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Nimrodel Plans To Advance Its Gold And Uranium Interests In Kyrgyzstan In A Major Way This Autumn

By Our Man in Oz

There was a surprising pause from John Heberton when Minesite asked him which particular project is driving Nimrodel Resources at the moment. "That's a good question," was the initial response. "Both our uranium and gold assets have reached a rather interesting point", he continued, during a brief chat his Perth office with Minesite's Man in Oz. "Uranium is opening up on a number of fronts, and the latest assays from the Tyuz-Ashuiskaya gold project point to the potential for the development of a substantial mine." But, the best clue as to how Kyrgyzstan-focused Nimrodel is finding it hard to choose a leader from its uranium and its gold is the way it proposes to allocate funds from a planned A\$5 million capital raising - half is earmarked for uranium and half for gold.

Investors will learn a lot more about the company's plans over the next few days, as Heberton is scheduled to unveil more details at investor presentations in Dubai and London. Minesite's request for a sneak preview of what he will be saying was politely declined - we'll just have to wait like everyone else. That, however, doesn't stop a nosy journalist from linking together recent events at Nimrodel and arriving at a set of reasonable assumptions. These include a desire to push ahead rapidly with drilling on the gold claims, to get up to a bankable feasibility study on the Kamushan uranium property, with the added potential for a deal with a mining major on the company's potentially very big Batken uranium property.

Gold first, only because it's the hot commodity thanks to an occasional peak above a price of US\$1,000 an ounce. Until a few weeks ago, gold had played second fiddle at Nimrodel, but it rose to an equal standing when results from fresh samples in an old Soviet era trench at Tyuz-Ash were released. These included 13 metres at 6.3 grams a tonne of gold, plus 2.8 grams a tonne of silver and 0.2% cobalt. Inside that 13 metre zone was a metre of material with a gold grade of 51.5 grams a tonne. "Those are the highest gold grades we've yet recovered from surface sampling", John said. "What they tell us is that the gold mineralisation is more widespread than we have previously known, and help pinpoint locations for drilling."

One of the curious features of Tyuz-Ash, which is located inside the rich Tien Shan gold belt, is that despite excellent gold assays from Soviet-era trenching, no-one ever got around the punching down a few drill holes. Perhaps a shortage of drills delayed the early explorers - sourcing a rig is also proving to be a challenge for Nimrodel. "We're busy doing that right now, and should be drilling by the end of October", John said. "We want a portable rig which can handle the terrain, but the trenching results are helping pinpoint drill pads."

A second curious feature of Nimrodel's best gold property is that it is effectively surrounded by a number of large gold properties. These include a two million ounce Highlands/Barrick resource and a 3.1 million ounce resource held by Aim-traded Charaat Gold, although none of these other properties have yet gone into production, even if Charaat has been stepping up its marketing in London recently. Nimrodel's ground position in this exciting gold province covers 70 square kilometres, including 7.5 kilometres of surface gold mineralisation, making it easy to see why there is confidence that a resource of more than 500,000 ounces will be relatively easy to prove up.

Uranium, which once dominated interest in Nimrodel, still remains high on the company's agenda, but John concedes that progress on finalising the purchase of the promising Kamushan project has been slower than he had hoped it would be. "We would like to move ahead with a bankable feasibility and be in production by the end of the next year", John said. "But we need to complete all the paperwork, include the all-important transfer of the lease covering the deposit from Pangaea Energy. And that requires formal government approval." Once all agreements are in place, Nimrodel wants to move quickly with the mining and processing of the uranium resource at Kamushan, which holds a JORC-code compliant 2.5 million pounds of U3O8 with a current value of US\$125 million.

Meanwhile, the frustration of legal ownership hurdles is not an issue at the 90 per cent-owned Batken uranium project in the far south-west of Kyrgyzstan. It's here, in a geological setting similar to the highly-productive Mailuu Suu uranium deposit, which yielded 10,000 tonnes of uranium in the Soviet era, that Nimrodel holds four licenses covering 1,946 square kilometres of ground. If you could pick a near-perfect address for uranium discovery and processing, given the presence of existing uranium plants, Batken is it. This is why at least one of the western world's biggest uranium producers is rumoured to be interested in having a closer look at the data Nimrodel has collected from ground and air surveys.

Nimrodel is one of those company's which was hammered in last year's great sell-off of exploration stocks. Its share price bottomed at A4 cents in March, but has climbed back to a recent high of A10 cents in late August, before settling lately at A8 cents. The key now is to organise a fresh funding package, which is top of John's agenda as he heads for Dubai and London, and then to apply the capital in equal proportions to advancing exploration and development of the company's gold and uranium assets.

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