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NGM ADVANCES WITH INITIAL URANIUM RESOURCE IN NIGER

HIGHLIGHTS

- Maiden resource delivered ahead of schedule at Takardeit project in Niger
- Initial inferred resource of 23Mt @ 210ppm – estimate of 11Mlb U₃O₈ @ 120ppm cut off
- Deposit is shallow and remains open
- From discovery to resource within six months, following first drill program
- New targets identified from aerial survey and structural mapping
- Drilling scheduled to recommence in March
- NGM appoints exploration manager to drive next phase of development

Uranium explorer, NGM Resources (ASX: NGM), is pleased to announce it has delivered its maiden uranium resource at the Takardeit project in Niger.

The initial resource estimate was calculated by geological services firm Hellman & Schofield Pty Ltd. It marks a significant milestone for NGM and its shareholders, and has been delivered within six months of commencement of its first drilling program.

The Company has also identified further exciting uranium targets, which will be drill tested in the next drilling program, scheduled for March 2010. NGM has also appointed a new Exploration Manager, to drive the next phase of drilling and development of its highly prospective Niger tenements.

Maiden resource

NGM has delivered an initial inferred resource of 23 million tonnes @ 210ppm, with an estimate of 11 million pounds of U₃O₈ at 120ppm cut off (Figure 1 and 2).

This follows a drilling program in the last quarter of 2009, which identified high grade, supergene mineralisation over an area of 2.7km by 2.1km. The mineralisation is shallow to a depth of 30m, and remains open to the south and south west.

NGM Director Rob Kirtlan said delineation of the early resource and further targets at Takardeit augured well for the future.

"We have been able to move very quickly, from first scout drilling, to deposit discovery, to the delineation of our maiden resources within six months. This is highly encouraging for our future programs and opportunities for further resource growth," Mr Kirtlan said.

Mr Kirtlan said the drilling had confirmed the highly prospective nature of NGM's tenements in the Tim Mersoï basin. The Company holds 1,500km² of tenements. The drilling program, which was completed in December, focused on just 10km². No deep drilling was undertaken in this drilling

program although there is potential for high grade uranium primary mineralisation sources in the deeper Carboniferous unit which will be tested in the next program. Recent interpretation is suggesting the potential that mineralisation may be associated with re-activation of a basement structure (Fig 3). This opens up the possibility of mineralisation in the yet to be drilled Carboniferous, host rocks to the Arlit, Madouela, and Akouta deposits

Mr Kirtlan said "We were tempted to drill some deeper holes as we were getting wide spread supergene style mineralisation with grades up to several thousand parts per million of varying widths. However it made technical sense to wait for the full interpreted magnetic survey which we have just received. The data has given us a significant boost in commencing to understand the structural controls throughout all of our concessions and we now have shallow and deeper targets at Takardeit and elsewhere on the concessions."

Existing discovered deposits and mines have distinctive major controlling structural features, and interpretation to date suggests a major north-south fault through the Company's tenements holdings.

"The early resource at Takardeit is just the beginning; we have identified exciting new targets and have a fully funded exploration and drilling activity program planned for the first and second quarters of 2010," Mr Kirtlan said.

The next drilling program is expected to commence in March, and will include:

- A program of 3000 – 5000m of drilling
- Deeper drilling at Takardeit
- Drilling at Takardeit East to expand potential resource
- Drilling of structural targets generated south of Takardeit
- Drilling of structural targets in the two northern tenements

Niger has a long history of uranium production, and ranks as one of the largest, and highest grade uranium producing countries in the world. Mines currently produce at 3,000-4,500ppm both at surface and underground. A new open cut mine, Imouraren is under development and contains 330Mlbs at a grade of 1,200ppm. Imouraren lies 80km NNW of the Company's northerly concession. Although remote, mining in Niger is facilitated by excellent infrastructure, including roads, power, water, and port access.

Exploration Manager appointed

To drive the next phase of exploration at its Niger projects, NGM has boosted its management team with the appointment of experienced geologist Peter Smith as Exploration Manager.

