MINERAL RESOURCE ESTIMATE, EPLS3524 AND 3624, NAMIBIA

Prepared For

Cobra Resources

Report Prepared by

srk consulting

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UK6220

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Table of Contents: Executive Summary

List of Tables: Executive Summary

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EXECUTIVE SUMMARY
MINERAL RESOURCE ESTIMATE, EPLS3524 AND 3624, NAMIBIA

1 EXECUTIVE SUMMARY

SRK Consulting (UK) Limited ("SRK") has been requested by Cobra Resources (hereinafter also referred to as the "Company" or the "Client") to prepare an initial Mineral Resource Estimate for the uranium mineralisation intersected in selected areas of EPLs3524 and 3624 in central Namibia and to comment on exploration potential of the licences along with the adjacent company held property.

SRK has reviewed the geology of the site and developed three dimensional shape files of the drilled areas. Using the chemical analysis for uranium the grade has been estimated for the identified mineralized intervals.

Block model quantities and grade estimates for the Rossing North Project were classified according to the JORC Code. Mineral Resource classification is typically a subjective concept; industry best practices suggest that resource classification should consider the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas where the estimates are at a similar confidence level rather than by assessing the resource block by block. In addition, reporting of Mineral Resources must satisfy the requirement that there are reasonable prospects for eventual economic extraction.

SRK is satisfied that the geological models in both Area 1 and Area 3 honour the current geological information and knowledge, although SRK is conscious of the fact that the geological complexity of the mineralisation is not adequately defined by the current level of sampling. Further while SRK considers the location of the samples and the assay data are sufficiently reliable to support the resource estimates as presented here and the current level of sampling is not adequate to model grade continuity with a high degree of confidence.

To determine the final Mineral Resource Statement, the Area 1 and Area 3 block models have been subjected to a Whittle pit optimisation exercise to determine the proportion of the material defined that in SRK's opinion has a reasonable prospect of economic extraction.

The Whittle pit optimisation requires the input of processing and mining cost parameters in addition to appropriate pit slope angles and processing recoveries. The optimisation parameters applied in generating the Mineral Resource Statement presented in this report are summarised below. It should be noted that these parameters have been used purely to determine the potential for economic extraction, are based on SRK's experience and are not based on a rigorous technical analysis.

- Mining Cost – USD2.5/t
- Processing and G&A Cost – USD15.0/t
- Processing Recovery – 80%
- Pit Slope Angle - 50°
- Long term contract metal price – USD80 / lb U_3O_8

The results of the pit optimisation exercise suggest that both Area 1 and Area 3 contain material that has a reasonable prospect of economic extraction, although the majority of this is contained within Area 3. The Area 3 pit shell extends to the base of the estimated block model, which indicates potential to extend the resource down-dip, as well as along strike, with further drilling. The Area 1 pit shell is relatively shallow, typically not extending beyond the upper portion of the estimated block model. On this basis, it is recommended that any future exploration within Area 1 should be focussed on looking for lateral rather than depth extensions to the mineralisation.

The JORC Code defines a Mineral Resource as:

"*(A) concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories*" and that "*All reports of Mineral Resources must satisfy the requirement that there are reasonable prospects for eventual economic extraction (ie more likely than not), regardless of the classification of the resource*".

The "reasonable prospects for eventual economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries.

The Mineral Resource Statement generated by SRK has been restricted to all classified material falling within the Whittle shell representing a metal price of USD81 / lb U_3O_8.This represents the material which SRK considers has reasonable prospect for eventual economic extraction potential based on the above Whittle pit optimisation analysis. The table below shows the resulting Mineral Resource Statement for the combined Area 1 and Area 3 deposits. The slight difference between the total tonnage and the tonnages given for the two areas is a function of rounding.

Table ES 1: Combined Mineral Resource Statement for the Rossing North Area 1 and Area 3 deposits

Area	Classification	Tonnage (K tonnes)	Grade (ppm U3O8)	Metal (K lbs U3O8)
Area 1	MEAS	-	-	-
	IND	-	-	-
	MEAS + IND	-	-	-
	INF	960	200	420
Area 3	MEAS	-	-	-
	IND	-	-	-
	MEAS + IND	-	-	-
	INF	14,650	270	8,580
Total	MEAS	-	-	-
	IND	-	-	-
	MEAS + IND	-	-	-
	INF	15,620	260	9,000

In total, SRK has derived an Inferred Mineral Resource Estimate of 15.6Mt grading at 260ppm U3O8 for a contained metal total of 9.0 Mlbs U3O8. The majority of this tonnage is contained within the Area 3 deposit, which also has a higher U3O8 grade than Area 1. Area 3 comprises 14.65 Mt of Inferred material at 270ppm U3O8 for a contained metal total of 8.6Mlbs U3O8. The smaller Area 1 deposit includes 0.96 Mt of Inferred material at 200ppm U3O8 for a contained metal total of 0.4Mlbs U3O8.

SRK has generated tonnage and grade estimates for the mineralisation demonstrated to be present by exploration to date on the two drilled areas of EPL3524 and 3624. In total this drilling has outlined over 15Mlb of U3O8. In SRK's opinion, some 9Mlb of this mineralisation has already been demonstrated to be potentially economic to exploit and is supported by enough data, and is sufficiently well delineated, to be reported as an Inferred Mineral Resource as defined by the JORC Code.

In summary, the work completed to date has demonstrated the presence of uranium in significant quantities and SRK recommends the undertaking of further exploration with a view to determining both extensions to the two areas of mineralisation already discovered and other areas of the EPLs not yet drilled.

Table of Contents

List of Tables

List of Figures

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MINERAL RESOURCE ESTIMATE, EPLS3524 AND 3624, NAMIBIA

1 INTRODUCTION

1.1 Background

SRK Consulting (UK) Limited ("SRK") has been requested by Cobra Resources (hereinafter also referred to as the "Company" or the "Client") to prepare an initial Mineral Resource Estimate for the uranium mineralisation intersected in selected areas of EPLs3524 and 3624 in central Namibia and to comment on exploration potential of the licences along with the adjacent company held property.

1.2 Scope of Work

The scope of work was to utilise information collected in the field by Cobra Resources and its contractors and from this derive an initial Mineral Resource Estimate for selected drilled areas in property held by the company in central Namibia.

SRK staff visited all of the EPL's between October 24 and November 1 and met with the exploration manager, Keith Webb, on site for orientation and discussion of drilling.

1.3 Requirement, Structure and Compliance

This mineral resource has been prepared in compliance with the 2012 version of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code'). The JORC Code is a professional code of practice that sets minimum standards for Public Reporting of Exploration Results, Mineral Resources and Ore Reserves. A summary of these guidelines can be found at http://www.jorc.org. The JORC Code provides a mandatory system for the classification of Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.

1.4 Limitations, Reliance on SRK, Declaration, Consent, Copyright and Cautionary Statements

SRK has utilised information provided by Cobra Resources and its contractors and has had no responsibility in the acquisition of this information. SRK has however reviewed all data for consistency and potential errors prior to estimation.

1.5 Qualifications of Consultants

The qualified individuals for this project are Dr Mike Armitage, Mr Guy Dishaw and Dr Rob Bowell. All are considered qualified experts with respect to uranium mineralization and estimation of uranium resources as defined by the JORC code.

2 DATA VERIFICATION

2.1 Review of the Database

SRK conducted a review focused on the following database items:

- Collar and downhole surveys;
- Lithology logs;
- Assay data;
- Bulk density data; and
- Analytical Quality Control (QAQC) data.

2.1.1 Collar and Downhole Surveys

Drill hole collars for the project have been surveyed using handheld GPS. Due to inaccuracies in the elevation values determined using this technique, SRK has projected all drill hole collar elevations onto the topographic surface ("DEM"). The DEM has been constructed using data from the NASA Shuttle Radar Topographic Mission ("SRTM"). This data set has an average vertical error of approximately 5m in interpolated regions.

SRK conducted a visual investigation of downhole deviation surveys and found no significant concerns. Downhole deviation surveys were not conducted on drillholes AR001 to AR054, although all of these holes were vertical (-90) and maximum depth of 46m. All other holes have been surveyed by downhole magnetic tool at 1 m intervals.

In the opinion of SRK, the surveying methods employed for the Rossing North project, are acceptable to use for the mineral resource estimates presented here. SRK does however recommend the use of a differential GPS (DGPS) or controlled total-station survey, to more accurately survey hole locations at the next stage when the aim would be to report the mineral resource in a higher category.

2.1.2 Lithology Logs

Lithology logging was completed on each 1 m chip sample recovered from the RC drilling. The information captured by the logging comprises:

- Lithology, including rock color;
- Texture and grain size;
- Alteration type and intensity; and
- Dominant mineralogy.

SRK found that the logged rock types were consistent when viewed spatially and in the context of the project scale stratigraphy. Also, SRK found there to be excellent agreement between the identification of Alaskite intrusives, which are the primary mineralized lithology, versus other rock types (Figure 2-1). SRK also found very good agreement between the logged oxidation level and measured density (Section 3.3.2).

