



**Breakaway  
Research**

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### Company Information

ASX Code	AEK
Share Price (8 Sept 2015)	A\$0.065
Ord Shares (8 Sept 2015)	311.9m
Options (8 Sept 2015)	110.4m
Conv. Performance Shares	11.7m
Market Cap	A\$20.274m
Cash (Est)	A\$1.2m
Total Debt	A\$1.0m
Enterprise Value	A\$20.1m

### Directors & Management

Chairman	Dr Hikmet Akin
Managing Director & CEO	Paul Cronin
Non-Executive Director	Robert Annett
Non-Executive Director	Patrick Burke
Chief Operating Officer	Tom Young
Company Secretary	Scott Mison

### Substantial Share Holders

Azarga Uranium Corp.	11.7%
Aterra Investments Limited	8.0%
Exploration Capital Partners	7.2%
RMB Resources	6.4%
Doyen Group	6.4%

### Company Details

Address	Ground Floor, 10 Outram Street West Perth WA 6005
Phone	+618 93215245
Web	www.anatoliaenergy.com.au

### 1 Year Price Chart



Source (CommSec)

# Anatolia Energy Limited (AEK)

*Merger aimed to fast-track high margin uranium production with significant exploration & development upside*

## Recommendation: Vote in Favour of the Merger

### Key Points

- **Pre-feasibility study at the Temrezli Uranium Project in Turkey confirms low technical risk, low upfront capital expenditure and excellent financial returns**
- **Estimated cash operating cost of US\$16.89/lb of U<sub>3</sub>O<sub>8</sub> is one of the lowest in the industry and provides a solid operating buffer during periods of depressed uranium price**
- **Proposed merger with Uranium Resources is at a significant premium to pre-merger price**
- **Merger would give Anatolia access to a highly experienced technical team with many years of operational experience, particularly in in-situ leaching**
- **Anatolia shareholders would also gain access to two approved operating licences and two idled processing facilities in Texas and one licence to operate ISR of 3Mlbs/year in New Mexico**
- **Uranium Resources also has a substantial portfolio of advanced uranium exploration projects in Texas and New Mexico, a non-reserve mineralised material inventory of almost 120Mlbs of U<sub>3</sub>O<sub>8</sub> in New Mexico as well as extensive databases in both states**
- **A larger merged company would have improved access to uranium markets and financing**
- **Anatolia shareholders will have the option of receiving their URI shares traded on the NASDAQ stock market with significantly increased market liquidity**

*Anatolia Energy is an ASX-listed exploration company holding an extensive portfolio of uranium licences and advanced exploration and development projects in the Republic of Turkey.*

### Company Overview

In February 2015, Anatolia Energy Limited ("Anatolia", ASX:AEK) completed a pre-feasibility study on the Temrezli Uranium Project in Turkey which shows sufficient economic and technical viability to move to the next stage of development.

In early June 2015, Anatolia and Uranium Resources, Inc. ("URI"), a NASDAQ listed company, announced a planned merger. URI has been operating in the US uranium industry since the late 1970s and has two uranium operating licenses and two idled processing facilities in Texas, as well as extensive uranium landholdings and exploration databases in Texas and New Mexico.



## **Investment Thesis**

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*The recently announced merger between Anatolia and Uranium Resources Inc. provides enormous benefits to Anatolia shareholders.*

### **Potential to reduce upfront capital cost through relocation of existing plant**

*Relocation of Texas plant to Turkey reduces upfront capex*

The relocation of the Rosita plant from URI's South Texas Operations is likely to save up to US\$11m in upfront capital costs. While this may not appear to be large in absolute project capital costs, it represents more than 25% of pre-production capital costs. Some modifications will need to be made to the existing plant, but URI's Vice President South Texas Operations, who designed and oversaw construction of the Rosita plant, will be responsible for deconstruction, relocation and reconstruction of the plant at Temrezli in Turkey.

### **Access to URI's skilled and experienced ISL operational team**

*Anatolia will have access to experienced uranium team*

Following on from the latter, Anatolia shareholders will benefit enormously from URI's technical operational experience in uranium. URI has historically produced 8 Mlbs of uranium in Texas. In addition to VP Dain McCoig (who joined URI in 2004), three plant superintendents each have experience ranging from 7-9 years, the manager of reservoir engineering has been with URI since 1987, the Logging Supervisor since 1990 with other personnel in reservoir engineering, radiation safety and HSE having 7-9 years with URI. The ability of Anatolia to be able to draw on this wealth of experience, especially during development, commissioning and early production is invaluable.

### **Undervalued US assets and ability to monetise**

*URI assets undervalued and capable of being monetised*

It seems that the true value of the URI assets was not fully reflected in its market capitalisation prior to the bid in June 2015. Little value had apparently been attributed to potential royalties and the Churchrock assets in particular. The recent definitive agreement to sell the Roca Honda Project in New Mexico is a classic example of assets capable of being monetised: a combination of cash, shares, royalty streams, retained royalties and mining claims adjacent to one of URI's other New Mexican projects. Royalty streams from areas from the Lance Project in Wyoming, which is currently under construction, could contribute to URI's cash flow within the next 3 years.

### **Very substantial Mineralised Material in New Mexico**

*Excellent leverage to uranium price through substantial mineral inventory in New Mexico*

At currently depressed uranium prices, it is easy to overlook this substantial asset. The Company has a total of 35.7Mt at a grade of 0.15% U<sub>3</sub>O<sub>8</sub> for a total in-situ inventory of 119.8Mlbs. While this is not a JORC/NI 43-101-compliant resource, it does mean significantly less additional exploration expenditure in establishing future resources. It is also important to understand that the Mineralised Material is spread across 7 separate projects. This means that should any individual resource prove to be too small for a standalone project, it can be monetised through a direct sale or through an asset swap. The previously mentioned Roca Honda is a perfect example – the in-situ mineralised inventory of 4.4Mlbs was one of the smallest in the Company's portfolio.



## New Mexican database

*Value of extensive uranium exploration database overlooked*

Another overlooked asset is the very substantial drill data base covering leases in the Grants Mineral Belt in New Mexico. These logs total more than 7 million metres of holes drilled in the 1970s and 1980s with an estimated drilling and logging replacement cost of around US\$700m. URI is currently scanning and digitising this data to allow for analysis of drill hole data using modern resource modelling techniques. The database will be used to establish the most economic and efficient method for each project, help to prioritise future development of assets and advance uranium asset consolidation activities.

## Improved market liquidity

*Better liquidity for Anatolia shareholders*

Market liquidity will be significantly improved. URI is listed on the NASDAQ market and the average daily value traded is around US\$300,000, more than 20 times that of AEK. Anatolia shareholders should be able to trade their shares on either the ASX or NASDAQ.