Mr. Smith has more than 20 years experience in the mining and exploration industry in geophysics and geology. This includes experience with BHP Billiton, Pasminco, Xstrata Copper, and Normandy, as well as consulting to a number of junior explorers.

Mr. Smith's background includes extensive experience in Sedimentary Basin Analysis for a range of commodities, and he has been instrumental in the application of new geophysical technology for the discovery of new ore bodies.

"Peter's significant geological and geophysical experience will be of immediate value to NGM. His appointment is a boost to our management team, and reflects the commitment of the Company to explore and develop the highly promising tenements in Niger," Mr Kirtlan said.

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The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Peter Rolley, who is a Member of The Australian Institute of Geoscientists. Mr Rolley provides consulting services to NGM Resources Ltd. Mr Rolley has 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 Rolley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About NGM Resources

NGM Resources Limited (ASX: NGM) is a diversified mineral exploration company focused on uranium and base metals. Headquartered in Perth, Western Australia, the company has agreements covering uranium exploration projects in Niger, West Africa, and metal exploration projects in Madagascar, Southern Africa. NGM's major shareholders include Paladin Energy, which holds 19.9% of the Company.

The Company has an excellent ground position in Niger's uranium rich Tim Mersoï Basin, which has a long uranium production history and hosts some of the worlds largest and highest grade uranium mines. NGM holds 1,500km² of tenements in the region, and has an active exploration program underway which has delivered early success.

In Madagascar, promising iron ore and mineral sand concessions have been identified, and exploration at the Analalava and Mahanoro projects are ongoing.

