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ANOTHER NEW MINERALISED SYSTEM DISCOVERED

HIGHLIGHTS

Mineralisation discovered in Carboniferous unit at Aouligen
Mineralisation up to 0.2% eU₃O₈

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

NGM is excited to announce a new discovery of mineralisation located at Aouligen on the Toulouk 1 permit in the Carboniferous unit.

"This is our first substantial hit of mineralisation in the Carboniferous," Executive Director Robert Kirtlan said.

"The Carboniferous tends to host the majority of deposits discovered in the Tim Mersoï basin and we have intersected uranium of up to 0.2% (2000ppm) eU₃O₈ at depths less than 70 metres over an area 1.5km wide and open to the north.

"The discovery is located just north of the Sonichar coal mine and initial interpretation suggests good potential for a large system associated with a north north-east fault. North north-east faults predominately host the major deposits discovered so far in the basin.

"Unfortunately as a result of issues with rig availability and the onset of the hot and wet season we have had to suspend the current program. Due to this we have also been unable to follow up the 3.6m at 1.53% eU₃O₈ intersected at Takardeit North East which is frustrating as we remain confident there is continuity of this high grade mineralisation to the south of the initial mineralised hole.

"We are very pleased with the results from this program as we have had new discoveries at Takardeit East, Takardeit North East and now Aouligen so we have plenty to look forward to when we recommence drilling in September or October."

"We are still only 12 months in to this and we have an inferred resource and new discoveries to drill out so given we have barely scratched the surface of our ground position we are very happy so far," Mr Kirtlan added.

Aouligen Prospect

The Aouligen Prospect (Figure 1) is located in the Aouligen Carboniferous sedimentary sub-basin, controlled in part by NNE trending basement structures that were active during the Carboniferous, and probably reactivated a number of times since. A number of the basement structures are associated with hot springs indicating on-going basement tapping fluid movement within the NNE trending faults. The southern margin of the Aouligen basin contains the SONICCHAR coal mine.

Uranium mineralisation up to 0.2% (2000ppm) eU₃O₈ has been intersected at shallow depths, less than 70m deep, over an area of 1.5km wide and immediately north of the SONICCHAR mine lease. The prospect remains open to the north where the Aouligen sub-basin continues for another 15km.

Results of interest from the Aouligen Prospect:

Drillhole	Down hole intercept of eU ₃ O ₈ (ppm)	From depth (meters)	Prospect	Geological Unit
IND233	5.9m @ 462	63.2	Aouligen	Carboniferous
	inc 1.3m @ 711	64.1		
	inc 0.6m @ 920	64.4		
	inc 1.5m @ 781	67.4		
	inc 0.4m @ 1415	68.5		
IND240	1.3m @ 493	37.7	Aouligen	Carboniferous
	inc 0.7m @ 716	37.8		
	1.2m @ 482	48		
	inc 0.5m @ 946	48.2		
IND241	2.6m @ 409	35.4	Aouligen	Carboniferous
	inc 0.9m @ 912	36.9		
	inc 0.5m @ 1301	37.3		
IND242	1.0m @ 561	13.1	Aouligen	Carboniferous
	inc 0.7m @ 726	13.3		
	inc 0.4m @ 939	13.5		

The Aouligen mineralisation was drilled during June 2010, with 12 holes drilled for 877.3 meters prior to the cessation of drilling in early July due to drilling rig restrictions.

Mineralisation at the Aouligen Prospect is located in and adjacent to more carbonaceous horizons within bleached coarse sandstones of the Carboniferous Aouligen sandstones, and lower Carboniferous Tegora units.

High priority drill targets are still yet to be drilled at the Aouligen Prospect pending the arrival of a drill rig capable of accessing the more rugged terrain expected to be in September or October.

