

AWH CORPORATION LIMITED

A.B.N. 68 076 577 994

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Company Announcements Office
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PROPOSED CHANGE IN ACTIVITIES FOR THE COMPANY THROUGH THE SIGNING OF AN AGREEMENT TO ACQUIRE AN ADVANCED URANIUM PROJECT IN TURKEY

The Directors of AWH Corporation Limited ("AWH" or the "Company") are pleased to announce that the Company has signed an agreement with Aldridge Uranium Inc ("Aldridge") and other parties to conditionally acquire up to a 75% interest in an advanced uranium project ("the Project") located in Turkey.

The Project area was first investigated in the 1980s by the Turkish State through the General Directorate of Mineral Research and Exploration ("MTA"). The area now subject to the transaction was secured by the Company's future joint venture partner, Aldridge. MTA discovered several sedimentary "palaeochannel-related" uranium occurrences within the Project area, the key features of which are:

- 94 granted exploration licences covering some 140,000 ha of what is considered to be one of the most significant and richest uranium districts in Turkey.
- Historic data for one of the uranium deposits in the Project suggests an immediate in-situ leach exploration target of 8 – 10Mlb of contained uranium at a grade of between 250 to 500ppm (0.025-0.05%) U₃O₈. The potential quantity and grade of this target is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the determination of a mineral resource. The deposit remains open to the north-east and at depth.
- Wide spaced drilling at another deposit some 30km distant intersected uranium mineralisation similar in grade and width. The Company believes that further in-fill drilling may rapidly result in delineation of a JORC compliant resource. This mineralisation, additional to the 8-10Mlb exploration target, appears open in all directions.
- Drilling at several other regional sites intersected further anomalous uranium mineralisation having similar grades and settings and which remain to be followed up.
- Historic leach tests on two ore types returned over 80% and 90% recoveries for alkaline and acid leach respectively.
- Uranium mineralisation appears amenable to extraction using In-Situ Leach (ISL) methodology.
- The development of the Project has strong support from the Provincial, Municipal and local authorities.
- Project has excellent available infrastructure.

The acquisition is conditional on, amongst other things, the completion of due diligence and the obtaining of shareholder approval and all necessary regulatory approvals.

1. TURKEY'S NUCLEAR INDUSTRY

Turkey is a member country of the Organisation for Economic Cooperation and Development (OECD), and a member of the OECD Nuclear Energy Agency that works in close collaboration with the International Atomic Energy Agency in Vienna.

The Government has set a goal that atomic energy is to cover 20% of the nation's electricity needs by 2030. Establishing a nuclear industry is expected to help Turkey reduce its reliance on foreign energy imports and boost capacity to meet demand as it is expected to face shortfalls in the national power supply in the coming years. Turkey relies on natural gas and oil imports to meet almost 67% of its energy needs, a figure that is expected to rise to 75% by 2020.

2. TURKEY'S MINING LAW

The uranium industry is under the authority of the Turkish Atomic Energy Authority and the Ministry of Energy and Natural Resources.

In the past sole mandate for the exploration and mining of uranium was held by the State entities MTA and ETI Mine Works General Management (ETI) respectively. This changed in 2004 when, in parallel with a new foreign investment law, the Turkish Parliament enacted Law No. 5177 allowing any Turkish citizen or company established under Turkish laws to hold mining rights.

3. SUMMARY OF THE TURKISH URANIUM PROJECT

The Project is located in one of the most significant and richest uranium districts in Turkey.

The Project area contains basement granitic rocks overlain by more recent Tertiary aged sediments including conglomerate, sandstone and mudstone which are overlain, in part, by andesite and limestone. Uranium washed from the basement rocks was transported by underground and meteoric waters and concentrated in the sandstone units.

The district has been a source of low grade lignite, used for local power generation, but it wasn't until the 1980s when the MTA investigated coal drill holes that uranium mineralisation was discovered. Thereafter the MTA quickly discovered significant and high grade uranium mineralisation at a number of sites within the Project area.

MTA's exploration and evaluation efforts were directed towards developing mining plans using open pit methods and a number of resource estimates (not to a JORC standard) were prepared using a cut-off grade of 0.03% U₃O₈ (300ppm). Additional work included leach tests; an alkaline leach of the carbonate ore resulted in over 80% recovery whilst an acid leach of the sandstone ore yielded over 90% recovery rates.