## Greater access to uranium markets

*Improved access to markets*

The merger will create a significantly larger company with an improved ability to market uranium to a more diverse range of highly rated utility customers throughout Europe, the USA and China.

*In addition to all these advantages, Anatolia shareholders will still retain a material exposure to the Temrezli Project returns upon merging.*

## Temrezli should be a low cost uranium producer

*Temrezli should be one of the world's lowest cost producers*

The estimated average operating cost of US\$16.89/lb should ensure that Temrezli is one of the lowest cost producers in the world. Even when taking into account ongoing well-field development and other capital costs (~US\$6.30/lb), the project should still be cash flow positive at a uranium price below US\$30/lb.

## Low technical risk and low upfront capital cost

*Proven technology...*

*...low upfront capex*

The total initial capital cost is only US\$41m and there is potential to further lower this cost, both through further engineering studies and the previously mentioned potential to relocate one of URI's Texas processing facilities to Turkey (which URI and Anatolia estimate will cut up to US\$11m off the initial capital cost). The project will utilise in-situ leaching technology (ISL/ISR) which is used at numerous operations worldwide.

## Strong project cash flow and financial returns

*PFS Pre-tax NPV estimates orders of magnitude higher than share price*

The combination of a fairly high uranium grade for in-situ leach operations, proven technology and low capital and operating costs should translate into strong cash flows and excellent returns. Anatolia's pre-feasibility study completed earlier this year indicated a pre-tax Project Net Present Value (NPV) of US\$191.1m (based on a uranium price of US\$65/lb and a discount rate of 8%). Even at a uranium price of US\$40/lb, which is closer to recent spot pricing, the project still recorded a pre-tax NPV estimate of US\$52.0m.

## Company Valuation

*DCF analysis not appropriate for IER...*

A formal valuation is normally based on Discounted Cash Flow (DCF) analysis of advanced projects. This is unlikely to be done as part of the Independent Experts Report relating to the merger as none of the Company's projects have established mining reserves. Other commonly used valuation approaches, particularly relating to less advanced projects, are the use of recent market transactions or a cost-based system essentially based on historic exploration and development expenditure. Breakaway does not believe either of



*...market and cost-based approaches unlikely to provide realistic value*

*EV/lb resource another potential valuation technique...*

*...but majority of peer group projects not amenable to ISL*

*Most probable indicator of future share price is re-rating as production approaches*

*Medium term price target depends largely on Temrezli progress...*

*...potential for +50% increase in EV in medium term*

*...with potential for further re-rating when production begins*

*Increase in EV should largely translate into similar undiluted share price improvement*

*Anatolia shares to be acquired at \$0.115...*

these methods would provide a valuation truly representative of the Company's real worth, as it would almost certainly undervalue the advanced-state Temrezli Project.

Another method widely used is the comparative analysis of the company's Enterprise Value (EV) per pound of contained U<sub>3</sub>O<sub>8</sub> in the Resource base. There are a number of limitations to the methodology involved: no account is taken of the locality (sovereign risk, accessibility), quality (grade, impurities), resource category, status of the project or estimated capital and operating costs.

Anatolia's EV/lb uranium of approximately A\$1.40/lb (US\$1.02/lb) places it at the higher end of its ASX-listed uranium exploration/development peers. This can be partly explained by the exceptional grade (more than double that of Toro Energy Ltd, Berkeley Energy Ltd and Vimy Resources Ltd and up to 5 times higher than Bannerman Resources Limited) but also by the fact that the majority of its peer group do not have ore deposits that are amenable to ISL treatment. On a pro-forma basis, at a price of US\$0.97 per share, URI + AEK would have an EV/Resource of US\$0.35/lb (A\$0.50/lb) if all the Mineralised Material was converted to Resources.

The most probable indicator of future share price is therefore likely to be the re-rating that should occur as the Company approaches production. Peninsula Energy Ltd (ASX: PEN), which is developing the Lance ISL Project in Wyoming USA, has seen its EV increase by almost 80% from approximately A\$73m to A\$130m over the past 16 months. This equates to an EV/resource increase from A\$1.36/lb to A\$2.42/lb.

Medium term price targets are therefore likely to depend largely on how soon the Temrezli Project can be brought on stream. The conversion of part of Uranium Resources' Mineral Inventory into NI 43-101/JORC compliant Resources would further boost the EV/lb uranium ratio and potentially provide further re-rating. Should URI follow the same re-rating pattern, it is not unreasonable to expect a 50%-100% increase in EV which should translate largely into share price appreciation provided the level of dilution is not excessive. This is supported by the Company's PFS, which values the Temrezli Project alone at between US\$52m (A\$71m) and US\$107m (A\$146m) at uranium prices of US\$40/lb and US\$50/lb respectively.

Existing ISL producers Ur-Energy Inc. (TSX: URE, NYSE: URG) and Uranerz Energy Corp (NYSE: URZ, prior to its merger with Energy Fuels Inc.) trade at equivalent EV/lb uranium multiples of US\$3.45 (A\$4.73) and approximately US\$5.00 (A\$6.87) respectively (at A\$/US\$ exchange rate of 0.73) which gives further positive indications for the longer term price target.

In summary, Breakaway believes that provided the Temrezli Project is given the production go-ahead and development advances according to schedule, and there is sufficient growth in the NI 43-101 compliant resource base, the Enterprise Value of URI should increase by between 50% and 100% within the next 18 months. This should translate to an undiluted share price improvement of a similar magnitude.

## **Merger Between Anatolia and Uranium Resources, Inc.**

On 4 June 2015, the Company announced that Uranium Resources Inc. ("Uranium Resources" or "URI") (NASDAQ:URRE) would acquire all of the issued and outstanding securities in Anatolia Energy Limited pursuant to a binding Scheme of Arrangement, with separate schemes for Anatolia shares, options and performance shares. The consideration for eligible shareholders is 0.06579 common shares in URI for each



*...a substantial premium to recent VWAP*

Anatolia share held, an implied offer price of A\$0.115 per share. This represents a 29.1% premium on Anatolia's most recent closing price prior to the announcement, a 47% premium on the 30-day and 60-day Volume Weighted Average Price (VWAP) and a 58% premium on the 90 day VWAP.

*URI to establish ASX listing...*

Uranium Resources will seek to establish an ASX listing of URI shares through ASX listed CHESS Depository Interests (CDIs). Anatolia ordinary shareholders may elect to receive their consideration shares as either URI shares traded on the ASX (in the form of CDIs) or URI shares traded on the NASDAQ Stock Market, while Anatolia option holders whose options are quoted on the ASX will receive consideration options as URI options traded on the ASX (in the form of CDIs).