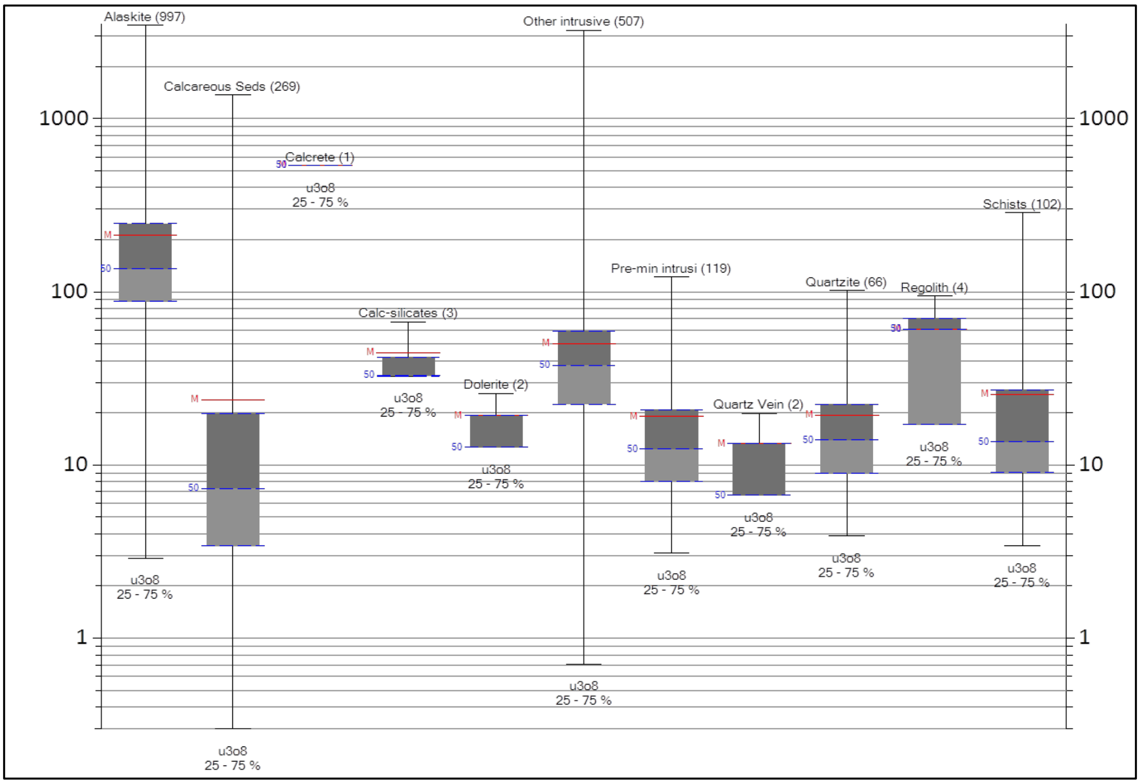


Figure 2-1: U3O8 Grade (Log) by logged rock type for Area 1 and Area 3.

2.1.3 Assay Data

SRK completed a full validation of the Rossing North assays for all drill holes against the original laboratory certificates. The assay results were provided to SRK directly from the analytical lab, Bureau Veritas Namibia (PTY) LTD ("BVN"). SRK independently reconstructed the assay database using this data and found no errors to the original provided.

SRK also compared the downhole radiometric probing results with the lab assays. In order to do this, SRK first had to 'shift' the downhole probing results to match those of the scintillometer readings taken from individual RC chip samples. The shifting of the downhole probing results is necessary, due to discrepancies in the start, or 0 point of a hole, cable stretch of the wireline used in the probing, and also potential friction downhole, causing slight differences in the depth of logged anomalies. The shifting is completed by matching characteristic peaks, or troughs, in the geophysical response between the downhole probing and the chip scintillometer readings (Figure 2-2).

Once the downhole probing data was correctly aligned, SRK composited the 0.1 m downhole probed values to 1.0 m intervals representing the sampled lengths from the RC chips. When the composited probing results are compared with the assayed sample results, the probing data appears to be slightly positively biased at low grades (below 100 ppm) and slightly negatively biased at higher grades (above 300 ppm), but overall there is generally good agreement (Figure 2-3).

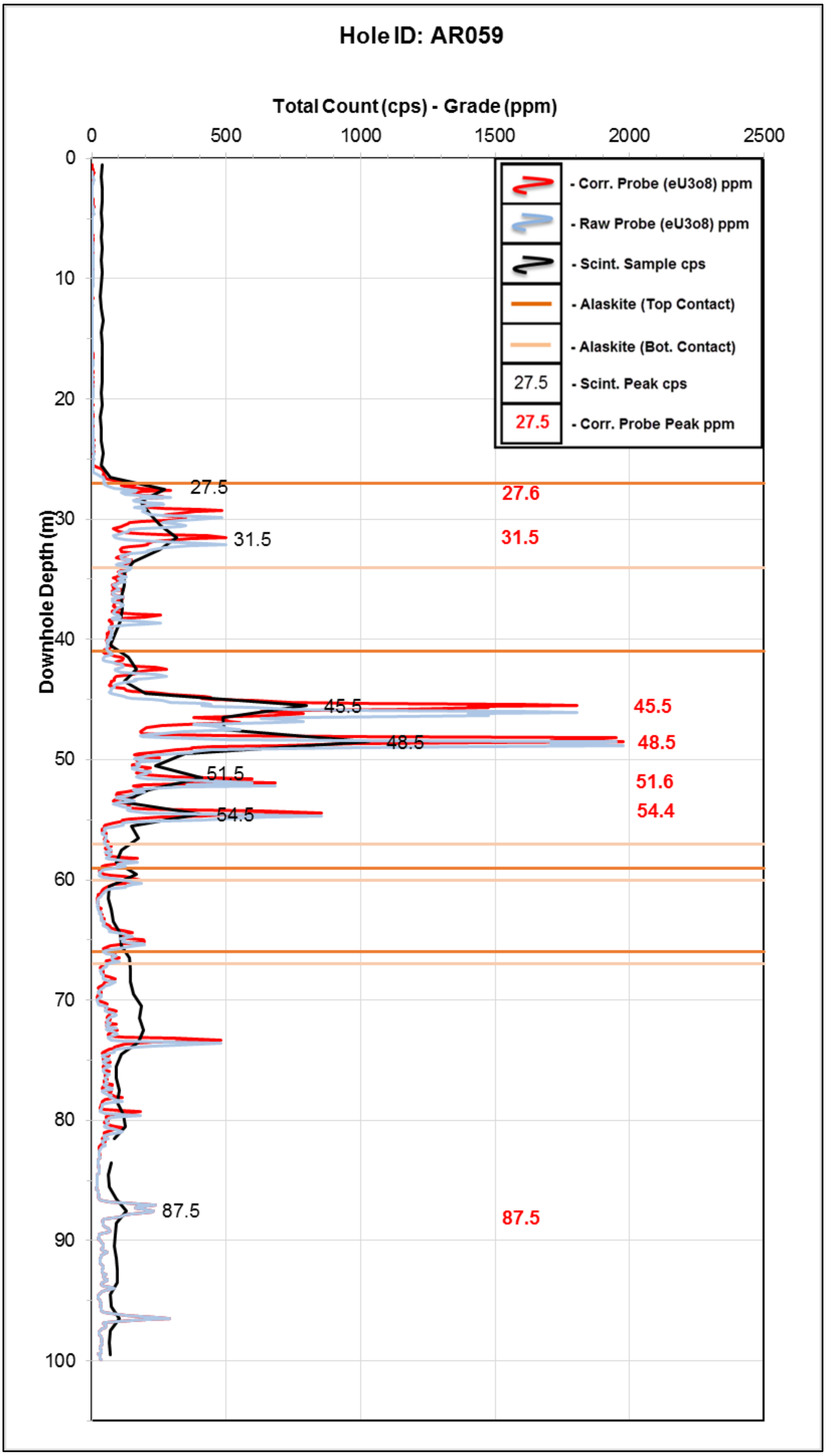


Figure 2-2: Hole AR059 downhole plot of logged Alaskite, downhole probed U3O8 (ppm) and Scintillometer (cps) from RC chips.

