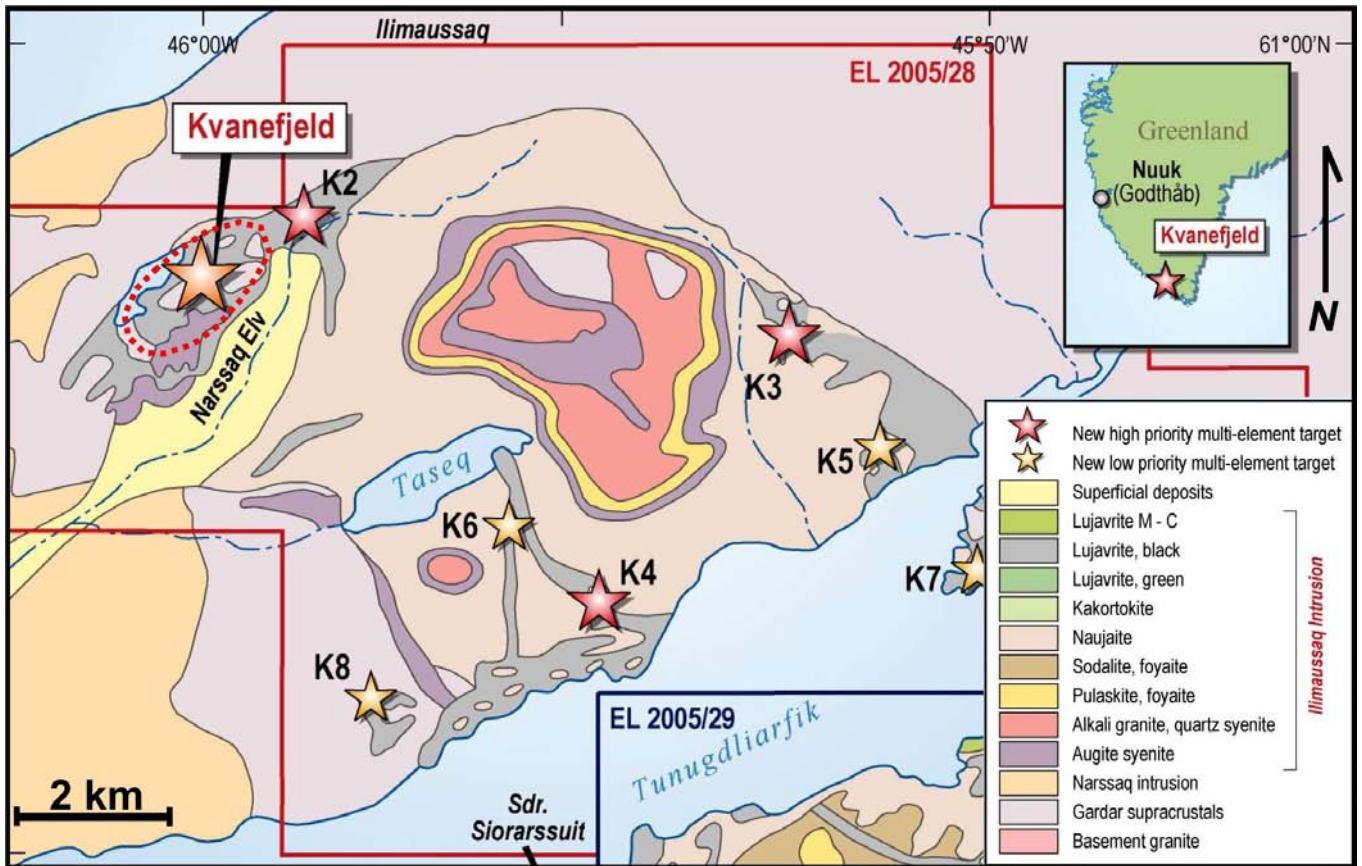
Directors

M Hutchinson (Chair)
R McIlree (MD)
M Mason (Tech Dir)
S Cato (Exec Dir)
J Whybrow (Expl Dir)
T Ho (Non-Exec)
H Schonwandt (Non Exec)

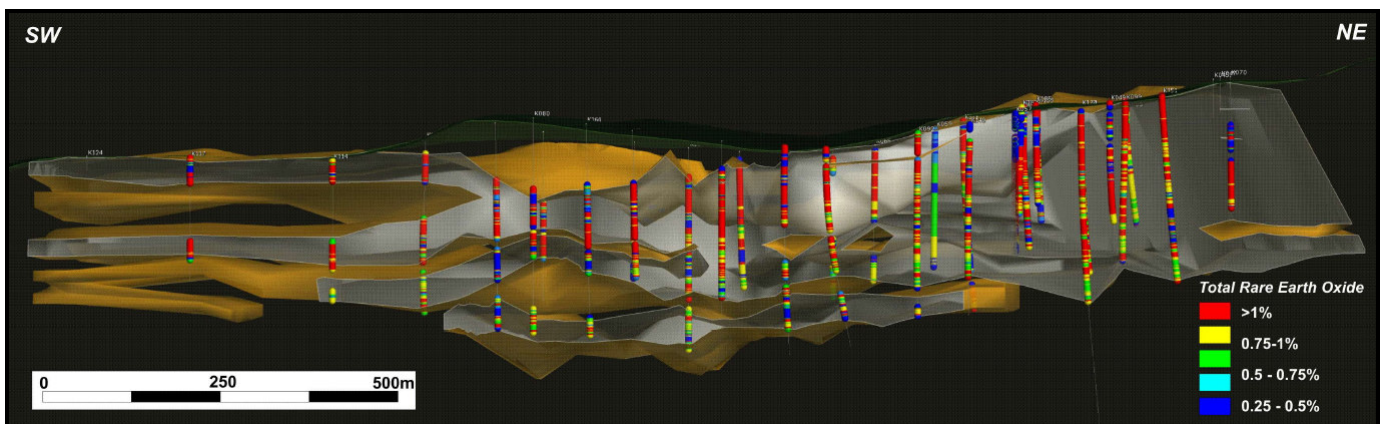
Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Kvanefjeld	61%/100%	U, REO	Westrip	Igneous	na	Advanced Expl	Greenland

Map of the Ilimaussaq intrusive complex showing the Kvanefjeld deposit and new multi-element targets. Current resource is 283mlbs U₃O₈, 4.9mt of rare earth oxides, 1mt of Zn and 3.1mt of NaF. Mineralised lujavrite is likely to continue between Kvanefjeld and K2.



Kvanefjeld resource model cross section (NE-SW), with drill strings coloured by distribution of REOs (rare earth oxides). The deposit is mineralised from surface. A PFS is expected late 2009, including preliminary mine plan and process flow sheet.



MRO.AU

Monaro Mining NL

A\$ 0.08

20 August 2009

Uranium, Gold, Base Metals
USA (UT,NM,AZ), Australia (NT,NSW)

Advanced Exploration

Exchanges: ASX:MRO, OTC:MNOMY, FSE:M2H

MRO has two 100%-owned US uranium projects entering pre-feasibility: Rio Puerco (in Grants Mineral Belt, NM) and Apex-Lowboy (NV). Resources 5.5mlbs U₃O₈ with significant upside. Leveraged to +US\$8m spend by JV partners, including Vale (Apache Basin, AZ).

Capital Profile

Share price (A\$)	0.08
52 week range (A\$/share)	0.07 to 0.33
Number of shares (m)	103
Options and warrants (m)	4
Deferred acquisition payment* (m)	5
Fully diluted (m)	112
Market capitalisation (undiluted) (A\$m)	8.2
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	7.5
Major shareholders:	
Metco (32%), ANZ Nom (1%)	
Avg monthly volume (m)	8
Cash (A\$m) - Sep 09F	0.7
Price/Cash (x)	11.4
Price/Book (x)	1.0
Listed company options:	No

Production and Financial Forecasts

Year End: June	Jun-09a	Sep-09F	2008a	2009F	2010F
Exploration and evaluation (A\$m)	0.34	0.50	2.03	2.65	1.20
Corporate (A\$m)	0.57	0.50	4	3.62	1.70
Exploration/(Expl.+ Corporate) (%)	38	50	0	42	41
Funding duration at current burn (years)			0	0.3	0.1
Shares on issue (pr end) (m shares)	108.4	108.4	24.4	108.4	123.4
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	0	0	0	0	3,500
Land holding ('000 ha)	280	280	280	280	300
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	1.1	0.0	5.0	1.1	1.5
Funding from JV partners (A\$m)	0.3	0.0	0.0	0.3	0.0
Cash (A\$m)	1.7	0.7	4.0	1.7	0.4
Cash backing (Ac/share)	1.6	0.7	16.5	1.6	0.3
Net asset backing (Ac/share)	7.7	7.3	30.3	7.7	6.7

*Uranium prospective tenements only, both held and under application. Quarters refer to calendar year.

Investment Points

Focused on advancing two established uranium projects to pre-feasibility, in USA (New Mexico, Nevada).

Rio Puerco (NM): located in highly prospective Grants Mineral Belt. JORC resource 4.5mlbs U₃O₈ grading 0.12%, target 10mlb. Exploration upside on 15km strike.

Apex-Lowboy (NV): resource 0.95mlb U₃O₈ in area of historic production, near-term 100% upside. Scoping study for heap leach. Exploration target to 10mlb U₃O₈.

