

Nimrodel develops uranium model

Recognising Kyrgyzstan as a country with a long history of uranium mining and the potential to be rich in other mineral resources including base metals has laid the foundations for success for Nimrodel Resources. By **Wally Graham**

The company listed on the Australian Securities Exchange in November 2006 as a mineral and energy exploration company with the primary objective to explore and develop mineral and resource opportunities at its Buckaroo Copper Project located in New South Wales.

As part of its ongoing charter to acquire and/or participate in additional mining and energy opportunities in Australia and overseas, Nimrodel has since completed the 100% acquisition of Kyrgyzstan exploration company Linia Prava Uranium (LPU) in July this year.

LPU currently holds a 90% interest in four granted exploration licences in the Batken Oblast covering an area in excess of 3600 square kilometres in the southern Fergana Valley, located in the southwestern region of Kyrgyzstan.

Uranium exploration commenced in the region with geological mapping during the 1930s. This was followed by the identification of uranium mineralisation by the Soviets throughout the Batken Oblast by both visual and ground radiometric

surveys in the 1940s and 1950s. This was augmented by 2315sq.km of regional airborne radiometric surveys in 1973 that included the area now covered by LPU's Saryadirskaia licence and eastern portions of its Kozubaglanskaya licence.

During the Cold War the Fergana Valley became a focus for uranium exploration and mining. The major Mailuu-Suu deposit in the northeast of the valley was mined from 1946 to 1967, providing the earliest source of uranium for the Soviet nuclear program while the existing uranium plant at Hojent in Tajikistan is less than 10km from the LPU leases.

By acquiring LPU, Nimrodel gained important ground in Kyrgyzstan as the former has been actively exploring in the Fergana Valley region since 2005 and has a fully operational office in the capital city of Bishkek with highly professional staff including geologists, field support and office personnel.

"We are unique because we have a professional, fully operational company which is established and respected in Kyrgyzstan," Nimrodel managing director

John Heberton told *RESOURCESTOCKS*.

"We are not just a bunch of Aussie explorers going over there, hiring a couple of geologists to do some drilling and just saying, 'yes we're here'.

"LPU is a wholly owned subsidiary of Nimrodel and they own 90 percent of these leases.

"We knew that it was important for us to have a proven operating company in central Asia, otherwise logistically you just can't make it work. Together with LPU we have the resources and expertise to efficiently implement projects anywhere in Kyrgyzstan.

"An important facet of Nimrodel, and one that differentiates us from other companies, is that the LPU Kyrgyz people are shareholders in Nimrodel. We are issuing options to our people there, not just the shareholders, but to all the people involved in the operation of the company. It is a true partnership.

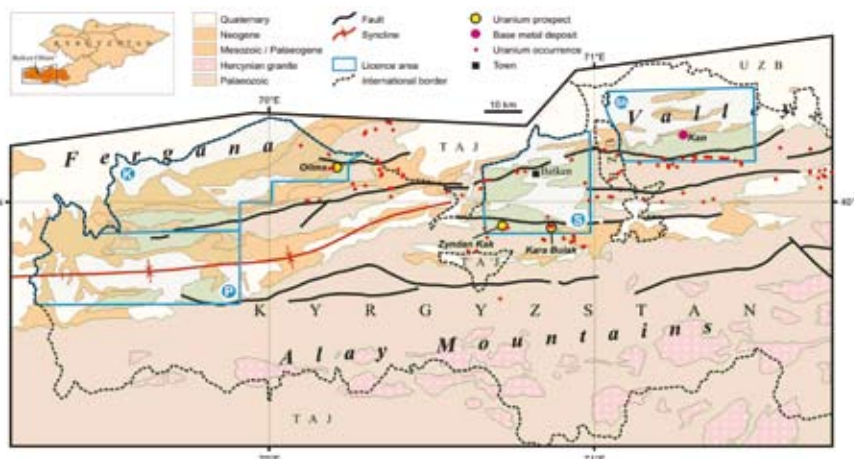
"We have about 30 people working for us now in the head office in the capital of Bishkek, as well as a regional base that we have just bought down in Batken, which is a regional airport that sits within one of our leases."

The Fergana Valley project areas continued to be the subject of uranium exploration in the shape of regional airborne radiometric surveys undertaken by Soviet geologists up until the 1970s, which established the presence of numerous radiometric anomalies.

Other work carried out on the licence areas by the former Soviet geologists, and subsequently followed up by LPU, included radiometer spot checks of uranium anomalies, followed up by water, soil and rock geochemical sampling supported by trenching, pitting and adits within some target areas.



