

Media Release

25 March 2010

Resource Capital Research – March Quarter 2010

Equity research report

Global uranium companies

Key Points

Uranium Market:

- The uranium spot price is currently trading at US\$41.25/lb, down 8% from 3 months ago (US\$45.00/lb).
- The Fund Implied Price (FIP) is US\$42.50/lb, which compares with US\$41.40/lb at year end December '08. The FIP has generally been a good leading indicator of near term spot price performance.
- Since August 2009 the FIP has been reasonably stable, trading in a range of ~US\$40/lb to ~US\$49/lb.
- Timing of demand from long term Chinese inventory build remains a factor with potential to influence short term market trends.
- The long term contract uranium price is US\$60.00/lb. It is down from US\$70/lb December 2008, though has been relatively stable, compared with the more thinly traded spot market price.
- There are 469 new nuclear reactors planned or proposed globally as of Feb '10, up from 376 (+93 units, +25%) Dec '08.
- Currently there are 436 nuclear power reactors in operation and 53 under construction.

Uranium Companies:

- The Merrill Lynch Uranium Equity Index (a basket of uranium equities) is up 8% over the past month, up 4% over 3 months and up 24% over the past 12 months.
- The market valuation of Australian companies with one or more uranium projects is up 6% over the past month, up 8% over the past 3 months, and up 173% over the past 12 months.
- This compares with Canadian companies with one or more uranium projects, up 6% over the past month, up 16% over the past 3 months, and up 136% over the past 12 months.

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, Niger and Namibia.

To access the free summary report or to purchase the complete 94 page comprehensive report, go to www.rcresearch.com.au/reports. RCR also publishes gold, iron ore, and tin-tungsten sector reports.

Equity market performance

The market valuation of Australian companies with one or more uranium projects is up 6% over the past month, up 8% over the past 3 months, and up 173% over the past 12 months. This compares with Canadian companies with one or more uranium projects, up 6% over the past month, up 16% over the past 3 months, and up 136% over the past 12 months.

In the past 1 month, the uranium mining majors have had mixed share price performance, with DML being the standout performer to the upside: Cameco (CCO) is down 8% (3 month performance -16%), Denison Mines (DML) is up 16% (3 month performance +44%), Uranium One (UUU) down 14% (3 month performance -8%), Energy Resources of Australia (ERA) up 3% (3 month performance -14%) and Paladin (PDN) up 1% (3 month performance -1%).

The Merrill Lynch Uranium Equity Index (a basket of uranium equities) is up 8% over the past month, up 4% over 3 months and up 24% over the past 12 months.

Uranium price outlook

The uranium spot price is currently trading at US\$41.25/lb, down 8% from 3 months ago (US\$45.00/lb) and compares with US\$52.50/lb at year end December 2008. The Fund Implied Price (FIP) is US\$42.50/lb, which compares with US\$41.40/lb at year end December '08. The FIP has generally been a good leading indicator of near term spot price performance.

RCR's outlook for the uranium price over the next 3 to 6 months is to continue to trade in the US\$40 to US\$45/lb range. Our view is in part informed by the FIP, which at US\$42.50/lb suggests modest further near term upside from the recent spot price low of US\$40.50/lb. Since August 2009 the FIP has been reasonably stable, trading in a range of ~US\$40/lb to ~US\$49/lb. In the absence of unexpected exogenous shocks we anticipate no strong drivers to influence the market outlook through 2010. Utility purchases remain discretionary though timing of demand from long term Chinese inventory build remains a factor with potential to influence short term market trends.

The long term contract uranium price is US\$60.00/lb. It is down from US\$70/lb Dec '08, though has been relatively stable, compared with the more thinly traded spot market price, since peaking at US\$95/lb from May '07 to March '08.

World planned and proposed nuclear power reactors

Currently there are 436 nuclear power reactors in operation and 53 under construction. There are 469 new nuclear reactors planned or proposed globally as of Feb '10, up from 376 (+93 units, +25%) Dec '08. A total of 67 new reactors are scheduled to be commissioned by 2016.

"In the absence of external shocks we anticipate the spot uranium price will trade in a range between US\$40/lb to US\$45/lb for some time. Traders indicate a floor price of around US\$40/lb seems to be holding well but there is no significant utility demand to drive the market up. Timing of purchases from China remains the unknown and has the potential to influence short term price trends." 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.

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The report is available at www.rcresearch.com.au. The next Uranium Sector Review will be published in the June Quarter, 2010. The gold and iron ore reviews are also released quarterly.

Abbreviations: WNA – World Nuclear Association, ktpa – thousand tonnes per annum, lb – pound, Mlb pa – million pounds per annum, U₃O₈ – uranium oxide.

