



31 July 2012

QUARTERLY ACTIVITIES REPORT

JUNE QUARTER 2012

Uranium Project, Central Anatolia, Turkey

Anatolia Energy Limited (**Anatolia** or **Company**) has acquired a 35% interest Aldridge Uranium Pty Ltd (**Aldridge**), an Australian registered company which owns an advanced uranium project (**Project**) in Central Anatolia, Turkey.

The Company has the right to acquire up to a further 40% interest in Aldridge, for a total of 75% (and thereby a 75% interest in the Project), under the terms of the Farm in Joint Venture Agreement (**JV**) between the two parties.

Aldridge's wholly owned Turkish subsidiary Adur Madencilik Ltd Sti (**Adur**) is one of Turkey's foremost uranium exploration companies and it has a large landholding of approximately **160,000ha** (1,600km²) in Turkey's premier uranium district of Central Anatolia. Adur undertakes all in country exploration and administrative activities on behalf of the JV partners.

As previously announced, the Project includes the Temrezli uranium deposit, one of Turkey's largest and highest grade uranium deposits, with a JORC compliant Mineral Resource Estimate of **17.41Mlb** of contained uranium at a grade of **1,170ppm (0.117%) U₃O₈**.

The Turkish government is supportive of nuclear power generation and initially proposes to construct a nuclear power plant with an electric capacity of 4.8GW (gigawatts) to assist in achieving its goal that, by 2030, 20% of the nation's electricity consumption will be provided by nuclear fuelled power generation plants.

Project Activity for the Quarter:

During the quarter, a total of approximately \$333,000 was advanced by way of cash or value of services deemed to be JV expenditure, bringing the total JV expenditure to date to approximately \$4.46 million.

Adur has advised that, in addition to routine exploration matters, its prime focus of activity for the quarter was to obtain all necessary consents from local landowners in support of its recent application to the General Directorate of Mining Affairs ("**MIGEM**") for conversion of the southern part of the Temrezli uranium deposit from an Exploration Licence into an Operation Licence for a term of not less than 10 years. It is anticipated that the MIGEM will grant the Operations Licence later this year. Adur will then have a further 2 years in which to complete feasibility studies and to gain the necessary approvals to obtain an Operations Permit that will allow for the commencement of mining operations.

Landowners, the local community as well the local Municipality of Sorgun support Adur's current and planned exploration activities and have consented to the drilling of additional holes within the northern half of the Temrezli uranium deposit as well as at a number of regional drill locations commencing at the Sefaatli uranium prospect.

September Quarter Project Activities

Given the current state of the Company's finances following its recent fund raising activities, Adur has planned an accelerated drill program of in excess of \$1,000,000 to fund some 100 bore holes totalling about 10,000 metres of advance through to the end of 2012. This program consists of drilling at the Temrezli uranium deposit, and elsewhere at a number of near-site and regional exploration locations commencing at the Sefaattli prospect where, in the 1980s, the Turkey General Directorate of Mineral Research and Exploration outlined sporadic uranium mineralisation over a strike length of 9,000m.

It is expected that up to 40% of this program will be completed during the September 2012 quarter.

Drilling at Temrezli is to consist of rotary tri-cone through the barren overburden and HQ diamond coring of the mineralised intervals. Whilst the primary intention is to upgrade the class of the current Mineral Resource Estimate and to better understand the geometry and continuity of the mineralised intervals at a drill spacing of better than 50m, selected intervals of core will be submitted to the laboratory for leach kinetics test work. These samples are designed to test the leaching properties of all the main mineralising horizons within the "core" area of the Temrezli uranium deposit, as well as to identify any leach kinetics variance across the deposit. Many of the bore holes will be constructed as "water bores" for the purposes of the on-going assessment of the regional groundwater conditions and to conduct hydraulic testing of the mineralised horizons at a scale approaching that which is typical for In Situ Recovery ("ISR") operations.

