

## APPENDIX “A” – Independent Expert’s Report

This document is Appendix A to the Explanatory Statement which is included in AWH Corporation Limited’s Notice of General Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, WA 6005 on 6 December 2010 at 10.30am.

Independent Expert’s Report

### **AWH Corporation Limited**

in relation to the acquisition of an initial 35% of Aldridge Uranium Ltd.



**Mann Judd Corporate (WA) Pty Ltd**

ACN 008 878 555

Licensed Investment Adviser

0912 AWH015 IER

29 October 2010

The Directors  
AWH Corporation Limited  
Level 9  
The Quadrant Building  
1 William Street  
PERTH WA 6000

Dear Sirs

## **INDEPENDENT EXPERT'S REPORT**

### **1. INTRODUCTION**

The directors of AWH Corporation Limited ("AWH" or the "Company") have engaged HLB Mann Judd Corporate (WA) Pty Ltd ("HLB") to prepare an Independent Expert's Report ("the Report") in relation to the acquisition of an initial 35% ("Acquisition") of Aldridge Uranium Ltd ("Aldridge" or "AUL") via Constellres Ltd, which is to be acquired 100% by the Company, pursuant to a Scheme of Arrangement Implementation and Farm-In Joint Venture Agreement between AUL, AWH, Constellres and other related parties ("Scheme of Arrangement") and to conclude as to whether the terms of the Acquisition are fair and reasonable to the non-associated shareholders of AWH. The Company also has the ability to acquire up to 75% of AUL through the funding of a Bankable Feasibility Study and the exercise of a call and put option.

The Acquisition is further described in Section 4 of this Report. Details of the Acquisition are also set out in the Explanatory Memorandum accompanying the Notice of Meeting of AWH dated on or about 2 November 2010.

We understand that the Acquisition is subject to shareholder approval and that this Report will accompany the Notice of Meeting and Explanatory Memorandum.

The report has been divided into the following sections:

1. Introduction
2. Purpose of the report
3. Summary of opinion
4. Acquisition
5. Implications of the Acquisition to AWH Corporation Limited
6. Corporate History and Nature of Businesses

**HLB Mann Judd Corporate (WA) Pty Ltd. ABN 69 008 878 555 | AFSL 250903**  
Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533  
Email: [hlb@hlbwa.com.au](mailto:hlb@hlbwa.com.au) | Website: [www.hlb.com.au](http://www.hlb.com.au)

HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

-2-

7. Future Directions of AWH Corporation Limited
  8. Basis of Valuation
  9. Valuation of AWH Corporation Limited
  10. Assessment as to Fairness
  11. Premium for Control
  12. Reasonableness of the Acquisition
  13. Conclusion
- Appendices

## **2. PURPOSE OF THE REPORT**

HLB has been engaged by the directors of the Company to prepare this Independent Expert's Report to accompany a Notice of General Meeting and Explanatory Memorandum to be sent to Shareholders in connection with the Acquisition.

Our report has been prepared solely for the purpose of assisting the non-associated shareholders of AWH in considering the Acquisition, details of which are included in the Explanatory Memorandum and summarised in Section 4 of this report.

Section 606 of the Corporations Act 2001 ("Act") prohibits the acquisition of an interest in a public company with more than 50 members if the transaction increases that person's interest from 20% or below to more than 20% ("general prohibition"). Exceptions to this general prohibition is set out in Section 611(7) and 611(17) of the Act.

Traditionally, any acquisition of a relevant interest above 20% as a result of a scheme of arrangement under Part 5.1 of the Act would automatically fall under the exception in Section 611(17) and would not breach the general prohibition. However, in light of Regulatory Guide 60 issued by the Australian Securities and Investments Commission ("ASIC") and a recent decision by the Takeovers Panel, it has been suggested that a scheme of arrangement may conflict with the policy underling Section 602(b) (being that shareholders be entitled to consider control transactions), and potentially give rise to unacceptable circumstances (under Section 657A), when the change of control of the company acquiring the scheme company is effectively a "reverse takeover" of a sufficient nature and scale and such change in control was not approved by the shareholders of the entity whose control was affected (i.e. a "reverse takeover").

Currently, AUL (hereafter referred to as the Vendors) hold no shares in the issued capital of AWH. Should the Acquisition be approved, the Vendors will hold up to a maximum of approximately 40.64% of AWH.

Although the Takeovers Panel has not set definitive guidelines as to when a change in control will be of a 'sufficient nature and scale' nor has ASIC provided any definitive guidance, for the purpose of the Acquisition it has been assumed shareholder approval from the current AWH Shareholders should be sought.

Section 611(7) provides that an acquisition is allowed when approved by a majority of shareholders at a general meeting and where no votes are cast in respect of shares held by the acquirer or its associates. For the purposes of Section 611(7), AWH is seeking Shareholder Approval for the acquisition by the Vendors of a relevant interest in the voting shares of AWH of more than 20%.

-3-

Regulatory Guide 111 issued by the ASIC suggests that the obligation to supply shareholders with all information that is material to the decision on how to vote on the resolution can be satisfied by the commissioning of an Independent Expert's Report. The directors of AWH have commissioned our Report to satisfy this obligation.

In the context of a Section 611(7) resolution, the independent expert should state whether a proposal is fair and reasonable to the non-associated shareholders and the opinion should be formed after considering all the circumstances of a proposal. The independent expert must compare the likely advantages and disadvantages for the non-associated shareholders if a proposal is agreed to, with the advantages and disadvantages to those shareholders if it is not.

This report has not been prepared to provide information to any parties considering the purchase or sale of AWH securities. Accordingly, we do not assume any responsibility or liability from the use of this report contrary to the provisions of this paragraph.

This report is to be included with the Notice of General Meeting and Explanatory Memorandum to assist the Company's non-associated shareholders in their consideration of the Acquisition.

### **3. SUMMARY OF OPINION**

In the opinion of HLB, the Acquisition is **not fair, but reasonable** to the non-associated shareholders.

A summary of our analysis in forming this opinion is provided below.

#### **Fairness**

Due to the factors outlined in Section 10 of this Report, the transaction is considered to be **not fair** to the non-associated shareholders.

#### **Reasonableness**

We have considered the analysis in Section 12 of this Report, in terms of the advantages and disadvantages of approving the transaction and the position of non-associated shareholders if the transaction does not proceed.

In our opinion, the position of non-associated shareholders if the transaction proceeds is more advantageous than the position if the transaction does not proceed. Accordingly, we believe that the transaction is **reasonable** to the non-associated shareholders of the Company.

### **4. ACQUISITION**

4.1 Full details and conditions of the Acquisition are set out in the Notice of General Meeting and Explanatory Memorandum which accompanies this report. For the benefit of Shareholders, we have summarised the key features of the Acquisition as follows.

4.2 Under the terms of the Scheme of Arrangement Implementation and Farm-in Joint Venture Agreement and a subsequent Deed of Variation, AWH:

-4-

- shall carry out a consolidation of capital on a basis of one (1) AWH Share for 40 AWH Shares;
- shall acquire an initial 35% shareholding in Aldridge by issuing to a new company that is to be incorporated (which will be owned by the Aldridge shareholders) (“Subco”) 31,233,000 fully paid ordinary shares (“AWH Shares”) and Class A Performance Shares (see below);
- can acquire a further 35% shareholding in Aldridge (to take its shareholding in Aldridge to 70%) through spending a maximum of \$15 million within a three year period on the Project to advance to a Bankable Feasibility Study level;
- can acquire an additional 5% shareholding in Aldridge (to take its total shareholding in Aldridge to 75%) pursuant to a put and call option which, if exercised by either the Company or Subco, may give rise to the issue to Subco of a maximum of 2,389,025 AWH Shares; and

Upon delivery of a JORC compliant estimated resource of 20Mlb of contained uranium the Class A Performance Shares will convert into 17,718,919 fully paid ordinary shares in the capital of AWH. In the event that the resource is less than 20Mlb but greater than 15Mlb of contained uranium then the additional consideration shall be pro-rata on the basis of 3,543,784 AWH shares for every 1Mlb of uranium over 15Mlb.

The underlying transaction between AWH and Aldridge is pursuant to arrangements entered into between AWH and Constellres Ltd. 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:

- 4,219,000 AWH Shares;
- The issue of 100 Class D Convertible Performance Shares in the capital of AWH which shall, subject to the completion of the transaction occurring and establishment of a JORC compliant resource estimate in relation to the Project of equal to or more than 15Mlb of contained uranium each be convertible to 42,190 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 Projects, regulatory approvals and any necessary shareholder approvals.

4.3 We note that the shareholder approvals are considered to be interdependent and have been dealt with as one transaction for the purposes of this report. Additionally, the Notice of Meeting and explanatory memorandum, to which this report is attached, includes additional resolutions that are considered for the purposes of this report to be interdependent. These resolutions are:

- Subject to the approval of other resolutions, the approval for the Company to consolidate its issued share capital and issued share options by consolidating every 40 existing securities into one (1) security (Resolution 1);
- Subject to the approval of other resolutions, the issue of 4,219,000 and 100 D Class Performance Shares, convertible to 42,190 fully paid ordinary shares each, in the capital of the Company to Constellres, on the terms and conditions set out in the Explanatory Statement (Resolution 2);

-5-

- Subject to the approval of other resolutions:
  - a. the allotment and issue of:
    - 31,233,000 fully paid ordinary shares in the capital of the Company; and
    - the A Class Performance Shares;to Subco for the acquisition of 35% of the fully paid ordinary shares in the capital of Aldridge; and
  - b. the potential acquisition of a relevant interest in the issued voting shares of the Company by Subco in excess of the threshold prescribed by Section 606(1) of the Corporations Act by virtue of the issue of the 31,233,000 ordinary shares and the potential conversion of the A Class Performance Shares into ordinary shares (Resolution 3);
- Subject to approval of other resolutions, the approval for
  - a. the Company to enter into the Put and Call Option (“P&C Option”) Agreement; and
  - b. the potential acquisition of a relevant interest in the issued voting shares of the Company by Subco in excess of the threshold prescribed by Section 606(1) of the Corporations Act by virtue of the Shares provided as consideration on exercise of the P&C Option under the agreement referred to above (Resolution 4);
- Subject to approval of other resolutions, the issue of up to 30,800,000 Shares to raise funds for working capital and exploration in accordance with the exploration expenditure program (Resolution 5);
- Subject to approval of other resolutions, the approval for the Company to change the nature and scale of its operations (Resolution 6);
- Subject to approval of other resolutions, the approval for Keith Sheppard (or his nominee), a Director, to participate in the placement contemplated by Resolution 6 by subscribing for up to 2,500,000 Shares (Resolution 7);
- Subject to approval of other resolutions, the approval for Dalton Gooding (or his nominee), a Director, to participate in the placement contemplated by Resolution 6 by subscribing for up to 2,500,000 Shares (Resolution 8);
- Subject to approval of other resolutions, the approval for Lee Boyd (or his nominee), a Director, to participate in the placement contemplated by Resolution 10 by subscribing for up to 1,000,000 Shares (Resolution 9);
- Subject to approval of other resolutions, the approval of the name of the Company be changed to “Anatolia Energy Limited” and the Constitution and all other Company records to be amended accordingly (Resolution 10); and
- Shareholders resolve to approve an increase in the remuneration available to pay non-executive directors to \$400,000 (Resolution 11).

#### 4.4 Vendor Interest

Currently the Vendors hold no interest in AWH. The following sets out the impact of the Vendors Shareholdings following the Acquisition:

Security Holder	Shares issued by Resolutions 2 & 3 <sup>2</sup>	% Issued Capital issued by Resolutions 4	Shares issued on conversion of A Class and D Class Performance Shares <sup>3</sup>	Total Shares on issue after conversion of all A Class and D Class Performance Shares	% Issued Capital issued by Resolution 2 after conversion of all A Class and D Class Performance Shares <sup>3</sup>
Subco <sup>1</sup>	31,233,000	31.70%	17,718,919	48,951,919	40.64%
Constellres shareholder	4,219,000	4.28%	4,219,000	8,438,000	7.00%
Resolution 5 Shares	30,800,000	31.26%		30,800,000	25.57%
Non associated	32,274,421	32.76%		32,274,421	26.79%
<b>Company Total</b>	<b>98,526,421</b>	<b>100.00%</b>		<b>120,464,340</b>	<b>100%</b>

#### Assumptions

1. Pursuant to the Transaction a Scheme of Arrangement is being entered wherein, inter alia, the 31,233,000 shares will be distributed to Subco such that no one shareholder of Aldridge will hold more than 9.21% of the shareholding in AWH.
2. Including the 30,800,000 Shares to be issued to non-associated shareholders.
3. The conversion of the A Class and D Class Performance Shares both depend on the establishment of a JORC Code compliant resource (so will likely convert at the same time).