*...in addition to NASDAQ listing*

*Anatolia shareholders to own 41% of merged company*

Upon completion of the merger, Anatolia shareholders are expected to own approximately 41% of the merged company while URI shareholders are expected to own approximately 59%. Two existing directors of Anatolia will join the 7-man Board upon completion of the merger. Post the merger, URI would have a basic capitalisation of around US\$61m and a total enterprise value of around US\$59m.

*Anatolia Board unanimously recommends the merger offer*

The Board of Anatolia unanimously recommends that Anatolia security holders vote in favour of the proposed Schemes, while the directors of Uranium Resources unanimously recommend that URI shareholders approve the issue of all consideration securities to Anatolia security holders and the listing of URI on the ASX. Major shareholders representing more than 25% of Anatolia have stated that they intend to vote in favour of the merger. Resource Capital Funds (RCF), which has a 23.7% interest in URI, intends to vote in favour of the merger subject to due diligence. Furthermore, RCF, which has provided US\$8m in loan funding to URI, has indicated that it will evaluate providing project finance for the development of the Temrezli Project.

*Approval requires 75% of Anatolia security holders votes*

The merger requires approval of at least 75% of votes cast by Anatolia security holders at scheme meetings (for shares, options and performance shares), approval of at least a majority of votes cast by URI shareholders and receipt of all regulatory approvals. In addition, the merger is subject to customary non-solicit and right-to-match provisions, break fees and the provision of up to A\$2m to Anatolia from URI to fund Anatolia's short term cash requirements. Closing is expected during October 2015.

## ***Anatolia Projects***

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Anatolia's main asset is the Temrezli Uranium Project in central Turkey where a pre-feasibility study has fairly recently been completed. The Company's Sefaati Project is an advanced exploration project to the southwest of Temrezli, with the potential for a mineralised uranium corridor between the two areas.



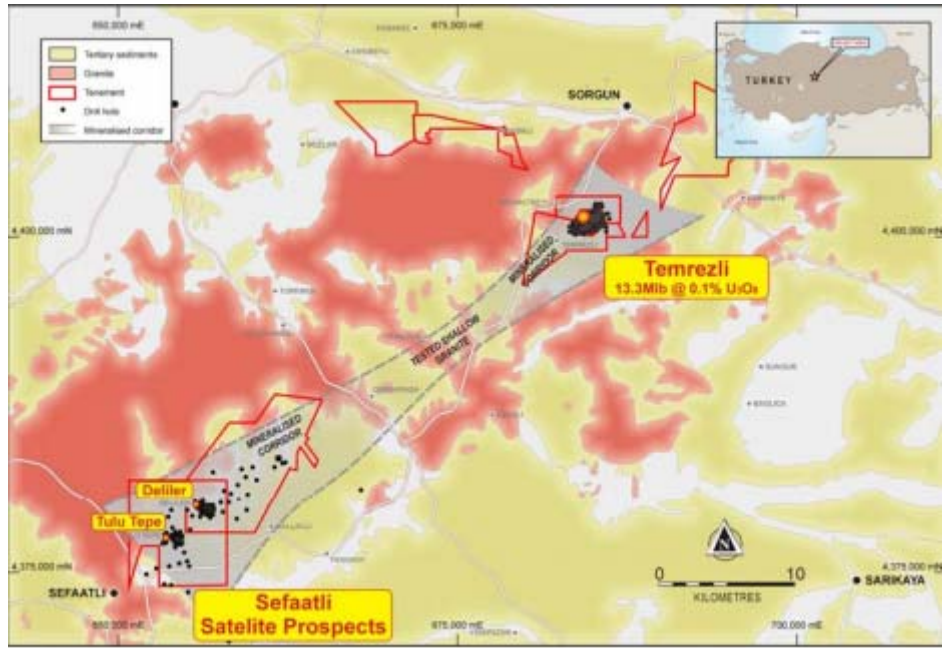


Figure 1: Location of Anatolia Projects

Source: Anatolia Energy Limited

### Temrezli Uranium Project, Turkey

Anatolia’s flagship operation is the Temrezli Uranium Project in central Turkey. The Company, through a wholly-owned Turkish subsidiary company (Adur Madencilik Ltd StI, ‘Adur’), holds nine exploration licences for Group IV and VI minerals, which include uranium, three of which extend over the entirety of the Temrezli uranium deposit defined to date. Adur is currently in the process of converting these exploration licences into operation licences.

*Temrezli located in one of the richest uranium districts in Turkey...*

Temrezli is located in one the richest uranium districts in the country, approximately 200 kms east of Turkey’s capital city, Ankara. The project is a comfortable 3-hour car journey from Ankara along well maintained bitumen roads. The Project area is serviced by an established infrastructure network centred on the regional towns of Yozgat and Sorgun. The project is also ideally located next to a 154 kV electric transmission, essential for electric power for operating pumps and plant facilities.

*...with excellent infrastructure*

The Temrezli deposit is the largest and highest grade uranium deposit known in Turkey. A summary of the current resources is shown in the table below.

*Largest and highest grade uranium deposit in Turkey*

Resource Category	Tonnes (000)	Grade (ppm U <sub>3</sub> O <sub>8</sub> )	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)
Measured	2,008	1,378	6.1
Indicated	2,178	1,080	5.2
<b>Measured &amp; Indicated</b>	<b>4,186</b>	<b>1,225</b>	<b>11.3</b>
Inferred	1,020	888	2.0
<b>Total Resources</b>	<b>5,206</b>	<b>1,157</b>	<b>13.3</b>

Table 1: Temrezli Resources

Source: Anatolia Energy Limited

An independent, pre-feasibility study (PFS) was released in March 2015. The study, which was managed by Tetra Tech, a global engineering firm with vast experience in uranium ISL operations, was prepared to an accuracy of ±25%, in accordance with NI43-



*PFS released in March 2015...*

101 Standards. The PFS confirmed the technical viability of the project, as well as the robust returns capable of being achieved.

*...evaluating base case and development case scenarios*

Two scenarios were evaluated in the PFS: the base case, based on the Measured and Indicated Resources only and the development case, which included Measured and Indicated Resources as well as 80% of the Inferred Resource. The Anatolia Board considers the development option to be a more accurate representation of the project economics, based on the assumption that a large volume of Inferred Resources are likely to be recovered in the ISL process. Measured and Indicated Resources constitute 85% of the contained uranium.

*Planned production capacity of 1.2Mlbs uranium annually*

The development plan is based on the construction of a central processing plant at the Temrezli site with a planned production capacity of 1.2Mlbs per annum of  $U_3O_8$ . The PFS modelling is based on the current resource of 5.206Mt at a grade of 1,157 ppm  $eU_3O_8$  containing 13.3 Mlbs  $U_3O_8$ . The project is expected to produce 9.9 Mlbs of  $U_3O_8$  over an initial mine life of 12 years.

