NGM Resources Limited
ABN 27 107 131 653
Suite 4, Level 3, South Shore Centre
83-85 South Perth Esplanade
South Perth WA 6151

PO Box 859
South Perth WA 6951

Tel: 08 9367 6471
Fax: 08 9367 2355
E-mail: info@ngmresources.com.au
Website: www.ngmresources.com.au

27 May 2010

Australian Securities Exchange
Company Announcements Office
2010

ELS 39

NIGER DRILLING UPDATE

New Mineralised Systems Discovered at Takardeit East

HIGHLIGHTS

- Stacked mineralised system discovered at Takardeit East
- First blind mineralised zone discovered at Takardeit East

Uranium explorer, NGM Resources (ASX: NGM), today reported continued success and encouraging results from its third drilling program in progress at its permits in Niger's uranium rich Tim Mersoï basin.

Commenting on the interim results NGM Director Robert Kirtlan said "Further to our first drilling update on May 5, drilling continues to demonstrate the significant shallow uranium mineral endowment of the Takardeit area.

"In our first update we reported an intersection of 3.6m @ 1.53% eU_3O_8 from surface at Takardeit North East. The latest good news is drilling at Takardeit East has, for the first time, intersected a stacked channel style system and also a deeper mineralised system which is the more usual sandstone hosted style capped by impervious shale. The implication of stacked systems is an increase in tonnage and we also continue to get good grade in the intersections.

"The latter deeper system is our first blind discovery which was intersected as we drilled slightly deeper than our usual 30m in this area. We are currently doing step out drilling on both discoveries to establish size.

"Drilling at deeper Carboniferous targets on the eastern flank of the Company's two northern permits has yielded some lower grade results. It is now planned to test deeper Carboniferous in the central and western flanks of the permits, the source of previous high grade results from historical drilling.

"Following completion of the step out holes at Takardeit East the rig will move to Takardeit North East, located approximately 5km away. Road access has now been created and drilling will follow up on the 3.6m @ 1.53% eU_3O_8 intersection reported on May 5.

"Good results continue to flow for us in this program and we are highly encouraged by the stacked system at Takardeit East. We are also looking forward to step out drilling of the high grade intersection at Takardeit North East," Mr Kirtlan said.

Summary of Higher Grade Intersections

Hole No.	Down Hole Intersection	From Depth (Down Hole)	Prospect
IND183Extended	3.4m @ 652 ppm eU3O8	31.2m	Takardeit East
	inc 2.0m @982 ppm eU3O8	32.5m	
IND194Extended	2.7m @ 437 ppm eU3O8	30.9m	Takardeit East
	inc 0.6m 980 ppm eU3O8	31.8m	
	2.2m @ 344 ppm eU3O8	34.3m	
IND215	4.8m @ 340 ppm eU3O8	27.5m	Takardeit East
	inc 2.3m @ 523 ppm eU3O8	28.8m	
IND216	2.3m @ 171 ppm eU3O8	10.5m	Takardeit East
	inc 0.5m @ 338 ppm eU3O8	12.0m	
	4.4m @ 255 ppm eU3O8	21.3m	
	inc 1.4m @ 427 ppm eU3O8	23.2m	

Exploration Drilling and Results

Drilling is being undertaken by a local contractor utilising rotary mud techniques and is testing priority targets over the Company's three permits. Target areas are highlighted on Figure 3.

A further 21 holes (plus 3 extensions to exisiting holes) have been drilled since the release of the first update for a total of 47 holes drilled to date for 3,187m. Complete results are reported in Table 1. An estimated 800m remain to complete the current proposed program of 4,000m although consideration is being given to drilling more targets in the central and western flanks of the two northern permits.

Results shown are based on down hole gamma logging data and are presented as equivalent U_3O_8 or eU_3O_8. A detailed description of the drilling and logging techniques utilised is located in the section headed "Description of Drilling and Logging".