#### 5. IMPLICATIONS OF THE ACQUISITION TO AWH CORPORATION LIMITED

- 5.1 Immediately following the approval by shareholders and issue of all securities referred to in the Notice of Meeting, the following equity securities will be on issue:

<i>Ordinary Shares</i>	<i>Total</i>
Current Position	1,290,976,845
Consolidation of Share Capital	(1,258,702,424)
Acquisition of Constellres	4,219,000
Acquisition of AUL	31,233,000
<i>Sub total</i>	67,726,421
Capital Raising	30,800,000
<b>TOTAL</b>	<b>98,526,421</b>
	<b>Total</b>
<b>Options (post consolidation)</b>	
Exercise price \$1.40; expiry date 31/10/2010	1,875,001
Exercise price \$1.40; expiry date 31/12/2011	1,500,000
<b>TOTAL</b>	<b>3,275,000</b>

5.2 As at 18 October 2010, the total number of issued shares in AWH is 1,290,976,845. The top 20 shareholders are as follows:

	<i>Number</i>	<i>% of capital</i>
Greatside Holdings Pty Ltd	103,116,685	7.99
Jutland Nominees Pty Ltd <The Robert Brown Family A/C>	63,083,854	4.89
Zero Nominees Pty Ltd	58,685,900	4.55
Resource Venture Capital Partners Pty Ltd	46,179,083	3.58
Richmond Partners Master Limited	36,000,000	2.79
Merrill Lynch (Australia) Nominees Pty Ltd <Berndale A/C>	34,166,667	2.65
Mr David James Porter	33,333,300	2.58
The Boyd Super Fund Pty Ltd <The Boyd Super Fund A/C>	30,686,000	2.38
Carrick Holdings Limited	25,000,000	1.94
Bell Potter Nominees Ltd <BB Nominees A/c>	24,375,000	1.89
Moulyinning Nominees Pty Ltd <Dalton Gooding Family A/C>	22,600,000	1.75
Mr Roger Bogne	22,000,000	1.70
Australian Heritage Group limited	20,000,000	1.55
Mr Leslie Robert Fong <L R Fong Family A/C>	20,000,000	1.55
Morbrae Pty Ltd <Tripi Family A/C>	20,000,000	1.55
Troca Enterprises Pty Ltd <Coulson Super A/c>	20,000,000	1.55
Dp Prospecting Services Pty Ltd <Porter Super Fund A/C>	19,950,000	1.55
Mr Michael James Calneggia + Mrs Sally-Ann Calneggia <G S Lee Fund A/C>	19,285,797	1.49
Merrill Lynch (Australia) Nominees Pty Ltd	16,666,666	1.29
Evening Star Enterprises Pty Ltd <Millcorp S/F A/C>	16,000,000	1.24
<b>Totals:</b>	<b>651,128,952</b>	<b>50.44</b>

The top 20 shareholders therefore control 50.44% of the Company. If the Acquisition is approved, the effects on the percentage shareholdings of these shareholders would be as follows:

	<i>Shares on issue</i>	<i>% held by existing top 20 shareholders</i>	<i>% held by Vendors</i>	<i>% held by Constellres Vendors</i>	<i>% held by other shareholders</i>
Post Consolidation Position	32,274,421	50.44%	-	-	49.56%
Acquisition of Constellres	4,219,000				
Acquisition of AUL	31,233,000				
Sub Total	67,726,421	24.04%	46.12%	6.23%	23.62%
Capital Raising <sup>1</sup>	30,800,000				
<b>TOTAL</b>	<b>98,526,421</b>	<b>16.52%</b>	<b>31.70%</b>	<b>4.28%</b>	<b>47.50%</b>

<sup>1</sup> Assumes no participation in capital raising by top 20 shareholders, Vendors or Constellres.

## 6. CORPORATE HISTORY AND NATURE OF BUSINESS

### 6.1. AWH CORPORATION LIMITED

AWH was originally established as a limited partnership in 1987 and became a registered company on 28 November 1996. AWH Corporation then listed on the ASX on 18 December 2000 as a public company. AWH was a vertically integrated wine producer with vineyard assets and winery operations predominantly located in Margaret River, Western Australia.

Recently, the Company has sold its interests in its wine assets and completed the acquisition of an 80% interest in two uranium exploration projects by way of transfer to the Company of 80% of the issued capital Mozawl Mining Limited, the holder of the licenses.

The current directors of AWH are Dalton Gooding, Lee Boyd and Keith Sheppard.

### 6.2. CONSTELLRES AND AUL

AWH will acquire all the issued share capital of Constellres. As part of the transaction, AWH has been granted the rights to acquire 35% of AUL (through Constellres), by the issue of ordinary and Class D Performance shares issues to the shareholders of Constellres.

AUL holds 94 Turkish Uranium Licenses either in the name of its wholly owned Turkish subsidiary company Adur Madencilik Ltd Sti or beneficially held by Aldridge Mineral Madencilik Ltd Sti. The exploration licenses have been granted for an initial period of three years by the General Directorate of Mining Affairs for Group IV minerals which at the time of application and grant included energy, coal, metals and industrial minerals.. The exploration licenses are renewable for a further period of two years and all but two of the licences are currently in their first three year term.

On 24 June 2010 an Amendment to the Mining Law added a new Group VI for radioactive minerals and substances, which were previously listed under Group IV. Thus, it will be necessary for AWH to make an application to the Mining Department to change the group of the tenements to Group VI, latest by 24 December 2010.

A more detailed description of the assets of AUL is outlined under Explanatory Statement within the Notice of General Meeting.

## **7. FUTURE DIRECTIONS OF AWH CORPORATION LIMITED**

As outlined in the Notice of Meeting, the Company proposes to acquire up to a 75% interest in AUL (via Constellres) and following that acquisition, the business of AWH will primarily be the exploration and development of the assets which AUL controls.

We have discussed with the Directors and management of AWH the proposed future direction of the Company.

Currently the Company does not have a significant project or operations and has been considering its options.

The acquisition represents a significant project, which the Directors and Management believe to be in the best interests of all shareholders.

There are no current alternative proposals currently under consideration by the board and the board considers it unlikely that an alternative superior proposal will emerge.

The Company has made a decision to change the nature of its existing business and considers this to be in the interests of all shareholders. In the event that the project thereafter requires further funding, the Board will consider that funding at that time.

## **8. BASIS OF VALUATION**

In determining whether the Acquisition is fair and reasonable, we have referred to Regulatory Guides 111 and 112 issued by ASIC. Regulatory Guide 111 requires that we should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction, as well as providing an opinion on whether the advantages of the proposal outweigh the disadvantages.

We have satisfied the requirements of Regulatory Guide 111 by completing the following comparisons:

- \* A comparison of the value of the consideration being provided by the Company and the value of assets being acquired (see Section 10 of our Report, "Assessment as to Fairness"); and
- \* An analysis of the reasonableness of the Acquisition by reference to the advantages and disadvantages of the proposal (see Section 12 of our Report, "Reasonableness of the Acquisition").

### **8.1 VALUATION OVERVIEW**

The usual approach to the valuation of an asset is to seek to determine what a willing but not anxious buyer, acting at arm's length, with adequate information, would be prepared to pay and a willing, but not anxious seller would be prepared to accept in an open market.

-10-

In valuing AWH prior to the proposed Acquisition, we have considered the following valuation approaches:

- Market value approach;
- Asset approach;
- Discounted cash flow (“DCF”) approach; and
- Capitalisation of future maintainable earnings (earnings based) approach.

## 8.2 VALUATION APPROACH

HLB believes that the most appropriate method for valuing the issued shares in AWH is the asset based approach due to its lack of profitability. The most common form of asset based approach is the Net Realisable Value method. The resultant net realisable value of the assets of the Company can then be expressed in terms of a value per share.

Details of our valuation are set out in Section 9 of this Report.

## 8.3 QUOTED MARKET PRICE BASIS

Where there is a ready market for securities such as the Australian Securities Exchange Limited (“ASX”), through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security. Whilst the trading of AWH shares cannot be considered to be “deep”, the resultant trading level will be used as a cross check of the valuation on the basis as set out in Section 8.2 above. The valuation cross check is set out in Section 9.2 of this report.

## 9. VALUATION OF AWH CORPORATION LIMITED

We have assessed the value of AWH on the basis of the fair market value of the Company’s underlying net assets on a going concern basis, market values for available for sale assets and book values of AWH’s other net assets as at 30 June 2010. AWH’s net assets are summarised below, together with our assessment of fair market values.

	<i>Unaudited 30 June</i>	<i>Valuation Adjustments</i>	<i>Proforma Adjustments</i>	<i>Valuation</i>
	\$	\$	\$	\$
<b>Current Assets</b>				
Cash <sup>(1)</sup>	177,555	-	560,000	737,555
Trade and Other Receivables	34,003	-	-	34,003
<b>Total Current Assets</b>	211,558	-	560,000	711,558
<b>Total Non Current Assets</b>	806,077	-	-	806,077
<b>Total Assets</b>	1,017,635	-	560,000	1,577,635
<b>Current Liabilities</b>				
Creditors & Borrowing	626,749	-	-	626,749
<b>Total Current Liabilities</b>	626,749	-	-	626,749
<b>Total Liabilities</b>	626,749	-	-	626,749
<b>Net Assets</b>	390,886	-	560,000	950,886
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Post-consolidation Fully paid shares on issue	29,474,421	-	2,800,000	32,274,421
<b>Fair market value per share (cents)</b>	1.326	-		2.946

(1) The adjustment to cash represents a further 112,000,000 pre consolidation shares issued at a value of 0.5 cents per share being shares issued in August and September 2010.

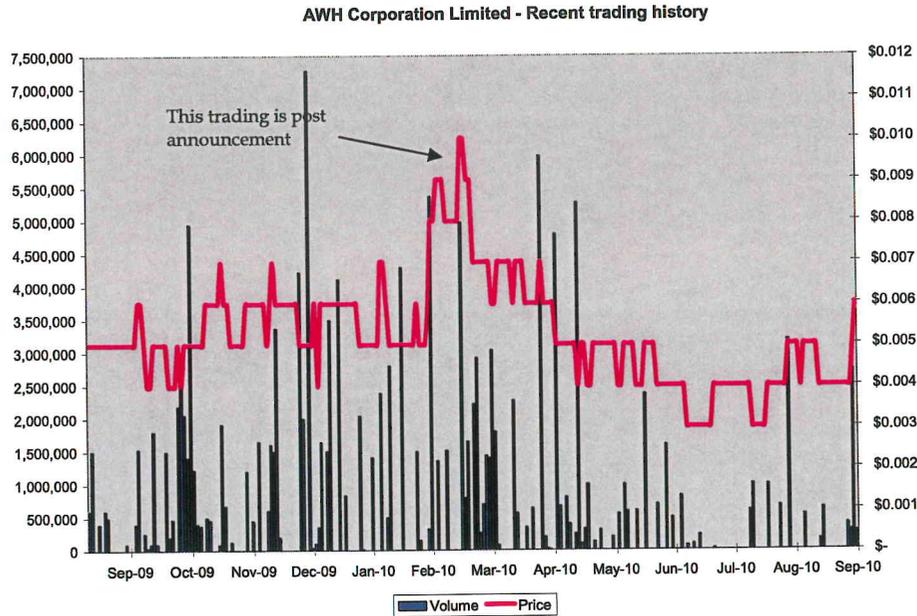
(2) There has been no valuation adjustments made to non-current assets as the value represents issue costs on the acquisition of Mozambique Uranium tenements via share issues and expenditure on exploration of these tenements. We note that the directors have impaired the assets as at 30 June 2010 due to the reduction in the Uranium price since acquisition.

(3) The remaining assets and liabilities relate to normal cycle of trade and are supported by invoices. Therefore we believe that the above values are fair and reasonable.

Based on the above, we consider that the underlying net asset value of a share in AWH to be \$0.029 or 2.95 cents per share.

### 9.1 ANALYSIS OF RECENT TRADING

The following graph represents the volume and price of the trading in AWH's shares on the ASX.



The share market can be expected to provide an objective assessment of the fair market value of a listed entity, where the market is well informed and liquid. Market prices incorporate the influence of all publicly known information relevant to the value of an entity's securities.

Share prices from share market trading do not reflect the market value for control of a company as they are for portfolio holdings. Traditionally, the premiums required to obtain control of companies range between 15% and 25% of the portfolio holding values.

