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Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

KALGOORLIE NORTH GOLD PROJECT ACQUISITION

The directors of Atom Energy Limited (**Atom**) are pleased to announce the signing of a terms sheet agreement to acquire up to 100% of the interest held by Kalgoorlie Mining Associates Pty Ltd (**KMA**) in the Kalgoorlie North Gold Project located in the Bardoc Tectonic Zone, **45km north of Kalgoorlie** in Western Australia.

Highlights:

- **Extensive package of 98 km² of granted mining and prospecting leases covering 25km of strike over the well mineralized Bardoc Tectonic Zone extending north from Broad Arrow**
- **Historical gold mining centre with 220,000 ozs past production**
- **Centered in a major gold producing region with excellent infrastructure and proximity to existing processing facilities**
- **Current JORC Inferred Resource of 4.6Mt @ 1.8 g/t for 267,000oz Au, with additional mineralisation identified in over 50 prospects and on depth extensions to existing resources**
- **Potential for significant expansion of resources through evaluation of existing;**
 - **9,784 drill hole data base;**
 - **soil geochemistry test results;**
 - **detailed air magnetics; and**
 - **geological mapping**

The Kalgoorlie North Gold Project provides an excellent opportunity to fast track resource expansion and mine development at current high gold prices and affords Atom real potential to progress to Gold producer status with longevity of gold inventory.

1. Summary of Gold Asset

Atom, via its wholly owned subsidiary GPM Resources Pty Ltd (**GPM**), has entered into an agreement to acquire up to 100% of KMA's interests in the Kalgoorlie North Gold Project (**Kalgoorlie North**), located between 25 km and 50 km north of Kalgoorlie in the Eastern Goldfields of Western Australia.

The Kalgoorlie North project covers 98 km² of granted mining and prospecting leases extending over 25km of strike over the Bardoc Tectonic Zone (BTZ) from Broad Arrow through to the north of the old Bardoc Mining Centre. The project is well serviced by existing infrastructure including the Kalgoorlie-Leonora Highway which passes through the project area and provides access from the regional mining centre of Kalgoorlie which hosts an extensive array of exploration and mining support facilities.

The Project assets include:

- Beneficial ownership of one granted mining lease and 7 prospecting licences covering 5.66km²;
- Mineral rights (excluding nickel and cobalt) over a large predominately contiguous block of 35 granted mining leases and 38 prospecting licences covering an area of approximately 89.25km²;
- Three joint ventures, over a granted mining lease (nickel rights only); one over 2 granted prospecting licences and the third over 2 prospecting licence applications;
- Inferred Resources of 4.6 million tonnes grading 1.8g/t for 267,000ozs of gold in 13 deposits;
- Extensive gold mineralisation defined in over 50 prospect areas spread throughout the tenement package; and
- An extensive drilling database incorporating 9,784 drill holes and data from several exploration companies who were active in various parts of the project area over the past 20 years.

Geologically the Project is positioned over favorable greenstone units and structures of the Bardoc Tectonic Zone (BTZ) which is a well mineralized corridor of a variably deformed Archaean succession of mafic-ultramafic volcanic rocks, felsic volcano-sedimentary rocks, felsic-intermediate porphyry intrusions and differentiated mafic-ultramafic intrusions.

The sequence is strongly attenuated as a result of being “squeezed’ between two large granitoids during regional ENE-WSW shortening and as a result it forms a narrow synclorium bound by granitic rocks of the Goongarrie - Mt Pleasant Anticline to the west and the Scotia - Kanowna Anticline to the east.

Conceptually, the Kalgoorlie North Project sits over the interpreted intersection of the BTZ, and the Black Flag Fault; two structural features which influence the distribution of major gold deposits in the area. The Black Flag Fault is an important structural control on the gold mineralization at deposits at Kundana (~5Mozs) and Mount Pleasant (~3Mozs) to the west.

Extensive exploration has been conducted over portions of the project area and structurally and lithologically controlled gold mineralisation has been identified in numerous deposits and prospects associated with generally N to NNW trending shears.

The Project covers the old Bardoc Mining Centre and Broad Arrow Goldfield. Historic gold production from the Bardoc Mining Centre occurred in the late 1890s to early 1900s primarily from the underground Zoroastrian Mine which produced over 56,690ozs from high grade quartz veins and was mined to a depth of about 120 meters.

The Bardoc area was explored by Aberfoyle Gold Pty Ltd in the 1980s resulting in the mining of the Excelsior and Zoroastrian open pits between 1987 and 1991. Mine production totaled 200,000 tonnes grading 2.47 g/t from the Zoroastrian Pit and 2,020,000 tonnes grading 1.5 g/t from the Excelsior Pit for a total of 2,220,000 tonnes at 1.6 g/t for 113,000 ozs of gold.