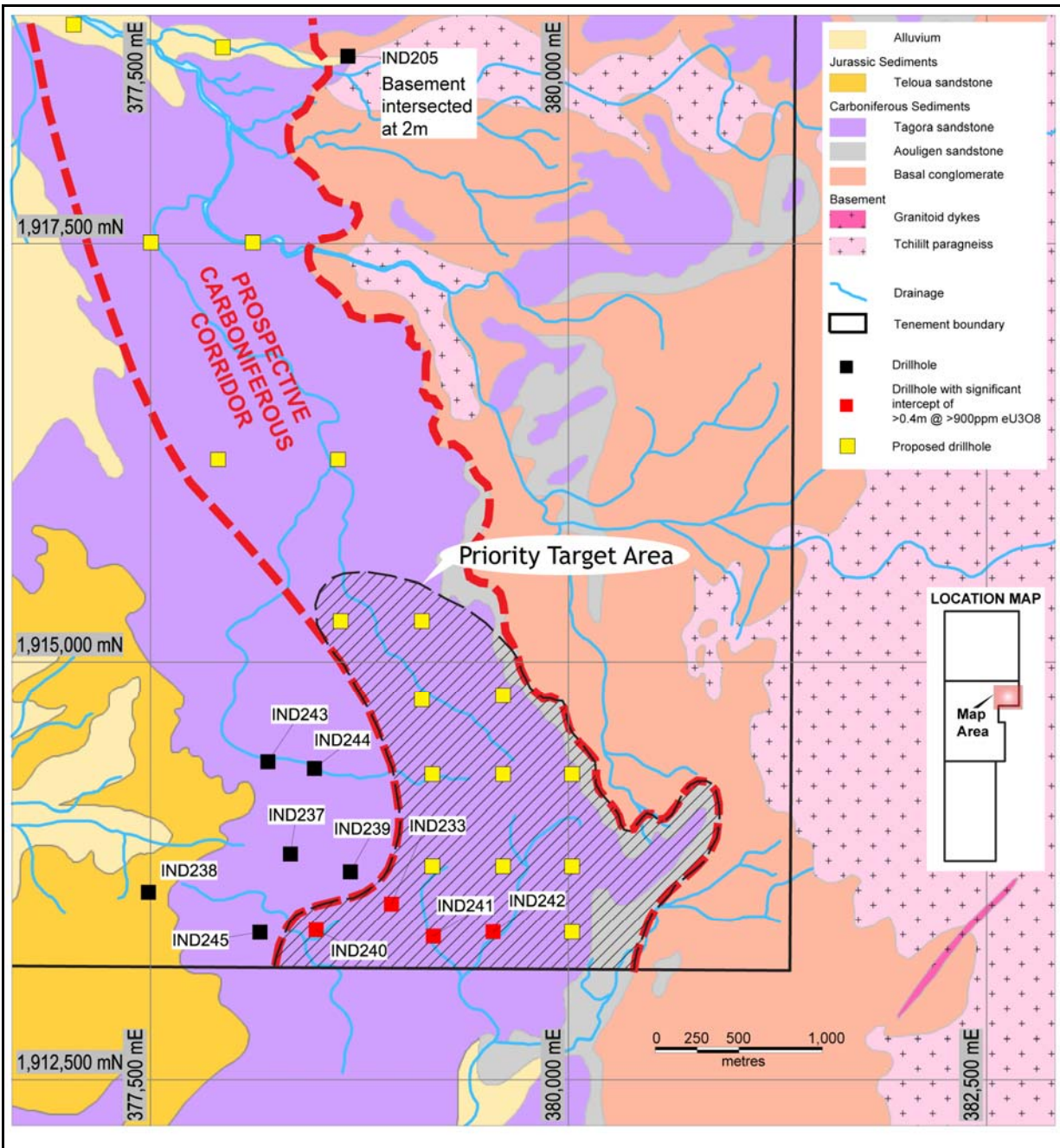


Figure 1: Drill hole location plan for the Aouligen Prospect

Anou Aaren Coal Prospect

Whilst drilling the Carboniferous at the Anou Aaren (see Figure 2) prospect testing for uranium mineralisation, Indo Energy intersected coal of varying widths and quality. The Anou Aaren prospect is located immediately along strike and south of the SONICHAR coal mine, with an associated power station that supplies power for all of the uranium mines within the Tim Mersoï Basin, the regional centres of Agadez, and Arlit, and a number of small townships.

With the planned opening of the Imouraren uranium mine and increased power requirements, the current reserves of coal within the SONICHAR Mine lease are anticipated to be sufficient for only 5-6 years. A ready market for any coal identified by the Company is expected to exist.

The forward program will be to recover some core through a number of coal intersections as defined in the recent mud drilling program and run analysis on the core to determine

1. Moisture content
2. Ash content
3. Volatile matter content
4. Calorific value (Kcal/kg)
5. Sulphur content
6. Carbon content

Takardeit North East Prospect

Takardeit North East was originally targeted as a potential series of uraniferous channels based on the airborne/ground radiometrics, although field inspection of a number of the airborne radiometric anomalies indicated that they were indurated and manganese stained sandstones. A number of locations however were found to have ferruginous box work textures after sulphides and yellow products (uranium oxides), associated with interpreted sub vertical North-South trending faults.