*Temrezli amenable to in-situ recovery/leaching*

It is the intention to use In Situ Leach Mining (ISL), also known as In Situ Recovery (ISR) to extract uranium from the Temrezli uranium deposit. The method is widely used, particularly in the USA and central Asia (Kazakhstan and Uzbekistan), as well as in Australia, China and Russia. In 2013, an estimated 47% of world uranium mined was from ISL operations. Unlike conventional mining, ISL leaves the ore where it is in the ground, recovering minerals by dissolving them and pumping the pregnant solution to surface where the minerals can be recovered. Once the pregnant solution is returned to surface, the uranium is recovered in much the same way as in any other uranium plant. For ISL to be successful, the ore body needs to be permeable to the liquids used and located so that they do not contaminate ground water away from the ore body. The leaching agent can either be acid or alkaline, depending on the composition of the host aquifers.

*PFS confirmed low technical risk, with low operating and capital costs*

The PFS confirmed the Temrezli Project to be technically low risk and highly profitable driven by its relatively high grade, low upfront capital expenditure and low operating costs which would position Temrezli as one of the lowest cost uranium producers in the world. There is potential to further boost project economics and mine life through the integration of satellite opportunities such as the Company's wholly-owned Sefaatli Project. Detailed plant engineering studies are expected to further reduce capital costs and there is further scope to reduce on-going development costs. Relocation of the Rosita plant from Texas to Temrezli could alone reduce upfront capital costs by US\$8m, with a further savings of US\$3m in EPCM and engineering costs.

*Pre-tax NPV<sub>8%</sub> using US\$65/lb is US\$191m...*

At the uranium price of US\$65/lb used in the PFS, the pre-tax NPV of the project (for the development case, at an 8% discount rate) was US\$191.1m. At a US\$/A\$ exchange rate of 0.75, this equates to \$A254.8m or \$0.82 per Anatolia share. However, even at significantly lower uranium prices, the NPV is still extremely robust. At a uranium price of US\$50/lb, the pre-tax NPV<sub>8%</sub> is US\$107.6m or A\$143.5m (A\$0.46/share) and at a uranium price of US\$40/lb, the valuation is US\$52.0m or A\$69.3m (A\$0.22/share). At the current long term contract price for uranium of around US\$46/lb, the pre-tax NPV would in the order of A\$0.34 per share, several orders of magnitude above the current share price.

*...but still very profitable at US\$40/lb price*



A summary of the financial results of the PFS is shown in Table 2 below.

#### TEMREZLI PFS FINANCIAL SUMMARY

		Base Case	Development Case
Total LOM U <sub>3</sub> O <sub>8</sub> Production	Mlbs	8.711	9.907
Mine Life	Years	11	12
Average Annual U <sub>3</sub> O <sub>8</sub> Production	Mlbs	0.792	0.826
Average Cash Operating Cost	US\$/lb	17.84	16.89
Upfront Capital	US\$m	41.0	41.0
On-going development & capex	US\$m	90.1	90.1
On-going development & capex	US\$/lb	10.34	9.09
<b>Financials @ US\$65/lb (Used in Study)</b>			
Free LOM Cash Flow	US\$m	295.0	345.5
Pre-Tax NPV <sub>8%</sub>	US\$m	146.8	191.1
Payback Period	Months	12	11
<b>Financials @ US\$50/lb</b>			
Free LOM Cash Flow	US\$m		204.3
Pre-Tax NPV <sub>8%</sub>	US\$m		107.6
<b>Financials @ US\$40/lb</b>			
Free LOM Cash Flow	US\$m		110.2
Pre-Tax NPV <sub>8%</sub>	US\$m		52.0

Table 2: Temrezli Financial Summary

Source: Anatolia Energy Limited

### Sefaati Uranium Project, Turkey

*Sefaati exploration project only 40km from Temrezli*

Parallel to the preparation of the PFS focusing on developing the high grade mineralisation at the Temrezli Project, the Company has been advancing its exploration programme at the Sefaati Project, which is located only 40kms from the Temrezli site. The size of the Sefaati project area is approximately 50km<sup>2</sup> and is centred on the small village of Deliler, located approximately 10 km from the regional centre of Sefaati.

*Sefaati has most significant uranium occurrences outside Temrezli*

The Sefaati area includes the region's most significant occurrences of uranium mineralisation outside the Temrezli project. The uranium occurrences were discovered (by the MTA) in the early eighties. A reconnaissance drilling programme of 171 RC holes and one metallurgical hole totalling 21,340m, intersected uranium in many of the drill holes. Closer spaced drilling at two of the better explored areas (Tulu Tepe and Deliler) intersected uranium mineralisation over two areas of approximately 1,500m by 1,000m.

*Phase 1 drilling – most holes intersected at least two lenses*

Adur completed its Phase 1 drilling in late 2014. The program focused on areas where previous drilling in the 1980s intersected widespread uranium mineralisation open in all directions. A total of 41 holes (diamond and rotary) totalling 4,600m were drilled at Deliler. While most holes intersected two or more lenses, and one hole up to 5 stacked lenses, drilling confirmed a consistently mineralised horizon approximately 25m thick. At Tulu Tepe, a limited drilling program was undertaken before being suspended due to poor weather. Again, all holes intersected two or more lenses, with a distinct zone of uranium enrichment occurring around 80m below ground surface.





*Results followed up with Phase 2 drilling to define resource*

As a result of the encouraging results from the Phase 1 drilling, Adur embarked on a second phase of drilling. The Phase 2 drilling program was designed to achieve a density sufficient for resource estimation and sufficient core material for preliminary metallurgical “bottle roll” test work. Initial results from Phase 2 drilling announced in May 2015 indicate intersections of up to four stacked lenses within a number of consistently mineralised horizons at its Deliler Prospect. In addition, drilling at the Tulu Tepe prospect 3.5km to the immediate southwest has extended the mineralisation discovered in the Phase 1 drilling from surface to depths exceeding 90m over an area at least 1,200m by 550m. The fact that Tulu Tepe mineralisation is open to the northeast and Deliler mineralisation open to the southwest suggests that a mineralised corridor may exist between the two prospects.

## ***Uranium Resources’ (URI) Projects***

*URI operating since 1977...*

*...has produced >8MIbs uranium*

*Idled processing facilities and extensive landholdings in Texas & New Mexico*

Uranium Resources, Inc. is a uranium exploration and development company which was incorporated in 1977 to acquire and develop uranium in South Texas using the in-situ recovery process (ISR). The Company has successfully completed several projects in the region, producing more than 8MIbs of uranium over extended periods between the 1980s and 2009 when production was suspended at the Company’s Kingsville Dome Project due to unfavourable market conditions.