Free carried through US\$8.6m ongoing exploration spending by JV partners in Arizona, at Apache Basin (uranium, Vale) and Bernard (Au,U,Mn, Cristol).

Australian base metal projects (Mayfield JV, Captain's Flat JV and others) may be divested in 2H09-1H10.

Share placement likely in 2H09, cash Jun 09 A\$1.7m. Seems undervalued at EV/resource ~A\$1.50/lb U₃O₈.

Company Comment

Overview: Monaro listed on the ASX in September, 2005. Its main focus is on uranium exploration in the USA. It also has uranium, gold and base metal Joint Ventures in both the USA and Australia.

Rio Puerco Project (New Mexico; uranium): Targeting roll front uranium deposits in Grants Mineral Belt, which has historic production of ~340mlb U₃O₈. Regional deposits include Mt Taylor (100mlb U₃O₈, Rio Grande Resources, potential ISR) and Roca Honda (33mlb U₃O₈, Strathmore Minerals, mine/mill permitting at advanced stage). There is a JORC resource at Rio Puerco of 4.5mlb U₃O₈ grading 0.12%, estimated by a previous explorer, being re-assessed ahead of a Pre-feasibility Study. MRO has a resource target of ~10mlbs U₃O₈. These activities should lead to further development of the 48km² project, which includes 5km up to 15km of prospective strike (5km continuous). In the mid-term, there is potential to co-operate with neighbouring companies, e.g. it might be possible to toll treat material at future nearby operations.

Apex-Lowboy Project (Nevada; uranium): 270km E of Reno. The Apex claims includes an historic mine, which saw 105klb U₃O₈ production to 1966, grading 2500ppm (0.25%). Mineralisation is focused on sediment-granite contact. Current JORC resource, based on historic data, of 614kt @ 0.07% U₃O₈ for 0.95mlbs. There is also a strong exploration target at Apex of a further 500kt grading 0.05% U₃O₈ for ~570klb, based on historic data. Scoping Study (Jul '07) is for open cut (strip 2:1) and heap leach, recovery 80% in 48hrs, capex US\$24m, opex US\$22/lb, IRR 72%. A Pre-feasibility Study could commence 4Q09. There is uranium exploration upside at Apex on 8km of sediment-granite contact. The nearby Lowboy claims have seen small-scale mining and MRO has a target there, of 0.5mlb U₃O₈. Combined prospective strike is ~12km. An airborne geophysical survey, commencing in Sep '09, will be used to define drill targets. MRO has a regional exploration target of 1mlb-10mlb grading 0.05%-0.25% U₃O₈. There are no operating uranium mines in Nevada but permitting should be similar to that in other US states.

Apache Basin JV (Arizona; uranium): Main target is possible unconformity-hosted uranium (e.g. Athabasca Basin). Unconformity targets include Jim and Bull, below known fracture-controlled high grade (0.18-0.19% U₃O₈) uranium mineralisation at Red Bluff and Sue. The exploration model is being tested by JV partner Vale (NYSE:VALE), which is spending US\$3.25m over 3 years to earn 60%. First year spend (A\$0.75m) included airborne geophysics, which defined multiple targets for ground follow-up. Drilling planned for Jan/Feb 2010.

Bernard Project JV (Arizona; U, Au, Mn): 11km². Cristol Enterprises spending A\$5.1m to earn 49%. Targets are structural (Copperstone type). Rock chips to 9.6g/t Au. Drilling is under way (1200m-1500m), encouraging signs of alteration.

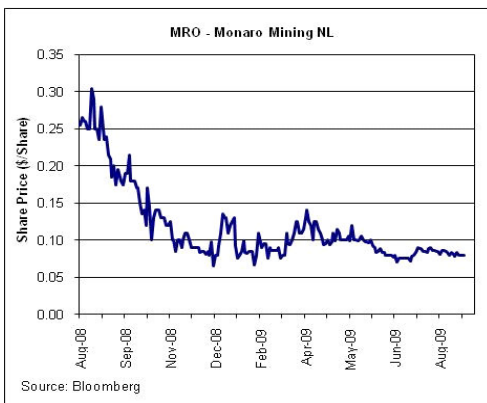
Corporate: Monaro has non-core projects that are considered for JV (e.g. Kyrgyz Republic uranium) or divestment/spin-off (e.g. NSW gold and base metals projects). A capital raising is anticipated in 2H09.

Investment Comment: The Rio Puerco and Apex-Lowboy uranium projects could be in production in mid-term, subject to feasibility and permitting. In the near term, they should quickly move towards scoping (Rio Puerco) and pre-feasibility (Apex 4Q09). Exploration budget for Jul '09 to Feb '10 is ~A\$1m, including A\$400k for Apex-Lowboy radiometric survey and subsequent drilling. Aside from exploration results, share price catalysts could include the future award of a uranium mining permit to one of MRO's neighbours in NM. At EV/resource of ~US\$1.50/lb U₃O₈ with considerable exploration upside, Monaro appears undervalued.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium	Classification/	Project	Ore	U ₃ O ₈	Cut Off	U ₃ O ₈	U ₃ O ₈	U ₃ O ₈ Eqty
U ₃ O ₈	Geology	Equity	Mt	%	ppm	Kt	Mlb	Mlb
Reserves								
Resources								
Rio Puerco	Inferred	100%	1.7	0.12		2.1	4.5	4.5
Apex	Inferred	100%	0.6	0.07		0.4	0.9	0.9
Total			2.3			2.5	5.5	5.5
Mineralised Material (est., non compliant with JORC)								
Apex-Lowboy		100%				0.45	1.0	1.0



Contacts

Mr Mart Rampe
Executive Director
Tel: +61 (0) 2 4647 9566
Sydney, NSW, Australia
www.monaromining.com.au

Directors

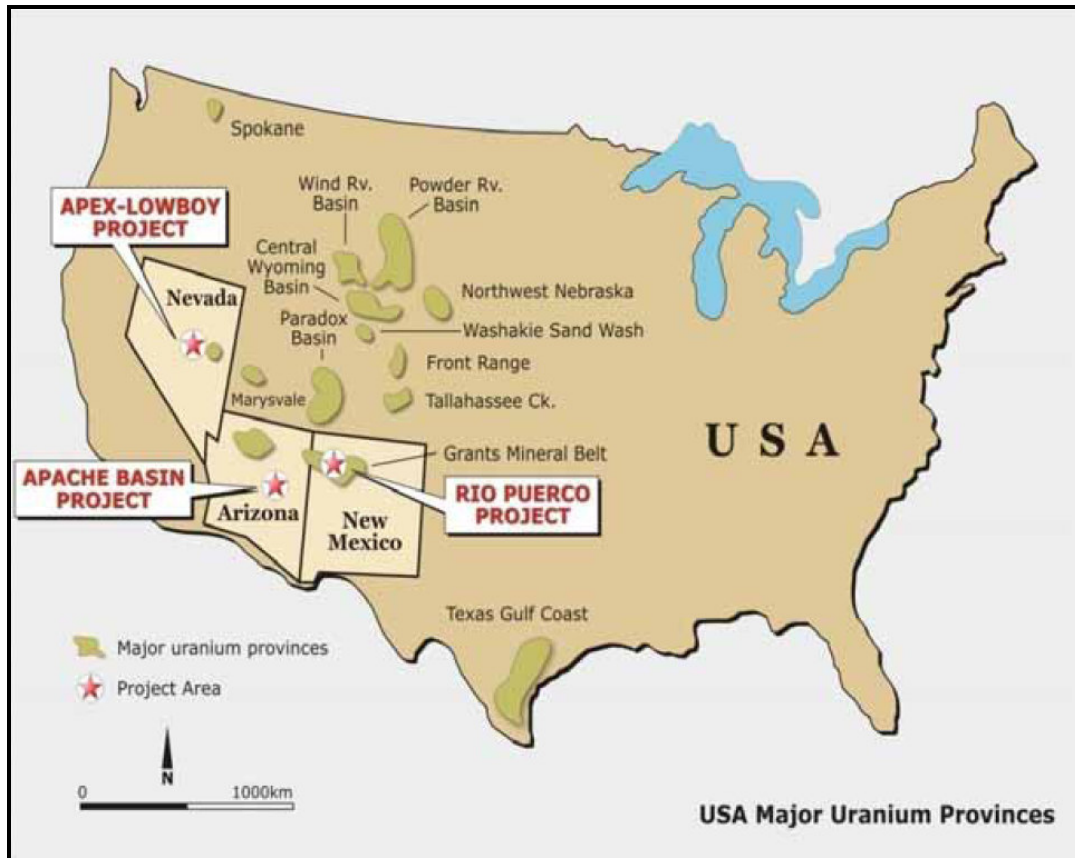
J Malone (Chairman)
M Rampe (Exec)
G Bams (Non Exec)
M Duncan (Non Exec)