IND197 was drilled into one of these occurrences and intersected 3.6m @ 1.53% eU_3O_8 . On the ground this occurrence can be traced for approximately 100m along strike with Radeye counts consistently greater than 15000cps, and associated with ferruginous sandstones. Follow up drill holes are planned pending the arrival of a drill rig capable of accessing the more rugged terrain, whilst a more detailed ground radiometric survey is planned to constrain the ground radiometric anomalies.

Takardeit East Prospect

The Takardeit East prospect consists of a series of channels that outcrop to the east of the Takardeit Inferred Resource. Yellow products (uranium oxides) are present within a trench excavated during 2009.

IND94 which was drilled during the second phase of drilling in 2009 intersected 11.7m @ 783ppm eU_3O_8 , and a series of holes were drilled from April-June 2010 in phase 3 to follow up this result. IND94 drilled through the core of a small stacked channel which was tracked under cover 400m to the south. A number of holes were drilled into the channel, which appears to terminate approximately 500m to the south of IND94.

Whilst drilling the channel, a blind more stratigraphic zone of mineralisation was intersected in IND195, 5.4m @ 424ppm eU_3O_8 from 29.1m inc. 2.7m @ 722ppm eU_3O_8 from 29.8m, this was followed up since the last press release with 9 holes (IND218-223, and IND 234-236) for 404m, and closes off the blind zone to the north, south and east. The size potential of the blind zone is limited.

Further drilling is required to fully evaluate the prospectivity and size of other identified targets in the Takardeit East area and will be pursued in the next drilling program.

Results of interest in the blind zone are:

Drillhole	Down hole intercept of eU ₃ O ₈ (ppm)	From depth (meters)	Prospect	Geological Unit
IND183 Extended	3.4m @ 652	31.2	Takardeit East	TCH1
	inc 2.0m @ 982	32.5		
	inc 1.3m @ 1177	32.7		
IND194 Extended	2.7m @ 437	30.9	Takardeit East	TCH1
	inc 0.6m @ 980	31.8		
	inc 0.4m @ 1149	31.9		

One drill hole IND176 was drilled to basement within the Takardeit East prospect, and although intersecting reduced Carboniferous sediments, no mineralisation was intersected within the Carboniferous. Depth to basement was 125m.

Exploration Drilling and Results

Drilling was undertaken by a local contractor utilising rotary mud techniques and is testing priority targets over the Company's three permits. Target areas are highlighted in Figure 2.

Since the release of the last update a further 29 holes for 2,014m (including a water bore hole for the Hamza village) have been drilled for a total of 76 holes drilled for 5,201m during the phase 3 drilling program. Complete results are reported in Table 1.

Results shown are based on down hole gamma logging data and are presented as equivalent U₃O₈ or eU₃O₈. A detailed description of the drilling and logging techniques utilised is located in the section headed "Description of Drilling and Logging".

Project Generation

A review of all existing drill holes indicates the higher grade uranium mineralised intersections (> 0.4m at > 1000ppm) are currently confined to the Tafadek Structural Corridor that extends from the Aouligen prospect through the Takardeit prospect (Figure 2). This feature is well defined in the airborne geophysical surveys flown in late 2009, and defines a corridor of reactivated NNE faulting that has controlled sedimentation during the Carboniferous, and even to the current day brings uraniferous fluids from the basement to surface via hot springs near the township of Tafadek. This has been the principal target to date due to the shallow depth of the mineralised horizons.

Other historical high grade mineralisation (Cogema drill hole INZA172) is interpreted to exist within the interpreted Tchirezrine depositional centre (a Carboniferous-Permian zone of thickened sediments), which is present adjacent to a large ENE striking fault. The Tchirezrine depositional centre and INZA172 are planned to be followed up on arrival of a suitable drill rig.

Work is also being undertaken on unconformity style deposits as the presence of graphic or carbonaceous units within this sedimentary portion of the basement, the Tafadek Structural Corridor, presents the potential for deposits of this type.