Work was suspended in the 1990s and the ground relinquished. In the last two years Aldridge has acquired 94 exploration licences for uranium throughout the old MTA area; their ground holding includes several uranium deposits which have been extensively drilled as well as a significant number of regional sites where very limited drilling has identified similar uranium mineralisation.

4. DESCRIPTION OF THE ALDRIDGE URANIUM PROJECT

4.1 Tenure

Aldridge holds 94 exploration licences either in the name of its wholly owned Turkish subsidiary Adur Madencilik Ltd Sti, or beneficially held by Aldridge Mineral Madencilik Ltd Sti. They have been granted for Group IV minerals which include energy (uranium, thorium), coal, metals and industrial

minerals for an initial period of three years. The licences are renewable for a further period of two years and all are currently in their first three (3) year term.

Various royalties and levies are imposed based, in part, on the value of the raw material at the extraction point. A 1% royalty is payable to both the State and Provincial authorities; a 1% royalty is imposed on licences that have discovering rights, and a 0.2% tax is levied by the local municipality.

A number of national, provincial and municipal sealed roads provide excellent year round access. Major infrastructure is available including power and water.

The Project area is sparsely populated with most people working on small family landholdings. The area is gently undulating and experiences a continental climate.

4.2 Regional Geology of the Project Area

The basement rocks are of granite and granodiorites overlain by Tertiary conglomerate, sandstone and mudstone, carbonates and other volcanics.

In general, the sediments fill paleo-valley(s) within paleo-topographic basement depressions. Today these paleo-valleys and basins have been explored in some detail, revealing trends that can be used for tracing uranium mineralisation.

4.3 Historical Exploration

Regional airborne radiometric surveys, mostly at some distance to the current Project Area, commenced as early as 1958 and ground exploration, sometimes quite detailed, continued sporadically into the early 1960s. While a number of uranium anomalies and mineralisation were discovered the work came to an end in the early 1970s.

MTA re-commenced uranium exploration in 1980 which included over the next 5-6 years more than 500 mainly RC bore holes for some 74km of advancement, gamma and electrical logging of the bore holes, topographical and geological mapping, chemical and petrographic sampling of core material, and leach test work of selected material. Drill hole spacing over the better explored areas was 100m apart with in-fill holes reducing down to 50m over most of the mineralised areas. The exploration and evaluation efforts were directed towards developing mining plans using open pit methods. No core samples have been saved although there is core from later drilling in the area by a company exploring for lignite.

Aldridge has retrieved a considerable amount of this exploration data.

4.4 Geology and Uranium Mineralisation

The granite basement, locally altered in part, is intersected by some of the drilling. Immediately overlying and part in-filling the paleo-topographic basement depressions are conglomerate, sandstone and mudstone which can contain lignite bands. The units have, in part, been gently folded.

Historically the overlying sequence has been broadly subdivided into four units which are from bottom to top:

- Coarse Grained Sandstone;
- Fine Grained Sandstone;
- Siltstone; and
- Claystone.

However, available drill core show that this appears over-generalized and that these lithologies are rather interbedded at a scale of metres and, most important for ISL, the coarse porous sandstones have been found underlain and overlain by impermeable clay beds.

Late stage volcanism seen as tuffs and agglomerates are in part interbedded with the units. The units are interpreted to be affected by flexural folding (warping) parallel and orthogonal to the north easterly basin axis. Uranium mineralisation is post movement but pre-Pliocene age. Pliocene age white limestone overlies the area.

The sedimentary basin deepens towards the northeast and the thickness of the sedimentary pile increases accordingly.

4.5.1 Uranium Mineralisation

The uranium mineralisation occurs as stratiform tabular lenses principally within the coarse sandstone (Fig 1).

Uranium mineralisation can be traced in the coarse grained sandstone over 2,300m in a general north-easterly direction, which parallels the axis of the basin. It remains open to the northeast. Additional potential may also occur in the deeper levels of the coarse grained sandstone which in the central parts of the deposits have not been drilled out to the top of the basement. One of the reasons to halt exploration for this deeper mineralisation may be an MTA planning consideration for an open pit model which apparently excluded depths over 200m.