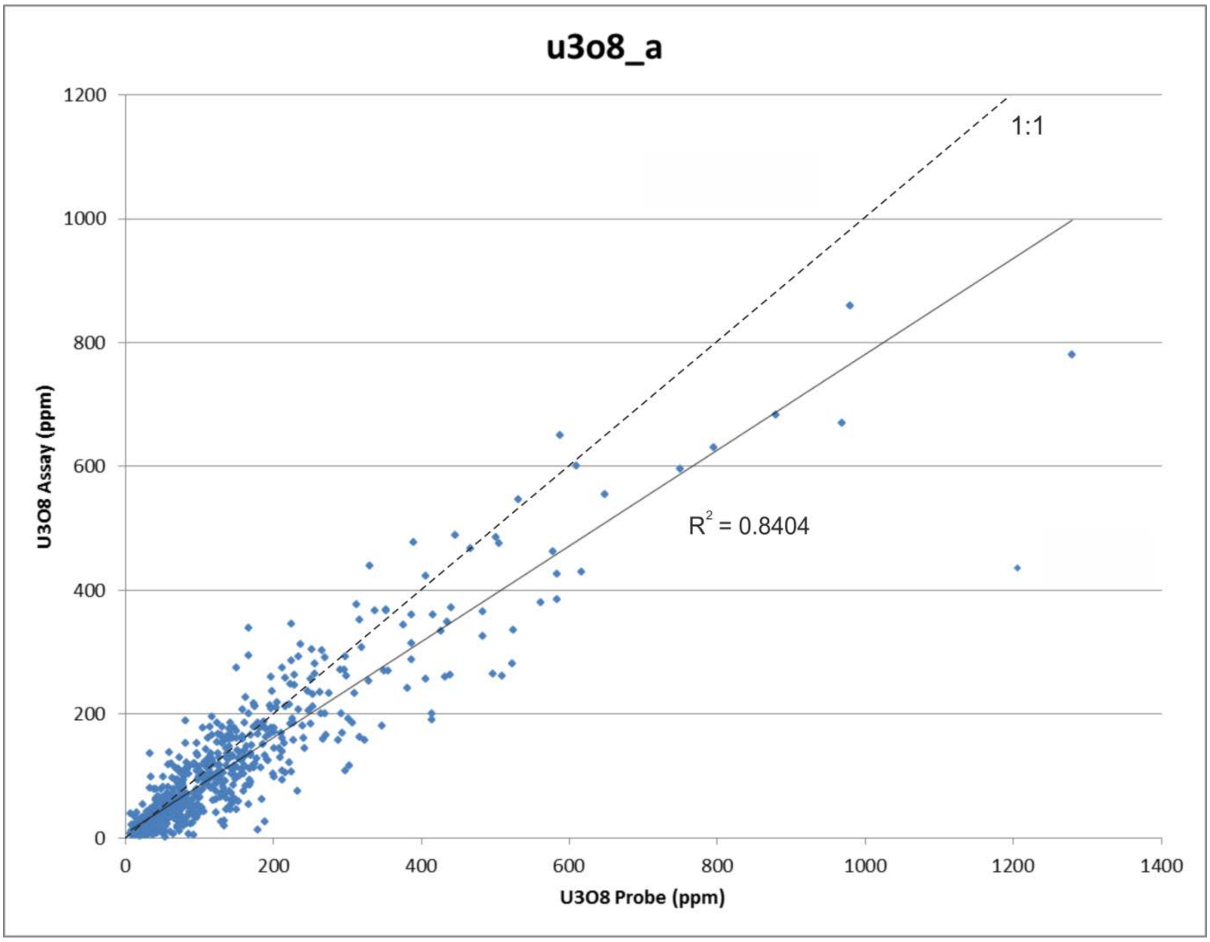


Figure 2-3: Assayed U3O8 versus probed U3O8 from probing completed with Probe #946 (17 holes total).

2.1.4 Bulk Density Data

Bulk density measurements have been completed using a sidewall density gamma probe. 8 holes were selected for probing so as to obtain a representative measurement of all of the major rock types in the project area. The probe employed was calibrated by GSG on the 10th of September 2015. Density measurements were taken every 0.1 m downhole, resulting in a total of 6,985 measurements over the 8 holes.

SRK's review of bulk density data included:

- Checking the measured bulk density versus logged lithology; and
- Checking for 'extreme' values.

SRK found that the raw density data from the gamma probing shows very good correlation with logged lithology types (Table 2-1). Also, the coefficient of variation is extremely low for each logged rock type, indicating consistent results within the same rock mass.

Table 2-1: Bulk Density Statistics by Logged Lithology Type

Filters	Alaskite	Pre-min Intrusive	Other Intrusive	Other Intrusive	Calc-Silicates	Granite	Schists
Samples	2170	30	1596	40	195	2243	701
Minimum	1.59	2.45	2.06	1.77	2.51	1.66	2.39
Maximum	3.10	2.74	3.08	2.71	3.06	3.17	3.04
Mean	2.57	2.61	2.57	2.33	2.84	2.76	2.70
Standard deviation	0.12	0.07	0.12	0.18	0.12	0.14	0.10
CV	0.05	0.03	0.05	0.08	0.04	0.05	0.04

2.1.5 Verifications of Analytical Quality Control Data

Cobra Resources made available to SRK the assay results for analytical quality control data. These were provided to SRK directly from the analytical lab, Bureau Veritas Namibia (PTY) LTD ("BVN"). Cobra Resources submitted a total of 136 quality control samples in 2015 in order to monitor precision, accuracy, and contamination.

SRK compiled the uranium assay results for the quality control samples, summarized in Table 2-2. Field sample blanks and certified standard reference material data were summarized on time series plots to highlight any potential failures. Field duplicate paired assay data were analysed using bias charts and ranked half absolute relative deviation charts. All charts are provided in Appendix E.

The 2015 quality control data accounts for 2.2%, 1.0%, and 3.4% of the 2015 data set for field blanks, standards, and field duplicates respectively. This is less than ideal, SRK normally recommends 5% each of field blanks, standards, and field duplicates, and, further, no umpire analyses were obtained from an alternative lab.

Table 2-2: Summary of 2015 Analytical Quality Control Data Produced By Cobra Resources on the Rossing North Project.

Diamond Drill Holes		
Sampling Program	**2015**	**(%)**
Sample Count	2,073	
Field Blanks	45	2.2%
Standard Reference Samples	20	1.0%
AMIS0106	4	
AMIS0186	8	
AMIS0345	8	
Field Duplicates	71	3.4%
Total QC Samples	**136**	**6.6%**

Standard Reference Material Performance

Standard reference material ("SRM") samples provide a means to monitor the precision and accuracy of the laboratory assay deliveries. Cobra Resources used three SRMs during its 2015 drilling programme to monitor analytical results from Bureau Veritas Namibia. There are a total of 20 results from SRMs in the Rossing North project database for 2015, which corresponds to an insertion rate of just over 1 in 100, or 1.0%. Analysis of the SRM results by SRK is summarized in Table 2-3 and presented in Figure 2-4 to Figure 2-6.

Table 2-3: Standard Reference Material Performance Summary for the Rossing North Project for 2015

Standard Name	Element	Count	Expected Value	Mean	Samples Outside 2Std Deviations	Percent Outside 2Std Deviations	Relative Bias
AMIS0106	U	4	114	122	2	50%	7%
AMIS0186	U	7	2686	2617	1	14%	-3%
AMIS0345	U	8	462	497	1	13%	8%

In all cases there appears to be a significant relative bias and while there are only a small number of analyses of each type and therefore the results are far from conclusive, the results demonstrate that ongoing monitoring of SRM results is important.

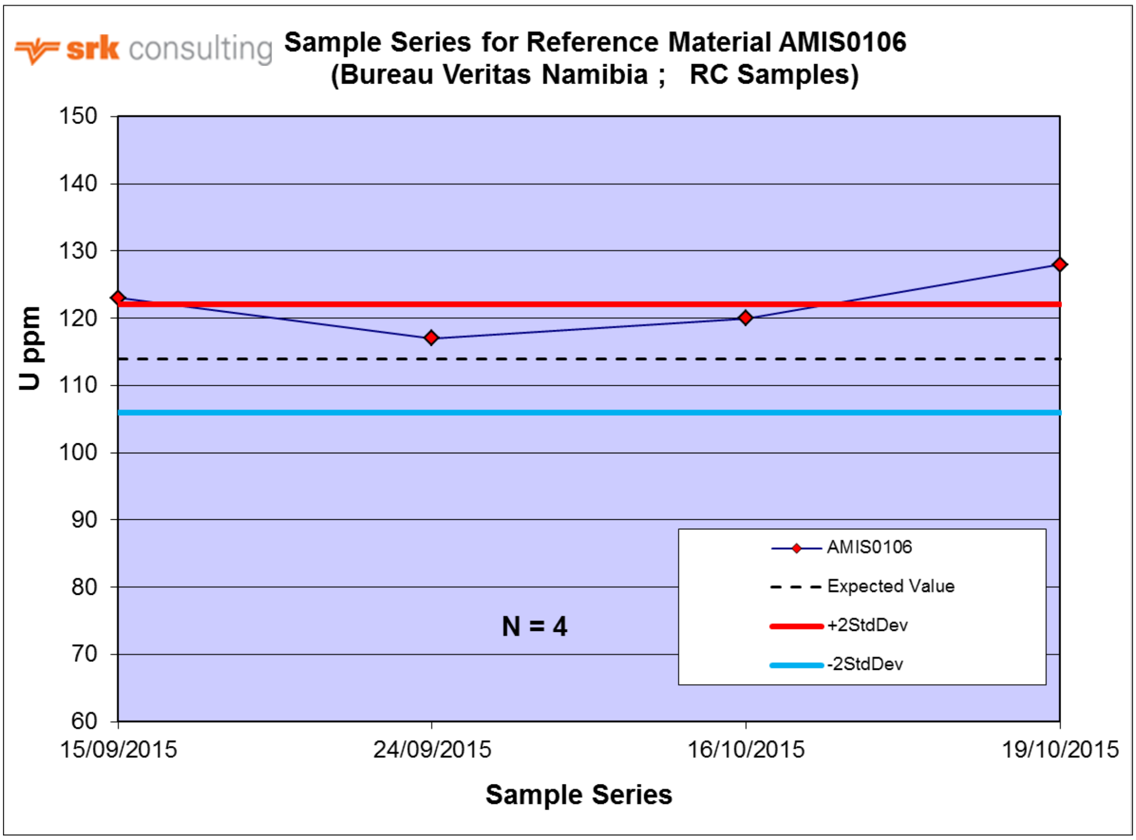


Figure 2-4: Time Series plot for SRM AMIS0106.