URI has two licensed and currently idled processing facilities and approximately 17,000 acres of prospective in-situ recovery (ISR) projects in Texas. The Company also holds a Federal Nuclear Regulatory Commission (NRC) licence to recover up to 3 million pounds of uranium annually (using the ISR process) at certain properties in New Mexico. URI controls mineral rights encompassing approximately 190,000 acres in the Grants Mineral Belt in New Mexico, which hosts one of the largest known concentrations of sandstone-hosted uranium deposits in the world.

URI currently has a Non-Reserve Mineralised Material inventory of almost 120MIbs of uranium at its properties in Texas and New Mexico. Only a small percentage is Canadian NI 43-101 compliant (in the Inferred category). The remainder is historically based. Details are shown in Table 3 below.

*Non-Reserve Mineralised Material of almost 120MIbs uranium*

<b>Non-Reserve Mineralized Material<sup>1</sup></b>				
<b>Property</b>	<b>Short Tons (millions)</b>	<b>Grade (% U<sub>3</sub>O<sub>8</sub>)</b>	<b>In-Place Pounds (millions)</b>	<b>Recovery Method</b>
<b>South Texas Projects</b>				
Kingsville Dome	0.04	0.07	0.05	ISR
Rosita	0.38	0.08	0.62	ISR
Butler Ranch <sup>2</sup>	0.40	0.15	1.30	ISR
<b>New Mexico Projects</b>				
Ambrosia Lake	0.7	0.17	2.4	Conven./ISR
Cebollera <sup>3</sup>	5.6	0.17	18.9	Conventional
Churchrock (incl. Mancos)	13.0	0.12	29.9	ISR
Crownpoint	4.8	0.16	15.3	ISR/Conven.
Juan Tafuya <sup>3</sup>	4.2	0.15	12.2	Conventional
Nose Rock	7.5	0.15	21.9	Conventional
West Largo	2.8	0.30	17.2	Conventional
<b>Total</b>	<b>39.4</b>	<b>0.15</b>	<b>119.8</b>	

**Footnotes to the Mineralized Material table:**

- Investors are cautioned not to assume that all or any part of such non-reserve mineralized material exists, or is economically or legally extractable. See “Cautionary Note Regarding References to Resources and Reserves” on slide 5. Amounts have been rounded.
- URI acquisition as part of a mineral dataset of drill logs and other geological information as announced in a July 7, 2015 news release.
- Each project’s Canadian National Instrument 43-101 compliant Technical Report on resources is available on the Company’s website. Classified as Inferred Resources under the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards.

*Table 3: Mineralised Material – Texas & New Mexico*

*Source: Uranium Resources Inc.*

## ***Uranium Projects in Texas***

URI currently controls three production properties and several exploration projects in South Texas. The Rosita and Kingsville Dome processing facilities remain on standby for a



potential restart of production when there is a sustained recovery in uranium prices. The Vasquez Project is depleted and undergoing well field stabilisation. The Company has also strengthened its path to production with the addition of five exploration projects in the South Texas uranium province with characteristics amenable to potential in-situ recovery of uranium. All five projects are within 120kms of the Company's licensed Rosita and Kingsville Dome processing plants.



Figure2: Location of Texas Projects

Source: Uranium Resources Inc.

**Kingsville Dome**

*Kingsville Dome has idled production facility of 800,000lbs/year*

The Kingsville Dome uranium mine and processing facility, which has an annual production capacity of 800,000 pounds of uranium per year, were established in 1987. The mine and processing plant were operated over three extended periods between 1988 and 2009, when production was suspended due to unfavourable market conditions.

The Company has three production areas at Kingsville Dome that are authorised for production and also holds a radioactive material licence for the project. The underground injection control permit is in the process of being renewed; potential new areas of production will require additional authorisations.

**Rosita**

*Rosita plant also has idled capacity of 800,000lb/year...*

The Rosita Project and its processing facility are on standby for a potential restart of uranium production when there is a sustained recovery in the uranium price. The plant, which is similar in design to the Kingsville Dome facility, has an annual production capacity of 800,000 pounds of uranium per annum. Like Kingsville Dome, and as is typical in the region, uranium mineralisation occurs as roll-fronts.

*...potential to be relocated to Temrezli*

URI holds four licensed production areas, a radioactive materials license and an underground injection control permit, which would allow resumption of production in authorised areas. Initial production at Rosita commenced in 1990 and continued until 1999, during which time the Company produced 2.6 Mlbs. The project operated briefly



in 2008. Reclamation of Production Areas 1 and 2 has commenced, with the plugging and abandoning phase of restoration ongoing.

## South Texas

*Five exploration projects in Texas covering more than 8,000 acres*

The five exploration projects cover a total of 8,465 acres of privately-owned surface and mineral leases and all are within 120km of the Company's licensed and idled Rosita and Kingsville Dome processing facilities and within the South Texas uranium province. Extensive exploration by numerous companies from the late 1950s to the late 1970s defined numerous uranium deposits in what was to become the South Texas uranium province. URI acquired the five projects in late 2014 as a non-cash asset exchange with Rio Grande Resources.

### 1. Alta Mesa Este

*Uranium mineralisation at Alta Mesa Este to be tested with drilling program in 2015*

Alta Mesa Este is an advanced stage exploration project located approximately 90km southwest of the Company's Kingsville Dome processing plant and close to the Alta Mesa mine, owned by Mestena Uranium, LLC. Historic data from the early 1980s outlined wide-spread uranium mineralisation. Analysis of this information has identified a target area approximately 2.4km along the strike of the mineralisation. The area has several important roll-front deposits and the Company considers its leases to have good potential for further discoveries. An exploration drilling program, including the drilling of more than 8,000m, and geophysical logging to further evaluate the magnitude and intensity of mineralisation in the area, is planned for 2015.

### 2. Butler Ranch

*Butler Range an advanced stage exploration project...*

The Butler Ranch Project is an advanced stage exploration project located in the Karnes County mining district, which has some of the largest uranium deposits in the South Texas uranium province and is home to the first meaningful uranium production in the state. The project is located approximately 120km north-northeast of the Company's Rosita processing plant and about 72km southeast of San Antonio.

*...in an historic mining district...*

Uranium exploration is hosted in multiple parallel zones of roll-fronts in sandstone units. Most of the production that occurred from the 1950s to the 1970s was from open pit mining. URI's targets are situated below the water table and would be amenable to in-situ recovery methods. An initial exploration program is planned for 2015.

*...with a substantial drill log database*

On 7 July 2015, URI announced that it had acquired an extensive historical data set containing historical mineral resource estimates (427,100 short tons averaging 0.15% containing 1,264,100 pounds of uranium) as well as gamma-ray and geologiclogs for more than 2,000 exploration and definition drill holes.

### 3. Sejita Dome

*Sejita Dome Project similar to Kingston Dome...*

*...targets have not been assessed in detail*

The Sejita Dome Project, another advanced exploration project, is located approximately 56km west of the Kingsville Dome facility. The exploration target is a series of roll-fronts. There are several geological similarities to the Kingsville Dome deposit. Historical data show the presence of uranium at numerous locations, but many of the targets do not appear to have been assessed in any detail.