Key Projects

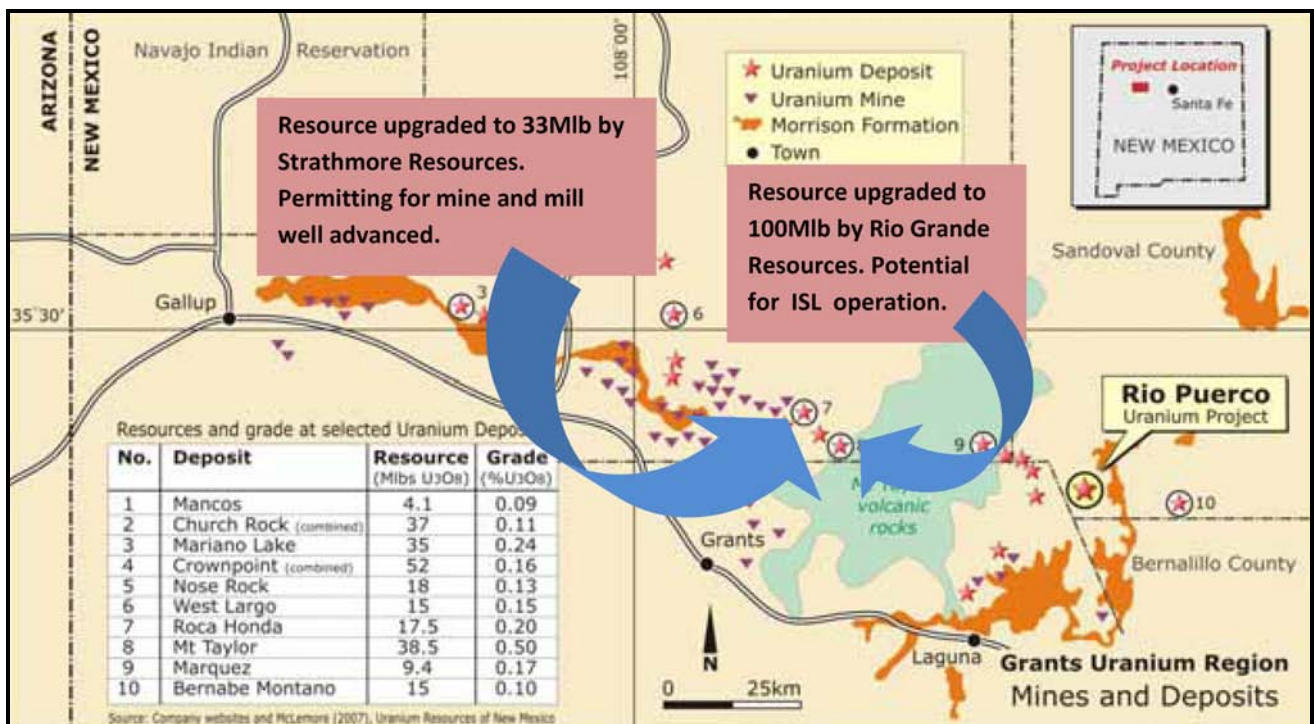
Project	Ownership/	Metal	JV	Target	Process	Project	Project
	Option		Partner	Type	Route	Status	Location
Rio Puerco	100%	U	none	Sandstone	Toll	Adv Expl	USA (NM)
Apex-Lowboy	100%	U	none	Granite-sed	na	Adv Expl	USA (NV)
Apache Basin	100%/40%	U	Vale	Unconformity	na	Mid Expl	USA (AZ)
Bernard	100%/51%	Au,U,Mn	Cristol	Structural	na	Early Expl	USA (AZ)
Fog Bay / Liverpool	0%/75%	U	Hapsburg	Sst, unconf	na	Early Expl	Aus (NT)
Kyrgyz Republic	100%	U	none	Multiple	na	Early Expl	Kyrgyz R.
Mayfield	100%/25%	Au,Cu	Capitol	Skarn	na	Early Expl	Aus (NSW)

Analyst: Dr Trent Allen
trentallen@rcresearch.com.au

Monaro Mining uranium project locations, USA: Apex-Lowboy and Rio Puerco are 100% owned by MRO. Both are advanced exploration projects that include historic uranium mines and have JORC-qualifying resources. The Apache Basin Project is managed under JV by Vale, which is earning 60%.



Rio Puerco location map: the project lies at the eastern end of the well known Grants Mineral Belt, which has historic production of ~340mlbs U₃O₈. The region is host to a number of large uranium deposits that are in the advanced stages of mine permitting. Rio Puerco has an historic resource of 4.5mlbs U₃O₈.



PDN.AU

Paladin Energy Ltd

A\$ 4.53

20 August 2009

Uranium

Australia (WA,QLD,NT), Namibia, Malawi, Niger

Producer

Exchanges: ASX:PDN; TSX:PDN; NSX (Namibia):PDN

PDN's commitment to Stage III expansion at Langer Heinrich will increase production to 5.2mlbspa U₃O₈ from 4Q10. Potential remains for further expansion. The company has a solid pipeline of prospective exploration projects and strategic alliances in Australia and Africa.

Capital Profile

Share price (A\$)	4.53
52 week range (A\$/share)	1.63 to 5.95
Number of shares (m)	624
Options and warrants (m)	15
Convertible notes (m)	82
Fully diluted (m)	721
Market capitalisation (undiluted) (A\$m)	2825.3
Debt* (US\$m) - Sept 09F	591.3
Enterprise value (A\$m)	3546.4
Major shareholders: CDS & Co (25.26%), HSBC Cus. Nom. Aust (12.68%) National Nom (7.45%), CEDE & Co (5.83%), ANZ Nom. (5.66%)	
Avg monthly volume (m)	62
Cash (US\$m) - Sept 09F	150.0
Price/Cash (x)	15.4
Price/Book (x)	4.5
Listed company options:	No

* Tranches due 2011 and 2013.

Investment Points

PDN is 100% focused on uranium. Exploration budget ~US\$13m expected in 2009.

Langer Heinrich 2Q09 production - 693klbs U₃O₈; above nameplate (650klbs) for 4th consecutive quarter.

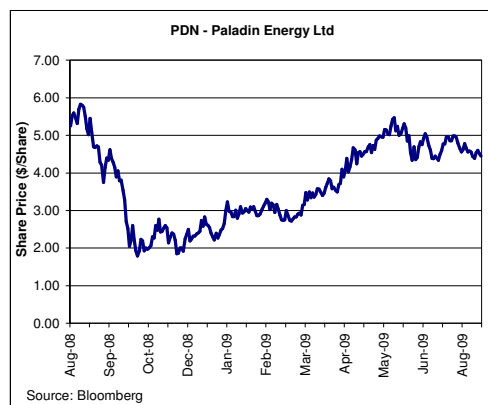
Langer Heinrich stage 2 expansion to 3.7mlbpa U₃O₈ nameplate throughput expected 3Q09. Stage 3 expansion approved: 5.2mlbpa expected from 4Q10.

Kayelekera production ramp-up commenced April '09. Nameplate production (3.3mlbspa) expected 1Q10.

IUJV resource target >120mlbs U₃O₈ (current resource ~70mlbs). Resource upgrades expected 3Q+4Q09.

PDN holds 16.7% stake in prospective Niger explorer NGM acquired 2Q09. Standstill agreement ends Sept '09.

PDN has a strong resource position, a management team recognised as industry leaders, and production growth.



Production and Financial Forecasts

YEAR END: June	2007a	2008a	2009F	2010F	2011F
Equity Production (kt)	54	782	1245	2577	3202
EBIT (US\$m)	-36.7	-16.7	21.0	134.0	214.6
Net Profit (norm) (US\$m)	-37.6	-36.0	5.1	102.0	182.1
EPS (norm) (US\$/share)	-0.07	-0.06	-0.01	0.16	0.28
CFPS (US\$/share) ^A	-0.06	-0.01	0.05	0.24	0.37
Dividends (US\$/share)	0.00	0.00	0.00	0.00	0.00
PER (x)	nmf	nmf	nmf	23	13
P/CF (x)	nmf	nmf	69	15	10
Yield (%)	0	0	0	0	0
EV/EBITDA (x)	nmf	nmf	nmf	18.6	12.2
Exploration and evaluation (US\$m)	8.6	11.7	11.6	12.0	12.0
Drilling - RAB (m)	-	-	-	-	-
Drilling - Other/Diamond (m)	17,000	100,000	100,000	100,000	100,000
Land holding ('000 ha)	-	-	-	-	-

^A EBITDA Quarters refer to calendar year. AU/US: 0.82

Company Comment

Overview: Paladin Energy Ltd is an Australian company listed on the ASX and TSX. It is a mid tier uranium producer with one mine in production (Namibia) and another in commissioning (Malawi). PDN holds 19.3% stake in Deep Yellow (ASX:DYL) and a 16.7% stake in NGM Resources (ASX:NGM). RCR undertook a site visit to Langer Heinrich in June 2009.

Langer Heinrich Mine: Production in the June quarter was 693klb U₃O₈ (nameplate production 650klb/q U₃O₈). Plant recoveries 82.3% - targeting ~90%. Stage 2 expansion production ramp-up 2Q09; nameplate production expected 4Q09 (3.7mlbspa, +44%). Stage 3 expansion approved; production expected 4Q10 targets 5.2mlbspa U₃O₈ (downsized from 6mlbspa due to water allocation constraints). Capex US\$71m. Anticipated design for 0.075% U₃O₈ head grade. PDN indicates it anticipates LOM to exceed 20 years at 0.08% U₃O₈ head grade with resource conversion; plus potential for further expansion. Exploration upside exists in the Mining Lease through infill drilling and potential for heap leach low grade processing of 40mt of low grade stockpile grading 350ppm U₃O₈ (~30mlbs). Drilling 9000m 2009 at regional EPL.