RCR March Quarter Featured Company Summary

AUSTRALIA

Company	Code	Comment
African Energy Resources Limited	AFR	Pre-Feasibility Study AFR is pushing to expand its uranium resource inventory, with drilling expected in 2Q10 at Sitwe (Zambia) – an 8km uranium in soil anomaly – and Gojwane (Sese Project, Botswana), which is a possible extension to the 158mlb U3O8 Lethlakane deposit.
Black Range Minerals Limited	BLR	Scoping BLR is maintaining its intense focus on acquiring 100% (currently 49%) of the Hansen Uranium Deposit, CO (historic ~30mlbs of U3O8), to add to its 60.2mlb U3O8 inventory at adjoining Taylor Ranch. It is also seeking a mining permit for a Taylor / Hansen operation.
Deep Yellow Limited	DYL	PFS, Advanced Exploration Deep Yellow believes it has high enough grades (+400ppm) at its Omalaha project in Namibia to underpin its transition from explorer to potential producer with an open cut operation and 2-3 mlbpa heap leach operation envisaged. PFS is underway with completion late 3Q10.
Energy and Minerals Australia Limited	EMA	Resource Definition The potential for uranium resource expansion at the Mulga Rock Deposits (54.4mlbs U3O8) has been confirmed by the delineation of significant sandstone-hosted mineralisation at Ambassador. A resource upgrade and Scoping Study are expected in 1H10.
Energy Resources of Australia Limited	ERA	Producer ERA is focused on mining, evaluating and exploring its leases in the highly prospective East Alligator River region (NT). New Ranger projects advancing - heap leach potential from 2013; and exploration decline decision for Ranger 3 Deeps expected mid year.
Extract Resources Limited	EXT	Advanced exploration Extract's stock price has fallen below our NAV of A\$8.00/share, probably due to reduced takeover speculation. This seems unjustified - why wouldn't a major seek control of this potential ~600mlb resource at up to US\$4/lb, which would equate to A\$11/share?
Greenland Minerals and Energy Limited	GGG	Advanced Exploration The Kvanefjeld Pre-Feasibility Study forecasts that a US\$2.31bn mine could become one of the world's main sources of REE (43.7kt/yr) and uranium (3.9kt/yr U3O8) - current resource includes 283mlbs U3O8. Uranium mining negotiations are ongoing.
Marenica Energy Limited	MEY	Mid Exploration MEY holds the Marenica uranium deposit (80% MEY), Namibia. Areva acquired a 10.6% strategic stake in MEY Dec '09. This is a significant vote of confidence in the economic potential of the Marenica project given Areva owns the adjacent producing Trekkopje heap leach project.
Monaro Mining NL	MRO	Advanced Exploration Drilling is planned for 2Q10 at two US uranium projects: Rio Puerco (NM) and Apex-Lowboy (NV). Resources 12.3mlbs U3O8. Leveraged to +US\$8m spend by JV partners, including drilling March '10 at a promising grassroots gold project (Bernard, AZ).

AUSTRALIA (cont.)

Company	Code	Comment
Paladin Energy Limited	PDN	Producer PDN has growth potential at African operations to 13.8mlbspa U3O8 (up from 8.5mlbs) from 2014. Langer Heinrich Stage 2 nameplate production achieved of 3.7mlbspa U3O8; Kayelekera nameplate production of 3.3mlbspa expected during 2Q10. PDN valuation A\$4.40/share.
Peninsula Minerals Limited	PEN	Prefeasibility Study PEN is advancing the prospective Lance ISR project in Wyoming. Key resource and economic data are expected 2Q10. BFS expected 1H11; production potential 2012. A significant re-rating of PEN's share price is anticipated as project parameters are confirmed 2010.
Toro Energy Limited	TOE	BFS, Scoping Study and Exploration Cashed-up Toro is creating value on three fronts: progressing the Wiluna (WA) BFS (potential 1.6mlbpa production 2013), developing Wiluna as a regional uranium hub, and actively exploring in WA and NT (A\$4.5mpa). We have a medium term price target of A\$0.18/share.
Uranex NL	UNX	Advanced Exploration/PFS UNX is intensifying efforts in Tanzania; Manyoni heap leach PFS expected 3Q10; initial trenching underway at Itigi over a very large and intense radiometric anomaly; and Mkuju River - resource definition drilling at Likuju North - best intercept 4Q09, 6.3m @ 0.14% U3O8.
White Canyon Uranium Limited	WCU	Production The Daneros Uranium Mine (Utah) could be running at 55ktpa in March 2010. A toll treatment plan has been set with White Mesa Mill: stockpile processing planned for April 2011. Exploration drilling is expected in 1H10 - regional target 10mlbs U3O8.

CANADA

Company	Code	Comment
CanAlaska Uranium Ltd	CVV	Mid Exploration CVV has a large strategic land position (1.13m Ha) in the Athabasca Basin. A C\$10m exploration program is underway Jan - Apr 2010; drilling 5 projects, planning > 50 holes on increasingly refined targets. Since Sept '04 CVV has spent over C\$60m on exploration.
Ur-Energy Inc	URE	Permitting URE is a near-term uranium producer, with its Lost Creek ISR project (WY) expected to operate from early 2011 subject to permitting. Production could ramp up to 1mlbs/yr U3O8, with costs <US\$25/lb. Resource inventory is 26.4mlb U3O8 targetting additional 24-28mlbs.