The uranium mineralisation has not been mineralogically identified as yet. A report mentions the occurrence of silicate species (possibly coffinite) and that all uranium mineralisation is secondary in nature but its findings are unclear. Certainly the alkaline and acid leach tests' recoveries of over 80% and 90% respectively from crushed core samples clearly demonstrate that the uranium mineralisation is in a "free" state and in the form of distinct mineral species - not in a refractory form or absorptive bound on clay or carbon – and appears suitable for recovery using ISL

The uranium mineralisation is epigenetic and related to strata-controlled redox boundaries influenced by permeability changes and/or stratabound reductants such as organic material and iron sulphides. The main movement follows the downward gradient of the paleo-topography towards the northeast whilst the recharge area is considered to be the surrounding granitic basement which most likely is also the source of the uranium.

4.5.2 Uranium Grade (U₃O₈) and Resource Estimate

MTA drilled a total of 507 bore holes for 74km (74,000 metres) of advance of which 34 holes were diamond core for 6km (6,000 metres) of drill advance. Some 1,087 selected intervals from the core drilling were assayed for uranium with results ranging from 30ppm up to 13,300ppm (1.33%) U₃O₈ and, adopting a cut-off of 50ppm, a weighted average of 913ppm (0.0913%) U₃O₈.

The RC bore-hole uranium grades were calculated from the down-hole gamma logs using standard industry methodologies to derive an equivalent eU₃O₈ value. Calculated uranium values within mineralised intervals ranged between 16ppm and 10,750ppm (1.075%) eU₃O₈ and, adopting a cut-off of 50ppm, a weighted average of 265ppm (0.0265%) eU₃O₈. A comparison of the calculated uranium grades from gamma logs and the laboratory assay grades shows a high degree of correlation between the two methodologies, although it is noted that on average the radiometric grade under reports the laboratory assay value.

The MTA resource estimate report (1989) for the uranium deposit outlined a range of estimates using general outline, grade distribution and inverse weighted cubed method using calculated eU₃O₈ grades. These were compiled by competent geoscientists using the best estimation tools available at the time nonetheless, given that MTA's reported resource estimates adopted an open pit model,

including a cut-off grade of 0.03% (300ppm) eU_3O_8 , these estimates would not be currently appropriate to ISL extraction methods likely to be adopted today nor compliant with the JORC Code.

However, it is considered that the quantity and grade of those earlier estimates are of the right order and that with further drilling an exploration target, for this deposit only, of between 8Mlb and 10Mlb U_3O_8 may be attained. The potential quantity and grade of this target is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the determination of a mineral resource. It is considered that there is excellent potential to discover additional uranium mineralisation at the deposit and other regional sites where anomalous uranium values have been obtained from past drilling.

4.5.3 Future Exploration Plan and Budget

After the completion of a full environmental assessment to determine the natural uranium geochemistry of the site and immediate environs it is proposed that the evaluation will consist of both step-out and confirmatory drilling concurrently with the commencement of a pre-feasibility study.

Step-out exploration will focus on strong evidence that the controlling basement topography provides an outlet to the east which would indicate that uranium mineralisation has to be looked for further east where enough open potential remains. Additional mineralisation may also be found in the deeper levels of the coarse grained sandstone unit which historic drilling has failed to intersect.

A number of confirmatory core holes will be drilled where good mineralisation has been intersected in all three litho-stratigraphic units, not just to act as “twin holes” for assay confirmation, etc but also to gain additional information on the:

- Identification of the uranium mineral species;
- lithological controls affecting the redox state;
- permeabilities of the lithologies;
- column leach test work; and
- pump test work to identify the hydrogeological regime(s).

All bore holes will be logged using a number of geophysical techniques including gamma-electric methods.

Concurrently with the exploration programme, the pre-feasibility study will be undertaken to evaluate and optimise:

- resource and reserve estimates and broad exploitation sequencing;
- applicable ISL methods and parameters including preferred process route;
- pilot scale evaluation;
- infrastructure requirements;
- physical and social environment impact parameters, and
- capital and operating costs.