Kayelekera: Commercial production expected 3Q09. Nameplate production 3.3mlbpa U₃O₈, LOM opex US\$25/lb, 9 yr LOM, capex US\$200m plus US\$45m working capital. PDN's BFS financial analysis used a uranium price of US\$60/lb and the pit was optimised at US\$30/lb U₃O₈.

Angela and Pamela uranium deposits: (NT, PDN 50%) Near Alice Springs - awarded to PDN/CCO JV Feb '08. Historic work undertaken by Uranerz between 1972 and 1983 identified historic mineralisation of 12kt to 13kt U₃O₈ with grade thought to range from 0.10% to 0.13%. The deposits are open at depth. Work commitments include A\$5m exploration and A\$5-10m on a BFS. Development potential post 2012.

Isa Uranium JV: (IUJV, QLD, PDN 90.95%). Valhalla and Skai (IOCGU deposits) - further drilling 2H09. Initial resource at Skai East 3.9mlbs U₃O₈ at 0.045% (2Q09) - resource upgrade expected 4Q09. Valhalla resource 67.5mlbs U₃O₈ grading 0.087% - resource upgrade expected 3Q09. Economic breakeven ~100-120mlbs. The IUJV has development potential post 2012. Areva retains a 10.46% blocking stake in SMM.

Investment Comment: We value PDN at A\$4.60/share (long term uranium price US\$65/lb and 10% discount rate). The valuation is highly leveraged to the uranium price forecast and our NAV for PDN, based on RCR's mid term uranium price forecast is A\$3.26/share (10% discount rate, mid term uranium price forecasts of US\$60/lb through 4Q17, US\$40/lb long term). In our view, PDN remains a potential target, reinforced 1Q09 by Cameco raising US\$460m to add to its war chest for strategic acquisitions.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources Aust/Canadian: (JORC/Ni 43-101)

Uranium (U ₃ O ₈)	Classification/Geology	Project	Ore	Grade	Cut Off	Kt	Mib	Eqty
Reserves		Equity	Mt	%	(ppm)			Mib
Langer Heinrich	Proved and Prob.	100%	50.6	0.060	250	29.9	65.8	65.8
Kayelekera	Proved and Prob.	85%	12.6	0.105	400	13.3	29.3	24.9
Sub total			50.6	0.06		43.2	95.1	90.7
Resources (includes proved and probable reserves)								
Langer Heinrich	M.Ind.Inf./calcrete	100%	127.1	0.06	250	74.4	164.0	164.0
Kayelekera	M.Ind.Inf./sndst-rf	85%	26.1	0.08	300	19.9	43.8	37.2
Valhalla (Mt Isa Uranium)	Ind & Inf./lr ox vein	91%	35.1	0.087	230	30.6	67.5	61.4
Skai (S+E, Mt Isa Uranium)	Inf./ Iron oxide vein	91%	11.5	0.05	250	5.6	12.3	11.1
Bigirlyi	Ind. & Inf./sndst	42.1%	7.6	0.14	500	10.6	23.3	9.8
Other (6 projects) ^A						23.1	50.8	47.4
Sub total						164.2	361.8	331.0
Mineralised Material (est., non JORC compliant)								
Angela/Pamela	Sandstone	50%	na	.10-.13	na	12-13	26.4	13.2
Oobagooma	Historic/sndst.	100%	8.2	0.12	350	10.0	21.9	21.9
						22.0	48.3	35.1

^A Manyingee (24mlbs U₃O₈), Andersons (4.7mlbs), Watta (3.8mlbs), Bikini (11.5mlbs), Duke Batman (3.1mlbs), Honey Pot (3.96mlbs)

Contacts

Mr John Borshoff (MD/CEO)
Paladin Resources Ltd
Tel: 61 (0) 8 9381 4366
Perth, Australia
www.paladinenergy.com.au

Directors

R. Crabb (Non-Ex Chair)
J. Borshoff (MD)
S. Llewelyn (Non-Ex Dir)
D. Shumka (Non-Ex Dir)
I. Noble (Non-Ex Dir)

Analyst: John Wilson
johnwilson@rcresearch.com.au

Key Projects

Project	Ownership/Option	Metal	JV Partner	Plant (ktpa)	Process Route	Project Status	Location
Langer Heinrich	100%	U	na	1500	alk. leach	Production	Namibia
Kayelekera	85%	U	Malawi Gov.	1500	acid leach	Construction	Malawi
Mt Isa Uranium	91%	U	SMM	na	convention'l	Adv. Expl.	Aust (QLD)
Bigirlyi	42%	U,V	EME, SCX	na	convention'l	Mid Expl.	Aust (NT)
Angela and Pamela	50%	U	CCO	na	convention'l	Adv. Expl.	Aust (NT)
Manyingee	100%	U	na	na	ISR	dormant	Aust (WA)
Oobagooma	100%	U	na	na	ISR	dormant	Aust (WA)

Paladin Energy Ltd

YEAR END: June

	Year				
ASSUMPTIONS	2007a	2008a	2009F	2010F	2011F
A\$/US\$	0.79	0.90	0.75	0.80	0.79
Uranium Price (US\$/lb)	82	81	51	56	61
Uranium Price Realised (US\$/lb)	0	70	51	60	64

EQUITY PRODUCTION

Langer Heinrich Production (t)	54	782	1226	1568	1952
Kayelekera Production (t)	0	0	18	1009	1251
PDN Equity Production U ₃ O ₈ (t)	54	782	1245	2577	3202
Cash Costs (US\$/lb)	97.74	31.19	21.28	18.91	20.54

PROFIT AND LOSS (US\$m)

Revenues	11	102	143	312	434
Operating costs	-12	-54	-58	-107	-145
Depreciation/amortization	0	-9	-13	-22	-24
Exploration	-7	-13	-11	-11	-11
Corporate	-29	-28	-36	-32	-32
Other	0	15	4	5	7
EBIT	-37	-17	21	134	215
Interest	13	28	33	32	32
Operating profit/loss	-50	-44	-12	102	182
Tax	12	7	18	0	0
Minorities	0	-1	0	0	0
Net profit/loss	-38	-36	5	102	182
Net other	0	0	-475 *	0	0
Net profit/loss (reported)	-38	-36	-470	102	182

* Net adjustment for abnormal impairment charges

BALANCE SHEET (US\$m)

Cash and deposits	183	338	143	175	377
Total current assets	233	448	245	277	479
PP&E	135	230	404	479	465
Total non-current assets	1825	2115	1164	1251	1249
Total assets	2058	2563	1410	1528	1728
Total current liabilities	30	54	48	48	48
Reclamation reserves	0	0	0	0	0
Long term debt	268	572	577	584	592
Total non-current liabilities	720	1080	857	864	872
Total liabilities	750	1134	905	913	921
Equity	1308	1429	504	615	808
Total debt	273	583	589	597	605
Net debt	90	245	446	422	228
Average shares (fully diluted) (m)	545	623	636	640	640

FLOW OF FUNDS (US\$m)

EBITDA	-37	-8	34	156	238
Cash flow from operating activities					
Operating surplus	0	41	79	199	281
Corporate	-29	-28	-36	-32	-32
Net interest paid	-14	-25	-40	-37	-41
Net tax paid	0	0	0	0	0
Net exploration paid	-9	-12	-12	-12	-12
Other non cash items	13	5	25	22	28
Net cash from operating activities	-39	-18	16	140	224
Cash flow from investing activities					
Capital expenditure	-89	-100	-182	-97	-10
Other non cash items	-33	-51	-38	-12	-12
Net cash from investing activities	-122	-151	-219	-109	-22
Cash flow from financing activities					
Net proceeds from issue of shares	7	11	6	0	0
Dividends paid	0	0	0	0	0
Net proceeds from borrowings	291	314	4	0	0
Net cash from financing activities	299	324	10	0	0
Net change in cash	138	155	-193	31	202

PRODUCTION STATISTICS

Langer Heinrich					100%
Ore Treated (kt)	167	1255	1608	2180	3050
Head Grade (%)	0.04	0.08	0.09	0.08	0.07
Recovery (%)	67	80	80	86	88
Recovered grade (%)	0.02	0.06	0.08	0.07	0.06
U ₃ O ₈ Produced (t)	40.6	782.3	1206.2	1568.1	1951.6
Equity Production (t)	41	782	1206	1568	1952
Cash Costs (US\$/lb)	49.22	35.54	23.84	16.67	17.88
Production Costs (\$/t)	26.42	48.84	39.44	26.43	25.22
PDN Share EBIT (US\$m)	3	10	53	84	133
Kayelekera					85%
Ore Treated (kt)	0	0	18	1250	1500
Head Grade (%)	0.00	0.00	0.11	0.11	0.11
Recovery (%)	0	0	80	87	90
Recovered grade (%)	0.00	0.00	0.09	0.09	0.10
U ₃ O ₈ Produced (t)	0.0	0.0	15.7	1186.7	1471.5
Equity Production (t)	0	0	13	1009	1251
Cash Costs (US\$/lb)	0.00	0.00	16.89	19.03	20.99
Production Costs (\$/t)	0.00	0.00	32.48	39.83	45.40
PDN Share EBIT (US\$m)	0	0	1	77	106