-12-

AWH shares have traded in a range from \$0.003 on 25 June 2010 to \$0.01 on 8 March 2010. The volume weighted average closing price over the 10 days prior to the announcement of the acquisition was \$0.008 cents. This volume weighted average is to be adjusted to take into effect the planned consolidation of share capital. Therefore the post consolidation volume weighted closing price is estimated to be \$0.32.

Additionally, 232,000,000 shares were issued on 30 September 2009 to acquire the Mozambique uranium tenements. These shares were issued at \$0.005 per share and therefore represent a post consolidation value of \$0.20. This is additionally supported by the issue of 168,000,000 shares at \$0.005 per share in June, August and September 2010.

## 9.2 CONCLUSION ON THE FAIR MARKET VALUE OF AWH SHARE

We have considered the recent trading performance of AWH's shares on the ASX. We consider the price of the Company onto the ASX does not adequately reflect the Company's current financial position, but includes an element of speculation.

We consider therefore, that the value of an AWH share lies within the range of \$0.029 to \$0.32, with a preferred value of \$0.20.

## 10. ASSESSMENT OF FAIRNESS

### 10.1 CONSIDERATION OFFERED BY AWH

The consideration offered by AWH to purchase 35% of the AUL is as follows:

<i>Consideration</i>	<i>Underlying value (Low)</i>	<i>Value</i>	<i>Underlying value (Preferred)</i>	<i>Value</i>	<i>Underlying value (High)</i>	<i>Value</i>
4,219,000 fully paid ordinary shares (acquisition of rights)	\$0.029	\$122,351	\$0.20	\$843,800	\$0.32	\$1,350,080
US\$100,000 (acquisition of rights)	Converted at 1.08	\$108,000	Converted at 1.08	\$108,000	Converted at 1.08	\$108,000
31,233,000 fully paid ordinary shares (payable to AUL shareholders)	\$0.029	\$905,757	\$0.20	\$6,246,600	\$0.32	\$9,994,560
11,692,099 fully paid performance shares (converting to 17,718,919 shares) (in the event of between 15Mlbs and 20Mlbs JORC compliant resource estimate, payable to AUL shareholders)	\$0.0199 <sup>1</sup>	\$352,606	\$0.135 <sup>1</sup>	\$2,392,054	\$0.216 <sup>1</sup>	\$3,827,287
100 Class D Performance shares (converting to 42,190 shares each) (in the event of 15Mlbs JORC compliant resource estimate) (acquisition of rights)	\$0.0199 <sup>1</sup>	\$83,958	\$0.135 <sup>1</sup>	\$569,565	\$0.216 <sup>1</sup>	\$911,304
<b>TOTAL</b>		<b>\$1,572,672</b>		<b>\$10,160,019</b>		<b>\$16,191,231</b>

<sup>1</sup>We have undertaken a valuation of the milestone performance shares using the Black-Scholes option pricing model. The assumptions on which the calculation is based is set out in Appendix 4.

Based on the above, the total consideration is between \$1,572,672 and \$16,191,231, with a preferred value of \$10,160,019.

## 10.2 COMMITMENTS

AWH may acquire an additional 40% of AUL within a three year period on the Turkish Licenses to advance to a bankable feasibility study level enabling the establishment of a future commercial mining operation as follows:

- i) a further 14% shareholding in AUL (for a total interest of 49%) by spending up to \$7.5 million;
- ii) a further 21% shareholding in AUL (for a total interest of 70%) by spending a further \$7.5 million; and
- iii) an additional 5% shareholding in Aldridge (for a total interest of 75%) on exercise of the P&C Option.

These elements have not been valued as part of the consideration as their enactment would be indicative of increased value of resource and therefore not included in the current valuation.

## 10.3 ASSETS BEING ACQUIRED

AWH will be acquiring an initial 35% interest in AUL.

AUL holds 94 exploration licenses either in the name of its wholly owned Turkish subsidiary Adur Madencilik Ltd Sti, or beneficially held by Aldridge Mineral Madencilik Ltd Sti. Adur and AUL have no other assets or liabilities.

An independent valuation of the tenements which AUL own exploration licenses on has been undertaken by Al Maynard & Associates Pty Ltd valuing 100% of the project at \$24.87 million (preferred value).

## 10.4 CONCLUSION

	Value offered by AWH (Low) \$	Value offered by AWH (Preferred) \$	Value offered by AWH (High) \$	Value of assets being acquired (based on preferred value) \$
Consideration (35%)	1,572,672	10,160,219	16,191,231	8,704,500

Based on the above, the acquisition is considered to be **not fair** to the non-associated shareholders of the Company as the preferred value is lower than the preferred value of the consideration.

We note, however, that:

- (a) in determining the value offered by AWH we have included the valuation of the Class A Performance Shares (preferred value \$2,392,054) and Class D Performance Shares (preferred value \$569,565), that these shares will only convert to ordinary shares in AWH in the event the Project is found to have a JORC Code compliant resource estimate in excess of 15Mlb of contained uranium;
- (b) if this milestone is achieved, additional value is likely to be attributable to the Project; and
- (c) in determining the fair value for the Project, Al Maynard & Associates Pty Ltd has not taken into account any additional value that might be attributable to the Project if the milestone is achieved.

Therefore, it is possible that our conclusion as to fairness may change if any additional value were attributable to the Project as a result of achieving the milestone attaching to the Class A Performance Shares.

#### **11 PREMIUM FOR CONTROL**

Premium for control for the purposes of this report, has been defined as the difference between the price per share which a buyer would be prepared to pay to obtain or improve a controlling interest in the Company and the price per share which the same person would be required to pay per share, which does not carry with it control or the ability to improve control of the Company.

Currently the Top 20 shareholders collectively control AWH. As a result of the acquisition, the Vendors may be in a position (subject to certain events occurring) to control up to a maximum of 40.64% of the voting power, gaining control of the Company.

ASIC Regulatory Guide 111 requires that the expert give an opinion as to whether the proposed issue of shares, will result in the Company receiving a premium for control. We have concluded that the amount for any premium for control paid by the Vendors is the amount by which the assets being acquired, does not exceed the value of consideration being offered by AWH.

On this basis, we conclude that the Vendor shareholders will be not paying a premium for control.

#### **12 REASONABLENESS OF THE ACQUISITION**

We have considered the effect on shareholders if the Acquisition is approved and have accordingly taken in to account the following advantages and disadvantages. We concluded that, in all cases, the advantages and disadvantages of rejecting the Acquisition are the inverse of approving the Acquisition. We have therefore only set out below the significant factors in the context of approving the Acquisition.

**12.1 Advantages of approving the Acquisition**

- the Company will be changing the scale of its activities, and will be expanding its asset portfolio to include advanced uranium explorer;
- the change in scale of the Company's activities could attract new investors and may provide the Company with additional working capital. As such, the Company may increase the resources available to it to fund future exploration activities, which may increase its ability to generate future profits;
- the Company will acquire an initial 35% interest in AUL and its mining interests and has not had to undertake significant capital raising costs or commit to loan finance what would include interest costs and regular principal repayments;
- the passing of Resolution 5 relating to the allotment of Shares will increase the cash resources of the Company and enable it to continue its exploration program; and
- there no alternative proposals currently being considered by the AWH board.

**12.2 Disadvantages of approving the Acquisition**

- we have concluded in Section 10 of our Report that the acquisition is considered to be not fair;
- the transaction will result in the issue of Shares and Performance Shares which will dilute ownership and voting power of the current Shareholders;
- the Company will be changing the scale of its activities. There are additional risks associated with this change as detailed in the Notice of Meeting; and
- AUL shareholders may increase their interest in the Company by up to a maximum of 40.64% (assuming conversion of the Performance Shares and no other shares are issued in the Company). This will arguably transfer control of the Company to AUL shareholders, whom would have the ability to influence future decisions that may be for their own purposes; additionally the Vendors are not paying a premium for control.

In our opinion, the position of non-associated shareholders if the transaction proceeds is more advantageous than the position if the transaction does not proceed. Accordingly, we believe that the transaction is **reasonable** to the non-associated shareholders of the Company.

**13. CONCLUSION**

Based on the foregoing, we are of the opinion that the Acquisition is **not fair but reasonable** to the non-associated shareholders of the Company.

Yours faithfully

**HLB MANN JUDD CORPORATE (WA) PTY LTD**

**Licensed Investment Advisor (AFSL Licence number 250903)**



**N G NEILL**

**Authorised Representative**

## *APPENDIX 1            SOURCES OF INFORMATION*

In preparing this report we have had access to the following principal sources of information:

- AWH's Half-Year Report for the period ended 31 December 2009;
- AWH's Management Accounts for the period ended 30 June 2010;
- Scheme of Arrangement Implementation and Farm-In Joint Venture Agreement between Aldridge Uranium Inc, includes subsidiaries, Constellres and AWH, and the subsequent Deeds of Variation;
- Draft Notice of Meeting and Explanatory Memorandum which this Report will accompany.
- Discussions with and information provided by the Directors and management of AWH;
- Announcements to the ASX by AWH in relation to the Acquisition;
- Publicly available information; and
- Independent valuation by Al Maynard & Associates Pty Ltd. (Refer to Appendix 6)

HLB, which is a wholly owned entity of HLB Mann Judd (WA Partnership), is a Licensed Investment Adviser and holder of an Australian Financial Services Licence under the Act and its authorised representative is qualified to provide this Report. The authorised representative of HLB responsible for this Report has not provided financial advice to AWH.

Prior to accepting this engagement, HLB considered its independence with respect to AWH to with reference to ASIC Regulatory Guide 112. In HLB's opinion, it is independent of AWH and the Vendors

This Report has been prepared specifically for the shareholders of AWH. It is not intended that this Report be used for any other purpose other than to accompany the Explanatory Memorandum to be sent to the AWH shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of the opinion as to whether or not the Acquisition is fair and reasonable to the shareholders of AWH. HLB disclaims any assumption of responsibility for any reliance on this Report to any person other than those for whom it was intended, or for any purpose other than that for which it was prepared.

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report, HLB has relied on and considered information believed, after due inquiry, to be reliable and accurate. HLB has no reason to believe that any information supplied to it was false or that any material information has been withheld.

HLB has evaluated the information provided to it by AWH and other parties, through inquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially misstated or would not provide a reasonable basis for this Report. HLB has not, nor does it imply that it has, audited or in any way verified any of the information provided to it.

In accordance with the Act, HLB provides the following information and disclosures:

- HLB will be paid its usual professional fees (estimated to be approximately \$25,000) based on time involvement at normal professional rates, for the preparation of this Report.
- Apart from the aforementioned fee, neither HLB, nor any of its associates will receive any other benefits, either directly or indirectly, for or in connection with the preparation of this Report.
- HLB, nor any of its directors or associates, have any interest in AWH or the Vendors.
- Neither HLB nor HLB Mann Judd (WA Partnership) has had any relationship with AWH or any associate of AWH or the Vendors.

**APPENDIX 3      GLOSSARY OF TERMS**

<b>TERM</b>	<b>DEFINITION</b>
Act	Corporations Act 2001
Acquisition	Transaction as outlined in Section 4
Agreement	Scheme of Arrangement Implementation and Farm-In Joint Venture Agreement
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
AUL or Aldridge	Aldridge Uranium Ltd.
Directors	Directors of AWH
GST	Goods and Services Tax
HLB	HLB Mann Judd Corporate (WA) Pty Ltd
AWH or the Company	AWH Corporation Limited
Shares	Ordinary fully paid shares in the capital of the Company
Shareholders	Shareholders of AWH
Shareholders' Meeting	Meeting convened to consider the Acquisition.
Subco	Vetter Uranium Ltd, a company incorporated in the British Virgin Islands
Vendors	Shareholders of Aldridge Uranium Ltd.

## APPENDIX 4      BLACK SCHOLES ASSUMPTIONS AND CALCULATIONS

We have determined an indicative value for the performance shares as outlined in Section 10.1 using the Black and Scholes Option Pricing Model.

The model describes the value of an option as being a function of five variables:

- (i) Value of the underlying share;
- (ii) The risk free rate of return;
- (iii) The variance (or volatility) of the share price;
- (iv) The exercise price of the option; and
- (v) The remaining time to maturity.

### A.    OPTIONS PROPOSED TO BE ISSUED

Set out below is our understanding of the performance shares proposed to be issued:

#### A.1 (Funding Options)

<i>Number of Shares:</i>	17,718,919
<i>Milestone:</i>	in the event of in excess of 15Mlbs and up to 20Mlbs JORC complaint resource estimate
<i>Expiry Date:</i>	within 5 years

#### A.2

<i>Number of Shares:</i>	4,219,000
<i>Milestone:</i>	in the event of 15Mlbs JORC complaint resource estimate
<i>Expiry Date:</i>	within 5 years

### B.    VALUATION

Our calculation of the value of each note has been performed based on the following assumptions:

- (i) We have based the underlying value of each share in the Company on the calculated value per share as detailed in Section 9.2;
- (ii) Risk free rate of return – 4.5% (estimated, based on the 5 year bond indicator rate);
- (iii) We have determined a volatility of the share price of 183%;
- (iv) We have assumed an exercise price based on the underlying value of each share in the Company as detailed in Section 9.2 and
- (v) We have applied a discount of 30% to estimate the lack of marketability of the shares and the performance element.