Registered Office

address Suite 3, Level 3,

1292 Hay Street,

WEST PERTH WA 6005

tel +61 (8) 9481 2276 fax +61 (8) 9486 4799

postal PO Box 52, West Perth WA 6872

The Kalgoorlie North Project currently contains JORC Inferred Gold Resources of **4.6Mt at a grade of 1.8g/t for 267,000 ozs** with potential for rapid multiple resource upgrades through evaluation of the existing 9,784 drill hole data base.

The Kalgoorlie North Project presents a significant opportunity to capitalise on the current high gold price with short term cash flow opportunities present with advanced exploration upside.

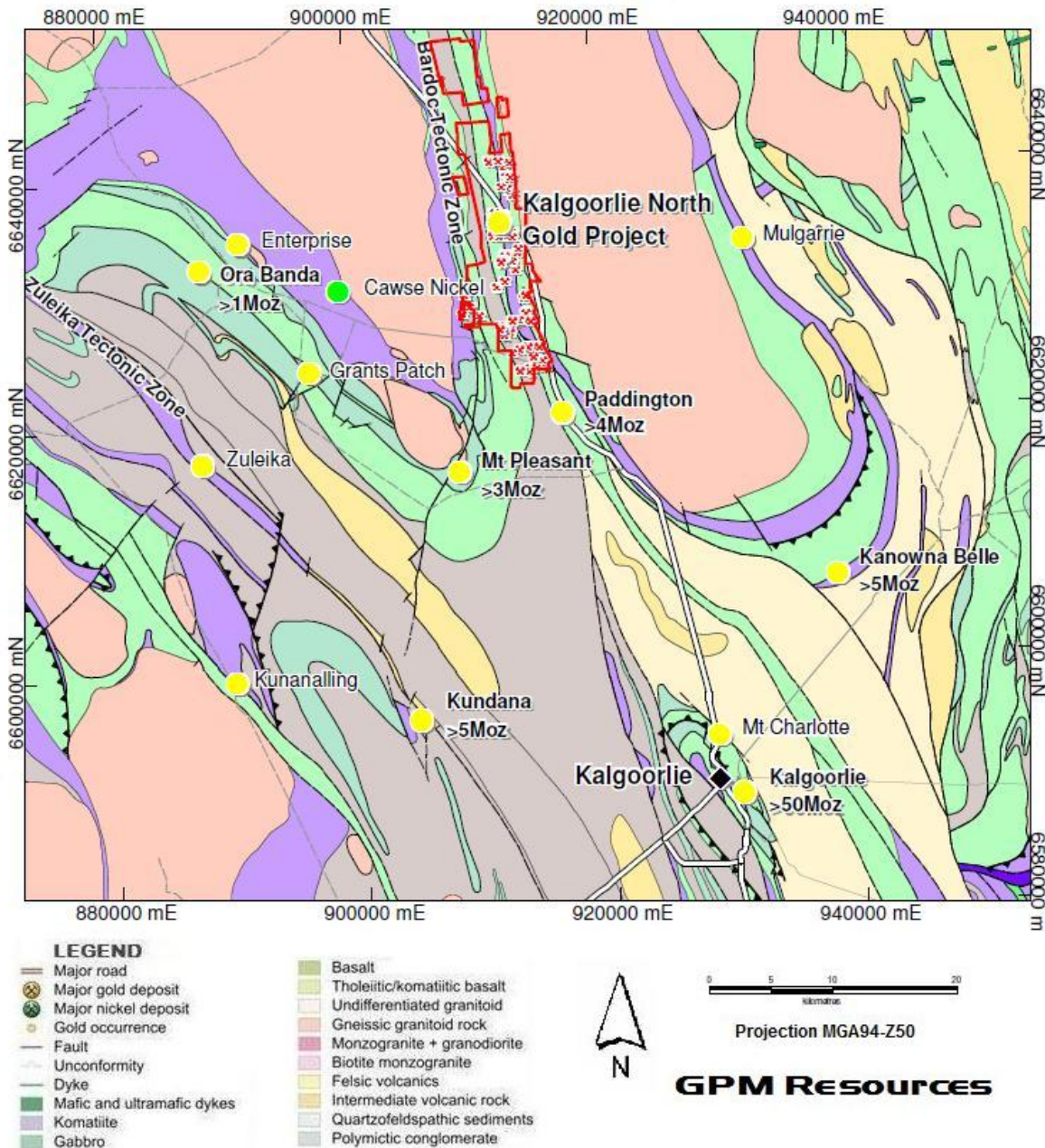


Figure 1: Kalgoorlie North Gold Project, Location Map. Surrounding geology and regionally important multi-million ounce gold deposits.