Takardeit East - Summary

Follow up drilling to the first set of holes drilled at Takardeit East (Figure 2 plan view) has intersected additional higher grade mineralisation in the form of:

- Stacked mineralised zones within channel facies units
- Sandstone hosted stratagraphic uranium

The channel is an extension of mineralisation identified at surface and tracked undercover to the south. The sandstone hosted mineralisation is a blind discovery and is not known to outcrop. It is shallow, higher grade and the lateral continuity provides an attractive exploration target as the system has not been closed off. Both mineralised units are shown in Figure 1.

The Takardeit East area is considered highly prospective for repeat systems as exploration to date has only been systematically carried out over a small portion of the prospect area.

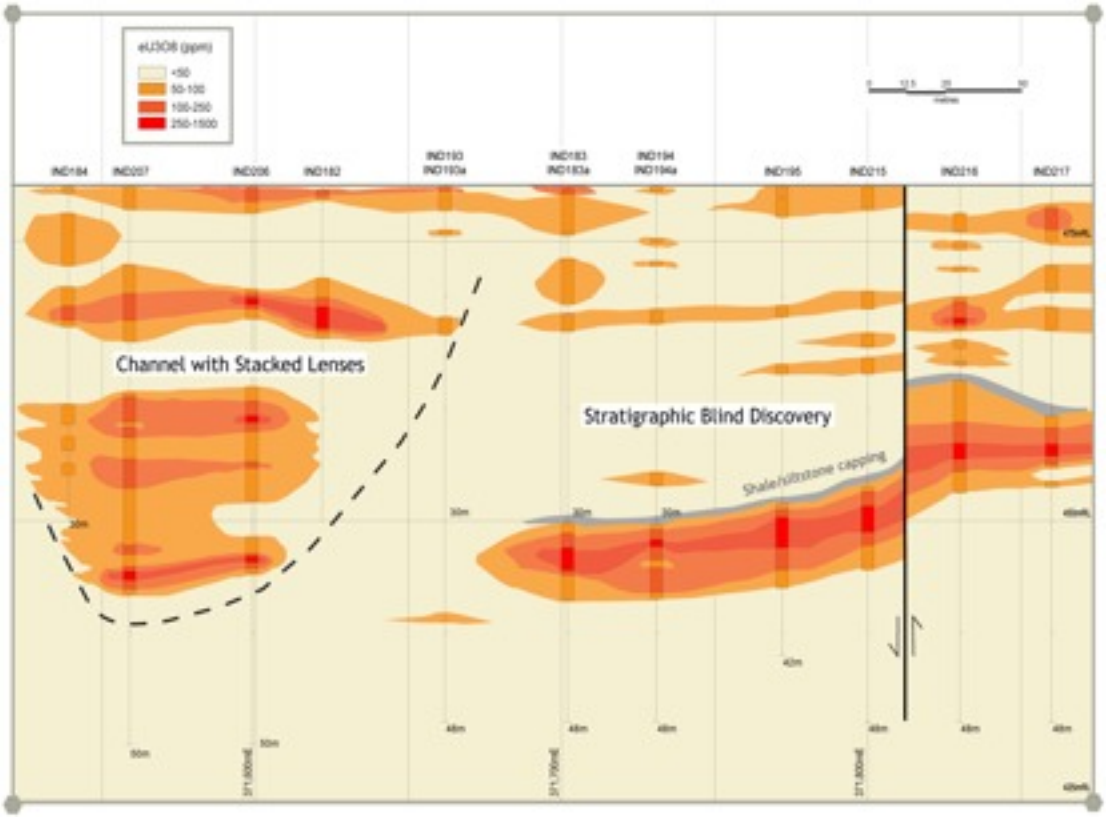

Figure 1: Showing cross section of the Takardeit East stacked channel and stratigraphic mineralisation

Figure 2: Showing Takardeit East drill holes, XRF readings and radiometric anomaly

Carboniferous Drill Targets - Summary

First round drilling of Carboniferous targets has focussed on preferable locations adjacent to large structures and at shallower depths near the basin margin located at the eastern edge of the Company's permits. Analysis of the drilling results to date indicates that the Carboniferous has not been well developed near the basin margins, and the preferred location for large uranium systems within the Carboniferous sediments is likely to occur in the central and western portions of NGM leases.