### 4 & 5. Jack Pump and Nell

These are early stage exploration projects. At Jack Pump, there are several historic open pit mines and two proposed open pits that were never developed.



## Uranium Projects in New Mexico

*URI has a dominant landholding in the Grants Mineral Belt...*

*... one of the largest uranium producing regions in the USA*

URI has one of the largest mineral rights holdings in the Grants Mineral Belt of west-central New Mexico. The Grants Mineral Belt is an approximately 160km-long north westerly trending belt of sandstone-hosted uranium deposits that has historically been the largest producer of uranium in the United States. From the early 1950s to the late 1980s, more than 80 underground and open pit projects were developed and operated. URI holds a source materials licence to build and operate an ISR uranium facility on company-owned property in McKinley County. The licence allows for the ISR process at the Churchrock and Crownpoint projects that together hold approximately 13.8Mt of mineralised uranium material. The licence allows for the production of up to 1Mlbs per annum from Churchrock Section 8 until a successful demonstration of restoration is made. Thereafter, production can be increased and exploration on other properties covered by the licence can begin. Total production under the licence is limited to 3Mlbs per annum.



Figure 3: Location of New Mexico Projects Source: Uranium Resources, Inc.

*URI also has a substantial drill log database...*

*...which is being used to prioritise targets and for asset consolidation*

Importantly, URI has a very substantial drill log database. These logs total more than 7 million metres of holes drilled in the 1970s and 1980s with an estimated drilling and logging replacement cost of around US\$700m. The Company plans to use its historic exploration database to assess the projects that comprise its New Mexico resource base to determine the most economic and efficient method for each project and prioritise the future development of these assets as well as continue to advance uranium asset consolidation activities. Since 2007, approximately 18,800 drill logs have been scanned; this process is continuing and the Company is now digitising this data to allow for analysis of drill hole information using modern resource modelling techniques.

While no JORC/43-101-compliant resources have been defined, the Company boasts an impressive Mineralised Material inventory. This totals 35.7Mt at 0.15%  $U_3O_8$  containing 119.1Mlbs of uranium in-situ in seven separate deposits. (See Table 3)

### Churchrock/Mancos

*Churchrock Project already has licence to*

The Churchrock/Mancos project encompasses about 3,458 acres (gross and net) located in the western-most part of the Grants Mineral Belt, approximately 176km west-northwest of the city of Albuquerque. As previously mentioned, Churchrock already has



*build ISL facility*

a licence to build an ISL uranium processing facility on company owned land. Churchrock also has the largest single Mineralised Material inventory of all URI's projects in New Mexico – 13.0 million short tonnes at 0.12% U<sub>3</sub>O<sub>8</sub> containing 29.9Mlbs of uranium.

### **Crownpoint**

*Also has licence to allow ISR and uranium processing*

The Crownpoint properties are located in the San Juan Basin, approximately 35km northeast of the Churchrock deposit. The properties consist of 640 gross and 556 net acres. URI holds an NRCsource materials licence to allow ISR and uranium processing activities at the Crownpoint site. Historic exploration was carried out during the 1970s. In-situ recovery testing was carried out, but no commercial scale ISR operation developed. A conventional underground site was commenced but never completed – both programs were curtailed in the early 1980s due to the collapse of the uranium market. Mineralisation is at depths of 640-700 metres. Three pilot shafts were started on the property in the early 1980s but were never completed.

### **Nose Rock**

*Nose Rock is the site of extensive historical underground uranium development*

The Nose Rock Project is situated on 6,400 acres in west-central New Mexico, approximately 150km northwest of Albuquerque. It is the former site of an extensive underground uranium development program carried out by the minerals department of Phillips Petroleum. The project was abandoned in the early 1980s due to the uranium market downturn. The project is north of the generally accepted northern boundary of the Grants Mineral Belt. The uranium deposits were discovered by Phillips Petroleum in 1973. More than 3,000 holes were drilled prior to undertaking an extensive development program, including extensive surface site facilities and three shafts exceeding 950m in depth.

### **Roca Honda Project**

*Roca Honda sold...*

The sale of the Roca Honda Project to Energy Fuels was completed on 31 August 2015. The consideration was:

*...for an attractive combination of cash, shares, claims and royalties*

- US\$2.5m in cash
- US\$375,000 in Energy Fuels' shares
- Energy Fuels' 4% gross royalty covering 5,640 acres on areas of the Lance uranium ISR project in Wyoming currently under construction by Peninsula Energy Limited
- Unpatented lode mining claims covering 640 acres located adjacent to URI's Churchrock Project in New Mexico
- RRI retaining a 4% royalty on Section 17 of the Roca Honda assets

### **Ambrosia Lake**

*Ambrosia Lake explored since the mid-1950s...*

The project is comprised of the Endy Lease (3,382 acres, 167 unpatented lode claims), the Bonner Lease (4,132 acres, 181 unpatented lode claims) and the Elizabeth Lease (179 acres, 8 patented and one unpatented lode claim). The project is located approximately 100km west northwest of Albuquerque. Lands that comprise URI's Ambrosia Lake Project have been explored by a number of companies periodically since the mid-1950s, with numerous exploration holes drilled. Uranium was produced from some of the target sites and on adjacent properties from the 1950s to the early 1980s.

*...historic production from adjacent properties*

### **Cebolleta Project**

The project is located approximately 72kms west of Albuquerque near the southeastern end of the Grants Mineral Belt. The area includes the former L-Bar mill and underground





*Cebolleta Project area the site of significant historic production...*

*...19Mlbs of uranium in NI43-101 compliant Inferred Resource*

*Juan Tafoya subject to historic construction...*

*...12.2Mlbs of uranium in NI43-101 compliant Inferred Resource*

*Broad agreement that nuclear capacity will continue to grow for the next 15-25 years...*

*Significant range in expected capacity and uranium demand...*

*... but trend to 2030-2040 is all positive*

uranium mine of Sohio Western Mining and the former St Anthony open pit and underground mines of United Nuclear Corporation. The southern boundary of the leases adjoins the north eastern end of the former Jackpile mine, one of the largest uranium mines ever developed and mined in the United States. Following the acquisition in 2007, URI carried out geological mapping and geochemical sampling, assembling essentially all historical exploration and production data. The Company then completed a Canadian National Instrument 43-101 Technical Report on resources for the Cebolleta project in April 2014. This defined an Inferred Mineral resource of 5.1Mt averaging 0.17% uranium containing 19.0Mlbs uranium at a cut-off grade of 0.08%. This excludes any mineralisation from the adjoining St Anthony mine area. The technical report recommends that the Company advance the Cebolleta Project to a Preliminary Economic Assessment.

