Media Release

1 April 2009

Resource Capital Research – March Quarter 2009

Equity research report

Global uranium companies

Key Points

Uranium Market:

- **The spot uranium price US$42.50/lb has remained under pressure from concerns of fund selling and postponed utility discretionary purchases.**
- **The Fund Implied Price (FIP), a key leading price indicator is currently US$35/lb reflecting market expectations of near term downside price risk.**
- **The FIP over the past few months has traded between US$30/lb to US$45/lb and has traded in the low to mid US$30's/lb throughout March.**
- **The long term contract uranium price is US$69.50/lb down from US$70/lb Dec '08, and relatively stable since peaking at US$95/lb in 2007/08.**
- **The current divergence of spot and contract prices likely reflects the negative impact on the spot price of supply (fund) and demand (utility) responses to the global financial crisis.**
- **Industry fundamentals, however, remain strong, underpinning support for the contract uranium price, with anticipated growth in the number of nuclear reactors and risk of supply shortage mid term (4-8 years).**

Uranium Companies:

- **The market valuation of Australian companies with one or more uranium projects is up 11% over the past month and up 19% over the past 12 months.**
- **This compares with a selection of Canadian companies with one or more uranium projects, up 8% over the past month and up 43% over the past 12 months.**
- **Production and development stage companies continue to face significant challenges in financing and developing new projects, including cost pressures and potential delays variously relating to permitting, infrastructure development, commissioning and now credit and equity market weakness.**
- **Strategic interest in uranium projects continued in 1Q09 with a number of significant deals announced. Perhaps most significantly for Australian projects was Mega Uranium's deal with Japanese group JAURD for 35% of Lake Maitland.**

Resource Capital Research ("RCR"), an equity research company which focuses on small and mid size resource companies, today launched its major quarterly research report covering 16 global uranium exploration and development companies.

The quarterly report typically reviews companies listed in Australia, Canada, USA and UK and active in established uranium districts globally, including Australia, Canada, USA, Argentina, Peru, Mongolia, Zambia, Tanzania and Namibia.

To access the free summary report or to purchase the complete 80 page comprehensive report, go to www.rcresearch.com.au/reports. RCR has also published gold and tin sector reports for 1Q09.

Equity market performance

The market valuation of Australian companies with one or more uranium projects is up 11% over the past month, up 19% over the past 3 months, and down 56% over the past 12 months. This compares with Canadian companies with one or more uranium projects, up 8% over the past month, up 43% over the past 3 months, and down 62% over the past 12 months.

In the past month the majors have had positive share price performance with the exception of Denison: Cameco (CCO) is up 16%, Denison Mines (DML) down 27%, Uranium One (UUU) up 43%, Energy Resources of Australia (ERA) up 11% and Paladin (PDN) up 18%.

Uranium price outlook

The uranium spot price is currently trading at US$42.50/lb, down 19% from US$52.50/lb at 31 December 2008. This compares with the Fund Implied Price (FIP) which was around US$40/lb at calendar year end and has been a good leading indicator of near term spot price performance.

The spot price has remained under pressure from concerns of fund selling and postponed utility discretionary purchases. TradeTech (March 20) indicates the bulk of utility buying remains predominately discretionary and highly price sensitive.

The FIP is currently US$35/lb indicating market expectations of near term downside price risk. The FIP over the past few months has traded between US$30/lb to US$45/lb and has traded in the low to mid US$30’s/lb throughout March.

The long term contract uranium price is US$69.50/lb down from US$70/lb Dec ’08, and relatively stable since peaking at US$95/lb in 2007/08.

World planned and proposed nuclear power reactors

Currently there are 436 nuclear power reactors in operation and 43 under construction. There are 374 new nuclear reactors planned or proposed globally as of Feb ’09, up from 318 (+56 units, +18%) Aug ‘08. A total of 71 new reactors are expected to be commissioned by 2015.

Juniors nearing production:

- **Alliance Resources** (ASX:AGS) targeting 1Q10 start-up at the Four Mile Project (SA, AGS 25%, Heathgate 75%). Environmental and mine permits pending. Independent scoping study and resource upgrades expected 2Q09. Initial production rate 3 Mlb pa U_3O_8;
- **White Canyon** (ASX:WCU) expects mine permits 1H09 for Daneros (USA) – production 2H09 with sales to White Mesa Mill.
- **Honeymoon (SA)** is now expected to be in production mid 2010 (Uranium One, TSX:UUU).