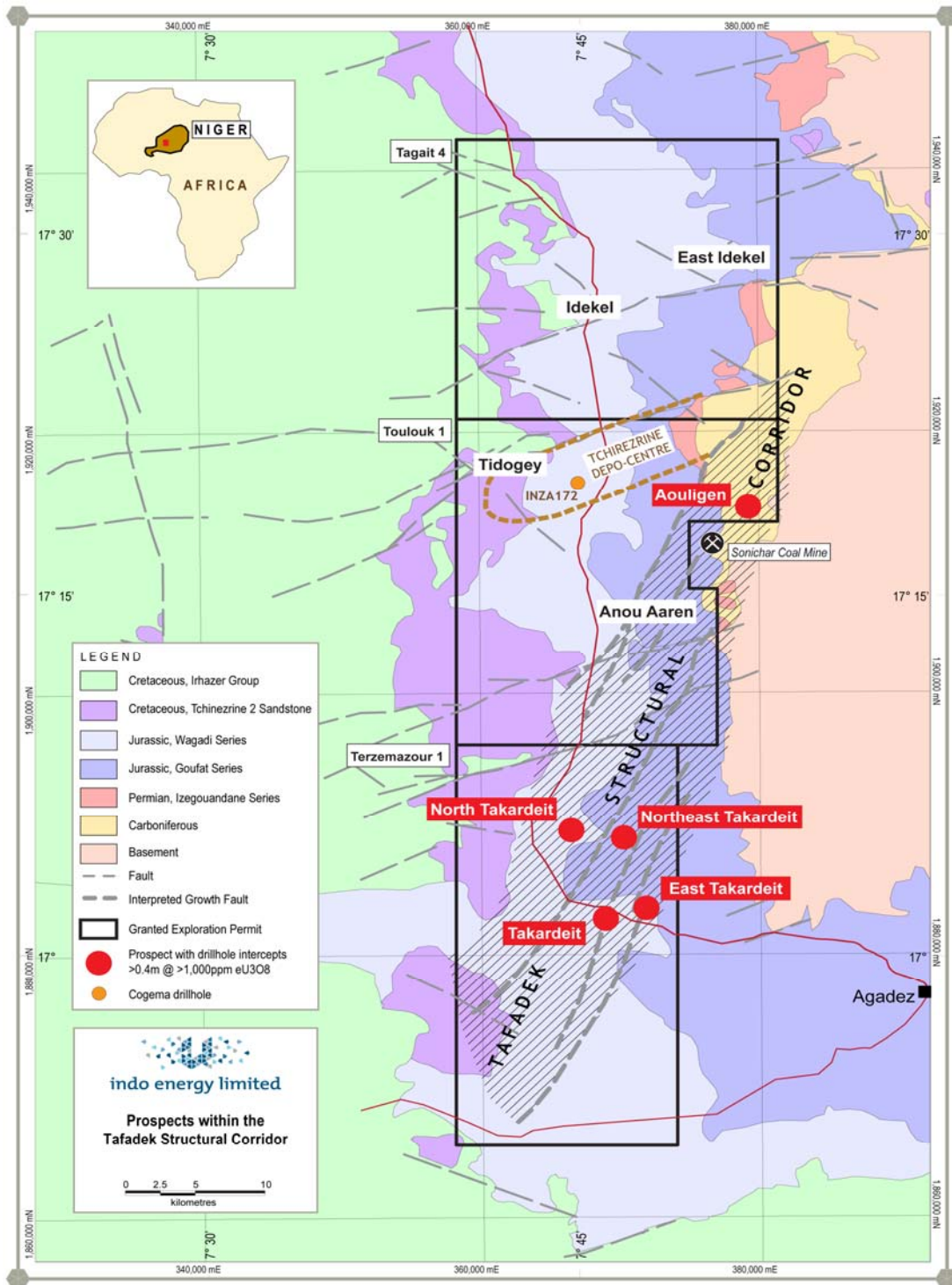


Figure 2: Target Areas and Prospects with elevated uranium (> 0.1% eU3O8 > 0.4m width)

Continuing Programs

The Company will continue with interpretation of the drill results to date. It is intended to recommence field programs in September and return to drilling at Aouligen, Takardeit East, Takardeit North East and other currently undrilled prospects in September or October 2010.