Drilling of these targets is undergoing technical consideration for the current program and is subject to field preparation and retaining the drilling contractor.

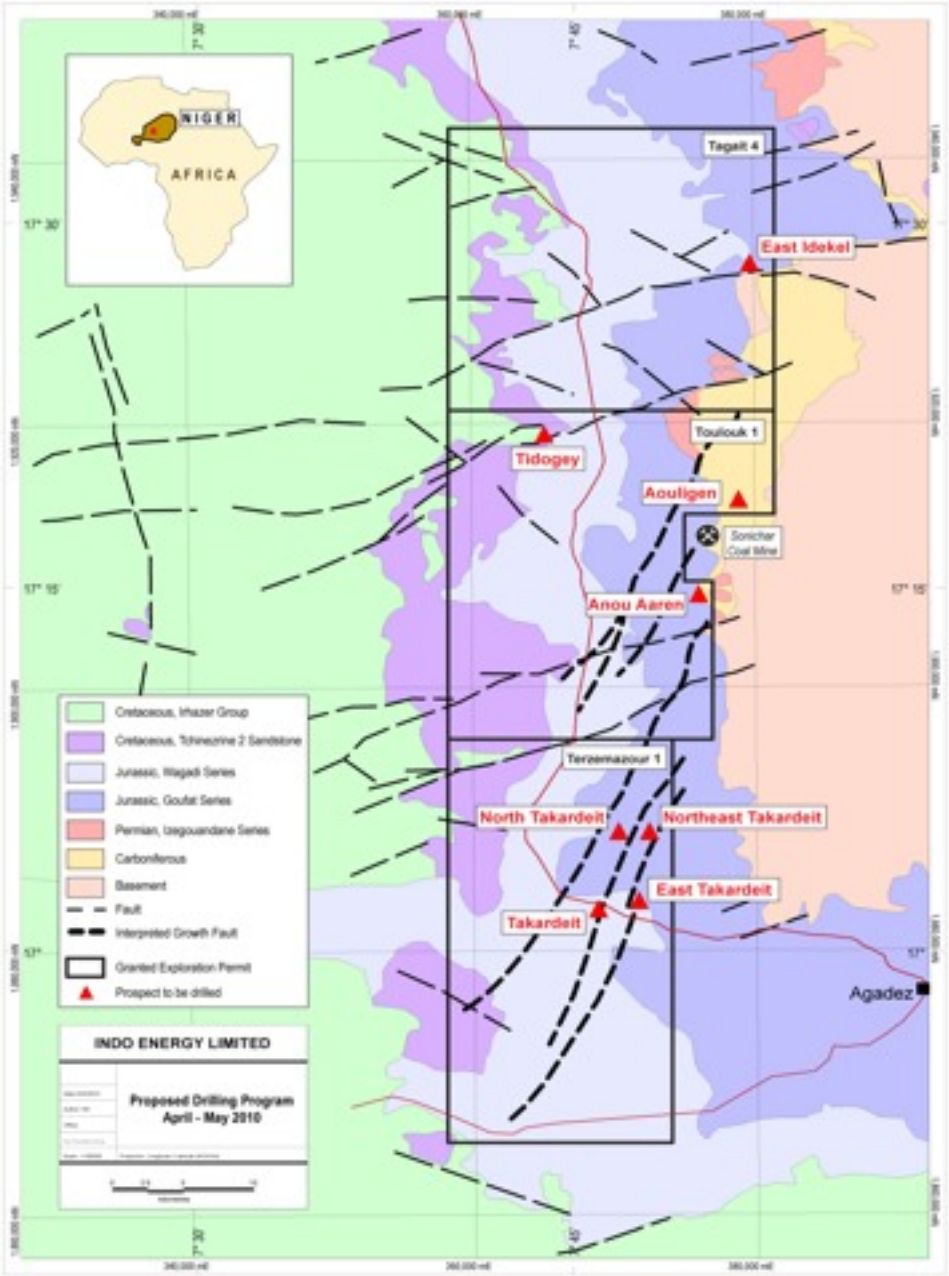

Figure 3: Showing Proposed Drill Location

Table of all Drilling Results

(NSR – "No Significant Result" based upon a 100 ppm cut off)