Year

FINANCIAL RATIOS	2007a	2008a	2009F	2010F	2011F
Net debt/equity (%)	3%	9%	16%	15%	8%
Net debt/ net debt + equity (%)	3%	8%	14%	13%	7%
Current ratio (x)	7.8	8.3	5.1	5.7	9.9
EBIT/interest (x)	-3	-1	1	4	7
Debt/operating cashflow (%)	na	na	na	426%	270%
Exploration/total overhead (%)	21%	32%	23%	25%	25%
EV/EBITDA (x)	nmf	nmf	nmf	18.2	11.8
Market cap/net cash (x)	-31.3	-11.5	-6.3	-5.3	-9.8
Market cap/book (x)	2.2	2.0	5.6	3.7	2.8

FINANCIAL SENSITIVITIES

% Change in EPS for a 10% increase in:

AUD/USD	0%	0%	0%
Uranium Price	0%	49%	29%

% Change in NPV for a 10% increase in forecast minelife commodity assumptions for:

	Base US\$/sh	+ 10% US\$/sh	%
AUD/USD	2.61	2.77	-6%
Uranium Price	2.61	2.77	6%

VALUATION (US\$m)
Q3 09

NPV Assumptions	Base	"What if"
Long Term Uranium Price (from 2016)	:US\$/lb	40
A\$/US\$		0.80
Projects		
Langer Heinrich phase I,II&III	100% NPV@10%	1104.7
Kayelekera	85% NPV@10%	475.0
Resources		
Kayelekera	85% 12.3 mlb	US\$7.00/lb
Manyingee	100% 24.0 mlb	US\$1.75/lb
Oobagooma	100% 21.9 mlb	US\$1.75/lb
Isa Uranium (100%; 81.9% SMM)	various 85.2 mlb	US\$5.00/lb
Angela and Pamela	50% 26.4 mlb	US\$5.00/lb
Other + Exploration		125.0
Assets		
Cash and deposits		150.0
Other		125.0
Liabilities		
Debt		-591.3
Corporate		-109.4
Other liabilities		-229.0
Reclamation reserve		0.0
Net Assets		1640
Fully Diluted Shares (m)		640
Net NPV/share (US\$/share)		2.61
Net NPV/share (A\$/share)		3.78
Valuation/Reserve lb	:US\$/lb	18.09
Valuation/Reserve & Resource lb	:US\$/lb	4.96

OWNER

Shares

DIRECTOR'S INTERESTS

Shares

		(m shares)	%
Mr. John Borshoff	Managing Director	21.5	3.4%

PNN.AU

PepinNini Minerals Limited

A\$ 0.33

20 August 2009
Uranium, Nickel, Copper/Gold, Lead/Zinc
Australia (SA,QLD)
BFS, Advanced Exploration
Exchanges: ASX:PNN

The BFS for PNN's Crocker Well project (60% Sinosteel, 40% PNN; 14.9mlb U resource) delayed till Dec '09 (flowsheet revisions), but recoveries have improved dramatically. Meanwhile, exploration in SA/QLD uranium, Au and base metals projects gains momentum.

Capital Profile

Share price (A\$)	0.33
52 week range (A\$/share)	0.14 to 0.68
Number of shares (m)	78.2
Options and warrants (m)	0.8
Convertible notes (m)	0
Fully diluted (m)	79.0
Market capitalisation (undiluted) (A\$m)	25.4
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	25.4
Major shareholders: NL Kennedy (12.2%), RA Holland-Kennedy (12.2%) Sinosteel Corporation Pty Ltd (4.2%).	
Avg monthly volume (m)	2
Cash (A\$m) - Sep 09F	9.3
Price/Cash (x)	2.7
Price/Book (x)	0.8
Listed company options:	No

Production and Financial Forecasts

YEAR END: June	Jun-09a	Sep-09F	2008a	2009F	2010F
Exploration and evaluation (A\$m)	2.54	2.00	2.56	7.09	7.60
Corporate (A\$m)	0.29	0.40	1.75	1.16	1.60
Exploration/(Expl.+ Corporate) (%)	90	83	59	86	83
Funding duration at current burn (years)			0.3	1.4	0.3
Shares on issue (pr end) (m shares)	78	78	49	78	78
Drilling - RAB (m)	3,445	5,000	5,000	18,445	20,000
Drilling - Other/Diamond (m)	8,100	4,000	16,000	22,100	19,000
Land holding ('000 ha)*	1,580	1,580	1,580	1,580	1,580
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (share buybacks)(A\$m)	3.3	0.0	0.0	3.3	0.0
Funding from JV partners (A\$m)	1.2	1.2	5.8	4.8	2.4
Cash (A\$m)	11.4	9.3	1.4	11.4	3.1
Cash backing (A\$/share)	14.6	11.9	2.9	14.6	4.0
Net asset backing (A\$/share)	44.1	41.4	44.0	44.1	33.5

*Tenements held or applied for

Investment Points

Flagship is the Crocker Well/Mt Victoria uranium project (14.9mlb resource). Sinosteel (60%) is a strong partner.

Crocker Well BFS now delayed to 4Q09 due to further met. testwork that has indicates greatly improved recoveries. Potential production start 2H11.

Crocker Well regional U exploration commencing 3Q09 - potential to double U resource - multiple drill targets.

Musgrave Province (SA): numerous Voisey Bay style targets, drilling underway - major Cu/Ni and Pb/Zn/Ag anomalies. Recent RIO Musgrave Province farm-in deal underpins potential.

N Qld drilling 2H09: targets for gold and base metals - high gold grades in rock chip sampling.

Cash (Sep '09) A\$9.3m (12c/share), no debt.

Our assessed value is A\$0.76/share, (cash and Crocker Well A\$0.53/share).

Current price reflects zero value for excellent base metals, uranium, gold exploration potential.

Company Comment

Overview: PNN listed on the ASX in April 2005. PNN is diversified Australian explorer- targeting uranium, base metals and gold in S.A., Qld, and W.A.

Curnamona Province - 3,778 km² (SA) - Sinosteel JV, Crocker Well/Mt Victoria: The Crocker Well Uranium Project is a JV between Sinosteel Corporation ("SSC"), operator (60%) and PNN (40%). A JORC inferred resource of 12.65mt @ 0.053% U₃O₈ (14.9mlb) was established Sep '05. Mar '06 scoping study indicated A\$160m capex 1.7mtpa, opex US\$15.26/lb, recovery 63%. BFS is continuing (>A\$15m spent to date, mostly funded by SSC, PNN now contributing), release now delayed till Dec '09 due to further metallurgical testwork and proposed flowsheet changes to improve opex and recoveries. Modified flowsheet incorporates flotation, pressure filtration, SX extraction, carbonate strip, precipitation, dewatering, drying and drum, with much improved recoveries - 80% is now expected. 30,000m RC and diamond drilling program is nearing completion, to upgrade resource status from inferred to indicated or measured (expect JORC upgrade 3Q09). ML applications lodged. Production could commence by 2H11.

Additional Resources: 26 additional uranium prospects (radiometric anomalies) have been identified within a 15km radius of Crocker Well - potential to double resources. Recon. program on 4 targets returned high U₃O₈ grades (up to 2.62%) from surface samples. Mag/radiomag heli survey was undertaken 2Q09. These targets will be drilled 2H09 with the aim to expand the resource base.

Musgrave Province (SA), 8,143 km² (100%): PNN is focussing on priority AEM anomaly Ni-Cu targets, Voisey Bay type settings. Recent drilling 2Q09 at Pine Ridge - 3,445m RAB + 1,007m DDH, results are positive with intersection of stratabound copper mineralisation, lithologies similar to Broken Hill Pb-Zn-Ag. RAB drilling identified further Cu-Ni and new Pb-Zn-Ag anomalies and anomalous rare earths.

Musgrave Province, Rio Tinto Farm-in, 1,382km²: PNN has recently announced a farm-in JV agreement with RIO whereby PNN can earn 51% in 3 RIO tenements adjacent to PNN Musgrave tenements through expenditure of A\$4m within 4 years. Importantly, in the event of a major discovery, RIO can revert back to 70% by funding a FS or spending A\$20m. The tenements have a number of Ni/Cu EM targets which will be high priority for ground geophysical surveys and then drilling by PNN.

Georgetown Inlier/Woolgar Goldfield (QLD), 2,007km², (100%): Uranium, phosphate and gold prospects. Rock chip sampling at Percyville (Au/Ag/Cu), 30km SE Kidston mine, and nearby The Return prospect has continued to produce high grade gold mineralisation (Au grades to 1,710g/t). Highly prospective targets are being refined (heli-mag surveys this Q) - initial target drilling expected 4Q09.