Regional exploration will focus on the discovery of additional sedimentary “palaeochannel-related” uranium occurrences and sandstone type uranium deposits in general. Exposures of sandstone are evident at the known deposits, and postulated at several other regional sites where drilling has intersected anomalous uranium mineralisation. Initial exploration will commence at these regional sites.

In areas of little to no exploration, a systematic program of geological mapping, soil and stream sediment sampling will be conducted. Airborne radiometric data will be sourced or flown.

Whilst sandstone formations may be regarded as the most prospective unit exploration may also target the organic rich sediments for syn-sedimentary uranium mineralisation.

4.5.4 Exploration Budget

It is expected that \$15 million will be required for exploration and the pre-feasibility study as outlined below:

Activity	Year 1	Year 2	Year 3	Total
	\$	\$	\$	\$
Ground Geochemical Survey(s)	110,000	127,000	146,000	383,000
Airborne Survey	300,000	120,000	120,000	540,000
Drilling	1,932,000	2,222,000	2,555,000	6,709,000
Geophysical Logging	120,000	180,000	240,000	540,000
Survey	15,000	20,000	25,000	60,000
Assay	88,000	132,000	176,000	396,000
Field Support	344,000	368,000	429,000	1,141,000
Resource/Reserve Estimations	75,000	75,000	75,000	225,000
Metallurgical & Process Design	300,000	450,000	450,000	1,200,000
Environmental, Social and Labour	90,000	120,000	500,000	710,000
Pilot Plant Study & Implementation			2,500,000	2,500,000
Environmental Monitoring			600,000	600,000
Total	3,374,000	3,814,000	7,816,000	15,000,000

5. SUMMARY OF TRANSACTION

The Company has reached agreement to acquire up to a 75% shareholding in Aldridge Uranium Inc (“Aldridge”), the holder or beneficial holder of the 94 exploration licences referred to above. Under the terms of the Scheme of Arrangement Implementation and Farm-In Joint Venture Agreement, the Company:

- shall carry out a consolidation of capital on a basis of one (1) AWH share for 12.65 AWH shares (approximately);
- shall acquire an initial 35% shareholding in Aldridge by procuring the issue to the Aldridge shareholders of 67,250,000 AWH shares¹,
- can acquire a further 40% shareholding in Aldridge (for a total of 75%) through spending a maximum of A\$15 million within a three year period on the exploration licences to advance to a Bankable Feasibility Study (“BFS”) level enabling the establishment of a future commercial mining operation, and
- upon the delivery of a JORC compliant estimated resource of 20Mlb of contained U₃O₈ shall for the benefit of Aldridge procure the issue of 47.25 million AWH shares. In the event that the resource is less than 20Mlb but greater than 15Mlb of contained U₃O₈ then the

¹ Should the number of Aldridge Shares on issue change as a result of the exercise of Aldridge Options or the issue of new shares before the Record Date for the Scheme then the ratio as described above will be amended so that the number of AWH Shares to be exchanged for each Aldridge Share will be the number derived by dividing 67,250,000 by the number that is 35% of the total number of Aldridge Shares on issue on that Record Date, rounded to three decimal places.

consideration of the 47.25 million shares shall be pro-rata on the basis of 9.45 million shares for every 1Mlb of U₃O₈.

The issue of shares described in the preceding paragraph is to occur through the issue of Class A Performance Shares that convert to ordinary shares once the milestone referred to above is achieved. In addition, the Company will issue Class B Performance Shares which will convert to AWHC ordinary shares in the event as set out in the note ² below.

The underlying transaction between AWH and Aldridge is pursuant to arrangements entered into between AWH and Constellres Ltd; which has negotiated and secured the transaction referred to above. Pursuant to a deed, AWH has been granted the rights to the transaction by Constellres Ltd in return for which AWH will pay the following consideration:

- the issue of 100 Class C Performance Shares in the capital of the Company which shall each be convertible, at the election of the holder at any time prior to 30 June 2015 (“End Date”) to 112,500 post consolidation ordinary shares (such that if all the Class C Performance Shares were converted they would convert into a total of 11,250,000 post consolidation ordinary shares);
- the issue of 100 Class D Convertible Performance Shares in the capital of the Company which shall, subject to the completion of the transaction occurring and establishment of a JORC Code compliant resource estimate in relation to the Project of equal to or more than 15,000,000 pounds of contained U₃O₈, on or before 30 June 2015 (“End Date”) each be convertible to 112,500 post consolidation ordinary shares (such that if all the Class D Performance Shares were converted they would convert into a total of 11,250,000 post consolidation ordinary shares), and
- the payment of US\$100,000 to the vendor.