Table 1 - Niger Drilling Results April/May 2010								
HoleID	Easting (m)	Northing (m)	RL (m)	Depth (m)	From (m)	To (m)	Width (m)	eU_3O_8 (ppm)
IND174	368731	1883243	474	196	13.0	13.8	0.8	697
IND174					21.0	22.0	1.0	219
IND175	368725	1882482	470	186	7.1	7.9	0.8	210
IND175					9.5	10.3	0.8	238
IND175					22.4	22.8	0.4	308
IND175					31.4	32.3	0.9	310
IND176	371623	1883792	473	132	5.9	8.8	2.9	206
IND177	371607	1883902	474	30	0.4	3.6	3.2	327
IND178	371555	1883958	477	30				NSR
IND179	371536	1884044	480	12				NSR
IND180	371618	1883719	477	30	6.4	13.7	7.3	494
IND180					7.5	8.5	1.0	2327
IND181	371683	1883639	479	30				NSR
IND182	371622	1883482	483	30	10.2	13.2	3.0	191
IND183	371702	1883476	478	30	0.4	1.0	0.6	125
IND183					12.6	13.0	0.4	108
IND183A	371702	1883476	478	48	31.2	34.6	3.4	652
IND183A					32.5	34.5	2.0	982
IND184	371539	1883481	479	30	10.9	12.2	1.3	122
IND185	371544	1883660	482	30	18.2	18.7	0.5	197
IND186	371531	1883704	467	30				NSR
IND187	371537	1883797	475	30	11.0	11.9	0.9	139
IND188	371587	1883721	482	30	10.8	12.2	1.4	129
IND189	371602	1883795	476	24	2.1	3.4	1.3	145
IND190	371642	1883709	470	18	1.6	9.4	7.8	131
IND190					1.9	2.8	0.9	294
IND191	371638	1883633	483	24				NSR
IND192	371594	1883639	487	22	7.0	12.2	5.2	220
IND192					8.4	10.2	1.8	2369
IND193	371662	1883477	482	30				NSR
IND193A	371662	1883477	482	48				NSR
IND194	371731	1883476	485	30				NSR
IND194A	371731	1883476	485	48	30.9	33.6	2.7	437
IND194A					31.8	32.4	0.6	980
IND194A					34.3	36.5	2.2	344
IND195	371772	1883469	483	42	29.1	34.5	5.4	424
IND195					29.8	32.5	2.7	722
IND196	369513	1889084	476	30				NSR
IND197	370151	1888984	480	30	0.0	3.6	3.6	15286
IND198	370192	1889094	482	30	0.0	1.3	1.3	261
IND199	370216	1889190	485	30				NSR