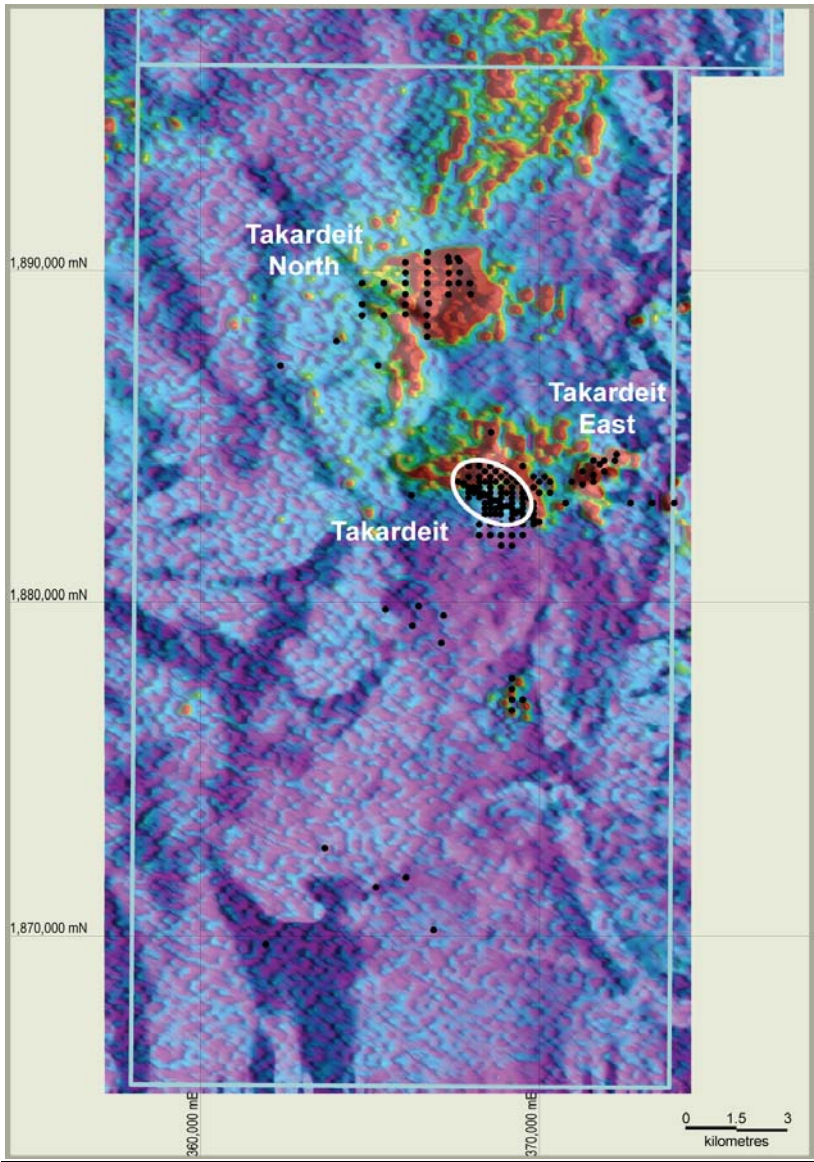


Figure 1 Takardeit drilling highlighted, the deposit remains open to the south

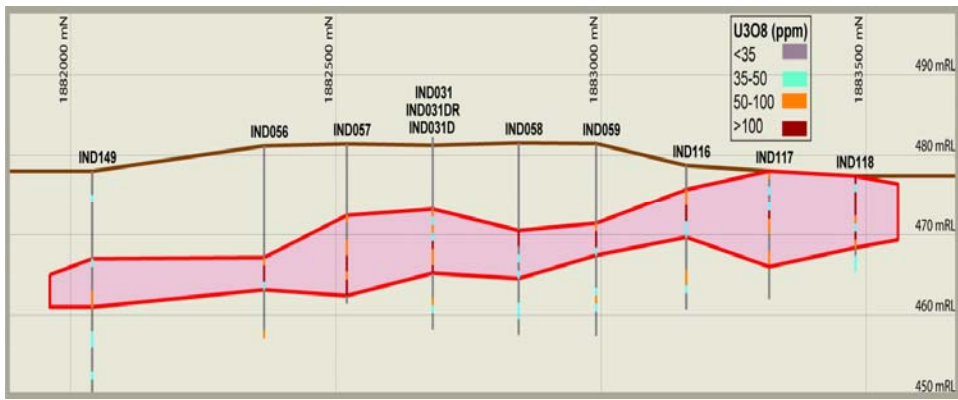


Figure 2 Cross section of the Takardeit resource

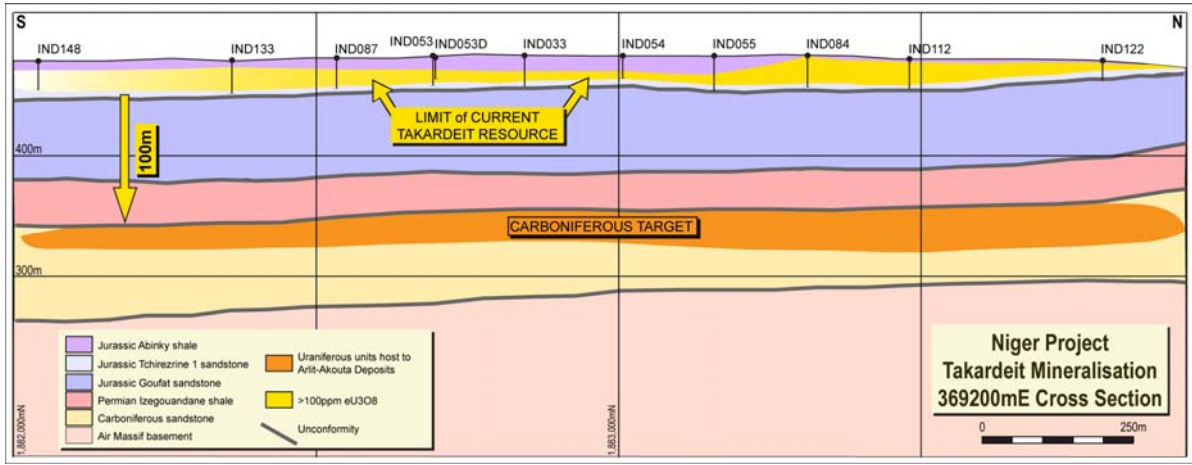


Figure 3 Cross section of Carboniferous unit in relation to the existing Takardeit resource