### C.    ESTIMATED VALUATION

Based on the above factors, the Black and Scholes Option Pricing Model attributes a value to each option as follows:

	Low	Preferred	High
A.1	1.99 cents	13.5 cents	21.6 cents
A.2	1.99 cents	13.5 cents	21.6 cents



**Mann Judd Corporate (WA) Pty Ltd**  
 Licensed Investment Adviser

## FINANCIAL SERVICES GUIDE

Dated 1 July 2009

### 1. HLB Mann Judd Corporate (WA) Pty Ltd

HLB Mann Judd Corporate (WA) Pty Ltd ABN 69 008 878 555 (“HLB Mann Judd Corporate” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

### 2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our **Australian Financial Services Licence, No. 250903**;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

### 3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- securities;
- interests in managed investment schemes excluding investor directed portfolio services;
- superannuation; and
- debentures, stocks or bonds issued or proposed to be issued by a government

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### 4. General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product and there is no statutory exemption relating to the matter, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

HLB Mann Judd Corporate (WA) Pty Ltd. ABN 69 008 878 555 | AFSL 250903  
 Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533  
 Email: [hlb@hlbwa.com.au](mailto:hlb@hlbwa.com.au) | Website: [www.hlb.com.au](http://www.hlb.com.au)

HLB Mann Judd (WA Partnership) is a member of  International, a world-wide organisation of accounting firms and business advisers

**5. Benefits that we may receive**

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither HLB Mann Judd Corporate, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

**6. Remuneration or other benefits received by us**

HLB Mann Judd Corporate has no employees. All personnel who complete reports for HLB Mann Judd Corporate are either partners or personnel of HLB Mann Judd (WA Partnership). None of either those partners or personnel is eligible for bonuses directly in connection with any engagement for the provision of a report.

**7. Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

**8. Associations and relationships**

HLB Mann Judd Corporate is wholly owned by HLB Mann Judd (WA Partnership). Also, our directors are partners in HLB Mann Judd (WA Partnership). Ultimately the partners of HLB Mann Judd (WA Partnership) own and control HLB Mann Judd Corporate.

From time to time HLB Mann Judd Corporate or HLB Mann Judd (WA Partnership) may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

**9. Complaints resolution**

**9.1. Internal complaints resolution process**

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints must be in writing, addressed to The Complaints Officer, HLB Mann Judd Corporate (WA) Pty Ltd, 4<sup>th</sup> Floor, 130 Stirling Street, Perth WA 6000.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within **7 days** and investigate the issues raised. As soon as practical, and not more than **one month** after receiving the written complaint, we will advise the complainant in writing of the determination.

**9.2. Referral to external disputes resolution scheme**

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited (“FOS”). FOS independently and impartially resolves disputes between consumers, including some small business, and participating financial services providers.

Further details about FOS are available at the FOS website [www.fos.org.au](http://www.fos.org.au) or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited  
GPO Box 3  
Melbourne VIC 3001  
Toll free: 1300 78 08 08  
Facsimile: (03) 9613 6399

**10. Contact details**

You may contact us using the details at the foot of page 1 of this FSG.

**AL MAYNARD & ASSOCIATES Pty Ltd**  
**Consulting Geologists**

*www.geological.com.au* (ABN 95 336 331 535)

<b>9/280 Hay Street, SUBIACO, WA, 6008 Australia</b>	<b>Tel: (+618) 9388 1000 Fax: (+618) 9388 1768</b>	<b>Mob: 04 0304 9449 al@geological.com.au</b>
--	--	---

*Australian & International Exploration & Evaluation of Mineral Properties*

**INDEPENDENT GEOLOGICAL REPORT  
AND VALUATION**

**ON URANIUM ASSETS  
IN  
TURKEY**

**FOR**

**AWH CORPORATION LIMITED**

Authors: Brian J Varndell B.Sc(Spec Hons Geol), FAusIMM  
Allen J Maynard BAppSc(Geol), MAIG, MAusIMM  
Company; Al Maynard & Associates Pty Ltd  
Date 22 October, 2010

CONTENTS.....	Page
1.0 EXECUTIVE SUMMARY .....	3
2.0 SCOPE AND LIMITATIONS .....	3
2.1 Independent Geological Report .....	4
2.2 Independent Valuation Report .....	5
3.0 COUNTRY BACKGROUND .....	7
3.1 Turkey’s Nuclear Industry .....	7
3.2 Turkey’s Mining Law .....	7
4.0 WORLD URANIUM DEMAND .....	9
5.0 TURKEY’S URANIUM DEMAND .....	10
6.0 BACKGROUND TO THE URANIUM PROJECT.....	10
7.0 URANIUM PROJECT .....	12
7.1 Introduction.....	12
7.2 Tenure .....	12
7.3 Description of the Project Area.....	13
7.3.1 Target Uranium Mineralisation Style .....	13
7.3.2 Regional Geology .....	13
7.3.3 History of Discovery.....	13
7.3.4 Historical Exploration.....	14
7.3.5 Site Geology.....	14
7.3.6 Uranium Mineralisation.....	15
7.3.7 Uranium Grade (U <sub>3</sub> O <sub>8</sub> ) and Resource Estimate.....	15
7.4 Future Exploration Plan .....	16
7.4.1 Exploration Budget .....	17
8.0 VALUATION OF THE LICENCES .....	18
8.1 Methods and Guidelines .....	18
8.1.1 General Valuation Methods .....	18
8.1.2 Discounted Cash Flow/Net Present Value .....	19
8.1.3 Joint Venture Terms.....	19
8.1.4 Similar Transactions .....	19
8.1.5 Multiple of Exploration Expenditure (MEE or PEM) .....	19
8.1.6 Ratings System of Prospectivity (Kilburn) .....	19
8.1.7 Empirical Methods (Yardstick – Real Estate) .....	20
8.1.8 General Comments.....	20
8.1.9 Environmental implications.....	20
8.1.10 Commodities-Metal prices.....	20
8.1.11 Resource/Reserve Summary .....	20
8.1.12 Previous Valuations .....	20
8.1.13 Encumbrances/Royalty .....	20
8.2 Valuation of the Licences .....	21
8.2.1 Selection of Valuation Method .....	21
8.3 MEE Method.....	21
8.4 JV Valuation Method.....	22
8.5 Valuation Conclusions .....	23
9.0 GLOSSARY AND ABBREVIATIONS.....	25
10.0 PRINCIPAL SOURCES OF INFORMATION .....	28

**List of Figures**

Figure 1: Estimates of 21<sup>st</sup> Century World Energy Supplies. ....9  
Figure 2: Location of the Licences. .... 11  
Figure 3: Typical Countryside in the Project Area. .... 12  
Figure 4: Typical Cross Section of Uranium Mineralisation..... 15

**List of Tables**

Table 1: Exploration Budget for 3 Years. .... 18  
Table 2: Current Value for 100% estimate by MEE Method..... 22  
Table 3: Current Value for 75% estimate by JV Method. .... 23  
Table 4: Range of Values for 100% of the Licences (22nd October, 2010). ..24

## **1.0 EXECUTIVE SUMMARY**

This independent geological report and valuation has been prepared by Al Maynard & Associates ("AM&A") at the request of AWH Corporation Limited ("AWH"), an Australian public company with ABN No. 68 076 577 994, to conduct an independent competent person's report on their various Exploration Licences ("the licences") totalling some 140,000 ha in central Turkey.

The commission is to also provide an opinion of the current value of these licences. This report concludes that a current cash value of A\$24.87 million can be ascribed to this holding from within the range of A\$22.38 million to A\$27.36 million.

Most of the licences have been acquired in the last two years and, apart from 2 of the 94 licences, are currently in their first tenure period of three years. The licences have been acquired on the basis of their regional geological setting and prospectivity for uranium mineralisation. Some are at an early exploration stage with limited to no surface geochemical sampling; others have been subject to first-pass exploration including RC drilling which intersected significant intervals of anomalous uranium mineralisation; whilst several licences have been subject to extensive exploration by various Turkish Government mineral agencies principally throughout the 1980s, which variously included regional geochemical surveys, extensive RC and diamond drilling, down-hole geophysical logging and metallurgical test work.

Various uranium resource estimates have historically been estimated within the licences. AM&A considers that these estimates should only be considered as indicative of the mineralisation potential of the area primarily on the grounds that the resource was estimated for an open pit mining model which is no longer applicable to the in-situ leach ("ISL") methodology currently contemplated.

The licences are considered to be prospective, subject to varying degrees of exploration risk, to warrant further exploration and assessment of their economic potential to host significant and commercial uranium mineralisation. We are of the opinion that AWH has satisfactorily and clearly defined exploration and expenditure programs that are reasonable, having regard to the stated objectives of the company and sufficient exploration work has taken place to justify the budgeted exploration and expenditure. We consider the proposed work programs to have a high chance of success for further discoveries leading to the ultimate exploitation of commercial uranium mineralisation.

## **2.0 SCOPE AND LIMITATIONS**

The information presented in this report is based on technical reports and expenditures provided by AWH supplemented by our own inquiries. At the request of AM&A copies of relevant technical reports and agreements were made available.

The legal status of the licences is subject to a separate Independent Solicitor's Report, which is presented elsewhere in this prospectus. These details have not been independently verified by AM&A. The present status of the licences listed in this report is based on information provided by AWH and the report has been prepared on the assumption that the licences will prove lawfully accessible for evaluation and development.

This report has been prepared by Brian J. Varndell BSc(Spec Hons Geol), FAusIMM, a geologist with more than 35 years experience in mineral exploration including more than 25 years experience in mineral asset valuation and Allen J. Maynard BApp.Sc(Geol), MAIG and MAusIMM, a geologist with 30 years in the mining industry and 25 years in mineral asset valuation. The authors hold the appropriate qualifications, experience and

independence to qualify as independent “Experts” under the definitions of the Valmin Code to provide such reports for the purpose of inclusion in public company documents.

This report has been prepared in accordance with the relevant requirements of the Listing Rules of the Australian Securities Exchange Limited (“ASX”), ASIC Practice Notes 42 and 43 which were replaced on October 30th, 2007 by Regulatory Guidelines 111 & 112 and the Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert reports (the Valmin Code) which is binding on members of the Australasian Institute of Mining and Metallurgy (“AusIMM”).

AM&A is an independent geological consultancy established 25 years ago and has operated continuously since then. Neither AM&A nor any of its directors, employees or associates have any material interest either direct, indirect or contingent in AWH nor in any of the licences included in this report nor in any other asset of AWH nor has such interest existed in the past. This report has been prepared by AM&A strictly in the role of an independent expert. Professional fees payable for the preparation of this report constitutes our only commercial interest in AWH. Payment of fees is in no way contingent upon the conclusions of this report.

### **2.1 Independent Geological Report**

AM&A has been commissioned by AWH to provide an Independent Geological Report of the mineral exploration licences located in central Turkey parts of which will be included in a prospectus to be lodged with ASIC on or about early October 2010, offering for subscription of up to 10 million shares at an issue price of 20c per share to raise a total of up to A\$2 million. The funds raised will be used primarily for the purpose of exploration and evaluation of the licences pursuant to the agreement outlined elsewhere in this prospectus. Opinions are presented in accordance with the JORC Code (2004) and other regulations and guidelines that govern the preparation of these reports.

The AWH licences constitute the entirety of the Project and are at various stages of exploration ranging from grass-roots exploration to advanced stage pre-feasibility investigation. Regardless of exploration status all licences have potential to host the target commodity as described hereunder and warrant the exploration and testing programs as set out. It is noted that proposed programs may be subject to change according to results yielded as work is carried out. The location of the licences is shown in Figure 2.

We are of the opinion that AWH has satisfactorily defined exploration and expenditure programs which are reasonable, having regard to the stated objectives of AWH.

In the course of the preparation of this report, access has been provided to all relevant data held by AWH and various other technical reports and information quoted in the bibliography. We have made all reasonable endeavours to verify the accuracy and relevance of the database. AWH has warranted to AM&A that full disclosure has been made of all material in its possession and that information provided, is to the best of its knowledge, accurate and true. None of the information provided by AWH has been specified as being confidential and not to be disclosed in our report. The authors are familiar with the structural setting and mineralisation styles and targets of the areas covered by the AWH licences. As recommended by the Valmin Code, AWH has indemnified AM&A for any liability that may arise from AM&A’s reliance on information provided by AWH or not provided by AWH.