Table 1 - Niger Drilling Results April/May 2010								
HoleID	Easting (m)	Northing (m)	RL (m)	Depth (m)	From (m)	To (m)	Width (m)	eU_3O_8 (ppm)
IND200	365097	1919305	482	300	80	80.4	0.4	141
IND201	379703	1932231	527	141	0.3	1.6	1.4	152
IND201					3.1	5.3	2.2	116
IND201					6.6	7.1	0.5	145
IND201					96.9	99.5	2.6	157
IND202	377928	1931439	507	250				NSR
IND203	377248	1931031	510	280				NSR
IND204	377080	1931322	510	270				Results pending
IND205	378679	1918623	501	32				NSR
IND206	371599	1883478	479	50	0.3	1.6	1.3	117
IND206					9.8	11.2	1.4	263
IND206					10.2	10.8	0.6	378
IND206					19.4	22.1	2.7	193
IND206					20.7	21.3	0.6	384
IND206					24.8	25.4	0.6	123
IND206					33	34.4	1.4	209
IND206					33.3	33.8	0.5	288
IND207	371559	1883473	486	50	9.8	12.2	2.4	133
IND207					19	21.3	2.3	125
IND207					21.7	22.7	1.0	112
IND207					24.6	27.2	2.6	164
IND207					32.3	33.1	0.8	128
IND207					34.2	36.2	2.0	226
IND208	371523	1883323	482	60	0.4	1.3	0.9	309
IND209	371558	1883324	479	60	2.8	4.0	1.2	144
IND210	371601	1883322	479	60	2.4	3.8	1.4	143
IND211	371681	1883328	480	60				NSR
IND212	371760	1883320	480	60				NSR
IND213	371797	1883326	482	60				NSR
IND214	371837	1883319	487	60				Results pending
IND215	371800	1883480	476	48	27.5	32.3	4.8	340
IND215					28.8	31.3	2.5	523
IND216	371830	1883481	479	48	10.5	12.8	2.3	171
IND216					12.0	12.5	0.5	338
IND216					21.3	25.7	4.4	255
IND216					23.2	24.6	1.4	427
IND217	371860	1883480	482	48	2.2	4.1	1.9	117
IND217					21.8	25.1	3.3	212
IND217					23.3	24.3	1.0	315

Continuing Programs

The Company's work program for the next month is:

- Complete step out drilling at Takardeit East
- Return to Takardeit North East and test for step out drilling from the 3.6m @ 1.53% eU_3O_8 intersected from surface
- Drilling of shallow targets on central permit (Toulouk 1)
- Potentially test deeper targets in the northern two permits in the central area and western flanks of the permits

Description of Drilling and Logging

The drilling is being undertaken by Esafor, a Nigerien based drilling company with over 40 years experience in rotary mud drilling for uranium on behalf of Areva and other companies working in the Tim Mersoï basin. The drill holes are approximately 110-121mm in diameter and drilled with bentonite mud.

The down hole logging was undertaken by Uranium Logging and Consulting (ULC), a French based firm whose principals have significant international experience in down hole radiometric logging, using their GeoVista Natural Gamma Ray Spectroscopy (NGRS) system with a NaI crystal. Higher grade intercepts were re-run using a Geiger-Muller gamma probe. All holes were gamma logged at 10cm intervals. The holes were also separately logged for resistivity, recording both shallow resistivity (RLLS) and deep resistivity (RLLD).

The natural gamma records were corrected by ULC for the hole diameter, mud density, logging speed, probe dead time, to record a "corrected gamma value" expressed in counts per second (CPS). The corrected gamma is converted to ppm eU using a k-factor of 0.21 and converted to eU_3O_8 by multiplying by 1.179. All records assume the radiometric data is in equilibrium. This is a reasonable assumption based on ULC's extensive experience working for Areva and Goviex on sandstone hosted mineralisation in similar host rocks and depths just north of the Company's concessions. All holes were logged by an experienced uranium geologist from ULC with more than five years experience in logging in the Tim Mersoï Basin in Niger.

Results are based upon a 100ppm eU_3O_8 cut off grade over widths greater than 0.4m.All hole co-ordinates and sample locations are recorded in WGS84, 32N. Hole collars are located by hand-held Garmin GPS.
Ends

For further information, please contact:

Robert Kirtlan
Director
Tel: +61 (8) 9367 6471

Warrick Hazeldine
Media Relations
Tel: +61 (8) 6314 6300

Visit: *www.ngmresources.com.au*

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Peter Smith, who is a Member of the Australian Institute of Geoscientists. Mr Smith is a consultant to the company.

Mr Smith 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 Smith consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.