### **Juan Tafoya Project**

The project is located at the northeast end of the Grants Mineral Belt. It is the site of two uranium deposits, Marquez and Southeast, at a depth of approximately 600m. The deposits were subject to historical construction including the advancement of a concrete-lined production shaft to more than 550m. In May 2014, the Company reported that the NI 43-101 Technical Report on Mineral Resources had defined an Inferred Resource of 3.8Mt averaging 0.145% eU<sub>3</sub>O<sub>8</sub> containing 12.24Mlbs of uranium at a cut-off grade of 0.08% eU<sub>3</sub>O<sub>8</sub>. Like Cebolleta, the report recommends progressing to a Preliminary Economic Assessment.

## **Uranium Markets**

### **Demand**

While there is a considerable range in the estimated growth of nuclear capacity, there is general consensus that capacity will continue to grow for the next 15-25 years. There is also broad agreement that the fastest growth will be in Asia (China, South Korea) followed by Eastern Europe (including Russia, the Middle East and India), with much more modest growth in the USA and the possibility of a decline in Europe. Population growth and climate change policies are expected to be the key drivers of expanded demand, with security of energy supply and price volatility also playing a role. For individual organisations, predicted nuclear capacity growth rates are as follows:

- In 2013, the International Atomic Energy Agency (IAEA) predicted a growth of between 17% and 94% (a very significant range) from 2012 to 2030, and by as much as 200% by 2050.
- The International Energy Agency (IEA), in its World Energy Outlook 2014, forecasts global nuclear power capacity of almost 60% in the “New Policies Scenario” (the central case) from 2013 to 2040. In IEA’s “450 Scenario” (which outlines action to limit the rise of long term average global temperatures to 2degrees Celsius above pre-industrial levels), capacity more than doubles.
- In 2014, the OECD’s Nuclear Energy Agency forecast capacity rising by between 7% (low case) and 82% (high case) between 2013 and 2035. This would translate to increased uranium requirements of between 22% and 106%.
- The Australian Bureau of Resource and Energy Economics, in its September



Quarter 2014 update, expects nuclear power generation to increase by around 23% by 2019. Uranium consumption is expected to increase at an annual average rate of 4.4%.

## Supply

*2014 production down on previous two years*

According to the World Nuclear Association, uranium production in 2014 fell by 5.3% from 59,370t to 56,217t of uranium. This is also well short of the 58,394t produced in 2012. The decline was not limited to one country, but spread across the world.

*Kazakhstan remains the dominant producer*

Kazakhstan, which has been the leading producer since 2009, again topped the list in 2014, producing 23,127t or around 41% of total world production. Exploration and mining and all import/export activity is controlled by a state-owned entity. Kazakhstan has expressed an interest in ramping up production through 2018, with 17 mines currently in production.

*Falls spread across all continents*

Uranium production from both Canada (9,134t, 16.2%) and Australia (5,000t, 8.9%) saw falls in production, though Canadian production is set to increase from 2015 as Cigar Lake comes into full production. The top 10 also includes Niger (7.2%), Namibia (5.8%), Russia (5.3%), Uzbekistan (4.3%), the United States (3.4%), China (2.7%) and Ukraine (1.6%).

Production from world uranium mines now supplies more than 90% of the requirements of power utilities.

## Pricing

*Depressed prices for the 1980s and 1990s*

High uranium prices in the 1970s gave way to depressed prices for virtually the whole of the 1980s and 1990s, with spot prices often below the cost of production for all but the lowest cost mines. In 1996, spot prices recovered briefly, before they declined again, only starting to recover strongly late in 2003. The perception of imminent scarcity drove the spot price to more than US\$100/lb of U<sub>3</sub>O<sub>8</sub> in 2007, but it has settled back to the US\$35-US\$45 range over the two years to 2014. Significant contributing recent events impacting sentiment for the sector include the GFC (2009) and the Fukushima disaster (2011).

*Contract price generally reflects +US\$10/lb premium to spot*

The quoted 'spot price' applies largely to marginal day-to-day trading and in recent years has represented about one quarter of supply. Most trade is through 3-15 year term contracts with producers selling directly to utilities. The contract is often related to the spot price of delivery. The contract price generally reflects a premium of at least US\$10/lb above the spot price. The reasons for price fluctuations generally relate to demand and perceptions of scarcity.

*BREE expects a price rise to US\$62/lb by 2019*

The Bureau of Resource and Energy Economics expects uranium prices to increase to around US\$62 per pound (in 2014 dollars) by 2019 in response to tighter market supply



conditions. The rate at which Japan's nuclear power industry restarts and China's industry expands are key factors affecting this projection and delays to either may slow the rate of growth over the medium term.



Figure 4: Uranium Spot Price Source: UxC, InfoMine.com

The UxC spot price (20 July 2015) was US\$36.25/lb and Trade Tech's indicators were US\$39.50/lb (mid-term) and US\$46.00/lb (long term).

### **Breakaway's View**

Too often, rationalisation of the workforce and the elimination of duplication in administration are highlighted as the benefits of mergers. Breakaway firmly believes that this is a merger which genuinely benefits both parties. Importantly, Anatolia will have access to a Board and technical team with vast experience in uranium and particularly in in-situ leaching. This will be critical not only in the development phase but particularly during commissioning and early production. For a company such as Anatolia, making the transition from exploration to production, the fit could hardly be better.

*Merger will bring extensive operational experience to Anatolia*

*... and will also provide access to strategic landholdings in the United States...*

There are other benefits to Anatolia shareholders. The relocation of the existing Rosita ISL facility could save up to US\$11m in upfront costs and therefore have a positive impact on project economics. Anatolia shareholders will also gain an exposure to large, strategic land holdings in uranium rich regions of New Mexico and Texas, substantial databases of these regions, potential royalty streams from medium term development properties and the ability to monetise non-core assets.

*...plus improved liquidity and marketing ability*

Being part of a larger group will have obvious advantages when it comes to marketing uranium and financing, while market liquidity should improve significantly with both ASX and NASDAQ listings.

*...yet retaining material exposure to Temrezli*

Furthermore, Anatolia will still retain a material exposure to the Temrezli Project returns. As a low cost producer, Temrezli should be able to withstand uranium price volatility. Even at uranium prices well below the US\$65/lb used in the PFS, the project still has a substantial NPV even before the merger.



## ACCEPT OFFER

We therefore have no hesitation in recommending the merger to Anatolia shareholders.