Investment Comment: PNN is trading at less than half of our assessed value of A\$0.76/share. This discount is likely to narrow in the next 6 months with the Crocker Well BFS release and the move towards drilling of targets in the QLD/SA uranium, base metals and gold exploration projects

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium (U ₃ O ₈)	Classification	Project	Ore		Grade	Cut Off	Eqty		
			Equity	Mt			Kt	Mlb	Mlb
Reserves									
Resources									
Curnamona Province	Inferred	40%	19.8	0.045	250	9.0	19.8	7.9	
(Mt Victoria **	Inferred	40%	0.3	0.160	300	0.4	0.9	0.4	
(Crocker Original **	Inferred	40%	8.4	0.046	300	3.9	8.5	3.4	
(Crocker Central **	Inferred	40%	1.1	0.043	300	0.5	1.0	0.4	
(Crocker Eastern **	Inferred	40%	2.9	0.069	300	2.0	4.4	1.8	
(Total - 2006 Scoping Study)**			12.7	0.053	300	6.7	14.9	6.0	
Total Province	Inferred		19.8	0.045	250	9.0	19.8	7.9	

Historical (est., non compliant with JORC)

0.0 0.0 0.0

** high grade resource (300ppm cutoff) included in 250ppm cutoff resource figure.



Contacts

Mr Norman Kennedy
Managing Director
Tel: 61 (0) 2 9417 6212
Sydney, Australia
www.pepinnini.com.au

Directors

N Kennedy (Chair, MD)
R Holland-Kennedy (Non Ex)
A Harris (Non-Ex Dir)
C Lambert (Non-Ex Dir)

Analyst: Dr Tony Parry
tonyparry@rcresearch.com.au

Key Projects

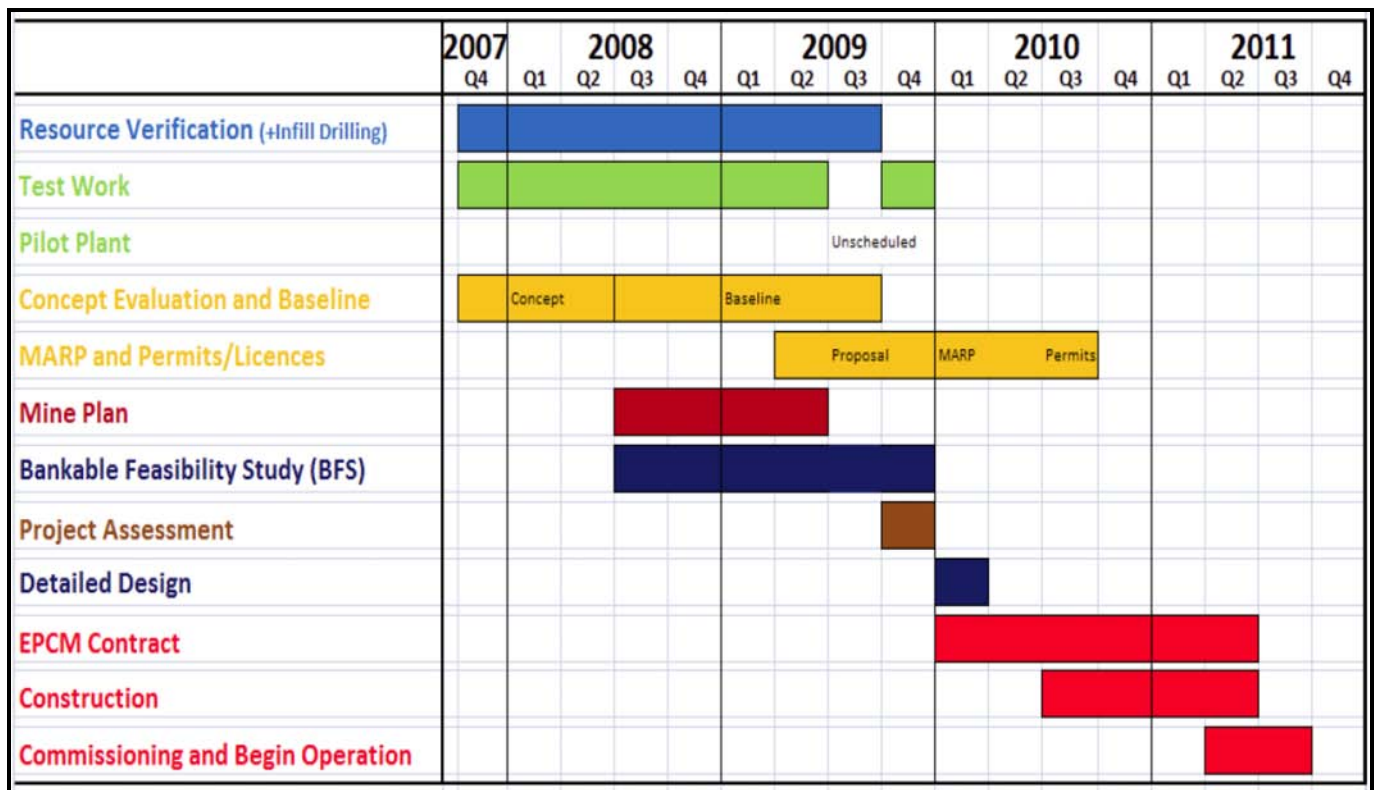
Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Crocker Well/Mt Vict.	40%	IOCGU	Sinosteel	Breccia	conventnl	BFS	Aus (SA)
Curnamona Province	40%	U,Cu,Au	Sinosteel	various	na	Early Expl.	Aus (SA)
Musgrave Province	100%	Ni-Cu	na	ultramafic	Sulphide	Early Expl.	Aus (SA)
Musgrave Rio Tinto JV	0/51%	Ni-Cu	na	ultramafic	Sulphide	Early Expl.	Aus (SA)
Georgetown	100%	U, Au	na	na	na	Early Expl.	Aus (QLD)
Woolgar Inlier	100%	Au-Ag	na	na	CIP	Mid Expl.	Aus (QLD)

Our current assessed value of PNN is A\$0.76/share comprising A\$0.41/share for the Crocker Well Uranium Project stake (BFS due 4Q09), cash of A\$0.12/share, and A\$0.30/share for PNN's extensive strategic SA/QLD base metals/uranium exploration projects.

PEPINNINI MINERALS VALUATION

	Project Value A\$m	PNN Equity	Valuation A\$m	Valuation A\$/share
Curanamona Province (Sinosteel 60%)				
Crocker Well Uranium Project				
Total Resource (mlb)	14.9			
Project Valuation (US\$/lb)	4.50			
Project Value	80.8	40%	32.3	0.41
Curanamona Exploration (U and base metals - multiple targets)	10.0	40%	4.0	0.05
Sub Total (Curanamona Province equivalent - PNN)			36.3	0.46
+ Cash (f'cast end Sep '09)				
			9.3	0.12
+ Musgrave Province Project (large unexplored area, Cu/Ni Voisey Bay style targets)				
			5.0	0.06
+ Musgrave Rio Tinto Farm-in tenements (multiple Ni/Cu targets, PNN earning 51%)				
			3.0	0.04
+ QLD - Georgetown Inlier/Woolgar Goldfield (gold, uranium, phosphate, base metals potential)				
			6.0	0.08
+ WA Projects - Robinson Range Iron Ore & Peak Hill Gold				
			3.0	0.04
+ Tax Losses				
			0.0	0.00
- Corporate				
			3.5	0.04
PNN NET ASSET VALUE			59.1	0.76
Capital Structure				
Shares			78.2	
Fully Diluted Shares			79.0	
PNN NET ASSET VALUE PER SHARE	:A\$/share		0.76	
PNN NET ASSET VALUE DILUTED	:A\$/share fully diluted		0.76	

The Crocker Well project schedule indicates potential uranium production in 2011 – subject to the review of the BFS to be released in 4Q09. Extensive resource drilling and metallurgical testwork has been conducted in the last two years.



TOE.AU

20 August 2009

Uranium

Australia (WA,NT,SA), Namibia

Advanced Exploration/Resource Definition/PFS

Exchanges: ASX:TOE

Toro Energy Limited

A\$ 0.19

All eyes are on the imminent release of Toro's Wiluna uranium project (24mlb resource) optimisation study. If it meets targets then a market re-focusing on the long term strategic value of calcrete deposits (as per Mega's Lake Maitland transaction) should produce a stock re-rating.

Capital Profile

Share price (A\$)	0.19
52 week range (A\$/share)	0.09 to 0.32
Number of shares (m)	556
Options and warrants (m)	15
Convertible notes (m)	0
Fully diluted (m)	571
Market capitalisation (undiluted) (A\$m)	102.8
Debt (A\$m) - Sep 09F	0.0
Enterprise value (A\$m)	102.8
Major shareholders: OZ Minerals Ltd (49.9%), ANZ Nominees (5.0%)	
Allarow Pty Ltd (1.8%)	
Avg monthly volume (m)	31
Cash (A\$m) - Sep 09F	6.5
Price/Cash (x)	15.8
Price/Book (x)	0.7
Listed company options:	No

Investment Points

100% uranium focus. Expl. + eval. budget A\$7m pa, current cash A\$8m (plus A\$20m placement facility).

Potential Production 2012. PFS completed on Wiluna project (WA) - 24mlb JORC resource, (target 28mlb).

Critical Wiluna optimisation study due Sep '09 for enhanced economics, BFS to start 4Q09.

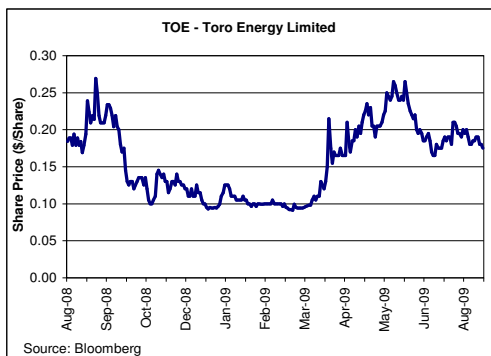
Recent Wiluna resource upgrades very positive. Lake Way grade +34% to 543ppm, C'pede +26% to 553ppm.

Nearby Mega Uranium Lake Maitland transaction shows long term strategic value of calcrete resources - transaction value ~US\$6/lb - equiv. equals A\$0.40/share for TOE.

Napperby, NT. JORC resource 7.4mlb, on track for 13mlb. Scoping study complete mid 3Q09.

