



31 October 2012

## **QUARTERLY ACTIVITIES REPORT SEPTEMBER QUARTER 2012**

### **Uranium Project, Central Anatolia, Turkey**

Anatolia Energy Limited (**Anatolia** or **Company**) has acquired a 35% interest in Anatolia Uranium Pty Ltd (**AUL**) (formerly Aldridge Uranium Pty Ltd), 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 AUL, for a total of 75% (and thereby a 75% interest in the Project), under the terms of the Farm-In Joint Venture Agreement (**JV**) with its joint venture partner Vetter Uranium Ltd.

AUL's wholly owned Turkish subsidiary Adur Madencilik Ltd Sti (**Adur**) is one of Turkey's foremost uranium exploration companies and has a large landholding of approximately **160,000ha** (1,600sqkm) 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%) eU<sub>3</sub>O<sub>8</sub>**.

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 \$449,000 was advanced by way of cash or value of services deemed to be JV expenditure, bringing the total JV expenditure to the date of this report to approximately \$5.2 million.

Following the Company's fund raising activities Adur advised the Company that in September it commenced a rotary and diamond drill program with the intention to drill test a number of regional sites which are considered prospective for Eocene-aged sediment hosted uranium mineralisation, similar to what is seen at the Company's Temrezli uranium deposit.

Adur has 98 Exploration Licences (**ELs**) located mostly within a 40km radius of the Temrezli uranium deposit and all contain Eocene or younger sediments either on-lapping or peripheral to basement granite which is generally considered to be the source of the uranium mineralisation.

First pass drilling commenced at the West Sorgun ELs, located some 15km northwest of Temrezli and will continue in an anti clock-wise direction around the granite batholith to the Yerkoy, West Sefaatli, Sefaatli, East Sefaatli, Akoluk and East Sorgun sites before the rig commences hydrological drilling at Temrezli. It is the intention to drill one diamond hole at each of the regional sites in order to better understand the regional stratigraphy plus a number of rotary holes at a drill spacing sufficient to best explore the target stratigraphy. Drilling will continue to refusal or the granite basement. Second phase in-fill drilling around anomalous drill results will follow post drilling at Temrezli.

The Company is aware that drilling in the 1980s by the Turkey General Directorate of Mineral Research and Exploration at the Yerkey, Sefaatli and East Sefaatli sites intersected uranium mineralisation which remains to be adequately followed up.

Drilling advance this quarter from 9 holes (EXP1 to 9) included 206.5m of diamond (HQ) and 1,001m of rotary drilling for a total of 1,207.5m at the West Sorgun site. All holes were 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.

Drill results to date have mainly returned background values only of circa 50cps although 3 holes, sited 600m apart in West Sorgun, intersected elevated cps values 8-10 times higher than background. EXP6, 8 and 9 returned anomalous values of 480cps (140m depth), 380cps (53m depth) and 500cps (69m depth) over intervals of approximately 1m. These preliminary results require follow-up drilling.

In addition to its field activities, Adur continued to obtain all necessary consents from local landowners for its regional drilling and the hydrological drilling at its Temrezli uranium deposit. Adur is encouraged by the strong support shown by the landowners, the local community as well the local Municipality of Sorgun for its exploration activities and the commencement of feasibility studies at Temrezli.

Adur recently appointed Ms Mehtap Yurdakul to the position of Country Manager to oversee and manage Adur's business activities in Turkey including land management and licence matters. Ms Yurdakul has spent over 17 years in the Turkish resource industry with Rio Tinto's subsidiary RioTur and Rio Tinto Exploration (Turkey) between 1993 and 2010. Ms Yurdakul has spent the last 8 years in senior management positions and her appointment will strengthen Adur's management as the company commences its feasibility studies at Temrezli.

### **Next Quarter Project Activities**

Regional drilling has continued into the December quarter at the Yerkey and West Sefaatli sites for a drill advance of 143.5m of diamond core (HQ) and 824m of rotary tri-cone drilling, for total drilling to date on the ELs of 350m of diamond and 1,825m of rotary drilling. Further drilling is planned at the Sefaatli, East Sefaatli, Akoluk and East Sorgun sites before the rig commences hydrological drilling at Temrezli.

Drilling at Temrezli is to consist of rotary tri-cone through the barren overburden and HQ diamond coring of the mineralised intervals. Whilst the drilling will add to the understanding of the geometry and continuity of the mineralised intervals their principal construct is 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.

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:**

Following the completion last quarter of Tranche 1 which raised \$803,697.90 the Company raised a further \$3,638,077 on completion of Tranche 2 of its placement to 708 investors by the issue of 36,380,771 fully paid 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 \$350,000 was raised from the rights issue, as announced in the previous quarter, by the issue of 3,500,000 fully paid ordinary shares at 10c (\$0.10) per share plus one attaching free option exercisable at 18c with an expiry of 15 June 2017.

The Company has therefore raised a total of \$3,988,077 this quarter, and an aggregate of \$4,791,776 in new equity finance has been raised since May 2012, before costs of the offer.

On 9 July 2012 the Company announced the appointment of Mr James (Jim) Graham as a director of the Company and his subsequent appointment as Managing Director/CEO. 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.

#### **Corporate Activity Subsequent to Quarter End:**

The Company's statutory financial statements were released to the market on 28 September 2012. The Annual Report and Notice of Annual General Meeting which is to be held on 30 November 2012 were dispatched to shareholders on 30 October 2012.

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](mailto: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.*