## **Anatolia Directors**

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### **Non-Executive Chairman**

#### **Dr Hikmet Akin**

**Dr Hikmet Akin** has more than 30 years of international exploration, project evaluation, mining development and management experience, especially in the uranium sector. He is a native of Turkey and former professor at the Technical University of Berlin. Hikmet joined the original Uranerz Group (a privately held international German mining company specialising in uranium exploration, production and marketing) in 1978. There he held various managerial and staff positions and was primarily involved with internal resource/reserve estimates and project evaluations, including pre-feasibility and feasibility scale contributions for operations in Germany, Canada, USA and central Asia. This was prior to his appointment as President and CEO of the Uranerz Group in 1995. Since 2001, Dr Akin has been consulting to various companies in the mining sector.

### **Managing Director & CEO**

#### **Paul Cronin**

**Paul Cronin** has provided professional corporate advisory services to the Company since June 2013, including arranging and completing significant new capital raisings. He is an experienced investment banker with considerable resources sector experience, particularly in relation to financing of the uranium sector. Prior to joining Anatolia in an advisory capacity, Paul was Vice President at RMB Resources, the specialist resource financing division of FirstRand Bank. He has extensive experience in finance structuring, hedging and capital markets. Paul was formally Director of Nuclear Origination, with Constellation Energy and lead the acquisition of uranium trader Nufcor International in 2008. He was also Advisor to the London listed Nufcor Uranium Limited, the closed end uranium fund prior to its merger with TSX listed Uranium Participation Corporation in 2009.

### **Non-Executive Director**

#### **Robert Annett**

**Robert Annett** has more than 30 years' experience in all aspects of exploration in the global resources industry covering exploration, evaluation and exploitation of precious and base metals, coal, oil and uranium. He has led and managed numerous resource projects including:

- exploration, from project generation through to advanced drill-out;
- project resource and mine reserve estimation;
- project feasibility studies;
- mine development and production; and
- mineral acquisitions and divestments.

Mr Annett graduated as an exploration and mining geologist from the Royal School of Mines, Imperial College, London.

### **Non-Executive Director**

#### **Patrick Burke**

**Patrick Burke** holds a Bachelor of Law degree from the University of Western Australia. He has extensive legal and corporate advisory experience, and has acted as a Director for a number of ASX and AIM listed small to mid-cap resources companies over the past 10 years. His legal expertise is in corporate, commercial and securities law with an emphasis on capital raisings and mergers and acquisitions. His corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, structuring and pricing, negotiation, funding, due diligence and management of process. He contributes general commercial and legal skills along with a strong knowledge of the ASX requirements. He is currently a Non-Executive Director of ASX listed Monto Minerals Limited and Intercept Minerals Limited.



## ***Senior Management***

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### **Chief Operating Officer**

#### **Tom Young**

**Tom Young** was formerly Vice President of Operations for Cameco Resources, Inc., responsible for the Smith Ranch Highland and Crowe Butte ISR uranium mines in the United States. Cameco Corporation is the world's largest uranium producer operating six uranium mines globally. Tom has extensive experience in the development and operations of ISR uranium well-fields and plants, and will oversee the development of the Company's flagship Temrezli uranium project in central Turkey. Tom has a M.Sc. Environmental Science and Engineering from the Colorado School of Mines, an MBA from the University of Denver and a B.Sc. Mining Engineering from the Colorado School of Mines, in addition to being licensed Professional Engineer in the State of Colorado.

### **Chief Operating Officer**

#### **Cevat Err**

**Cevat Err** joined Anatolia in March 2015. He is the founder of SRK Ankara, with 30 years of Turkish mining and environmental experience. He has an M.Sc. from Arizona State University and a B.S. in Geological Engineering.

*Both Tom Young and Cevat Err are expected to join the URI Management Team.*

## ***New URI Board***

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### **Chairman**

#### **Terence J. Cryan**

**Terence Cryan** has served as a director of Uranium Resources, Inc. since October 2006 and has been Chairman of the Board since June 2014. He has more than twenty years of experience in international business as an investment banker in the United States and Europe. Mr Cryan is Managing Director of Concert Energy Partners, a New York private equity and investment advisory firm. He is also Chairman of the Board of Ocean Power Technologies, Inc., and is a Board Leadership Fellow of the National Association of Corporate Directors. He is a former Senior Managing Director, Investment Banking, at Bear Stearns. Mr Cryan holds a Master of Science Degree in Economics from the London School of Economics and a BA from Tufts University.

### **President, CEO & Director**

#### **Christopher M. Jones**

**Christopher Jones** joined Uranium Resources as President and Chief Executive Officer in April 2013. He has more than 30 years of experience in positions of increasing responsibility in senior management as CEO and in operational leadership roles in the mining and energy industries. He was most recently President and CEO of Wildcat Silver Corporation. Prior to that, he was COO and Mining General Manager at Albion Sands Energy. He is a member of the American Institute of Mining, Metallurgical and Petroleum Engineers and is a Professional Engineer registered in Utah and Alberta. Mr Jones has a Bachelor of Science in Mining Engineering from the South Dakota School of Mines and an MBA from Colorado State University.

### **Director**

#### **Marvin K. Kaiser**

**Marvin Kaiser** has served as a director of Uranium Resources, Inc. since July 2007. He is Chairman of the Audit Committee. Mr Kaiser has more than 40 years of industry experience, including Executive Vice President, Chief Administrative Office and CFO at The Doe Run Company, a privately held natural resources company and the largest integrated lead producer in the Western Hemisphere. He graduated from Southern Illinois University and is a Certified Public Accountant.



**Director****Tracy A. Stevenson**

**Tracy Stevenson** has served as a director since December 2013. He is a founding member of Bedrock Resources, a private financial advisory firm focused on the natural resources business. Mr Stevenson is a former Global Head of Business Process Improvements at Rio Tinto PLC. In addition, he has held senior roles at Comalco Limited and Kennecott Corporation, and serves a director of Quaterra Resources inc and Vista Gold Corp. Mr Stevenson, a CPA, graduated Magna Cum Laude with a Bachelor of Science Degree in Accounting from the University of Utah.

**Director****Mark K. Wheatley**

**Mark Wheatley** has served as a director of Uranium resources since January 2013. Mr Wheatley is an experienced resources company director, with a career spanning more than 30 years in mining and related industries. He has served on the boards of Gold one International Limited, Norton Goldfields Limited, Goliath Gold Mining Limited and St Barbara Mines Limited. He is Executive Chairman of Xanadu Mines and is the former Chief Executive Officer of Southern Cross Resources, the predecessor to Uranium One.

*Both **Paul Cronin** and **Patrick Burke** will be invited to join the Uranium Resources Board upon completion of the merger.*

**Analyst Verification**

We, Grant Craighead and Basil Burmeister, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

**Disclosure**

Breakaway Investment Group (AFSL 290093) may receive corporate advisory fees, consultancy fees and commissions on sale and purchase of the shares of Anatolia Energy Limited and may hold direct and indirect shares in the company. It has also received a commission on the preparation of this research note.

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