Oz Minerals recent selldown a one-off.

Positive (3Q09) Wiluna optimisation study results likely to result in re-rating.



Production and Financial Forecasts

YEAR END: June	Jun-09a	Sep-09F	2008a	2009F	2010F
Exploration and evaluation (A\$m)	1.42	2.00	6.32	6.59	7.50
Corporate (A\$m)	0.64	0.60	2.50	2.50	2.40
Exploration/(Expl.+ Corporate) (%)	69	77	72	72	76
Funding duration at current burn (years)	4.4	2.5	1.5	1.0	0.6
Shares on issue (pr end) (m shares)	555.8	555.8	494.7	555.8	605.8
Drilling - RAB (m)	2,500	2,500	21,500	12,500	10,000
Drilling - Other/Diamond (m)	3,500	4,000	12,500	19,500	15,500
Land holding ('000 ha)*	3,799	3,799	3,274	3,799	3,799
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)**	0.0	0.0	0.0	12.2	6.0
Funding from JV partners (A\$m)	0	0	0	0	0
Cash (A\$m)	9.0	6.5	13.4	9.0	5.5
Cash backing (Ac/share)	1.6	1.2	2.7	1.6	0.9
Net asset backing (Ac/share)	26.0	26.0	26.9	26.0	24.6

*Uranium prospective tenements only, both held and under application. ** Nominal A\$6m capital raising assumed FY10

Company Comment

Overview: TOE listed on the ASX in March 2006 and is a pacesetter in advancing calcrete style uranium projects in Australia, with Wiluna (WA) at PFS stage and Napperby (NT) at scoping study.

Wiluna Optimisation Study: The GRD Minproc PFS was released in Sep '08. and reviewed in our 4Q08 Report. The PFS Option D assumed 1.5mtpa, 16.3mt LOM, 12 year mine life. Capex A\$247m, opex US\$39/lb, TOE's base case project NPV @ 12.3% (nom) an uninspiring A\$78m, using U₃O₈ price of US\$80/lb (A\$/US\$ of 0.75). NPV is highly sensitive to grade and long term U₃O₈ price. The current Optimisation Study (OS) is critical to enhance project economics. The OS is targeting capex -10%, head grades +20% (actual +31% - see below), improved recoveries, mine life +5 years (resource drilling underway), overall opex -13% (minimum) to US\$34/lb, to give major NPV increase to A\$165m (TOE data). This means OS release in 3Q09 will be a huge milestone for TOE and its share price. **Resource Upgrades:** The Jun '09 resource upgrade produced a 31% increase in overall average grade (from 419ppm to 548 ppm @ 200ppm cut off, and total contained U₃O₈ up 2% to 24.4mlb.

Lake Maitland ("LM") Transaction: Previously reported (1Q09 RCR TOE report). Analogous regional surficial calcrete resource to Wiluna (LM is 21.5mlb @ ~500ppm, 200ppm cut off) at scoping study stage, possible production 2011. Japanese utilities purchase of 35% values LM resource at ~US\$6/lb (subject to c/off grade). This underpins strategic value of calcrete resources. A similar value applied to TOE's Wiluna resource would imply ~A\$0.40/share value for TOE shares.

Napperby Project (NT): 150km NW Alice Springs, resource drilling on-going. Current JORC inferred resource to 7.4mlb U₃O₈ (359ppm grade) over ~50% of a total 14km strike. On track to confirm 13.2mlb non JORC historic resource (Uranerz). Calcrete hosted deposit is near surface (<8m depth), easily mined, low strip ratio. We expect release of the milestone Napperby scoping study mid 3Q09.

Other Exploration: Extensive greenfields/brownfields U exploration portfolio in SA, NT, WA and Namibia (~38,000km², budget A\$2mpa). Priorities are **Lake Mackay** (WA) unexplored, palaeochannel and IOCG potential (initial reconnaissance soil and gravity program), **Iwupataka** (NT) sandstone and unconformity, **Namibia - JV with Deep Yellow** (ASX:DYL earning 75%) will increase activity on Toe's 3 Namibian tenements around DYL's Tumas-Tubas project (DYL: >100mlb resource likely). **Mount Woods (SA)**, TOE has 100% U rights for tenements surrounding OZL's Prominent Hill ("PH") operations. OZL likely to increase their IOCG exploration with 15 PH style targets to be drilled.

Corporate: TOE has recently put in place an A\$20m five year equity placement facility with a US investment fund, which will ensure it can maintain momentum on fast-tracking Wiluna.

Investment Comment: TOE shares have not significantly reacted to analogous Lake Maitland sale (implies A\$0.40 value for TOE) and recent very positive Wiluna grade increases. Recent sell down of Oz Minerals stake (ASX:OZL) to 49.9% was expected, may have created concerns about overhang, which are unfounded. If 3Q09 Wiluna optimisation study meets targets, we expect a near term share price re-rating to ~A\$0.25-A\$0.30.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian: (JORC)

Uranium	Classification	Project	Ore	U ₃ O ₈	Cut Off	U ₃ O ₈	U ₃ O ₈	Eqty
U ₃ O ₈		Equity	Mt	%	ppm	Kt	Mlb	Mlb

Reserves

						0.0	0.0	0.0
--	--	--	--	--	--	-----	-----	-----

Resources

Wiluna: L. Way & C'pede	Meas Ind & Inf.	100%	20.2	0.055	200	11.1	24.4	24.4
Napperby	Inferred	0/100%	9.34	0.036	200	3.35	7.4	7.4
Total Resources						14.42	31.8	31.8

Mineralised Material (est., non compliant with JORC, inclusive of the Napperby Inferred Resource)

Napperby	Historic	0/100%	0.0	0.037		6.0	13.2	13.2
Total Mineralised (non JORC)						0.0	0.0	13.2

Contacts

Mr Greg Hall
Managing Director
Tel: 61 (0) 8 8132 5600
Norwood, SA, Australia
www.toroenergy.com.au

Analyst: Dr Tony Parry
tonyparry@rcresearch.com.au

Directors

E Smyth (Non Ex. Ch'man)
G. Hall (MD)
P. Lester (Non Exec Dir)
D. Carter (Non Exec Dir)
J. Sells (Non Exec Dir)
M. Myers (Non Exec Dir)

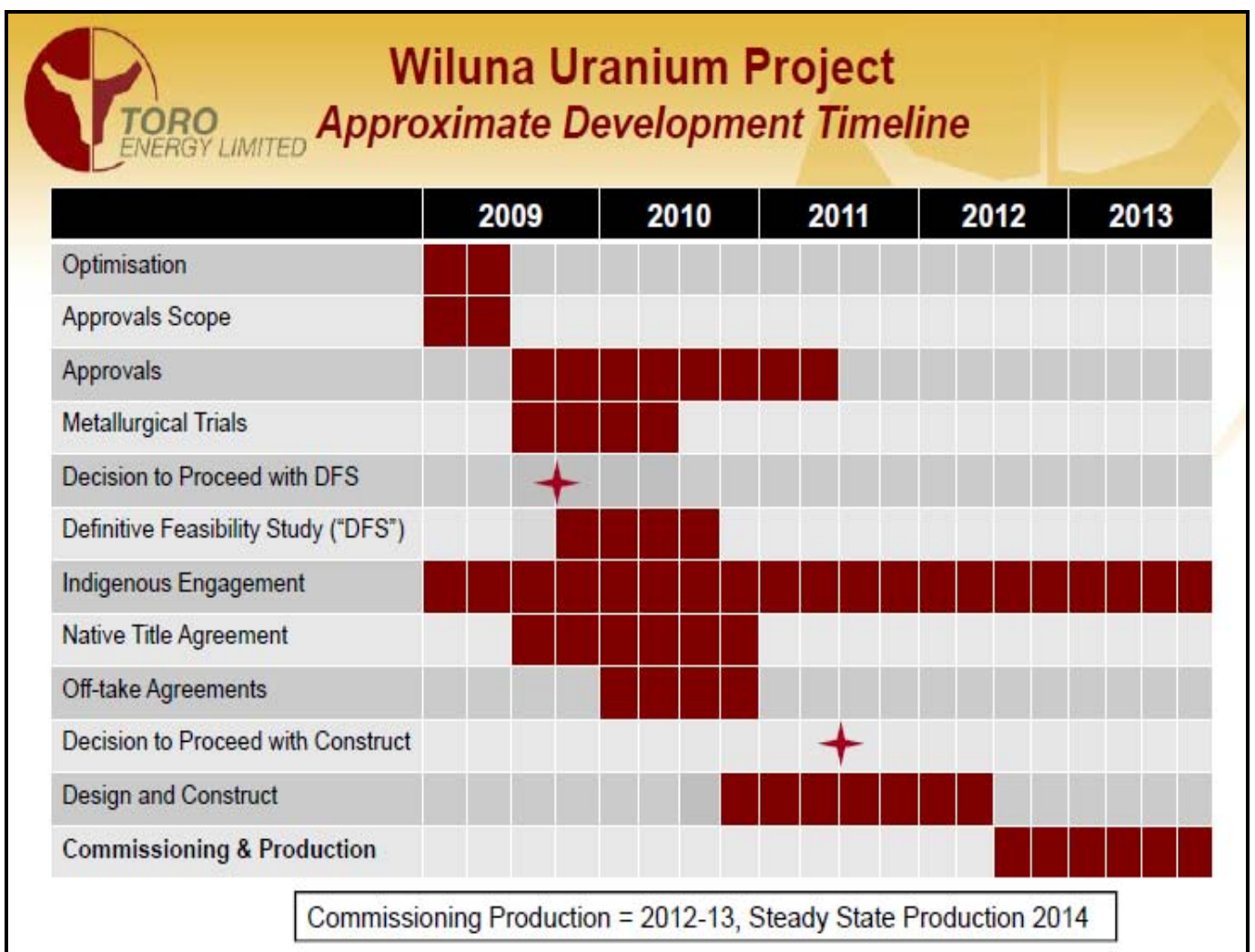
Key Projects

Project	Ownership/Option	Metal	JV / Partner	Target Type	Process Route	Project Status	Location
Wiluna	100%	U	none	Calcrete	Alk. Leach	PFS	Aus (WA)
Napperby	0/100%	U	DYL	Calcrete	Alk h/each	Scoping	Aus (NT)
Namibia	100%/25%	U	DYL	Calc/Alask	na	Early Expl.	Namibia
Lake Mackay	100%	U	none	Unc+S'tone	na	Early Expl.	Aus (WA)
Radium Hill	100%	U	none	Palaeochannel	na	Early Expl.	Aus (SA)
Mount Woods	100% U rights	U	OZL/MNT	IOCG	na	Early Expl.	Aus (SA)