## 2.2 Independent Valuation Report

The valuation has been prepared in accordance with the requirements of the Valmin code (2005) as adopted by the Australian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM').

The valuation is valid as of 22<sup>nd</sup> October 2010. This valuation can be expected to change over time having regard to political, economic, market and legal factors. The valuation can also vary due to the success or otherwise of any mineral exploration that is conducted either on the properties concerned or by other explorers on prospects in the near environs. The valuation could also be affected by the consideration of other exploration data, not in the public domain, affecting the properties which have not been made available to the authors.

In order to form an opinion as to the value of any property, it is necessary to make assumptions as to certain future events, which might include economic and political factors and the likely exploration success. The authors have taken all reasonable care in formulating these assumptions to ensure that they are appropriate to the case. These assumptions are based on the authors' technical training and experience in the mining industry. The opinions expressed represent the authors' fair professional opinion at the time of this report. These opinions are not however, forecasts as it is never possible to predict accurately the many variable factors that need to be considered in forming an opinion as to the value of any mineral property.

The valuation methodology of mineral properties is exceptionally subjective. If an economic reserve or resource is subsequently identified then this valuation will be dramatically low relative to any later valuations, or alternatively if further exploration is unsuccessful it is likely to decrease the value of the tenements.

The values obtained are estimates of the amount of money, or cash equivalent, which would be likely to change hands between a willing buyer and a willing seller in an arms length transaction, wherein each party had acted knowledgeably, prudently and without compulsion. This is the required basis for the estimation to be in accordance with the provisions of the Valmin Code.

There are a number of generally accepted procedures for establishing the value of mineral properties with the method employed depending upon the circumstances of the property. When relevant, AM&A uses the appropriate methods to enable a balanced analysis. Values are presented as a range and the preferred value is identified.

The readers should therefore form their own opinion as to the reasonableness of the assumptions made and the consequent likelihood of the values being achieved.

AWH has confirmed, in writing that no other independent professional valuation affecting the licences, the subject of this report, has been provided within the last two years.

The valuation presented in this report is restricted to a statement of the fair value of the licences. The Valmin Code defines fair value as "*the estimated amount of money, or the cash equivalent of some other consideration, for which, in the opinion of the Expert reached in accordance with the provisions of the Valmin Code, the mineral asset or security shall change hands on the Valuation date between a willing buyer and a willing seller in an arms-length transaction, wherein each party had acted knowledgeably, prudently and without compulsion*".

It should be noted that in all cases, the fair valuation of the licences presented is analogous with the concept of "valuation in use" commonly applied to other commercial valuations. This concept holds that the properties have a particular value only in the context of the usual business of the company as a going concern. This value will invariably be significantly higher than the disposal value, where, there is not a willing seller. Disposal values for mineral assets may be a small fraction of going concern values.

In accordance with the Valmin Code, we have prepared the "Range of Values" as shown in Table 4, section 8.5. Field visits were not made as the authors are familiar with the surface geology and uranium mineralisation styles of the district. Regarding the project it is considered that sufficient geotechnical data has been provided from the reports covering the previous information pertaining to the area to enable an understanding of the geology. This, coupled with knowledge of the area provides sufficient information to form an opinion as to the current value of the mineral assets.

Yours faithfully,



Allen J Maynard

BApp.Sc(Geol), MAIG, MAusIMM.

### 3.0 COUNTRY BACKGROUND

#### 3.1 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 ("NEA"). Specific areas of competence of the NEA include inter alia, safety and regulation of nuclear activities, radioactive waste management and nuclear law liability. The NEA works in close collaboration with the International Atomic Energy Agency ("IAEA") in Vienna. Turkey ratified the 1968 Treaty on the Non-Proliferation of Nuclear Weapons and its Additional Protocols and is a party or contracting party to a number of International Conventions pertaining to the Nuclear Industry.

Historically there has been no commercial mining of uranium or construction of nuclear power plants in Turkey. The Government has set a goal that atomic energy is to cover 20% of the nation's electricity needs by 2030 and it is currently in negotiations with Korea-Electric Power Corp to build four light-water reactors in the country. 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.

#### 3.2 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 ("MENR"). The Ministry is the principal competent authority in the national energy sector and is responsible for the preparation and implementation of energy policies in coordination with its subsidiary and related institutions.

In the past sole mandate for the exploration and mining of uranium was held by the State entities General Directorate of Mineral Research and Exploration ("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 which amended certain provisions of Turkish Mining Law No. 3213 allowing any Turkish citizen or company established under Turkish laws to hold mining rights. In this regard particular reference is made to Article 50 of Law 5177 which states "*Exploration and operation of thorium and uranium minerals after the effective date of this Law will be subject to the provisions of this Law*".

Under Mining Law minerals are under the sovereignty and disposition of the State and are not under the proprietorship of the landowners of the land where they exist, i.e. surface right ownership does not convey ownership of the underlying minerals which always rests with the State. The State delegates its right to explore and operate mines to individuals or companies for specific periods by issuing licences subject to payment of a royalty to the State. Implementation of the law was seen to provide foreign investors as well as local investors with a more investment friendly environment.

The General Directorate of Mining Affairs ("GDMA") a division of MENR is the authorised body to regulate mining activities and issue mining licences. For the purpose of licensing the Mining Law categorises minerals into six groups:

- Group 1 – sand, gravel and clay for general use in the construction, ceramic and cement industries;
- Group 2 - marble and other similar decorative and facing stones;
- Group 3 - salts in a form obtained from sea, lake or spring water;
- Group 4\* - energy, metal (base and precious) and industrial minerals;
- Group 5 - gem stones; and
- Group 6 - radioactive minerals and other radioactive substances.

\*Group 4 is subdivided into three sub-groups (a to c) of which Group 4 (b) is made up of Peat, Lignite, Bituminous Coal, Anthracite, Asphaltite, Bituminous Schist, Bituminous Shale, Radioactive Minerals (Uranium, Thorium, Radium).

Mining Law does not permit any overlap of tenure for the same group of minerals but does permit overlap of tenure over the same area where tenure is for different groups of minerals.

Exploration licences (“EL”) (the licence issued for Group 5 is called an exploration certificate in the legislation) are granted for an initial term of three years and the right of priority in the application process, for ground over which there is no prior or existing licence, is based upon the date of application. Ground which becomes available as a result of the withdrawal of a licence is tendered through public auction which is won by submitting, as a sealed bid, the highest cash offer. Upon application and the payment of additional rents, etc, ELs are renewable once for an additional period of two years (for a total of 5 years).

Application for an Operation Licence (“OL”) may be made at any time during the tenure of the EL. It is granted for a period of not less than ten years and may be extended for a period not to exceed 60 years however, only the Council of Ministers is authorised to extend the term after the end of the 60 years. It is a requirement to commence mining operations within one year of grant of the OL. Failure to start operations within the period is subject to a penalty of a 10% royalty on the projected production quantity for each year of not operating.

In addition to an operation licence, an operation permit is required to commence production activities. An operation licence covers the area in which the mining activities will be conducted and provides the legal right to use the licensed area whereas the operation permit provides the licence holder the right to operate the mine. The duration of the operation permit is limited to the duration of the operation licence.

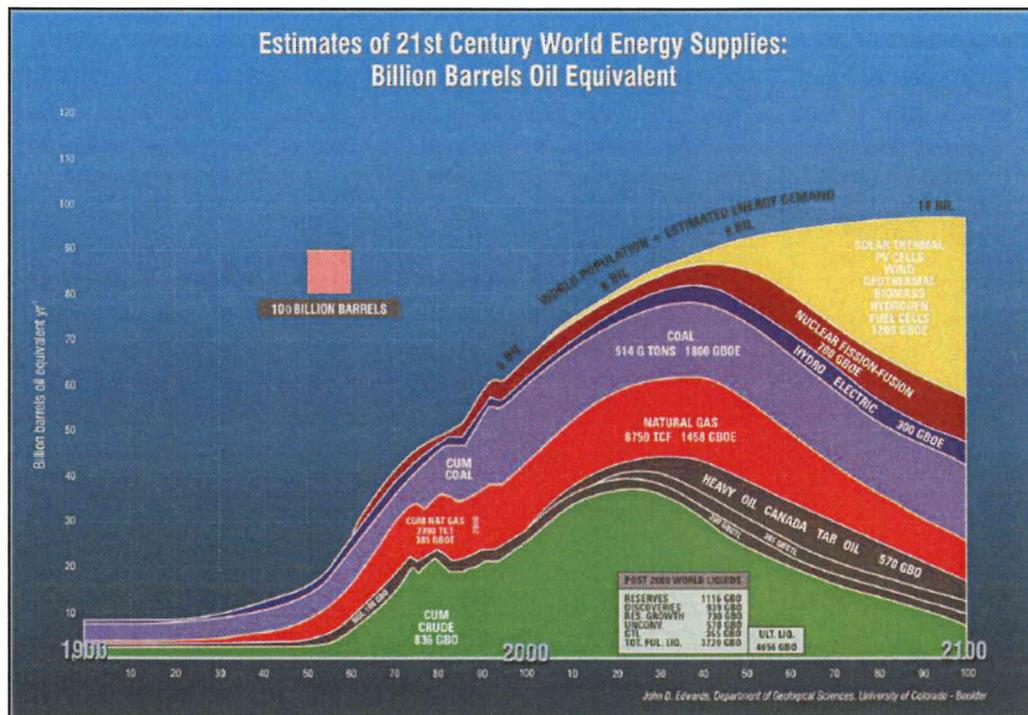
Operation licences and discovery rights may be assigned to those qualified under the Mining Law and the transfer must be registered at the GDMA. Parties may also execute a royalty agreement rather than transferring the licence. Under a royalty agreement the holder of the operations licence grants the right of operation of the mine to the operator for a certain period in exchange for a royalty payment. Such agreement contractually binds the parties but does not result in the legal transfer of the licence nor does it form a part of the official record at the GDMA.

Licence holders must pay a 2% royalty to the state/province which is determined, inter alia, by the value of the raw material at the extraction point. An additional 0.2% royalty is paid to the municipality. A discovery right, if registered against the title, entitles the holder of that right to a 1% royalty from the licence holder.

The ownership of the mineral rights does not convey the ownership of the surface rights where the mineral resources are located. Surface access rights to carry out any mining activities may be obtained through the creation of easement right(s), land purchase or leasing whilst privately owned land may be expropriated. Usage of State owned land is not subject to any payment other than a 30% increase to the State royalty.

#### 4.0 WORLD URANIUM DEMAND

With declining oil and gas resources, and with coal becoming an unacceptable energy source on the basis of its socio-economic limitations extending over the next 30 years, nuclear power appears to be the most viable, although not necessarily the most universally acceptable, source of energy to generate the large quantities of electrical power that will be required. The need for viable energy fuel is predicted to become critical by mid-century as, by present thinking, all conventional energy sources are predicted to peak during this period and alternative resources are anticipated to fill the gap (Figure 1).



**Figure 1: Estimates of 21<sup>st</sup> Century World Energy Supplies.**  
 (Modified from Limerick, et al 2003)

There is still considerable uncertainty about the future of nuclear power and a number of issues could slow the development of new nuclear power plants. Plant safety, radioactive waste disposal, and the proliferation of nuclear weapons which continue to raise public concerns in many countries, may hinder plans for new installations, and high capital and maintenance costs may keep some countries from expanding their nuclear power programs. Nevertheless, the Independent Evaluation Office (part of the International Monetary Fund) projection for world nuclear electricity generation in 2025 is 25% higher than their projection just 5 years ago.

Most of the expansion of installed nuclear power capacity is expected in non-OECD countries. China, India, and Russia account for almost two-thirds of the projected net increment in world nuclear power capacity between 2006 and 2030.

The spot price for uranium hit a record of US\$136/lb in June 2007 although the price has softened considerably, almost in a straight line decline, to around US\$45/lb by the beginning of 2010, and presently at or around US\$48/lb. However, volatility can enter the market, as an example a spike of US\$2/lb (over 4%) to US\$47.50/lb occurred in October 2009 when news of BHP Billiton's problems at Olympic Dam created a force majeure on uranium (and copper) contracts until later this year. This comes on back of the continuing problems faced by Cameco Corporation at its Cigar Lake uranium mine in Canada.

There is hope that uranium prices will rise significantly from current levels to encourage new production sources from projects which generally have lower uranium grades. The London CRU Group suggests that average uranium grades for projects at feasibility and exploration stage are respectively 35% and 60% lower than grades at current mines. As a result next generation projects could face higher operating costs on average than current producers.