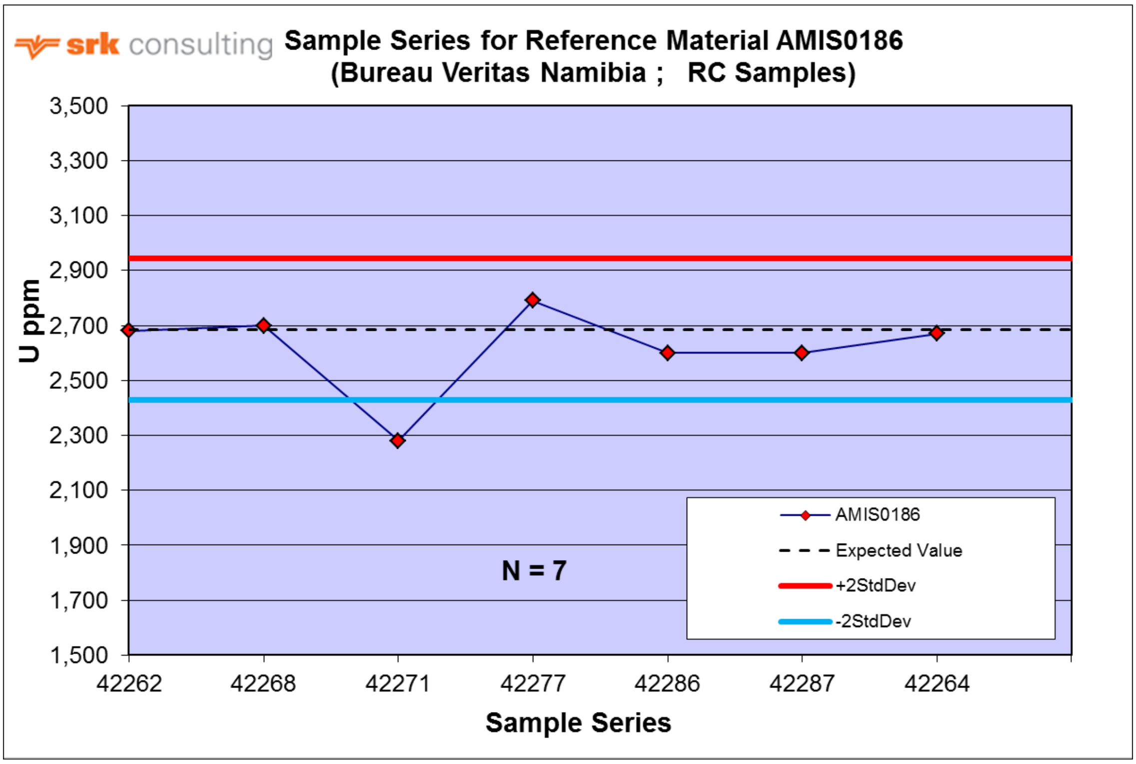


Figure 2-5: Time Series plot for SRM AMIS0186.

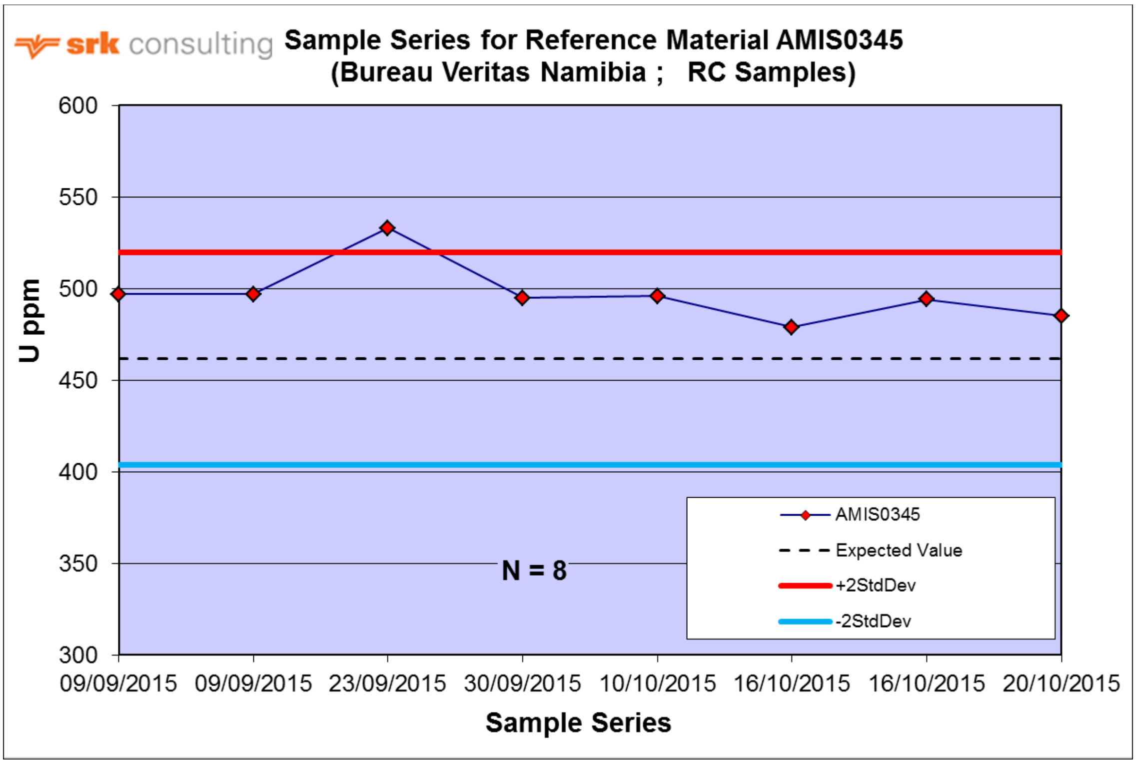


Figure 2-6: Time Series plot for SRM AMIS0345.

Field Blanks Performance

Field blanks are used to monitor contamination introduced during sample preparation and to monitor analytical accuracy of the lab. True blanks should not have any of the elements of interest much higher than the detection levels of the instrument being used. Cobra Resources is currently using quartz gravel obtained in Windhoek as a blank sample.

Cobra Resources submitted a total of 45 blanks in 2015 which corresponds to an insertion rate of just over 1 in 50, or 2.2%. Some 42% of the U results were above 2.5 ppm (or 5 times the detection limit). The U blank results indicate that there has been either some contamination introduced during sample preparation, or the blank material generally contains small amounts of U (Table 2-4 and Figure 2-7).

The blank material performance is considered by SRK to be unacceptable. SRK recommends that blank performance for uranium could be more accurately monitored using a more appropriate blank or a controlled blank material, known to be barren of any uranium.

Table 2-4: Blank Material Performance Summary for the Rossing North Project for 2015

Element	Count	Limit Value	Samples Above Limit	Percent Above Limit
U	45	2.5	26	42%

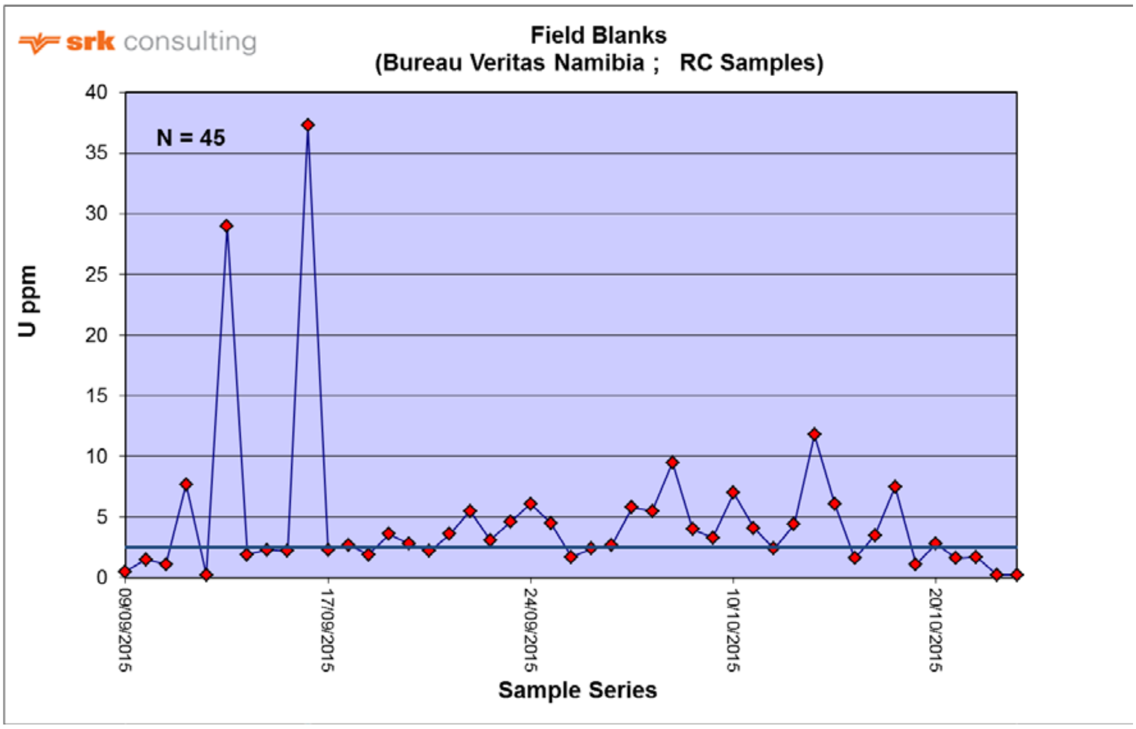


Figure 2-7: Time Series plot for Blanks.

Field Duplicate Performance

Field duplicate samples are typically collected to monitor the analytical accuracy of the primary laboratory. There are a total of 71 results from field duplicates in the Rossing North Project database, which corresponds to an insertion rate of 3.4%.

The performance of pulp duplicate samples for U is considered by SRK to be fair as 81.7% of paired values are less than 10 percent of the half-absolute relative difference (HARD).