The agreements are conditional on (amongst other things), AWH completing legal and technical due diligence on the Project, regulatory approvals and any necessary shareholder approvals.

As a consequence of the transaction AWH will be undertaking a change to its activities and thus will be required to comply with Chapters 1 and 2 of the ASX listing rules.

6. PRO-FORMA BALANCE SHEET AND CAPITAL STRUCTURE

The effect of the proposed transaction of AWH’s capital structure is as follows:

	No of Shares	No of Options
Pro-forma shares on issue (post reorganisation)	88,614,770	
Acquisition of Constellres	11,250,000	
Acquisition of 35% interest in AUI	67,250,000	
Financing to raise up to AUD \$7 million	45,000,000	
	212,114,770	
Exercise price \$0.44 cents; expiry date 31/10/2010		5,928,854
Exercise price \$0.44 cents; expiry date 31/12/2011		4,743,083

² B Class Performance Shares (issued to AUI shareholders) will convert to AWHC ordinary shares if in the event that upon the completion of a total of AUD\$15 million capital raising by AWHC results in AUI shareholder falling below 31.7% of the then issued share capital; then such additional shares will be issued to AUI shareholders such that their equity position of 31.7% as at the completion of the AUD\$15 million of capital raising is maintained. It should be noted that the B Class Performance Share apply only to a total capital raising of AUD\$15 million by AWHC.

Notes to the proforma capital structure

- i. *The reorganisation referred to above may involve AWHC issuing some additional fully paid ordinary shares in the capital of AWHC before the Consolidation. The number of those shares is presently uncertain. Therefore the number of such shares that are on issue when the Consolidation occurs is uncertain.*
- ii. *The proforma capital structure does not include:*
 - *the Performance Shares or any shares that may be issued on conversion of the Performance Shares, or*
 - *convertible performance shares or up to 11,250,000 AWHC Shares that may be issued on conversion of performance shares which accrue upon obtaining of the milestone of a JORC compliant resource estimate of in excess 15 million pounds of contained U3O8; or*
 - *the options specified above or any consideration in the form of its securities that it may have to give in order to acquire or have cancelled unexercised AUI Options (and if convertible the shares issued on conversion).*
- iii. *Convertible performance shares are part of the consideration AWHC has agreed to give for the acquisition of Constellres. 200 convertible performance shares are to be issued by AWHC as:*
 - *100 convertible performance shares that are each convertible, at any time, at the holders election, to 112,500 AWHC Shares, and the AWHC Shares into which they may be converted are taken into account in the number of "proforma shares on issue (post reorganisation)" as illustrated in the table above; and*
- iv. *100 convertible performance shares that are each convertible at any time after the establishment of a JORC Code compliant resource estimate in relation to the Project of equal to or more than 15,000,000 pounds of contained U3O8, at the holders election to 112,500 AWHC Shares.*

The completion of the transaction the effect on AWH's audit reviewed 31 December 2009 Balance Sheet is as follows;

	31 December 2009	Proforma
	\$	\$
Current Assets	185,462	7,185,462
Non-Current Assets	1,181,134	16,881,134
Total Assets	<u>1,366,596</u>	<u>24,066,596</u>
Current Liabilities	<u>393,433</u>	<u>393,433</u>
Total Liabilities	<u>393,433</u>	<u>393,433</u>
Net Assets	<u>973,163</u>	<u>23,673,163</u>
Equity		
Issued capital	32,733,063	55,433,063
Options Reserve	2,327,120	2,327,120
Accumulated losses	<u>(34,087,020)</u>	<u>(34,087,020)</u>
Total Equity	<u>973,163</u>	<u>23,673,163</u>

7. INDICATIVE TIMETABLE

The indicative timetable for completion of the transaction of and the balance of the matters referred to above is set out below:

Event	Date
Dispatch Notice of Meeting seeking approval for Acquisition	17 March 2010
Dispatch of Scheme Booklet to approve acquisition of interest in Aldridge	2 April 2010
Suspension of the Company's securities from trading on ASX at the opening of trading	15 April 2010
General Meeting to approve Acquisition and Change in Nature and Scale of Activities	15 April 2010
Lodgement of Prospectus with the ASIC	15 April 2010
Opening of Offer for Capital Raising under the Prospectus	23 April 2010
Scheme Meeting to approve acquisition of interest in Aldridge	4 May 2010
Closing Date of Offer for Capital Raising under the Prospectus	7 May 2010
Settlement of Transaction and allotment of shares under Prospectus	14 May 2010
Anticipated date the suspension of trading is lifted and incentive securities commence trading again on ASX	21 May 2010

This timetable is subject to change and the directors reserve the right to amend the timetable at any time. The directors of the Company will use their best endeavours to cooperate with all parties to ensure the transaction is completed as expeditiously as possible.

8. CORPORATE INFORMATION

It is intended that the acquisition will be funded through a combination of debt and equity, the details of which will be included in the notice of meeting. It is intended that the Company will apply these funds towards the exploration of the Project.

In addition to the above, the Company also wishes to advise that it has been completely diluted out of its interest in the Chestnut Grove wine assets. Under the arrangement on Chestnut Grove as announced to ASX in March 2009, if the Company did not elect to contribute to funding, its interest was diluted.

Yours faithfully



Lee Boyd
Director

**The information in this report which relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and independent consultant to the Company. Mr Maynard is the principal of Al Maynard & Associates Pty Ltd and has over 30 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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 Maynard consents to inclusion in the report of the matters based on his information in the form and context in which it appears.*

Figure 1. Typical Cross Section through the Sandstone Hosted Uranium Mineralisation

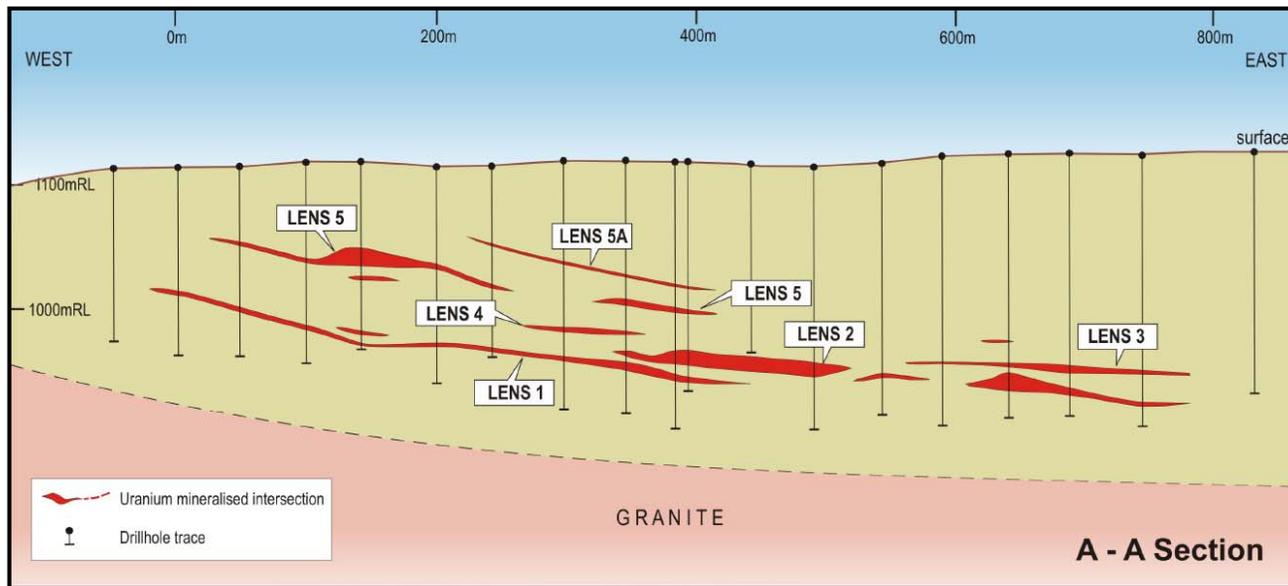


Figure 2. Looking Northwest over the Best Explored Uranium Deposit

