



16 June 2014

Joint Venture on Slovak Uranium Assets with European Uranium Resources Ltd

Forte Energy NL ("Forte" or "the Company") (ASX/AIM: FTE) is pleased to announce that a binding Letter of Intent ("LOI") has been executed by Forte and European Uranium Resources Ltd ("European Uranium"), whereby Forte may earn a 50% interest in the Slovak uranium projects of European Uranium for a total expenditure of CAD\$4,000,000 over 10 years. The interest will be held through ownership of 50% of European Uranium's currently wholly-owned Slovak subsidiaries, Ludovika Energy and Ludovika Mining, which hold the mineral licenses comprising the Kuriskova and Novoveska Huta uranium projects.

This new agreement with European Uranium replaces the Share Purchase Agreement ("SPA") announced on 9 May 2014, which was terminated on 14 June 2014. The SPA was terminated for failure to satisfy one of the conditions, when the special resolution of European Uranium shareholders to approve the acquisition by Forte of its Slovakian uranium assets was not approved by the required majority of shareholders.

The principal terms of the earn-in agreement are:

- European Uranium will transfer 50% of the shares of each of the two Slovak companies to Forte, the ownership of which will be governed by a shareholder's agreement and subject to forfeiture whereby if Forte does not meet the required expenditures on the Kuriskova and Novoveska Huta uranium projects, it must transfer the shares of the Slovak companies back to European Uranium.
- To acquire its 50% interest in the projects, Forte must expend a total of CAD\$4 million on the following schedule:

	<u>CAD\$</u>	<u>CAD\$</u>
<u>Cash Payments to European Uranium:</u>		
No later than June 20, 2014	\$25,000	
On signing a definitive agreement, but not later than July 31, 2014	\$475,000	
Total cash to European Uranium		\$500,000
<u>Work Commitments:</u>		
Year 1 (firm obligation)	\$350,000	
Years 2 – 10, minimum annual expenditures \$350,000 / year unless higher amounts are required to keep licenses in good standing	\$3,150,000	
Total work commitments		\$3,500,000
<u>Total earn-in expenditure commitment</u>		<u>\$4,000,000</u>

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- The expenditures can be accelerated by Forte at Forte's election. If the parties each agree to sell their 50% interest to a third party then Forte will pay European Uranium the difference between CAD\$3,500,000 and expenditures made to date.
 - A definitive joint venture agreement is to be executed by both parties by 31 July 2014.
 - Forte can forfeit its 50% interest to European Uranium with no further obligation any time after it has paid European Uranium CAD\$500,000 and funded the first year minimum work commitment of CAD\$350,000.
 - Prior to Forte completing the earn-in of its 50% interest, exploration and development activities on the projects will be governed by a Management Committee on which European Uranium will have the casting vote until Forte has funded the full CAD\$4,000,000. Forte will be the operator during this period.

The transaction is subject to receipt of all applicable regulatory approvals.

Commenting on the Acquisition, Mark Reilly, Managing Director of Forte, said:

"Forte looks forward to working closely with European Uranium in a long term relationship to advance these exciting Slovakian uranium assets. I believe the terms of the revised agreement provides an improved outcome for the shareholders of both companies."

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About European Uranium's assets

European Uranium has two project areas in Slovakia, namely Kuriskova and Novoveska Huta, of which Kuriskova is the most advanced. The projects are held in two wholly owned subsidiaries of European Uranium that are registered in the Slovak Republic.

The Kuriskova project consists of 32 square kilometres of mineral licenses situated approximately 10 km northwest of the city of Kosice, a regional industrial centre in East-Central Slovakia.

The summary results of a preliminary feasibility study prepared for Kuriskova released in January 2012 are as follows:

- IRR 30.8%
- 1.9 year payback on CAPEX of US\$225m
- NPV US\$276m at 8% discount.
- Base case price US\$68/lb U₃O₈
- First 4 year operating costs US\$16.68/lb U₃O₈
- Life of Mine operating costs US\$22.98/lb U₃O₈

The Novoveska Huta uranium deposit is located at the western end of the Carpathian uranium belt, about 50 kilometres northwest of Kuriskova and near the town of Spisska Nova Ves. The deposit consists of a mining license over one square kilometre and a surrounding fifteen square kilometre exploration license.

European Uranium Slovakian U₃O₈ NI 43-101 mineral resource estimates ***

Project	Resource Category	M tonnes	ppm U₃O₈	Contained U₃O₈ Mlbs
Kuriskova **	Indicated	2.3	5,550	28.5
	Inferred	3.1	1,850	12.7
Novoveska Huta **	Measured	0.8	1,080	2.0
	Indicated	0.8	970	1.7
	Inferred	4.7	1,230	12.7
Total	Measured	0.8	1,080	2.0
	Indicated	3.1	4,352	30.2
	Inferred	7.8	1,477	25.4
	Total	11.7	2,141	57.6

** Kuriskova calculated at 500ppmU cut-off, Novoveska Huta at 600ppmU cut-off

*** These mineral resource estimates are reported in this announcement as "foreign estimates under ASX Listing Rule 5.10

- The foreign estimates are not reported in accordance with the JORC Code.
- A competent person has not yet undertaken sufficient work to classify the foreign estimates as mineral resources or ore reserves in accordance with the JORC Code.
- It is uncertain that, following evaluation and/or further exploration work, it will be possible to report these estimates as mineral resources or ore reserves in accordance with the JORC Code.

ASX Listing Rule 5.12 specifies that additional information must be provided to the market in any announcement containing foreign estimates. Forte has previously provided that information in the Accompanying Notes in its announcement of 4 April 2014.