2. Kalgoorlie North Mineral Resource Inventory

Exploration results and mineral resource estimates by previous operators are currently being independently reviewed. Most resources estimates can be classified as Inferred Resources under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) however due to reliance on older drilling data there is limited scope to up-grade the classification without further confirmatory drilling, survey and assay data.

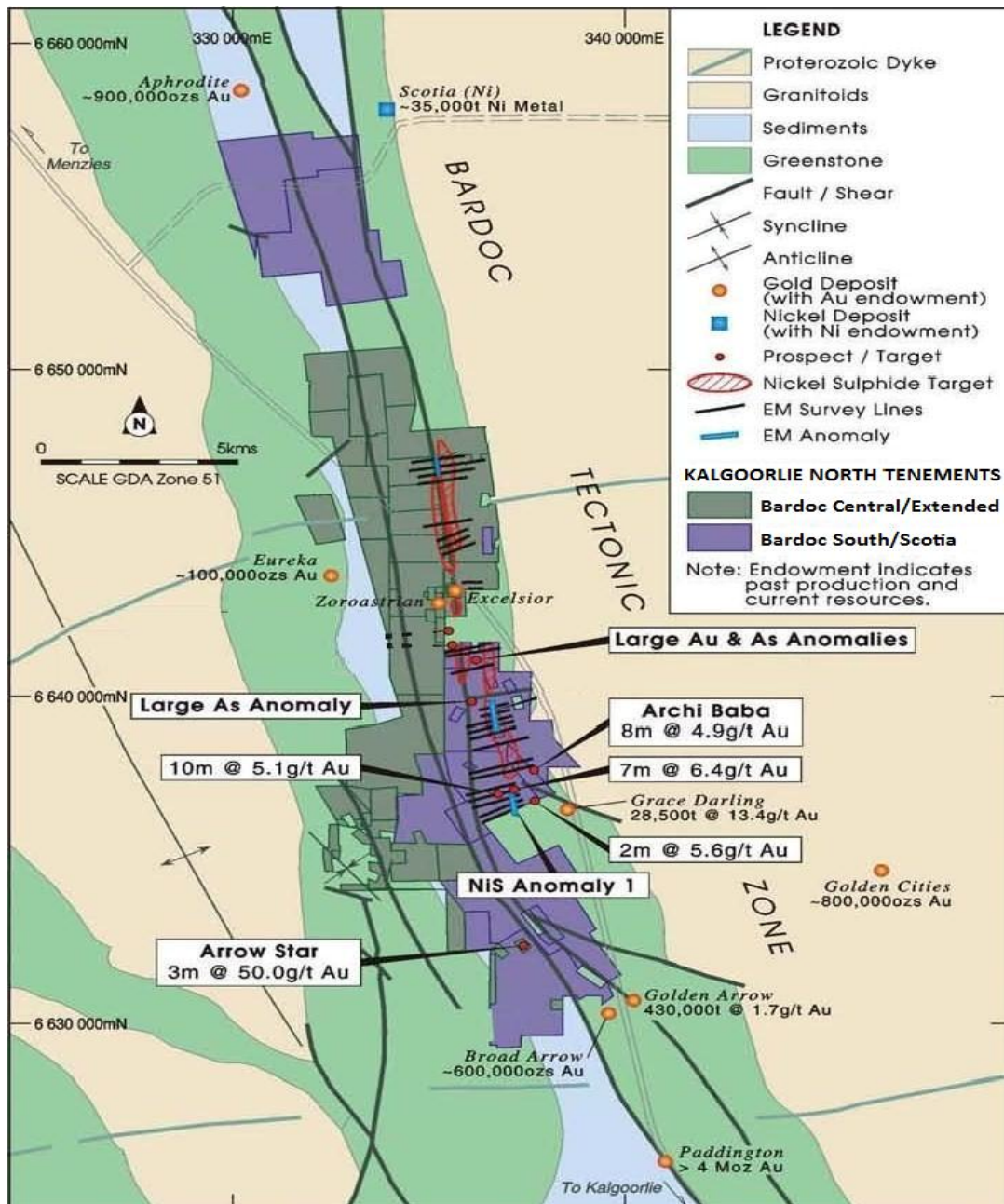
Inferred Resources for the Project currently total **4.60 million tonnes grading 1.8g/t for 267,000ozs of gold** and many of the existing resources defined at Kalgoorlie North host potential upside from deeper and extensional drilling. Previous exploration being carried out in a much lower gold price environment targeted delineation of smaller higher grade resources amenable to open pit mining methods.