This disparity is yet to be reflected in mid and long term uranium price indicators which have remain largely steady at US\$55/lb and US\$65/lb.

## **5.0 TURKEY'S URANIUM DEMAND**

Historically there has been no commercial mining of uranium or construction of nuclear power plants in Turkey. The Government has set a goal that atomic energy is to cover 20% of the nation's electricity needs by 2030 and is currently in negotiations with Korea-Electric Power Corp to build four light-water reactors in the country. 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.

Turkey has been exploring for uranium in-country since the 1980s in order to eliminate the possibility of becoming dependent on external uranium resources for its nuclear programme.

## **6.0 BACKGROUND TO THE URANIUM PROJECT**

This report has been provided by way of a detailed study of information provided by AWH. AWH is focused solely on the exploration and exploitation of uranium mineralisation. The licences variously offer grass roots exploration through to advanced pre-feasibility targets.

The Project area contains basement granitic rocks overlain by more recent Tertiary aged sediments including conglomerate, sandstone and mudstone which, in part, are overlain by andesite and limestone. Uranium washed from the basement rocks during weathering and, transported by underground and meteoric waters, was concentrated and deposited in the sandstone units. The uranium mineralisation appears to best fit a sandstone hosted roll-front style deposit.

The project area has historically been a source of low grade lignite, used for local power generation, but it wasn't until the 1980s when the State entity General Directorate of Mineral Research and Exploration ("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 throughout the project area.

The main aim of the proposed exploration is the discovery of commercial uranium mineralisation. The exploration target is sandstone hosted roll-front uranium mineralisation. The project area contains a number of clusters of strong radiometric anomalies that, other than the two sites, have never adequately been drill tested. The radiometric anomalies are associated with a sandstone unit which hosts the majority of the uranium mineralisation in the project area.

The uranium mineralisation is related to bedded formations and bound to the development of epigenetic stratiform redox boundaries when reduced permeable strata became infiltrated by oxygenic uranium bearing groundwater derived from the surrounding granitic basement undergoing deep weathering. The physical dimensions of the mineralisation appear to resemble classic sandstone hosted roll-front deposits which are typically "C" shaped across the aquifer.

Overall the exploration model has considerable potential for the discovery of medium to large tonnage uranium deposits hosted principally in the sandstone unit(s). Nevertheless whilst sandstone may be regarded as the most prospective unit for commercial uranium mineralisation regional exploration may also target the organic rich sediments lying above the sandstone units for syn-sedimentary uranium mineralisation within carbonaceous clays, marls and lignite.

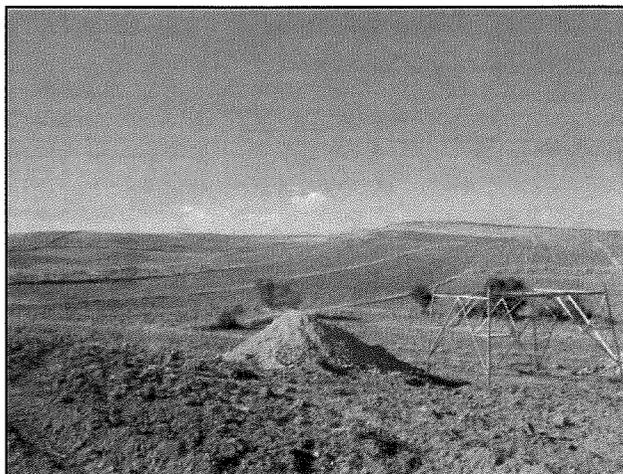


Figure 2: Location of the Licences.

## 7.0 URANIUM PROJECT

### 7.1 Introduction

The uranium district is considered to be one of the most significant and richest districts in Turkey. The total area held under licence is some 140,000 ha. Specific access to exploration sites are often via unsealed dirt roads maintained by local villages. The local track network provides year round access although it would be incumbent upon AWH to share in their maintenance should the surface deteriorate to the detriment of the local users.



The project area is sparsely populated with most people working on small family landholdings producing wheat and other crops (Figure 3). Locally some areas are irrigated using river water or from natural springs. Major infrastructure is available including power and water. The project area is gently undulating and is drained by small ephemeral creeks most of which dry out in the summer months

**Figure 3: Typical Countryside in the Project Area.**

*(Note construction of power transmission line)*

The project area experiences a continental climate with hot dry summers and cold snowy winters. Rain tends to fall in the spring and autumn months. Exploration is possible year round although preference is to work between March and December

### 7.2 Tenure

There are 94 exploration licences either in the name of Adur Madencilik Ltd Sti, or Aldridge Mineral Madencilik Ltd Sti. They have been granted for Group IV minerals which at the time of grant included energy (uranium, thorium), coal, metals and industrial minerals for an initial period of three years. Subsequently a recent change to the Mining Law which added a sixth mineral group to include radioactive minerals requires that an application is made to the Mining Department to change the group of the licences to Group VI by 24 December 2010. The licences are renewable for a further period of two years and all but two are currently in their first three (3) year term.

There is an annual rent payable to the GDMA on January of each year. The total annual rental fee for 2010 for the 94 ELs was YTL51,700 (approximately \$37,500). Performance bonds, known as guarantee deposits, must be lodged for each EL prior to commencement of exploration. These bonds total some YTL187,077 (approximately \$141,000) and are refundable upon the expiry of the licences subject to satisfactory performance.

GDMA does not impose a minimum annual expenditure although it does monitor by way of exploration activity reports the work undertaken during the reporting period.

It is noted that additional ELs may be acquired as they become available through the tender process.

### **7.3 Description of the Project Area**

#### **7.3.1 Target Uranium Mineralisation Style**

The project area contains a number of known sandstone hosted "palaeochannel-related" uranium deposits. This style of deposit, defined as an epigenetic concentration of uranium minerals (generally uraninite (UO<sub>2</sub>) or coffinite (USiO<sub>4</sub>)), typically hosted by fine to coarse grained sediments deposited in fluvial, alluvial, lacustrine or marginal marine environments, constitute about 18% of world uranium resources.

These sandy sediments form aquifers through which uranium bearing groundwater can flow. The uranium and other metals dissolved in the ground water precipitate out of the ground water when its flow meets an oxidation/reduction interface in the sandstone. This typically forms a uranium deposit known as a roll front. Roll fronts are found around the world and are the type of uranium deposit typically mined by the in-situ leaching ("ISL") method.

#### **7.3.2 Regional Geology**

The basement rocks are metamorphosed granite and granodiorite intruded during crustal thickening. They outcrop widely throughout the project area, often as craggy hill-tops and in part are extensively altered. These rocks have an elevated uranium content and are considered to be the source of the uranium hosted in the overlying sandstone units.

The igneous basement is overlain by Tertiary conglomerate, sandstone and mudstone, carbonates and other volcanics. Recent Quaternary alluvium is widespread particularly on the flanks of hills and in river valleys.

In general the sediments fill paleo-valleys within paleo-topographic basement depressions during a marine transgression. Today these paleo-valleys and basins have been explored in some detail revealing trends that can be used for tracing uranium mineralisation.

Recent tectonic movement has, in part, gently folded the sedimentary succession.

At a regional scale the district is considered important for its deposits of lignite, uranium and volcanogenic massive sulphide (copper-lead-zinc-gold).

#### **7.3.3 History of Discovery**

Regional airborne radiometric surveys, mostly peripheral to or at some distance from the 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 tenor of the mineralisation was not considered significant and the area was abandoned for most of the 1970s.

In 1980 a review of the earlier work by the Uranium Division of the Department of Energy, Raw Material and Exploration ("MTA") concluded that the region might have important uranium occurrences and uranium exploration re-commenced in the summer of 1980 by the Uranium Division. With the early acquisition of positive results work continued throughout the 1980s however, it must be noted that MTA's efforts were directed on mining plans using open pit methods and not the ISL recovery method contemplated today.

#### **7.3.4 Historical Exploration**

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 (74,000 metres) 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.

A considerable amount of this data has been retrieved including, inter alia, collar file, lens numbering, depth of encountered mineralisation intervals from surface, thickness of interval, grade as chemical assay and eU3O8, rock type/lithology, and geophysical bore hole logs including gamma and resistivity curves. No core samples have been saved although there is core from later drilling in the area by a company exploring for lignite.

#### **7.3.5 Site Geology**

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.

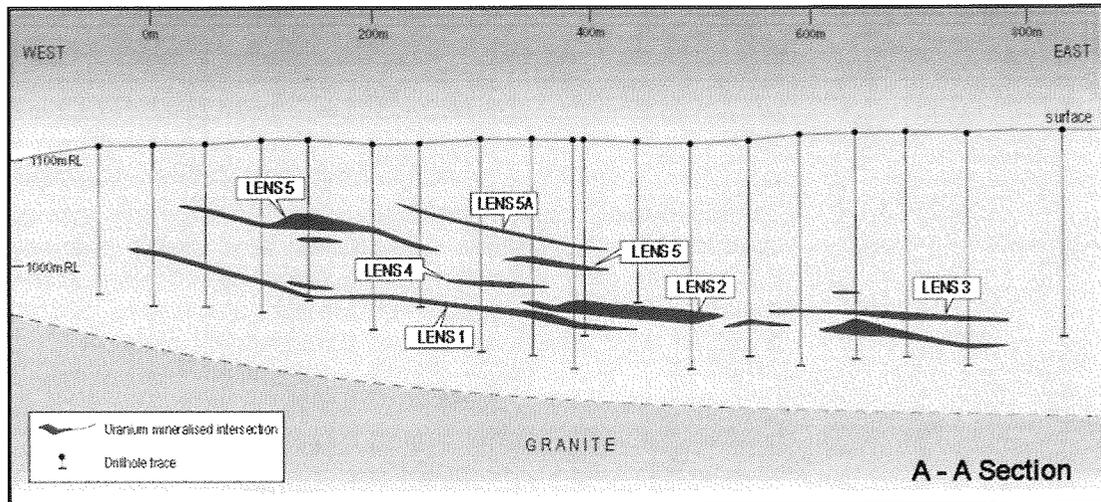
Late stage volcanism seen as tuffs and agglomerates are in part interbedded with the units. The units are interpreted to be affected by flexural folding (warping) parallel and orthogonal to the north easterly basin axis. Uranium mineralisation is post movement but pre-Pliocene age. Pliocene age white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

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

Recent wind blown Quaternary sand has drifted over parts of the area with sand, silt and clay occurring along local stream beds.

### 7.3.6 Uranium Mineralisation

The uranium mineralisation occurs as stratiform tabular lenses principally within the coarse sandstone (Fig 4).



**Figure 4: Typical Cross Section of Uranium Mineralisation.**  
(Looking North)

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 remaining 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 fully drilled out to the top of the basement. One reason that there was no exploration for this deeper mineralisation may be that the MTA were only considering an open pit model which excluded depths over 200m. The depth of uranium mineralisation is not so critical for ISL methods.

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 so appears suitable for recovery using ISL.

In summary it is suggested that 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 of the uranium bearing solutions follows the downward gradient of the paleo-topography towards the northeast whilst the groundwater recharge area is considered to be the surrounding granitic basement which is most likely also the source of the uranium.

### 7.3.7 Uranium Grade ( $U_3O_8$ ) 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 by the Uranium Division of the Department of Energy Raw Materials and Exploration

with results ranging from 30ppm up to 13,300ppm (1.33%)  $U_3O_8$  and, adopting a cut-off of 50ppm, a weighted average of 913ppm (0.0913%)  $U_3O_8$ .

The RC bore-hole uranium grades were calculated from the down-hole gamma logs using standard industry methodologies to derive an equivalent e $U_3O_8$  value. Calculated uranium values within mineralised intervals ranged between 16ppm and 10,750ppm (1.075%) e $U_3O_8$  and, adopting a cut-off of 50ppm, a weighted average of 265ppm (0.0265%) e $U_3O_8$ . A comparison of the calculated uranium grades using gamma logs and the laboratory assay grades for 501 intervals shows a high degree of correlation (0.964 correlation coefficient) between the two methodologies, although it is noted that on average the radiometric grade under reports the laboratory assay value.

The MTA reserve report (1989) for the uranium deposit outlined a range of resource estimates using a number of methodologies with lower cut off grades applied to the calculated e $U_3O_8$  grades. These estimates were compiled by competent geoscientists using the best estimation tools available at the time nonetheless, given that MTA's reported resource estimates assumed an open pit model, including a lower cut-off grade of 0.03% (300ppm) e $U_3O_8$ , these estimates would not be entirely appropriate for the planned ISL extraction methods nor compliant with the JORC Code. Since ISL has the potential to recover small pods of uranium ore at lower grades not considered economically extractable by open cut mining methods the earlier estimates are likely to be conservative.