Nimrodel managing director John Heberton.



Nimrodel's licence areas in the Batken Oblast region of Kyrgyzstan.



Nimrodel managing director John Heberton (centre in yellow shirt) with the Linia Prava team at the Bishkek office.

All this confirmed the existence of uranium mineralisation in a number of localities which have been earmarked for exploration follow-up and extension.

When *RESOURCESTOCKS* spoke with Heberton he had just returned from Kyrgyzstan where Nimrodel has been following up this previous exploration with a coordinated regional approach commencing with a comprehensive airborne survey to maximise prospect identification covering the entirety of the licence areas.

"We are currently carrying out an air geophysical survey on all of the 3600 square kilometres of leases, something which hasn't been done since Soviet times," Heberton said.

"The helicopter-borne survey is world scale, covering over 21,000 line kilometres.

"The Soviets had their uranium mines in this area and they carried out a lot of exploration work down here, both ground borne and airborne.

"We have access to all of that data so what we are doing now is applying state-of-the-art Western exploration technology.

"The current focus for us is to complete the airborne survey, followed up by the interpretation work, which will include a review of the Soviet work and the more recent LPU surveys. This will enable us to establish a ground-borne exploration program which will maximise the potential of our leases.

"LPU has previously done some ground borne survey work that confirmed the Soviet work to be conservative, which is what we believed it to be anyway."

Politically stable, Kyrgyzstan is one of five central Asian democratic republics that were previously part of the Soviet Union and was a founding member of the Commonwealth of Independent States.

It has a free market economy and is a World Trade Organisation (WTO) member with freedom to transfer funds, export goods and exchange currency.

Kyrgyzstan's geology is similar to its

neighbours Kazakhstan and Uzbekistan, both prominent uranium producing countries.

The Shu-Sarysu and Sudaraya uranium deposits in South Kazakhstan have total resources more than 1 million tonnes of uranium, which equates to 20% of known global recoverable resources in the region.

The Government's favourable disposition towards uranium mining is evident by its involvement in the large Kara-Balta processing facility in the country's north, which recovers yellowcake transported from Kazakhstan.

"We can actually get things done there quicker and more efficiently than we can in Australia," Heberton said.

"Kyrgyzstan has a very attractive, safe investment structure with Western style exploration and mining legislation. After receiving an exploration licence you are required to spend a particular amount of money and complete a certain amount of work.

"This is because the Government realises the land is valuable, so they are not going to let you just buy the leases and then sit on them."

Of most importance to Nimrodel is Kyrgyzstan's close proximity to the major energy and base metal hungry markets of Russia, India and China.

"The country's longest border is with China so there's no surprise that the Chinese are very interested in talking to us," Heberton continued.

"They would rather buy uranium from a neighbour where local roads and infrastructure make transportation much easier and much cheaper."

Nimrodel is confident that the airborne geophysical survey will be finished by early to mid December, which will enable it to have the full report out by the end of January. The company will then complete the interpretation of the report and, based on that, will begin ground survey and drilling work.

"I'm really excited about this because

this entire area is highly prospective," Heberton said.

"I recently received a prognosis report from the Kyrgyz state agency for geology saying that two of our leases there could hold some 197,000 tonnes of uranium. We now need to prove this up.

"There is also a lot of historic Soviet data that we have got. The area hasn't been touched in the last 30 years, which presents a huge exploration opportunity. This is now being recognised and as a result good leases are increasingly difficult to find.

"What we are now doing is to apply the latest Western technology and structures, work together with our Kyrgyz team, which knows this area intimately, have walked over it and got their hands dirty working it, bring it all together and make it work.

"We have got a solid mix of some young professionals along with the older geologists who previously worked in the uranium plants and who are basically capable of smelling uranium.

"The trick is to capture all this expertise and experience. We are making it work; we have a really good team." **RS**

nimrodel resources at a glance



Source: Iress

Head Office

Level 5

33 York Street

Sydney NSW 2000

Ph: +61 2 8916 6777

Fax: +61 2 8916 6732

Email: johnh@liniaprava.com.au

Web: www.nimrodel.com.au

Directors

Alan Broome (Chairman),

John Heberton (Managing Director)

Bernard Siddall, Emmanuel Correia,

Ian Macpherson

Market Capitalisation

\$62.31 million (at press time)

Major Shareholders

Nikolajs Zuks 24.98%

Jumaliev Imanbek 8.19%

Adams Reward 7.02%