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KYRGYZ REPUBLIC – NIMRODEL TO PURCHASE URANIUM PROJECT

Nimrodel Resources has signed an agreement with UK-based company Pangaea Energy enabling it to purchase 80% of the Kamushanovskoe Uranium Project in the north of the Kyrgyz Republic.

The option agreement also includes acquisition of the 720sqkm Jetym uranium exploration lease in the east of the Kyrgyz Republic.

The deal gives Nimrodel the option to purchase Pangaea's advanced uranium project near the Kyrgyz capital of Bishkek following completion of a 90 day due diligence period. This will enable Nimrodel to increase the company's Kyrgyz asset base which includes uranium and gold projects at various stages of development.

Pangaea has reported that the Kamushanovskoe Uranium Project has produced positive metallurgical results with the possibility for Nimrodel to begin initial production as early as 2010. The project is expected to bring solid early revenue streams with minimal up-front capital requirements, representing a very early payback period.

The Kamushan project contains 2.5 million pounds of indicated and inferred at-surface JORC-compliant uranium resources at 370ppm U3O8 with significant expansion potential. Importantly, the uranium is in soft ore and located within 3.4 metres, on average, from the surface. There is also significant expansion potential within the exploration licence, which covers an area of more than 500sqkm.

In recent modelling, Pangaea has calculated that the project can be built by the second half of 2010 for about US\$13 million by utilizing existing uranium processing facilities nearby. With extraction and processing costs of US\$10-12/pound, the project has robust economics and for this reason it is expected that the entire resource can be economically extracted. These estimates and the basis for them will be reviewed as part of Nimrodel's due diligence program.

Kamushanovskoe is on the doorstep of the town of Kamushan, and has all necessary infrastructure, including rail hub and uranium processing facilities just 60km away on sealed roads.

Nimrodel's managing director John Heberton says, "We are very pleased to have signed this agreement with Pangaea. The project is a good fit for us and can be developed in parallel with our ongoing gold and uranium exploration activities within the region.

"The deal gives Nimrodel access to an advanced uranium project with near-surface deposits in close proximity to existing uranium processing facilities and infrastructure. It ticks all the boxes in terms of what we were looking for including short-term production and significant expansion potential."

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