However, AM&A considers that the quantity and grade of those earlier estimates are of the right order and that with further drilling a target size, for the Temrezli 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.

In its appraisal of the exploration data AM&A has been informed that the original Turkish geologist(s) who worked on the project have been in communication with AWH's geological team in Turkey and confirmed that the manner in which the drilling, geological logging and sampling of the drill core were undertaken at the time is of a similar standard and methodology to that required and undertaken today. In effect the ability to call on this first hand geological knowledge and experience provides all reasonable drilling provenances for reporting purposes.

AM&A has reviewed the data and information using a number of verification methodologies and found the database to be true and accurate. The analyses files were uploaded into a verification, compositing and modelling database where numerous check and modelling routines were performed in order to best estimate and confirm the exploration tonnage potential.

#### **7.4 Future Exploration Plan**

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.

#### **7.4.1 Exploration Budget**

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

<b>Activity</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Ground Geochemical Survey(s)	110,000	127,000	146,000	383,000
Airborne Survey		420,000	120,000	540,000
Drilling	932,000	3,222,000	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	244,000	468,000	429,000	1,141,000
Resource/Reserve Estimations	75,000	75,000	75,000	225,000
Metallurgical & Process Design	125,000	621,000	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
<b>Total</b>	<b>1,799,000</b>	<b>5,385,000</b>	<b>7,816,000</b>	<b>15,000,000</b>

**Table 1: Exploration Budget for 3 Years.**

## **8.0 VALUATION OF THE LICENCES**

### **8.1 Methods and Guidelines**

Without proven ore reserves it is very difficult to place a singular dollar value on any mining tenement. However, with due regard to the guidelines for assessment and valuation of mineral assets and mineral securities as adopted by the AusIMM Mineral Valuation Committee on 17 February 1995 – the Valmin Code (updated 1999 & 2005) – we have derived the estimates listed below using the appropriate method for the current technical value of the mineral exploration properties as described.

The following ASIC publications have also been duly referred to and considered in relation to the valuation procedure: Practice Note (“PN”) 42 on Independence of Expert’s Reports which is read in conjunction with Practice Note 43 (Valuation Report and Profit Forecasts), Policy Statement (“PS”) 74 (Acquisitions agreed to by shareholders) and Policy Statement 75 (Independent Expert Reports to Shareholders). These PNs & PSs were replaced by ‘Regulatory Guidelines’ 111 & 112 on 30th October, 2007.

The subjective nature of the valuation task is kept as objective as possible by the application of the guideline criteria of a “fair value”. This is a value that an informed, willing, but not anxious, arms length purchaser will pay for a mining (or other) property in a transaction devoid of “forced sale” circumstances.

#### **8.1.1 General Valuation Methods**

The Valmin Code identified various methods of valuing mineral assets, including:-

- Discounted cash flow,
- Capitalisation of earnings,
- Joint Venture and farm-in terms for arms length transactions,
- Precedents from similar asset sales/valuations,
- Multiples of exploration expenditure,
- Ratings systems related to perceived prospectivity,
- Real estate value (Empirical) and,

- Rule of thumb or yardstick approach (Empirical).

### **8.1.2 Discounted Cash Flow/Net Present Value**

This method provides an indication of the value of a property with identified reserves. It utilises an economic model based upon known resources, capital and operating costs, commodity prices and a discount for risk estimated to be inherent in the project. Alternatively a value can be assigned on a royalty basis commensurate with the in situ contained metal value.

Net present value ('NPV') is determined from discounted cash flow ('DCF') analysis where reasonable mining and processing parameters can be applied to an identified ore reserve. It is a process that allows perceived capital costs, operating costs, royalties, taxes and project financing requirements to be analysed in conjunction with a discount rate to reflect the perceived technical and financial risks and the depleting value of the mineral asset over time. The NPV method relies on reasonable estimates of capital requirements, mining and processing costs.

### **8.1.3 Joint Venture Terms**

The terms of a proposed joint venture agreement may be used to provide a market value based upon the amount an incoming partner is prepared to spend to earn an interest in part or all of the property. This pre-supposes some form of subjectivity on the part of the incoming party when grass roots properties are involved.

### **8.1.4 Similar Transactions**

When commercial transactions concerning properties in similar circumstances have recently occurred, the market value precedent may be applied in part or in full to the property under consideration.

### **8.1.5 Multiple of Exploration Expenditure (MEE or PEM)**

The multiple of exploration expenditure method ('MEE') is used whereby a subjective factor (also called the prospectivity enhancement multiplier or 'PEM') is based on previous expenditure on a tenement with or without future committed exploration expenditure and is used to establish a base value from which the effectiveness of exploration can be assessed. Where exploration has produced documented positive results a MEE multiplier can be selected that takes into account the valuer's judgment of the prospectivity of the tenement and the value of the database. MEEs can typically range between 0 to 3.0 applied to previous exploration expenditure to derive a dollar value.

### **8.1.6 Ratings System of Prospectivity (Kilburn)**

The most readily accepted method of this type is the modified Kilburn Geological Engineering/Geoscience Method and is a rating method based on the basic acquisition cost ('BAC') of the tenement that applies incremental, fractional or integer ratings to a BAC cost with respect to various prospectivity factors to derive a value. Under the Kilburn method the valuer is required to systematically assess four key technical factors which enhance, downgrade or have no impact on the value of the property. The factors are then applied serially to the BAC of each tenement in order to derive a value for the property. The factors used are; off-property attributes on-property attributes, anomalies and geology. A fifth factor that may be applied is the current state of the market.

### **8.1.7 Empirical Methods (Yardstick – Real Estate)**

The market value determinations may be made according to the independent expert's knowledge of the particular property. This can include a discount applied to values arrived at by considering conceptual target models for the area. The market value may also be rated in terms of a dollar value per unit area or dollar value per unit of resource in the ground. This includes the range of values that can be estimated for an exploration property based on current market prices for equivalent properties, existing or previous joint venture and sale agreements, the geological potential of the properties, regarding possible potential resources, and the probability of present value being derived from individual recognised areas of mineralisation. This method is termed a "Yardstick" or a "Real Estate" approach. Both methods are inherently subjective according to technical considerations and the informed opinion of the valuer.

### **8.1.8 General Comments**

The aims of the various methods are to provide an independent opinion of a "fair value" for the property under consideration and to provide as much detail as possible of the manner in which the value is reached. It is necessarily subjective according to the degree of risk perceived by the property valuer in addition to all other commercial considerations. Efforts to construct a transparent valuation using sophisticated financial models are still hindered by the nature of the original assumptions where a known resource exists and are not applicable to properties without an identified resource. The values derived for this report have been concluded after taking into account:-

- The cost and accuracy of the existing technical data and its relevance to the prospect;
- Using the exploration data and potential as a measure of worth;
- The general geological environment of the property under consideration is taken into account to determine the exploration potential;
- Current market values for properties in similar or analogous locations; and
- Current commodity prices: When needed prices are obtained from up to date websites for the various commodities involved. No prices were used for this valuation.

### **8.1.9 Environmental implications**

Information to date indicates that the licences do not contain fauna or flora species regarded as being rare, threatened or endangered. This will need to be reviewed by an environmental specialist.

### **8.1.10 Commodities-Metal prices**

In this valuation current mineral (uranium) prices were not considered during the valuation.

### **8.1.11 Resource/Reserve Summary**

No JORC compliant resources have been identified.

### **8.1.12 Previous Valuations**

No previous valuations have been declared within the last two years.

### **8.1.13 Encumbrances/Royalty**

No royalty payments are considered in this valuation.

## 8.2 Valuation of the Licences

To arrive at a fair market value several aspects in addition to the technical valuation methods are considered. Major advantages are:-

- Proximity to State and Provincial centres and their associated infrastructure including power and water,
- Timing of the development coincides with Turkey's intention to construct a nuclear power facility and to, preferably, source some or all of its uranium fuel from in-country,
- Turkey's intention to construct more nuclear power plants to enable atomic energy to cover 20% of the nation's electricity needs by 2030, and
- The licences provide the distinct possibility to identify additional uranium mineralisation beyond that currently identified.

These factors increase the confidence level of the various ascribed value ranges as discussed below.

### 8.2.1 Selection of Valuation Method

In the preparation of a tenement valuation, a valuer must give consideration to a range of technical issues as well as make a judgment about the "market". Key technical issues that need to be taken into account include:

- Geological setting of the property and style of mineralisation,
- Results of exploration activities on the tenement - usually data from soil mapping, trenching, mapping and drilling,
- Interpretation of geophysical data and remotely sensed information,
- Evidence of mineralisation on adjacent properties, and
- Proximity to existing infrastructure and production facilities to the property.

In addition to these technical issues the valuer has to take particular note of the market's demand for the type of property being valued. An adjustment of the technical value of a mineral tenement should only be made if the technical and market values are obviously out of phase with each other.

The Discounted Cash Flow method is not applicable without Proven or Probable Reserves nor a mining plan. The Kilburn method was considered but provides a range of values that is so wide that it is not realistic.

The MEE method is applicable as considerable exploration has been undertaken on some of the licences and while exact historical costs are not known sufficient exploration detail is provided to estimate an attributable cost in today's terms; in addition Joint Venture arrangements are in place which enables the JV method to be applied.

## 8.3 MEE Method

The two reports of MTA dated 1987 and 1989 provide sufficient detail of the exploration conducted over the period between 1980 and 1985 however, while work continued through to 1989 AM&A has taken the view that, for conservatism, most exploration costs would have been incurred over the first five year period. It is noted that the majority of MTA's exploration was conducted within the licences owned by AWH.

Historic costs are dominated by RC and diamond drilling costs which amount to some 65% of total costs whilst second is salary/wages which comprises some

20% of total costs.

In light of MTA's discovery of significant exploration potential of between 8 to 10Mlb of U<sub>3</sub>O<sub>8</sub> with additional uranium mineralisation intersected at other regional sites, AM&A considers their exploration produced positive results and that a prospectivity enhancement multiplier range from 1.7 to 1.9 is considered appropriate and the preferred factor is the mid-point of 1.8 that can be applied to the estimated costs to derive a current cash value. The summary of the total 'equivalent cash' value components to acquire a 100% interest is tabulated below:

<b>Item</b>	<b>Value A\$000s</b>	<b>Preferred PEM</b>	<b>Current Value A\$000s</b>
Historic Exploration	9,800	1.8	17,640
Future Exploration Costs Committed <sup>1</sup>	4,894		4,894
<b>Total</b>			<b>22,534</b>

**Table 2: Current Value for 100% estimate by MEE Method.**

<sup>1</sup> Attributable costs have been allocated on the basis of 72% of the first year expenditure, 45% of the second year and 15% for the third year.

Thus A\$22.53M (+/-10%) is derived as a current cash value for a 100% interest in the licences within a range of A\$20.28M to A\$24.79M on a simple straight-line basis using the MEE method.

#### **8.4 JV Valuation Method**

The Company has reached agreement to acquire up to a 75% shareholding in Aldridge Uranium Ltd ("Aldridge"), the holder or beneficial holder of the 94 exploration licences referred to in Section 7.2. Under the terms of the Scheme of Arrangement Implementation and Farm-In Joint Venture Agreement and subsequent Deeds of Variation:

- the Company shall carry out a consolidation of capital on a basis of one (1) AWH share for 40 AWH shares (approximately);
- the Company shall acquire an initial 35% shareholding in Aldridge by issuing to a new company that is to be incorporated (which will be wholly owned by the Aldridge shareholders) ("Subco") 31,233,000 fully paid ordinary shares ("AWH Shares") and Class A Performance Shares (see below);
- the Company can acquire a further 35% shareholding in Aldridge (to take its a total shareholding in Aldridge to 70%) through spending a maximum of \$15 million within a three year period on the Project to advance to a Bankable Feasibility Study level; and
- the Company can acquire an additional 5% shareholding in Aldridge (to take its total shareholding in Aldridge to 75%) pursuant to a put and call option which, if exercised by either the Company or Subco, may give rise to the issue to Subco of a maximum of 2,380,025 AWH Shares.

Upon the delivery of a JORC compliant estimated resource of 20Mlb of contained U<sub>3</sub>O<sub>8</sub>, the Class A Performance Shares will convert into 17,718,919 AWH Shares. In the event that the resource is less than 20Mlb but greater than

15Mlb of contained U<sub>3</sub>O<sub>8</sub>, then the consideration of the 17,718,919 AWH Shares shall be pro-rata on the basis of 3,543,784 AWH Shares for every 1Mlb of U<sub>3</sub>O<sub>8</sub> delivered over 15Mlb.