Drilling at the more advanced Sefaattli prospect but also elsewhere at a number of regional sites where ground mapping has confirmed the occurrence of prospective Tertiary sediments will consist initially of rotary tri-cone drilling to the granite basement.

All holes will be geologically and geophysically logged, the latter using the Company's Matrix system from Mount Sopris with a probe, type 2PGA-1000, to record gamma ray intensity in counts per second ("cps"), electrical self potential, and single point electrical resistance.

The early results of this test work at the Temrezli uranium deposit is expected to be sufficient for the Company to engage a leading process engineering company to prepare a Scoping Study (Preliminary Economic Assessment) for the purposes of identifying the principal capital and operating costs associated with the establishment of an ISR uranium processing facility that can treat ore from Temrezli and other satellite deposits.

Corporate Activity for the Quarter:

On 7 May 2012 the Company announced that;

- a. it would undertake a placement to s708 sophisticated investors to raise approximately \$4.4 million @ 10c (\$0.10) per share with a 1 for 1 free attaching 18c option having an expiry of 15 June 2017. To quickly raise approximately \$800,000 the Company initially utilised its 15% capacity under ASX Listing Rule 7.1 (**Tranche 1**) and, the balance of \$3.6 million (**Tranche 2**) following shareholder approval in general meeting;
- b. it would extend to shareholders the offer to participate in a 1 for 10 rights issue to raise up to a further \$1.1 million by the issue of shares and attaching options on the same terms as per the placement in (a.) above;
- c. it had appointed London based Nucap Limited as its agent and sales representative for the sale of uranium produced in Turkey; and
- d. it had reached agreement to extend the JV earn-in period expiry date by 2 years.

The Company released its Entitlement Issue Prospectus on 11 May 2012. The original closing date of 15 June 2012 was later extended to 17 July 2012.

On 22 May 2012 a total of \$803,697.90 was raised on completion of Tranche 1 of the placement by the issue of 8,036,979 ordinary shares at 10c (\$0.10) per share plus one attaching free option exercisable at 18c with an expiry of 15 June 2017.

On 25 June 2012 in general meeting, shareholders approved the balance of the placement and ratified the prior issue of shares and options.

Corporate Activity Subsequent to Quarter End:

\$3,638,077.10 was raised on completion of Tranche 2 of the placement to 5708 investors by the issue of 36,380,771 ordinary shares at 10c (\$0.10) per share plus one attaching free option exercisable at 18c with an expiry of 15 June 2017.

A further \$81,045.50 was raised from shareholders who participated in the rights issue with a further \$268,954.50 underwritten shortfall to be taken up by the underwriter.

A total of \$4,791,776 in new equity finance has been raised before costs of the offer which were approximately \$221,000 including \$168,300 in financing fees.

On 9 July 2012 the Company announced the appointment of Mr James (Jim) Graham as a director of the Company. Mr Graham has over 43 years resource industry experience including the past 30 years primarily in senior corporate and consulting positions within the uranium industry. Mr Graham is a highly respected and internationally recognised leader in the nuclear fuel industry and his appointment as a director represents a very strong, professional and prominent addition to the Board.

Further information regarding the Company is available by contacting Mr Lee Boyd on telephone +61 (0) 8 6461 1365, fax +61 (0) 8 6461 1355 or email admin@anatoliaenergy.com.au.

Competent Person

The information in this report which relates to Exploration Results and Mineral Resources is based on information compiled by Mr Dmitry Pertel and Mr Robert Annett, who are Members of the Australian Institute of Geosciences ("AIG"). Mr Pertel is employed by CSA Global Pty Ltd and Mr Annett is a non-Executive Director of Anatolia Energy Ltd. Mr Pertel and Mr Annett have over 20 years of exploration and mining experience in a variety of mineral deposit styles, and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pertel and Mr Annett consent to inclusion in the report of the matters based on his information in the form and context in which it appears.