Table 1: Complete Table of all Drilling Results for Current Program

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

Hole ID	Depth (m)	Easting (m)	Northing (m)	RL (m)	From (m)	To (m)	Width (m)	eU ₃ O ₈ (ppm)
IND174	196	368731	1883243	474	13	13.8	0.8	697
IND174					21	22	1	219
IND175	186	368725	1882482	470	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	132	371623	1883792	473	5.9	8.8	2.9	206
IND177	30	371607	1883902	474	0.4	3.6	3.2	327
IND178	30	371555	1883958	477				NSR
IND179	12	371536	1884044	480				NSR
IND180	30	371618	1883719	477	6.4	13.7	7.3	494
IND180					inc 7.5	8.5	1	2327
IND181	30	371683	1883639	479				NSR
IND182	30	371622	1883482	483	10.2	13.2	3	191
IND183	30	371702	1883476	478	0.4	1	0.6	125
IND183					12.6	13	0.4	108
IND183A	48	371702	1883476	478	31.2	34.6	3.4	652
IND183A					inc 32.5	34.5	2	982
					inc 32.7	34	1.3	1177
IND184	30	371539	1883481	479	10.9	12.2	1.3	122
IND185	30	371544	1883660	482	18.2	18.7	0.5	197
IND186	30	371531	1883704	467				NSR
IND187	30	371537	1883797	475	11	11.9	0.9	139
IND188	30	371587	1883721	482	10.8	12.2	1.4	129
IND189	24	371602	1883795	476	2.1	3.4	1.3	145
IND190	18	371642	1883709	470	1.6	9.4	7.8	131
IND190					inc 1.9	2.8	0.9	294
IND191	24	371638	1883633	483				NSR
IND192	22	371594	1883639	487	7	12.2	5.2	220
IND192					inc 8.4	10.2	1.8	369
IND193	30	371662	1883477	482				NSR
IND193A	48	371662	1883477	482				NSR
IND194	30	371731	1883476	485				NSR
IND194A	48	371731	1883476	485	30.9	33.6	2.7	437
IND194A					inc 31.8	32.4	0.6	980
					inc 31.9	32.3	0.4	1149
IND194A					34.3	36.5	2.2	344
IND195	42	371772	1883469	483	29.1	34.5	5.4	424
IND195					inc 29.8	32.5	2.7	722
IND196	30	369513	1889084	476				NSR

Complete Table of all Drilling Results (cont.)

Hole ID	Depth (m)	Easting (m)	Northing (m)	RL (m)	From (m)	To (m)	Width (m)	eU ₃ O ₈ (ppm)
IND197	30	370151	1888984	480	0	3.6	3.6	15286
IND198	30	370192	1889094	482	0	1.3	1.3	261
IND199	30	370216	1889190	485				NSR
IND200	300	365097	1919305	482	80	80.4	0.4	141
IND201	141	379703	1932231	527	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	250	377928	1931439	507				NSR
IND203	280	377248	1931031	510				NSR
IND204	270	377080	1931322	510	21.6	22.1	0.5	159
					30.7	32.7	2	255
					inc 31.8	32.5	0.7	433
					211	211.3	0.3	190
IND205	32	378679	1918623	501				NSR
IND206	50	371599	1883478	479	0.3	1.6	1.3	117
IND206					9.8	11.2	1.4	263
IND206					inc 10.2	10.8	0.6	378
IND206					19.4	22.1	2.7	193
IND206					inc 20.7	21.3	0.6	384
IND206					24.8	25.4	0.6	123
IND206					33	34.4	1.4	209
IND206					inc 33.3	33.8	0.5	288
IND207	50	371559	1883473	486	9.8	12.2	2.4	133
IND207					19	21.3	2.3	125
IND207					21.7	22.7	1	112
IND207					24.6	27.2	2.6	164
IND207					32.3	33.1	0.8	128
IND207					34.2	36.2	2	226
IND208	60	371523	1883323	482	0.4	1.3	0.9	309
IND209	60	371558	1883324	479	2.8	4	1.2	144
IND210	60	371601	1883322	479	2.4	3.8	1.4	143
IND211	60	371681	1883328	480				NSR
IND212	60	371760	1883320	480				NSR
IND213	60	371797	1883326	482				NSR
IND214	60	371837	1883319	487				NSR
IND215	48	371800	1883480	476	27.5	32.3	4.8	340
IND215					inc 28.8	31.3	2.5	523
IND216	48	371830	1883481	479	10.5	12.8	2.3	171
IND216					inc 12	12.5	0.5	338
IND216					21.3	25.7	4.4	255
IND216					inc 23.2	24.6	1.4	427
IND217	48	371860	1883480	482	2.2	4.1	1.9	117
IND217					21.8	25.1	3.3	212

Complete Table of all Drilling Results (cont.)