The underlying transaction between AWH and Aldridge is pursuant to arrangements entered into between AWH and Ariona Company S.A., pursuant to which the Company acquires Constellres Ltd and the rights to the transaction ("Constellres Deed"). The consideration pursuant to the Constellres Deed is as follows:

- the issue of 4,219,000 post consolidation ordinary shares in the capital of the Company;
- 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 U<sub>3</sub>O<sub>8</sub>, on or before 30 June 2015 ("End Date") each be convertible to 42,190 post consolidation ordinary shares (such that if all the Class D Performance Shares were converted they would convert into a total of 4,219,000 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.

The summary of the total cash and 'equivalent cash' value components of the agreement to acquire a 75% interest, assuming that none of the A Class or D Class performance shares are issued, is tabulated below-

Item	Current Value A\$000s
Cash	100
Shares Aldridge	5,302
Expenditure	15,000
<b>Total</b>	<b>20,402</b>

**Table 3: Current Value for 75% estimate by JV Method.**

Thus A\$20.40 (+/-10%) is derived as a current cash value for a 75% interest in the licences providing a value of A\$27.20 for a 100% interest within a range of A\$24.48M to A\$29.93M on a simple straight-line basis using the terms of the Joint Venture.

### **8.5 Valuation Conclusions**

The salient features pertaining to the Turkish uranium assets of AWH are detailed in the above sections of this report with an overall viewpoint of describing the data and technical content and using this information to formulate AM&A's opinion on the current cash value of the project as a whole.

In order to arrive at our valuation conclusions for the current cash value ranges and consequent preferred value, AM&A have utilised two different valuation methods, namely the MEE and the JV methods.

Both methods derive valuations which show reasonable parity from the low (A\$20.28M - \$24.48M) to high (A\$24.79M - \$29.93M) value ranges, their most likely or preferred valuations, being the average of the low to high in each instance, as summarised below in Table 4.

The most likely, or preferred value in both the MEE and JV cases is ascribed as the average value from the low and high ranges of each method. The 'final' valuation conclusion is the result of the average obtained from the preferred value of each method – a 'mean of averages' to put it that way (Table 4).

Method	Low A\$000s	High A\$000s	Preferred A\$000s
MEE	20.28	24.79	22.53
JV	24.48	29.92	27.20
<b>Average</b>	<b>22.38</b>	<b>27.36</b>	<b>24.87</b>

**Table 4: Range of Values for 100% of the Licences (22nd October, 2010).**

Thus as shown in Table 4 above it is AM&A's opinion that the current cash value of a 100% interest in the licences is A\$24.87M from within the range of A\$22.38M to A\$27.36M.

Yours faithfully,



Allen J Maynard

BApp.Sc(Geol), MAIG, MAusIMM.

## **9.0 GLOSSARY AND ABBREVIATIONS**

Agglomerate:	A rock composed of coarse accumulations of blocks of volcanic rock that contain at least 75% bombs.
Arenites:	general name for sedimentary rocks composed of sand-sized fragments irrespective of composition; e.g., sandstone, greywacke, arkose, and calcarenite.
Andesite:	An intermediate to mafic volcanic rock composed essentially of andesine plagioclase and one or more of the minerals olivine, pyroxene, and iron and titanium oxide.
Basalt:	An extrusive volcanic rock of low silica (<55%) and high iron and magnesium composition, composed primarily of plagioclase and pyroxene, with or without olivine.
Basement:	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
Cainozoic:	An era of geological time from 65 million years ago to the present.
Conglomerate:	A rock composed predominantly of rounded pebbles cobbles or boulders deposited by the action of water.
CPR:	Competent Persons' Report = Independent Geological Report.
Cretaceous:	The third and oldest of the periods comprising the Mesozoic era, 145 to 65 million years ago.
Crystalline:	Pertaining to or having the nature of a crystal, or formed by crystallization;
Diamond drilling:	Method of obtaining a cylindrical core of rock by drilling with a diamond impregnated bit.
Eocene:	The second oldest of three epochs occurring within the Paleogene period from 56 million years to 34 million years ago.
Epigenetic:	Occurs after the formation of the surrounding rocks and other events of mineralisation.
Flexures:	General terms for a fold, warp, or bend in rock strata. A flexure may be broad and open, or small and closely compressed.
Fold:	A term applied to the bending of strata or a planar feature about an axis.
Geochemical:	Samples of soil, rock chips, stream sediments, or sub-surface material analysed for the metal commodity being sought and/or path finder elements.
Geochemistry:	The study of the distribution of elements in rocks and minerals.
Geomorphology:	The science of the study of landforms.
Geophysical:	The exploration of an area in which geophysical properties and relationships unique to the area are mapped by one or more geophysical method.
Granite:	A coarse grained igneous rock containing mainly quartz and feldspar minerals and subordinate mica.
Granitic:	Pertaining to or composed of granite.
Granodiorite:	A coarse grained igneous rock containing mainly quartz, feldspar and hornblende and/or biotite.
In-situ leach:	A low cost method for extracting metals, principally uranium, from ore by injecting leaching solutions into the ground and pumping the solution to the surface.
Interbed(ded):	Inserted among others, as a bed or stratum of lava between other beds of a different material.

Lacustrine:	Lake environment.
Lignite:	Brown coal with characteristics somewhere between peat and coal.
Limestone:	A sedimentary rock containing at least 50% calcium or calcium-magnesium carbonates.
Lineation:	Any linear structure within or on a rock resulting from flowage shown by rotation of mineral grains or other bodies, intersection of planes, slippage along glide planes and growth of crystals.
Lithologies:	The character of a rock described in terms of its structure, colour, mineral composition, grain size, and arrangement of its component parts; all those visible features that in the aggregate impart individuality to the rock. Lithology is the basis of correlation in sandstone hosted uranium deposits and commonly is reliable over a distance of a few kilometres.
Marl:	Is a calcium carbonate or lime-rich mud or mudstone which contains variable amounts of clays and aragonite.
Metallurgical:	The testing of samples in order to define their metallurgical characteristics with the view of extracting metals.
Metamorphic:	A term used to describe a rock which has undergone alteration of its composition, texture or internal structure by conditions and forces related to pressure, heat and the introduction of new chemical substances.
Mudstone:	A fine grained sedimentary rock formed from clay.
Open pit:	A mining method that comprises extraction of re from the surface without the need for underground development or access.
Palaeo:	A geological term denoting great age or remoteness in time.
Paleocene:	The oldest of the three epochs occurring within the Paleogene period from 65 million years to 56 million years ago.
Pliocene:	The second oldest of the four epochs occurring within the Neogene period from 23 million years to recent times.
Plunge:	The inclination of a fold axis or other geologic structure, measured by its departure from the horizontal. Mainly used for the geometry of folds.
Pre-feasibility:	An intermediate study to determine the likely economic viability of a project.
Pyrite:	A mineral composed of iron sulphides ( $\text{FeS}_2$ ); "fools gold".
Quaternary:	The youngest period of the Cainozoic Era from 2 million years to 11.5 thousand years ago.
RAB:	Rotary Air Blast Drilling method employing a type of open-hole air blast drilling.
RC:	Reverse Circulation Drilling method employing percussive action to break the rock, and in which sample material is delivered to the surface inside the rod string by compressed air.
Radiometrics:	Branch of science that deals with radiometric phenomena.
Redox:	Reduction – Oxidation reaction where atoms have their oxidation numbers changed.
Reserve:	That portion of a mineral resource on which technical and economic studies have been carried out to demonstrate that it can justify extraction at the time of the determination and under specified economic conditions.

Resource:	A tonnage or volume of rock or mineralisation or other material of intrinsic economic interest, the grades, limits and other appropriate characteristics of which are known with a specified degree of knowledge.
Sandstone:	A sedimentary rock composed of cemented or compacted detrital minerals, principally quartz grains.
Sedimentary:	A collection of transported fragments or precipitated materials that accumulate, typically in loose layers, as of sand or mud.
Siltstone:	A rock intermediate in character between a shale and a sandstone composed of fine silt sized grains.
Stratiform:	Seemingly occurring parallel to the rock strata but not necessarily deposited at the same time.
Sub-outcrop:	The near-surface position of bedrock or strata on a paleo-surface under an overlying cover of detritus and soil.
Sulphide:	A mineral compound containing sulphur and metal.
Tectonic:	The process of deformation in the earth's crust that produce its continents, ocean basins, mountains, and major folds and faults.
Tertiary:	Subdivision of geological time covering the period from 65 million years to 1.6 million years ago.
Tuff:	Rock consolidated from volcanic ash.
U <sub>3</sub> O <sub>8</sub> :	An oxide of Uranium used as a standard of comparison between uranium bearing minerals and deposits.

#### ABBREVIATIONS

<b>A\$</b>	Australian dollar currency
<b>AIG</b>	Australian Institute of Geoscientists
<b>ASIC</b>	Australian Securities and Investments Commission
<b>asl</b>	above sea level
<b>AusIMM</b>	Australasian Institute of Mining and Metallurgy
<b>JORC</b>	Australasian Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code" or "the Code"), which sets out minimum standards, recommendations and guidelines for Public Reporting of exploration results, Mineral Resources, and Ore Reserves in Australasia.
<b>ha</b>	hectare
<b>HQ</b>	diamond core having a nominal diameter of 63.5mm
<b>km</b>	kilometre
<b>lb</b>	pound
<b>m</b>	metre
<b>M</b>	million
<b>Mlb</b>	million pounds
<b>PQ</b>	diamond core having a nominal diameter of 85mm
<b>t</b>	tonne
<b>US\$</b>	United States of America dollar currency
<b>YTL</b>	Turkey New Lira currency

#### UNITS OF CONCENTRATION

<b>ppm</b>	parts per million
------------	-------------------

## 10.0 PRINCIPAL SOURCES OF INFORMATION

AusIMM, (2004): "Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code), prepared by the Joint Ore Reserves Committee (JORC) of the AusIMM, the Australian Institute of Geoscientists (AIG) and the Minerals Council of Australia (MCA)", effective December 2004.

AusIMM. (2005): "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code)" 2005 Edition.

AusIMM, (1998): "Valmin 94 - Mineral Valuation Methodologies"

Baohong, H., Fabris, A.J., Keeling, J.L., Fairclough, M.C., 2007, MESA Journal 46.

Boyukonal, G., 1985, Distribution of the Major and Trace Elements in the Volcanic Rocks of Yozgat Area, Turkey.

Campbell, M.D., King, J.D., Wise, H.M., Rackley, R.I., Handley, B.N., 2008, The Nature and Extent of Uranium Reserves and Resources and their Environmental Development in the U.S. and Overseas.

Canadian Institute of Mining, Metallurgy and Petroleum, (2000), "CIM Standards on Mineral Resources and Reserves-Definitions and Guidelines". Prepared by the CIM Standing Committee On Reserve Definitions. Adopted by CIM Council August 20, 2000.

CIM, (April 2001), "CIM Special Committee on Valuation of Mineral Properties (CIMVAL)" Discussion paper.

CIM, (2003): - "Standards and Guidelines for Valuation of Mineral Properties. Final Version, February 2003". Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on Valuation of Mineral Properties (CIMV AL).

Fohse, H., 2008, Evaluation of the Temrezli Uranium Deposit and Some General Assessment Notes on Cainozoic Sandstone Type Uranium Favourability in Turkey

General Directorate of Mineral Research and Exploration, Department of Feasibility Studies, Division of Energy and Raw Materials, 1987, Geological Report of Uranium Field Numbered OIR.396 In Yozgat-Sorgun Area.

General Directorate of Mineral Research and Exploration, Department of Feasibility Studies, Division of Energy and Raw Materials, 1989, Yozgat-Sorgun Temrezli Uranium Field Reserve Report.

Kilburn, LC, (1990): "Valuation of Mineral Properties which do not contain Exploitable Reserves" CIM Bulletin, August 1990.

Oner, G., Nasun, G., Cataltas, H., Okutan, H., 1988, In Situ Leaching of Yozgat-Sorgun-Temrezli Uranium Deposit – Related Laboratory Experiments.

Onder, S., 2006, Turkey's Mining Regime.

Organisation for Economic Co-Operation and Development, 2008, Nuclear Legislation in OECD Countries, Regulatory and Institutional Framework for Nuclear Activities Turkey.

Rudenno, (1998): "The Mining Valuation Handbook".

Tokay, M., Erentoz, C., (unknown date), Uranium and Thorium Possibilities in Turkey.

Turkish Mining Law Numbered 3213 (Amendments Brought by Law Numbered 5177).

Yildirim-Ozturk, M., Onder, S., 2009, A New Mining Law for Turkey.