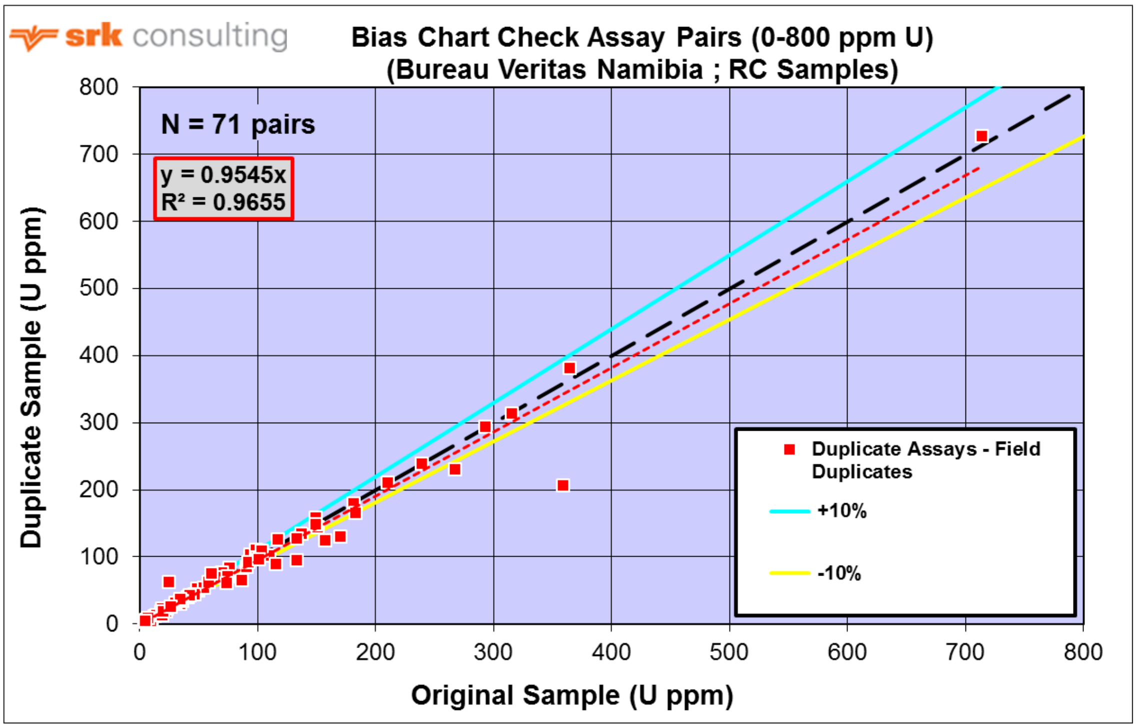


Figure 2-8: Scatter plot of Field Duplicate analyses versus Original sample analyses.

2.2 SRK Comments

SRK has some concerns with the number of QA/QC samples analysed and further the results suggest that there may be some issues with the quality of some of the data collected. SRK has therefore made some recommendations for some changes in procedure for the next drilling programme. Notwithstanding this, SRK considers there to be sufficient data of sufficient quality to support the Mineral Resource estimate as presented later in this report.

3 MINERAL RESOURCE ESTIMATES

3.1 Introduction

The Mineral Resource estimates presented herein represent the first Mineral Resource estimate completed for the Rossing North Project. Cobra Resources provided SRK with the resource data for the project which includes:

- Drill hole database;
- Geological maps and sections;
- Geophysical survey data; and
- Supporting geological reports.

The Mineral Resource estimates prepared by SRK is based primarily on reverse circulation (‘RC’) drill holes drilled between January and July of 2015. The resource estimation work was completed by James Haythornthwaite and Guy Dishaw and reviewed by Dr Rob Bowell and Dr Mike Armitage.

This section describes the resource estimation methodology and summarises the key assumptions considered by SRK. This study considers the estimation of U3O8 and bulk density in Area 1 and Area 3 only. In the opinion of SRK, the Mineral Resource estimate reported herein is a sound representation of the U3O8 Mineral Resources demonstrated to be present to date on the Rossing North Project at the current level of sampling. The Mineral Resources have been estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines.

The resource data used to estimate the Rossing North Project Mineral Resources was verified by SRK and based on this SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for granite-hosted uranium mineralization and that the assay data are sufficiently reliable to support the Mineral Resource estimates as presented here.

Leapfrog version 3.0 and Supervisor version 8.3 were used to review and design the resource estimation domains. Vulcan version 9.0 and Datamine was used to prepare assay data for geostatistical analysis, construct the block model, estimate metal grades, and tabulate the resulting Mineral Resources.

3.2 Resource Estimation Procedures

The resource estimation methodology involved the following procedures:

- Review and verification of the resource database;
- Estimation domain analysis and construction of geological models;
- Definition of resource domains;
- Data conditioning;
- Statistical analysis and grade continuity modelling (variography);
- Block modelling and grade interpolation;

- Resource classification and validation; and
- Mineral Resource reporting.

3.3 Resource Database

The resource database was provided to SRK in Excel (.xls) format. The current resource database for Areas 1 and 3 of the Rossing North project consists of over 3,720 metres of RC drilling from 50 drill holes (Table 3-1).

Table 3-1: Rossing North Holes and Drilled Metres by Area

Area	Years	No. Holes	Metres
1	2015	17	1,020
3	2015	33	2,700
Total		**50**	**3,720**

3.3.1 U3O8 Grade

Within the resource database, 2,209 U assays, from RC chips, are available for Area 1 and Area 3 combined (Table 2 2). Sampling is completed on RC chips every 1 metre downhole.

In Area 1, RC drill sections are generally oriented perpendicular to the local strike of the stratigraphy (Figure 3-1). A combination of vertical and inclined (up to -60 degrees in a WNW and NW direction) holes define the alaskite intrusions within the steeply ESE dipping stratigraphy. Intersection orientations are not perpendicular to the dip of the alaskite intrusions, so apparent thicknesses are exaggerated. Drill hole spacings along strike are 100 m and 200 m in the North and South respectively, and across strike at 50 m.

In Area 3, RC drill sections are also generally oriented perpendicular to the local strike of the stratigraphy (Figure 3-2). A combination of vertical and inclined (up to -55 degrees in a ESE direction) holes define the alaskite intrusions within the steeply WNW dipping stratigraphy. Intersection orientations are not perpendicular to the dip of the alaskite intrusions, so apparent thicknesses are exaggerated. Drill hole spacings along strike are 70 to 100 m and 200 m in the North and South respectively, and across strike at 50 m.

Table 3-2: Rossing North Grade Samples by Area

Area	Number of Holes	Number of Samples
1	17	641
3	33	1,568
Total	**50**	**2,209**

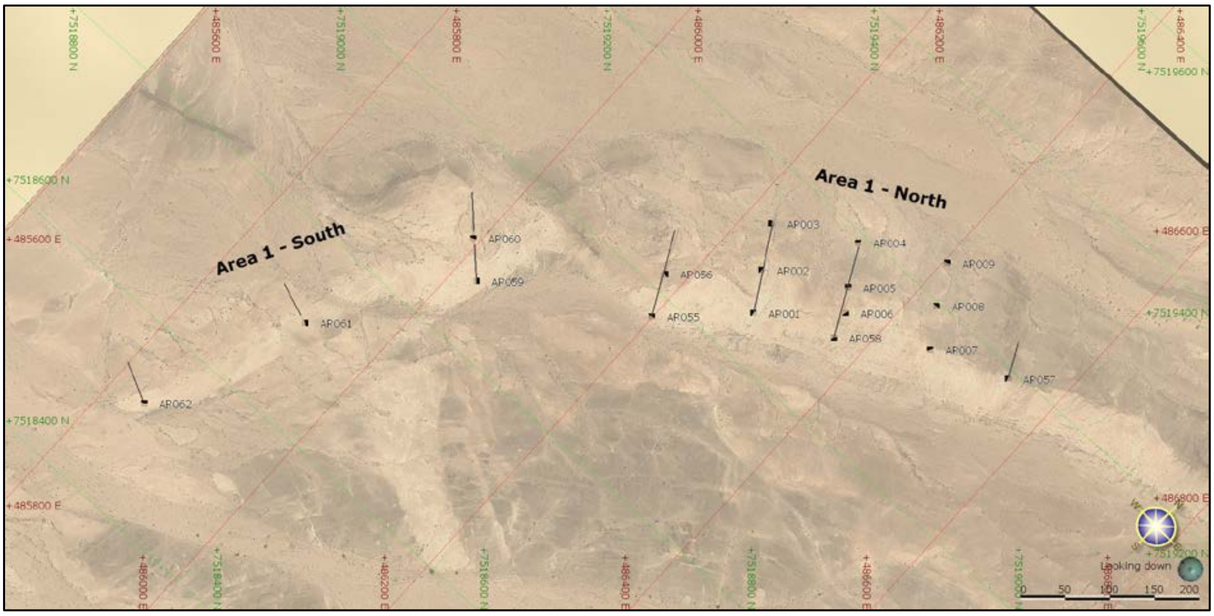


Figure 3-1: Plan view of Area 1 RC drilling grid.