Multiple projects continue to advance through economic assessment/BFS:

- **Berkeley Resources** (ASX:BKY) at Salamanca (Spain) DFS possible by mid 2010; **Energy Metals** (ASX:EME) PFS expected at Bigrlyi (NT) 3Q09; **Energy Resources** (ASX:ERA) Ranger initial options assessment 1H09 and Ranger 3 Deeps PFS mid 2009; **Greenland Minerals and Energy** (ASX:GGG) PFS at Kvanefjeld (Greenland) expected late 3Q09; **Paladin Energy** (ASX:PDN) Isa Project (QLD) PFS expected 2Q09; **Toro** (ASX:TOE) – Napperby (NT) scoping study March-April ’09, and Lake Way/Centipede (WA) optimisation study mid ‘09; **Uranex** (ASX:UNX) Thatcher Soak (WA) scoping study 2Q09 and Manyoni (Tanzania) PFS 4Q09.

Resource upgrades expected:

- **Alliance Resources** (ASX:AGS) Four Mile Project 2Q09; **Berkeley Resources** (ASX:BKY) at Salamanca (Spain) March–April '09; **Black Range Minerals** (ASX:BLR) Taylor Ranch (CO, USA) 1Q-2Q09; **Deep Yellow** (ASX:DYL) targeting 100 Mlb U_3O_8 in Namibia by mid 2009; **Energy Metals** (ASX:EME) Bigrlyi (NT) April '09; **Extract Resources** (ASX:EXT) targeting >250 Mlb U_3O_8 in Namibia 3Q09; **Uranex** (ASX:UNX) Manyoni (Tanzania) 2Q09; **White Canyon** (ASX:WCU) Daneros (UT, USA) 1H09.

Events of the past 3 months include:

- **Strategic investments – Mega Uranium** (TSX:MGA) announced (Feb '09) a deal to sell 35% of Lake Maitland (WA, 23.7 Mlb U_3O_8 @ 0.03%) for US$49m to a Japanese consortium (JAURD and ITOCHU) – valued at US$5.90/lb resource. The price implies valuation using the long term uranium price (US$69.50/lb); **Uranium One** (TSX:UUU) announced (Feb '09) three Japanese companies have taken a 19.95% stake in the company and signed a strategic relationship agreement; **Western Prospector** (TSX.V:WNP) announced (March '09) an all cash offer (C$31m, US$25.3m) from a Chinese subsidiary of CNNC. WNP's main asset is Gurvanbulag (Mongolia); **Rio Tinto** (ASX:RIO) stake in **Extract Resources** (ASX:EXT, extension to Rossing, Namibia) has risen to 15.5% (from 15.2% three months ago); **Uranium Equities** (ASX:UEQ) announced (March '09) Vale (Companhia Vale do Rio Doce) is earning up to 80% in the early stage Headwaters Uranium Project (formerly called Mt Evelyn, NT) located in the prospective East Alligator region; **Bondi Mining** (ASX:BOM, Dec '08) JV with Japanese JOGMEC at the early stage Murphy Project (NT) targeting unconformity style uranium.

"The current divergence of spot and contract prices likely reflects the negative impact on the spot price of supply (fund) and demand (utility) responses to the global financial crisis. Industry fundamentals, however, remain strong, underpinning support for the contract uranium price, with anticipated growth in nuclear reactors and risk of supply shortage mid term (4-8 years)," John Wilson, Managing Director of RCR said.

About Resource Capital Research

Resource Capital Research ("RCR") (www.rcresearch.com.au) was founded in 2004 and is based in Sydney. RCR provides investors with in-depth reports on current investment opportunities in the mining sector both in Australia and globally. The focus is on small and mid cap resource companies, within the gold and uranium sectors, ranging from exploration stage through development and production. John Wilson the principal of the firm and analyst has over ten years' experience analysing mining companies in Sydney and on Wall Street including for major investment banks.

For further information please contact:
John Wilson,
Analyst, Resource Capital Research,
Phone: (+61- 2) 9252 9405,
Email: johnwilson@rcresearch.com.au

The report is available at www.rcresearch.com.au. The next Uranium Sector Review will be published in the June Quarter, 2009.

Abbreviations: WNA – World Nuclear Association, lb – pound, Mlb pa – million pounds per annum, U_3O_8 – uranium oxide.