Hole ID	Depth (m)	Easting (m)	Northing (m)	RL (m)	From (m)	To (m)	Width (m)	eU ₃ O ₈ (ppm)
IND217					inc 23.3	24.3	1	315
IND218	48	371722	1883640	478				NSR
IND219	48	371761	1883640	479				NSR
IND220	48	371803	1883637	480				NSR
IND221	48	371841	1883635	478	6.6	9.2	2.6	205
					inc 7.2	7.8	0.6	298
					10.2	11.5	1.3	142
IND222	30	371885	1883478	487	1.2	2.2	1	108
IND222					2.7	3.1	0.4	119
IND222					3.8	4.8	1	133
IND222					10.1	13.4	3.3	183
IND222					inc 10.6	11.4	0.8	326
IND223	30	371949	1883501	501	0.6	2.9	2.3	177
IND224	20	370221	1889023	475	2	2.6	0.6	131
IND225	20	370124	1888939	477				NSR
IND226	30	370212	1889343	470				NSR
IND227	93	376403	1901771	519				NSR
IND228	84	376459	1903499	516	27.8	28.7	0.9	227
					inc 28.1	28.5	0.4	298
IND229	70	375958	1907101	508	35.5	36.3	0.8	232
IND230	128	375958	1907620	505				NSR
IND231	106	376443	1906897	504	22.8	23.8	1	132
IND232	127	376446	1905739	511	43.9	44.6	0.7	268
					inc 44.1	44.4	0.3	414
IND233	87	378940	1913550	500	34.6	35	0.4	126
					45.2	47.5	2.3	325
					inc 45.6	47.1	1.5	416
					63.2	69.1	5.9	462
					inc 64.1	65.4	1.3	711
					inc 64.4	65	0.6	920
					inc 66.1	66.5	0.4	384
					inc 67.4	68.9	1.5	781
					inc 68.5	68.9	0.4	1415
IND234	50	371460	1883480	480				NSR
IND235	50	371380	1883480	481				NSR
IND236	48	371750	1883402	481				NSR
IND237	97	378335	1913850	504	42.3	44	1.7	210
					inc 42.5	43	0.5	387
					45.5	45.8	0.3	137
					57.2	58.3	1.1	188
					inc 57.7	58	0.3	298
					65.2	65.9	0.7	236
					inc 65.4	65.7	0.3	356
					69.8	70.4	0.6	203

Complete Table of all Drilling Results (cont.)								
Hole ID	Depth (m)	Easting (m)	Northing (m)	RL (m)	From (m)	To (m)	Width (m)	eU ₃ O ₈ (ppm)
IND238	133.2	377487	1913621	509	86.5	86.8	0.3	114
					89.1	89.4	0.3	123
					90.6	92.7	2.1	155
					101.1	101.4	0.3	116
					102.4	103.4	1	134
IND239	81	378694	1913743	531	24.4	25.9	1.5	185
					26.2	26.6	0.4	151
					40	40.4	0.4	147
					53	54.1	1.1	255
					inc 53.5	54	0.5	393
					54.8	55.6	0.8	130
					57.2	57.5	0.3	118
					68.8	70.8	2	134
					71.8	72.8	1	302
					inc 71.9	72.6	0.7	302
IND240	77	378490	1913394	527	37.7	39	1.3	493
					inc 37.8	38.5	0.7	716
					43.4	44.1	0.7	288
					inc 43.5	43.9	0.4	396
					48	49.2	1.2	482
					inc 48.2	48.7	0.5	946
IND241	64	379191	1913356	557	25.3	26.2	0.9	148
					35.4	38	2.6	409
					inc 36.9	37.8	0.9	912
					inc 37.3	37.8	0.5	1301
					40.5	42.1	1.6	313
					inc 40.7	41.4	0.7	493
					54	54.7	0.7	154
					56.2	57.2	1	159
IND242	54	379548	1913382	536	13.1	14.1	1	561
					inc 13.3	14	0.7	726
					inc 13.5	13.9	0.4	939
					16.1	18.9	2.8	196
					inc 16.4	16.8	0.4	312
					17.7	18.1	0.4	362
					32.2	33.7	1.5	108
					45	46.8	1.8	314
					inc 45.1	46	0.9	451
IND243	89	378201	1914399	534	59.2	61.6	2.4	133
					81.4	81.8	0.4	145
IND244	83	378480	1914360	529	55	59	4	147
					inc 56.9	57.2	0.3	280
					75.7	80.4	4.7	236
					inc 75.9	76.9	1	534

Hole ID	Depth (m)	Easting (m)	Northing (m)	RL (m)	From (m)	To (m)	Width (m)	eU ₃ O ₈ (ppm)
IND245	80	378154	1913379	528	58.1	60.8	2.7	108

Description of Drilling and Logging

The drilling is being undertaken by Esafor, a Nigerian 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 vary from 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, and 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 eU₃O₈ 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 eU₃O₈ 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

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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.