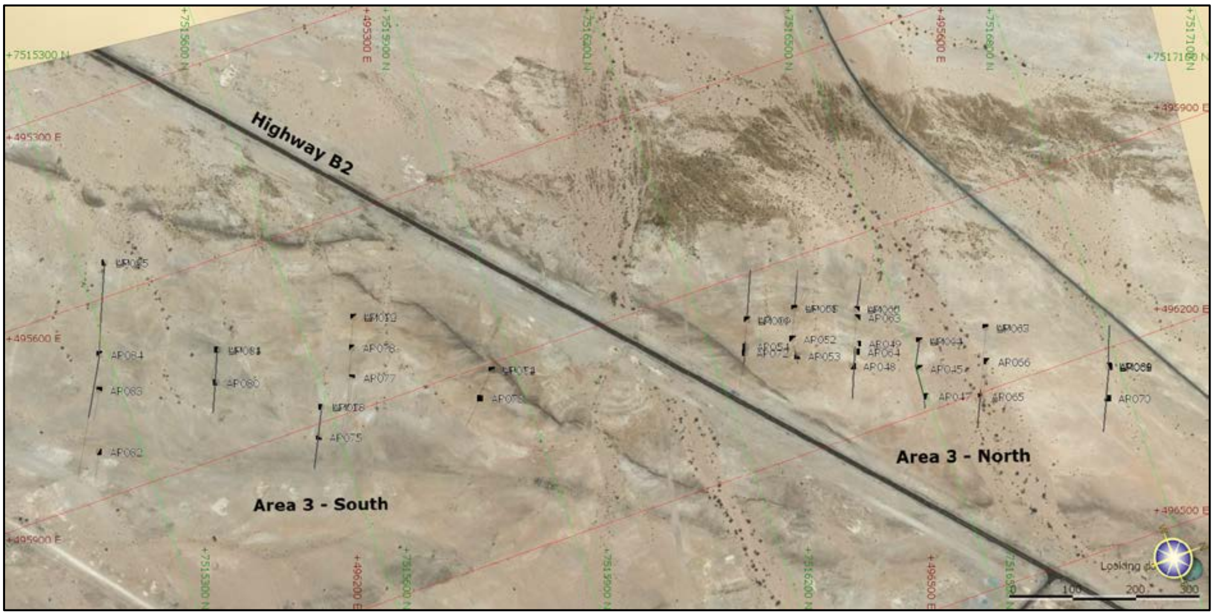


Figure 3-2: Plan view of Area 3 RC drilling grid.

3.3.2 Bulk Density

Within the resource database, 6,985 density measurements, from downhole probing, are available for both areas combined (Table 3-3). Bulk density measurements have not been completed on a regular grid, but select holes have been selected in order to sample a representative proportion of the major lithological units (Figure 3-3 and Figure 3-4). Density measurements are taken at 0.1 m intervals down hole on the select drill holes.

Table 3-3: Rossing North Density Samples by Area

Area	Number of Holes	Number of Samples
1	2	1,912
3	6	5,073
Total	**8**	**6,985**

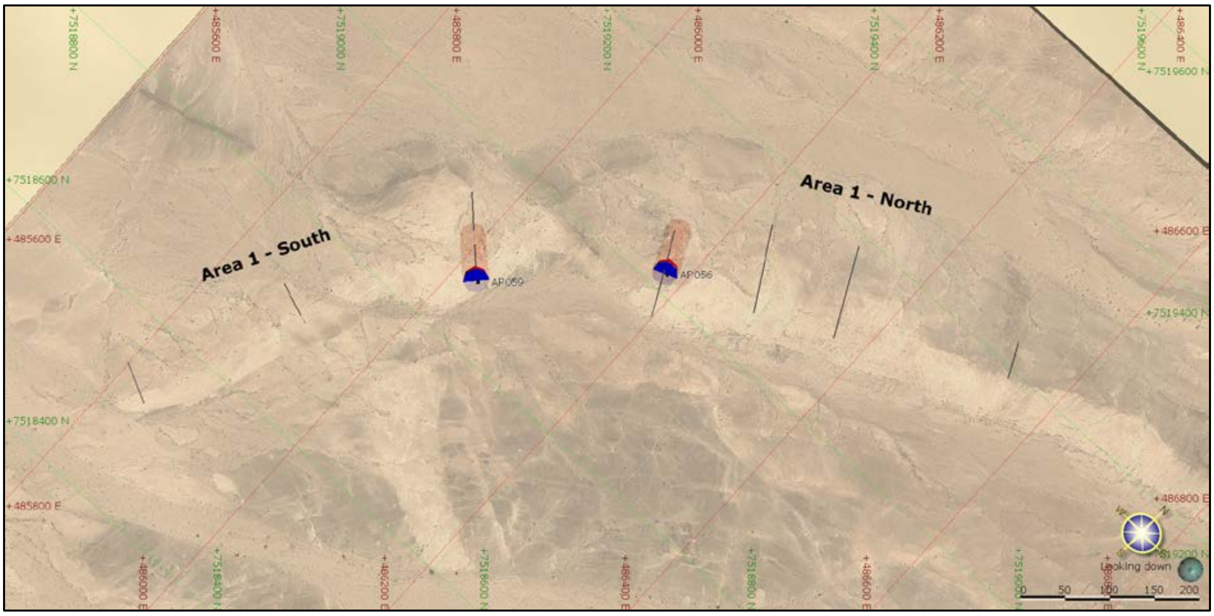


Figure 3-3: Plan view of Area 1 drill holes where density measurements have been taken.

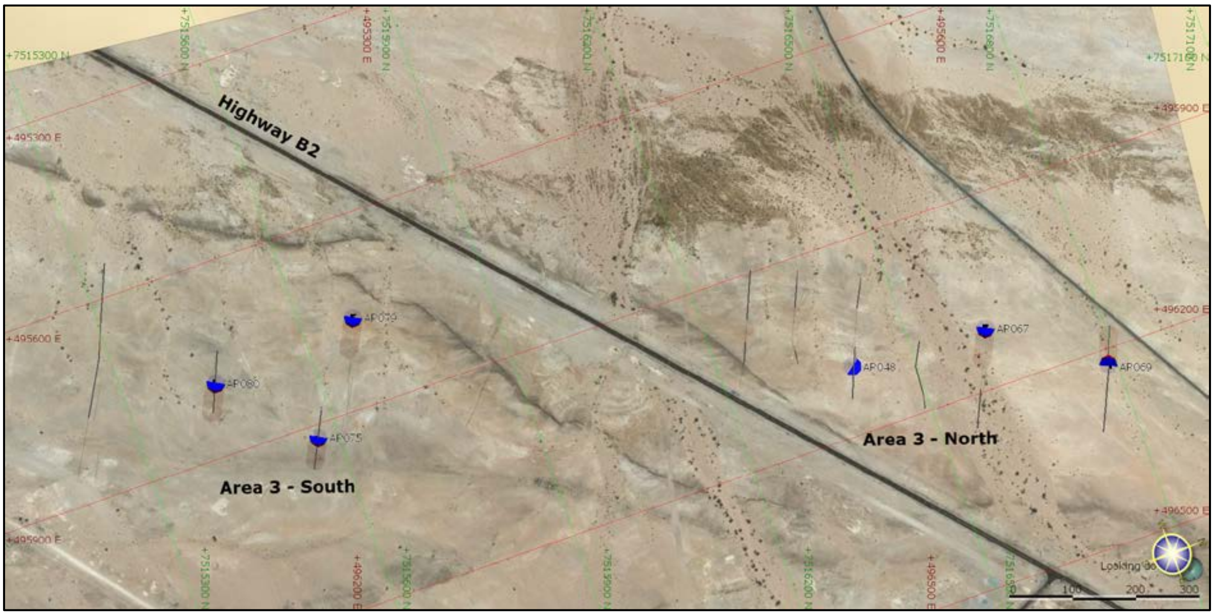


Figure 3-4: Plan view of Area 3 drill holes where density measurements have been taken.

3.4 Deposit Modelling

For the purposes of geostatistical analysis and grade and tonnage estimation, SRK designed estimation domains for both Area 1 and Area 3. Estimation domains were designed both for mineralisation, based on lithology (Alaskite) and grade, and for bulk density, based on downhole density measurements and logged oxidation level.

3.4.1 Grade

Area 1

The Area 1 alaskite model was created in Leapfrog Geo, initially using downhole logged alaskite as an explicit control on model geometry. The alaskite dykes were generated using the Leapfrog vein modelling tool, using the Khan-Rossing contact as a structural trend to guide the orientation of the vein model. In addition, geological mapping and drillhole section interpretations provided to SRK by Cobra Resources were used to assist in the modelling process.

The model was created independently within two structurally distinct domains, separated by a broadly E-W trending fault, interpreted on the basis of a distinct offset to the stratigraphy, apparent in the local satellite imagery (Figure 3-5). The structure accommodates approximately 120 – 140 m of apparent dextral strike-slip offset, although the true degree and nature of offset associated with the structure is, as yet, unknown. At present, there is no surface data available regarding the dip of the structure, which is not intercepted by drilling, and as such has been modelled as a vertical plane.