The table below summarises key project improvements targeted in Toro’s current optimisation study on the flagship Wiluna calcrete project (completion Sep ‘09) Above-target resource grade increases already achieved are the primary value drivers which will underpin the BFS and a planned startup in 2012/2013.

	Prefeasibility Range	Optimisation Work	Targeted Improvement	Status
Head Grade	472-503ppm	Close spaced drilling	+20%	+31%
Capital Cost	A\$195-A\$247m	Met testing, water quality	-10%	pending
Operating Cost	US\$39-\$41/lb	Grade, Recovery	-US\$6/lb	pending
Recovery	70%-83%	Column leach testing	+2% to +5%	pending
Mine Life	10-12 years	Resource Consolidation	+5 years	pending
NPV	\$74-\$78m		A\$165m	pending

Subject to the imminent optimisation study results, TOE expects to commence a definitive feasibility study on Wiluna in 4Q09. This could lead to a decision to proceed in mid 2011, potential first production in 2H12



Report Contributors

John Wilson: John has a background in mining, finance and equity research. He worked on Wall Street for 6 years and has covered US, Australian and Latin American mining stocks. He has also worked with BHP in their minerals division. Qualifications include an MBA from the Wharton School of the University of Pennsylvania and a Bachelor of Engineering from the University of Sydney.

Tony Parry: Tony has extensive experience in metallurgical process development, (working with MIM Limited for five years) and in mining equity research, equity sales and mining corporate finance (working in London for five years and subsequently Perth). He was a founding Director and CEO of an ASX listed exploration company and has been engaged extensively as a strategic planning consultant to many small-medium enterprises. Tony's qualifications include a BSc (Hons) in Metallurgy and a PhD in Metallurgy from the University of NSW.

Trent Allen: Trent has a BSc (Hons) and a PhD from the University of Sydney, specialising in the petrology, trace-element geochemistry and economic geology of alkaline igneous rocks. His Australian mining industry experience includes several years with Newcrest's Cadia Valley gold/copper mines, where he was engaged in resource definition and geotechnical engineering. Trent has also worked as an exploration consultant, university lecturer in geology and civil engineering, and as a newspaper editor with Fairfax in Sydney.

Disclosure and Disclaimer

Disclosure and Disclaimer

Important Information

Resource Capital Research Pty Limited (referred to as “we”, “our”, or “RCR” herein) ACN 111 622 489 holds an Australian Financial Services Licence (AFS Licence number 325340). General advice is provided by RCR's Authorised Representatives Dr Tony Parry (Authorised Representative number 328842) and Dr Trent Allen (Authorised Representative number 331960). The FSG is available at www.rcresearch.com.au. All references to currency are in Australian dollars unless otherwise noted.

This report and its contents are intended to be used or viewed only by persons resident and located in the United States and Australia and therein only where RCR's services and products may lawfully be offered. The information provided in this report is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject RCR or its affiliates to any registration requirement within such jurisdiction or country.

This report and its contents are not intended to constitute a solicitation for the purchase of securities or an offer of securities. The information provided in this report has been prepared without taking account of your particular objectives, financial situation or needs. You should, before acting on the information provided in this report, consider the appropriateness of the purchase or sale of the securities of the companies that are the subject of this report having regard to these matters and, if appropriate, seek professional financial, investment and taxation advice. RCR does not guarantee the performance of any investment discussed or recommended in this report. Any information in this report relating to the distribution history or performance history of the securities of the companies that are the subject of this report, should not be taken as an indication of the future value or performance of the relevant securities.

In preparing this report, RCR analysts have relied upon certain information provided by management of the companies that are the subject of this report or otherwise made publicly available by such companies. The information presented and opinions expressed herein are given as of the date hereof and are subject to change. We hereby disclaim any obligation to advise you of any change after the date hereof in any matter set forth in this report. THE INFORMATION PRESENTED, WHILE OBTAINED FROM SOURCES WE BELIEVE RELIABLE, IS CHECKED BUT NOT GUARANTEED AGAINST ERRORS OR OMISSIONS AND WE MAKE NO WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AND DISCLAIM AND NEGATE ALL OTHER WARRANTIES OR LIABILITY CONCERNING THE ACCURACY, COMPLETENESS OR RELIABILITY OF, OR ANY FAILURE TO UPDATE, ANY CONTENT OR INFORMATION HEREIN.

This report and the information filed on which it is based may include estimates and projections which constitute forward looking statements that express an expectation or belief as to future events, results or returns. No guarantee of future events, results or returns is given or implied by RCR. Estimates and projections contained herein, whether or not our own, are based on assumptions that we believe to be reasonable at the time of publication, however, such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from the estimates and projections provided to RCR or contained within this report.

This report may, from time to time, contain information or material obtained from outside sources with the permission of the original author or links to web sites or references to products, services or publications other than those of RCR. The use or inclusion of such information, material, links or references does not imply our endorsement or approval thereof, nor do we warrant, in any manner, the accuracy or completeness of any information presented therein.

RCR, its affiliates and their respective officers, directors and employees may hold positions in the securities of the companies featured in this report and may purchase and/or sell them from time to time and RCR and its affiliates may also from time to time perform investment banking or other services for, or solicit investment banking or other business from, entities mentioned in this report. African Energy Resources Limited, Eleckra Mines Limited, Energy and Minerals Australia Limited, Greenland Minerals and Energy Limited, Monaro Mining NL, Pepinini Minerals Limited, and Toro Energy Limited commissioned RCR to compile respective company reviews in this report. In consideration, RCR received from each company a cash consultancy fee of less than \$15,000. Extract Resources Limited has contributed to travel expenses for a pending RCR site trip. RCR may receive referral fees from issuing companies or their advisors in respect of investors that RCR refers to companies looking to raise capital. Those fees vary, but are generally between 0 - 1% of the value of capital raised from referrals made by RCR. RCR received referral fees in relation to recent capital raisings for Globe Uranium Limited, Pepinini Minerals Limited and Uranex NL and may receive referral fees in relation to Eleckra Mines Limited and Toro Energy Limited. At the date of this report, neither RCR, nor any of its associates, hold any interests or entitlements in shares mentioned in this report with the exception that either or both of John Wilson (either directly or through Resource Capital Investments Pty Limited (RCI)) and associates, or RCI, as trustee of the Resource Capital Investments Fund owns shares in BHP, Rio Tinto, shares in Energy Metals Limited, Berkeley Resources Limited, Uranex NL, Curnamona Energy Limited, Extract Resources Limited, Bannerman Resources Limited, Energy Resources of Australia Ltd., Equinox Minerals Limited, West Australian Metals Limited and Pepinini Minerals Limited.

Analyst Certification: All observations, conclusions and opinions expressed in this report reflect the personal views of RCR analysts and no part of the analyst's or RCR's compensation was, is, or will be, directly or indirectly related to specific recommendations or views expressed in the report. Officers, directors, consultants, employees and independent contractors of RCR are prohibited from trading in the securities of U.S. companies that are, or are expected to be, the subject of research reports or other investment advice transmitted to RCR clients for a blackout window of 14 days extending before and after the date such report is transmitted to clients or released to the market.

Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated and Inferred Resources: RCR publishes mineral resources based on standards recognized and required under securities legislation where listed mining and exploration companies make their exchange filings and uses the terms "measured", "indicated" and "inferred" mineral resources. U.S. investors are advised that while such terms are recognized and required under foreign securities legislation, the SEC allows disclosure only of mineral deposits that can be economically and legally extracted. United States investors are cautioned not to assume that all or any part of measured, indicated or inferred resources can be converted into reserves or economically or legally mined. We recommend that US investors consult Securities and Exchange Commission Industry Guide 7 – "Description of Property by Issuers Engaged or to Be Engaged in Significant Mining Operations" for further information about the use of defined terms and the presentation of information included in this report.

www.rcresearch.com.au

Resource Capital Research
Suite 1306
183 Kent Street
Sydney, NSW 2000

T: +612 9252 9405
F: +612 9251 2859
E: info@rcresearch.com.au

ACN 111 622 489