RCR March Quarter Featured Company Summary

AUSTRALIA

Company	Code	Comment
Alliance Resources Limited	**AGS**	**Advanced Exploration** Uranium production at the 32mlb U3O8 Four Mile Project (AGS 25%) is possible in January 2010, at initial 3mlbspa – environmental and mine permits are pending. Independent scoping study and resource upgrades expected 2Q09. Exploration target 50kt U3O8 (109mlbs).
Aura Energy Limited	**AEE**	**Advanced Exploration** At the Storsjön Project (Alum Shale, Sweden), AEE has a resource target of 330mlbs-1,200mlbs U3O8. It is advancing uranium projects in Australia and West Africa, with promising grassroots exploration results from Mauritania. CY09 exploration majority funded by JV partners.
Berkeley Resources Limited	**BKY**	**Feasibility Study** BKY awaits Spanish Government approval of its Dec '08 JV deal with ENUSA, which has a uranium mill at Salamanca and State Reserve historic uranium resources – target 75mlbs U3O8. Completed Bankable Feasibility Study expected within 18 months of approval.
Black Range Minerals Limited	**BLR**	**Scoping** A new agreement between BLR and Uranium One (TSX:UUU) could see joint development of the Taylor Ranch and Hansen uranium deposits. Taylor Ranch high-grade zones total 23.5mlbs U3O8 (at 0.12%) - resource expansion expected 1Q09.
Deep Yellow Limited	**DYL**	**Advanced Exploration** Cashed up DYL is on track for a 100mlb U3O8 resource in Namibia by mid 2009 (current 46mlb), and producing encouraging results from Mt Isa (QLD) U3O8 exploration. Shares look undervalued with target A$0.30/share if Namibian resources valued at modest ~US$1.50/lb.
Energy and Minerals Australia Limited	**EMA**	**Resource Definition** Initial JORC resource for the Mulga Rock Deposits (Jan '09) is 54.4mlbs U3O8, including 24.1mlbs grading 0.1%. Infill drilling will continue through 2009, with a scoping study, met. results, Ni-Co resource and expanded U resource all expected in 4Q09-1Q10.
Energy Metals Limited	**EME**	**Advanced Exploration** Bigrlyi (NT) revised resource expected April '09. 4Q08 drill results include 5m @ 0.48% U3O8, 0.48% V2O5 (from 80m) and 6m @ 0.26% U3O8, 0.79% V2O5 (from 37m). PFS expected 3Q09. Cappers (NT) initial drilling 4Q08 (500m) confirms shallow, widespread uranium over 5km strike.
Energy Resources of Australia Limited	**ERA**	**Producer** Significant resource expansion at Ranger announced (Jan '09) - up 128% to 115kt U3O8 on lower cut-off (0.02% U3O8) and Ranger 3 Deeps (34kt U3O8). ERA continues to explore and evaluate opportunities to expand, extend and accelerate output. Final year end dividend A$0.20/share.
Extract Resources Limited	**EXT**	**Advanced exploration** EXT has been a standout sharemarket performer with its stock up by >200% since the announcement (Jan '09) of a 108mlb U3O8 resource at Rossing South Zone 1. With total resources of ~250mlb expected by 3Q09, and RIO now holding 15.5% the shares still look undervalued.
Greenland Minerals and Energy Limited	**GGG**	**Advanced exploration** A Pre-Feasibility Study is under way at the Kvanefjeld uranium and rare earths deposit in Greenland, results expected from late 3Q09, including mine plan and process flow sheet. JORC resource 223mlb U3O8 and 2.6mt REO, upgrade scheduled for 1Q09.
Paladin Energy Limited	**PDN**	**Producer** PDN is integrating the stage II expansion at Langer Heinrich taking production to 3.7mlbspa U3O8 (from 2.6mlbs); and expects first production from Kayelekera March '09 (3.3mlbspa U3O8). Solid project pipeline: Skal resource upgrade expected March '09; Mt Isa PFS April '09.

AUSTRALIA (cont.)

Company	Code	Comment
Toro Energy Limited	**TOE**	**Advanced Exploration/Resource Definition/PFS** The 3Q09 release of an optimisation study for the Wiluna (WA) calcrete project (24mlb resource) and an imminent scoping study for Napperby (NT) - on track for 13mlb resource - will be crucial to changing a sceptical market overly influenced by short term spot price trends.
Uran Limited	**URA**	**Mid-Advanced Exploration** URA targets uranium deposits in or near areas of historic production. The underexplored Grants Ridge Project (New Mexico) includes previously mined high-grade mineralisation, in a district that has yielded >340mlbs U3O8. Sampling under way, drilling 2-3Q09.
Uranex NL	**UNX**	**Advanced Exploration** UNX is currently focused on completing the Manyoni PFS (Tanzania) - expected 4Q09. The project, while low grade (15mlbs U3O8 @ 0.015%) is near surface with good regional infrastructure. Resource upgrade expected 2Q09. Thatcher Soak (WA) scoping study expected 1H09.
White Canyon Uranium Limited	**WCU**	**Development** WCU is on the verge of underground uranium production at Daneros (Utah) – high grade core >0.2ft.% U3O8. Mine permit expected Mar '09, first ore sales to Blanding Mill (Denison) possible in late 2Q09. Combined project target 10mlbs U3O8.

CANADA

Company	Code	Comment
CanAlaska Uranium Ltd	**CVV**	**Advanced Exploration** CVV has a strategic land position (2.9m ac in the Athabasca Basin) with a pipeline of high value exploration targets and funding from key strategic investors. Winter drilling schedule - C$4.6m budgeted, drilling 13,600m at 4 projects.