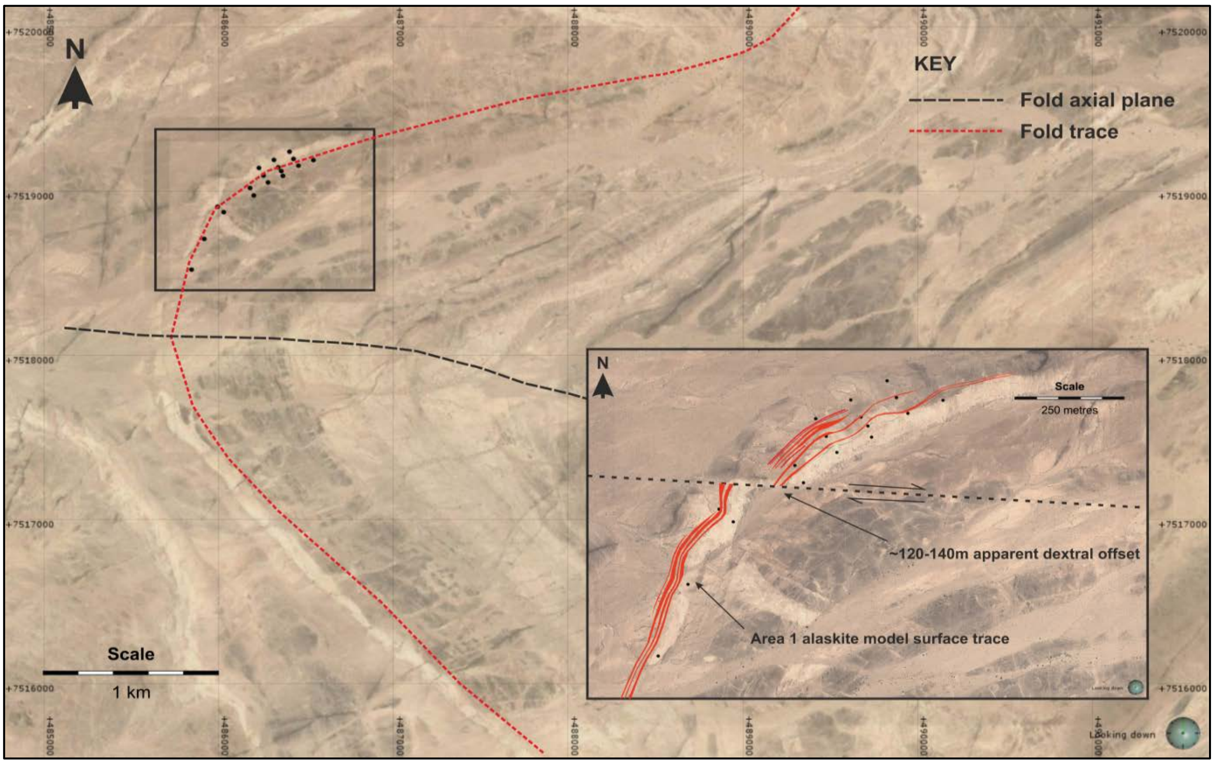


Figure 3-5: The location of the Area 1 alaskite displayed on the Google Earth satellite imagery, showing the context of the deposit-scale structural setting.

Basic statistical analysis of the un-domained Area 1 U3O8 assay data, including log and normal histogram plot and log probability plot analysis, indicates a population break at approximately 70 ppm U3O8. SRK considers this value to represent the cut-off between mineralised alaskite dykes and other un-mineralised intrusives and country rock within Area 1. On this basis, the alaskite model was visually verified with respect to downhole U3O8 assays and corrected to capture any >70 ppm U3O8 material and remove any <70 ppm U3O8 material at the margins of the veins.

The final Area 1 alaskite model may be described in terms of a single alaskite package, composed of multiple individual veins and internal waste horizons. To the south of the fault the alaskite package comprises 4 individual veins (Figure 3-6) with a total thickness (including internal waste) of between 15 and 35 m. To the north of the fault the alaskite package varies in thickness from 15 to 70 m (including internal waste) and is composed of a total of 6 individual veins (Figure 3-6). Internal waste thickness is variable, accounting for between 20 and 90 % of the total thickness of the alaskite package. The orientation of the alaskite package is controlled by the local geological setting (Figure 3-5), being on the northern limb of a ~5km wavelength antiform, immediately adjacent to the fold hinge zone. To the south of the fault, the alaskite dips at approximately 60° towards 115° (Figure 3-7), rotating to a 80° dip towards between 130° and 170° (Figure 3-7) to the north of the fault, further from the hinge zone.

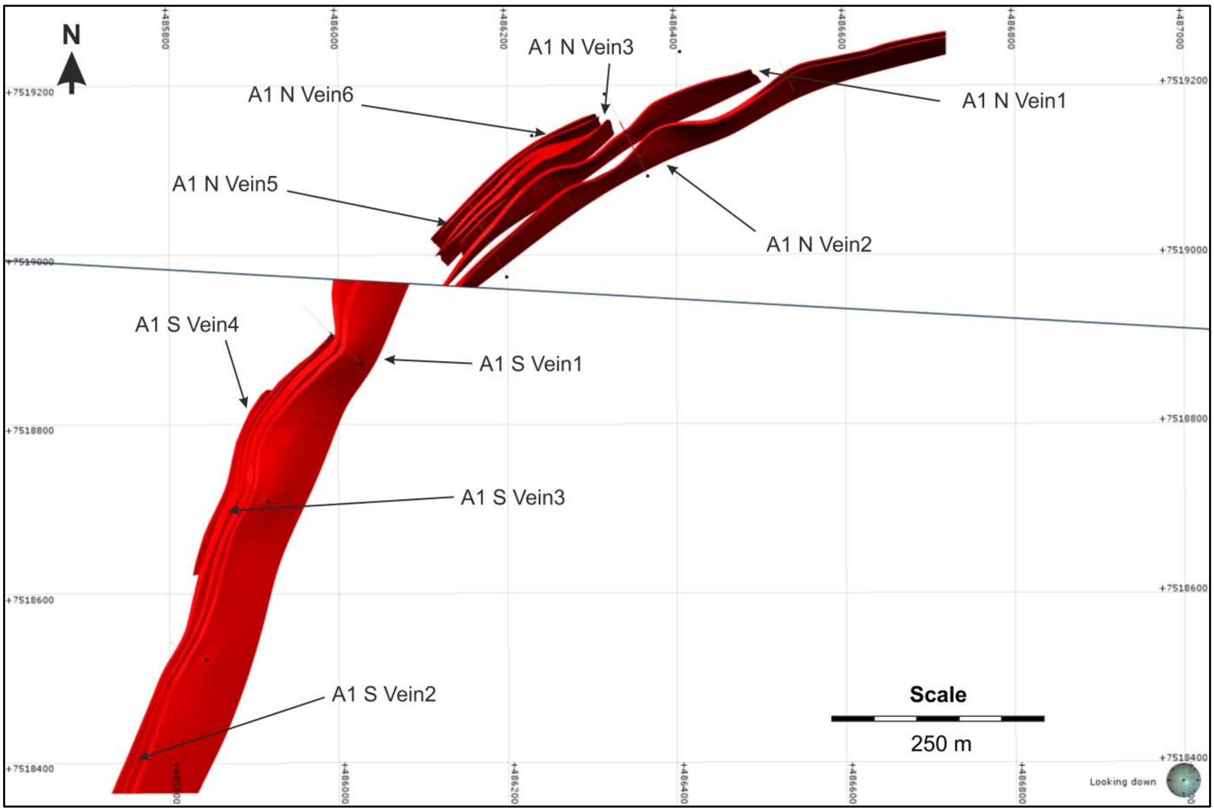


Figure 3-6: The Area 1 alaskite model.

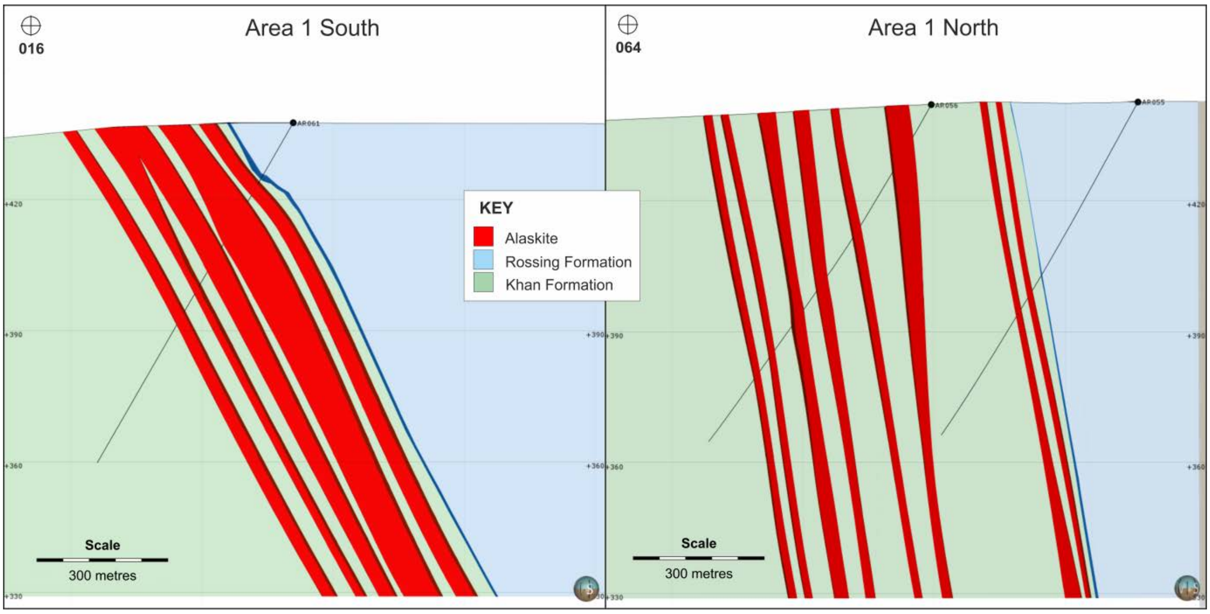


Figure 3-7: Representative cross-sections through the Area 1 South and Area 1 North geological models.