| Inferred Mineral Resources | | | |
|-----------------------------------|------------------|--------------------|----------------|
| | <i>Tonnes</i> | <i>Grade (g/t)</i> | <i>Ounces</i> |
| Bardoc Central | | | |
| Excelsior | 2,360,470 | 1.8 | 136,620 |
| Lochinvar | 87,000 | 2.3 | 6,660 |
| Three Star | 30,200 | 2.5 | 2,410 |
| Porphyry | 7,500 | 3.6 | 850 |
| Big Blow | 51,600 | 2.0 | 3,300 |
| Navan Laterite | 70,000 | 1.7 | 3,800 |
| Zoroastrian | 606,640 | 2.1 | 40,960 |
| Bardoc Extended | | | |
| Bulletin South | 178,000 | 2.3 | 13,000 |
| Windanya | 41,600 | 3.0 | 3,980 |
| Bardoc South | | | |
| Eldorado | 228,000 | 1.7 | 12,460 |
| North Duke | 330,000 | 1.4 | 14,850 |
| North Talbot | 520,000 | 1.4 | 23,410 |
| Jackorite | 47,000 | 3.4 | 5,140 |
| Total | 4,558,010 | 1.82 | 267,440 |

Additional pre-resource mineralisation is delineated on extensions to some of the resource areas or in prospects where mineralisation is less well defined. Past exploration on the tenements has defined in excess of 50 prospects and mineralised zones which warrant further work to upgrade potential resource in these areas.

Past exploration data has been incorporated into an extensive drilling database incorporating 9,784 drill holes and geological data accumulated over the past 20 years of activity in the Project area. This data base provides a valuable tool for resource extension targeting, preliminary mining studies and exploration planning.

The Company will immediately focus on evaluating the comprehensive sets of geological information available to further increase the JORC Inferred Resources and upgrading the existing resources currently within the project area. This low-cost data evaluation has potential to add significant value to the Project.



3. Summary of Transaction

Subject to satisfactory completion of due diligence (DD) to be completed on or before Monday 27th July 2009 or such other date as agreed between the parties, GPM will enter into a fuller form purchase agreement to acquire an initial 70% of KMA's interests in the Kalgoorlie North Gold Project with the option to acquire the remaining 30% of the Project.

The proposed consideration for the acquisition will be staged in tranches as follows:

Stage One Consideration

Stage One Consideration is made up of cash and shares to the value of \$2 million to be paid as follows:

- A cash payment of \$1,000,000 of which \$400,000 will be paid within 5 days of executing the terms sheet agreement and repaid if the DD condition is not satisfied and the remaining \$600,000 to be paid within 5 days of satisfactory DD; and
- \$1,000,000 worth of shares in GPM, issued pursuant to satisfactory completion of DD, at a deemed issue price of 20 cents per share.

In respect of the GPM shares to be issued; Atom will guarantee that in the event that GPM shares do not become tradeable on the ASX within 12 months of the completion of DD then KMA will receive such shares in Atom, equal to a value of \$1m, based on the VWAP of Atom shares traded on the ASX in the 5 days prior to the date which is 12 months after the successful completion of DD (the "Shares Guarantee"). Shares to be issued in stages 2 and 3 below will also be subject to the Shares Guarantee based on the VWAP as above.

Stage Two Consideration

The project vendors will receive further cash and shares based on milestones being achieved as follows:

- **Achievement of 500,000 ounces JORC Inferred Resources of Au:** A cash payment of \$500,000 and the issue of \$700,000 worth of GPM shares at a deemed issue price of 20 cents per share;
- **Achievement of 1 million ounces JORC Inferred Resources of Au:** A cash payment of \$250,000 and the issue of \$500,000 worth of GPM shares at a deemed issue price of 20 cents per share; and
- **On Completion of a BFS / Commencement of Production:** The issue of \$1 million worth of GPM shares at a deemed issue price of 20 cents per share.

Stage Three Consideration

GPM can acquire the remaining 30% of the Kalgoorlie North Project for a fixed price of \$5,000,000 to satisfied by the issue of 12,500,000 GPM shares at a deemed issue price of 40 cents per share.

4. Proposed Work Program

Following the acquisition, GPM will commence exploration on the Projects with a view to determining the extent of the gold deposit and whether this may lead to a commercial gold mining operation.

Initial work will cover an extensive review of all data, including target prioritisation with a view to increasing the available resources. For further enquiries please contact Bruce Lane on (08) 9481 2276.

For further information contact Bruce Lane, Executive Director.

Information in this announcement that relates to Mineral Resources and exploration results is based on information compiled by Mr David Hamlyn of Resourserve Pty Ltd (ACN 131 161 414) which provides geological consulting services to Atom Energy Limited. Mr Hamlyn is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hamlyn consents to the inclusion in the document of the information in the form and context in which it appears.

Registered Office

address Suite 3, Level 3,
1292 Hay Street,
WEST PERTH WA 6005
tel +61 (8) 9481 2276 fax +61 (8) 9486 4799
postal PO Box 52, West Perth WA 6872