Area 3

As with Area 1, the Area 3 alaskite model was constructed using the vein modelling tool in Leapfrog Geo, initially using downhole logged alaskite as an explicit control on model geometry. Geological mapping provided to SRK by Cobra Resources was used to guide the trend of the orebody model between sections, whilst Cobra Resources drillhole section interpretations and visual trends in the logged alaksite intervals were used as the basis for the dip of the alaskite model.

The alaskite model (Figure 3-8) is divided into a northern ("Area 3 North") and southern ("Area 3 South") portion, separated by ~400m of strike length currently untested by drilling. Although it is considered likely that the alaskite package is continuous across this central area, the current model is terminated a single section spacing (150m) beyond the northern-most section in Area 3 South and beyond the southern-most section in Area 3 North respectively.

SRK has completed a statistical analysis of the un-domained raw Area 3 assay data, including log and normal histogram plot and log probability plot analysis, which indicates a population break at approximately 70 ppm U3O8, as is the case in Area 1. SRK consider this value to represent the cut-off between mineralised alaskite dykes and other un-mineralised intrusives and country rock within Area 3. On this basis, the alaskite model was visually verified with respect to downhole U3O8 assays and corrected to capture any >70 ppm U3O8 material and remove any <70 ppm U3O8 material at the margins of the veins.

The final Area 3 alaskite model can be broadly described as a single alaskite package comprised of multiple individual veins divided by internal waste horizons of variable thickness. Area 3 South comprises 10 individual veins with a total thickness (including internal waste) of between 75 and 225 m (Figure 3-9). The modelled alaskite package in Area 3 North is generally thinner than that interpreted in Area 3 South, varying in thickness from 35 to 160 m, and is composed of a total of 11 individual veins. Internal waste is relatively high, accounting for between 50% and 80% of the total thickness of the alaskite package.

The modelled Area 3 alaskite occurs within the western limb of a relatively tight NE-SW trending fold with a wavelength in the order of 2,500m, which closes to the south (Figure 3-8). The fold axial plane is parallel to the regional F_3 trend (as defined by Basson and Greenway, 2004) and dominant structural trend at the nearby Rossing Mine. Both Area 3 North and Area 3 South have a broad NNE-SSW strike, dipping at approximately 50-65° towards ~285°. At the current drillhole spacing, Area North appears to be defined by a relatively planar geometry. Conversely, Area 3 South is deformed into a series of open folds, with WNW trending axial planes, parallel to F_2 (as defined by Basson and Greenway, 2004) and the Area 1 fold axial plane, displayed in Figure 3-8. SRK is relatively confident in this interpretation, which is supported by geological mapping provided to SRK by Metzior, and also by interpretation of the Google Earth satellite imagery available for the area.

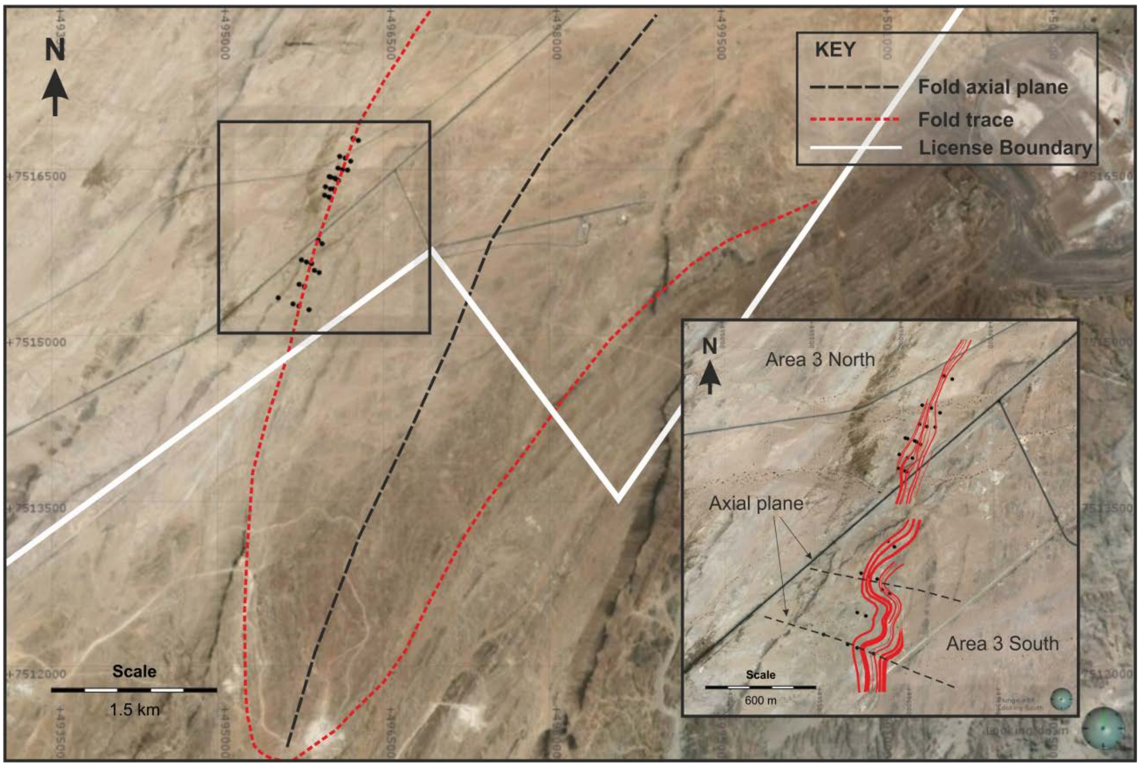


Figure 3-8: The location of the Area 3 alaskite displayed on the Google Earth satellite imagery, showing the context of the deposit-scale structural setting.

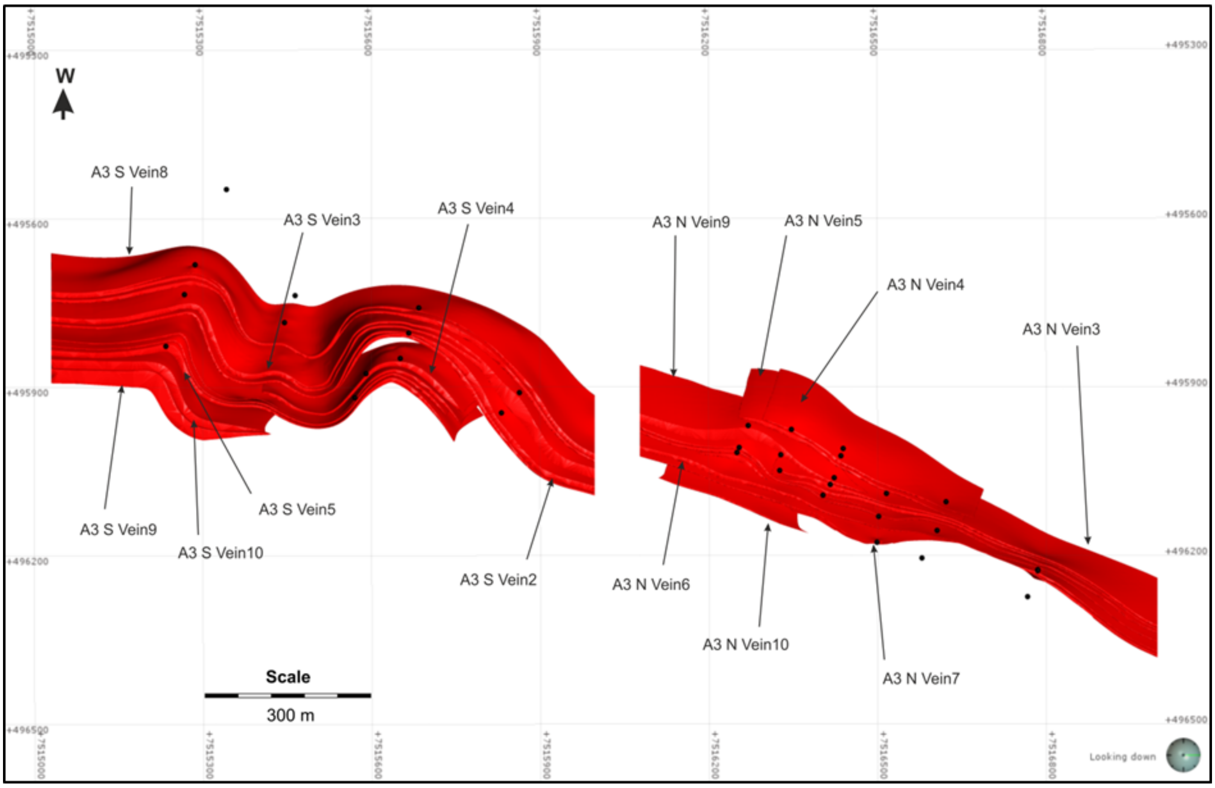


Figure 3-9: The Area 3 alaskite model

3.4.2 Bulk Density

SRK investigated the downhole density data and found very good agreement between logged lithology and the measured density (see Section 2.1.4). In addition, SRK checked for trends in the density data and found that the density generally increases with depth, from surface, up to a point at which it is more consistent (Figure 3-10). The area of decreased density, closer to surface, is typical of a weathered profile and also corresponds well to the logged oxidation intensity recorded for the chip samples (Figure 3-10).

SRK used these observations to model a base of oxidation surface for both Area 1 and Area 3, coincident with the base of the reduced density zone (Figure 3-11). Density measurements were then coded by this oxidation surface and summarised for each rock type as 'fresh', or below the oxidized surface, and weathered, or above the oxidized surface (Figure 3-12).

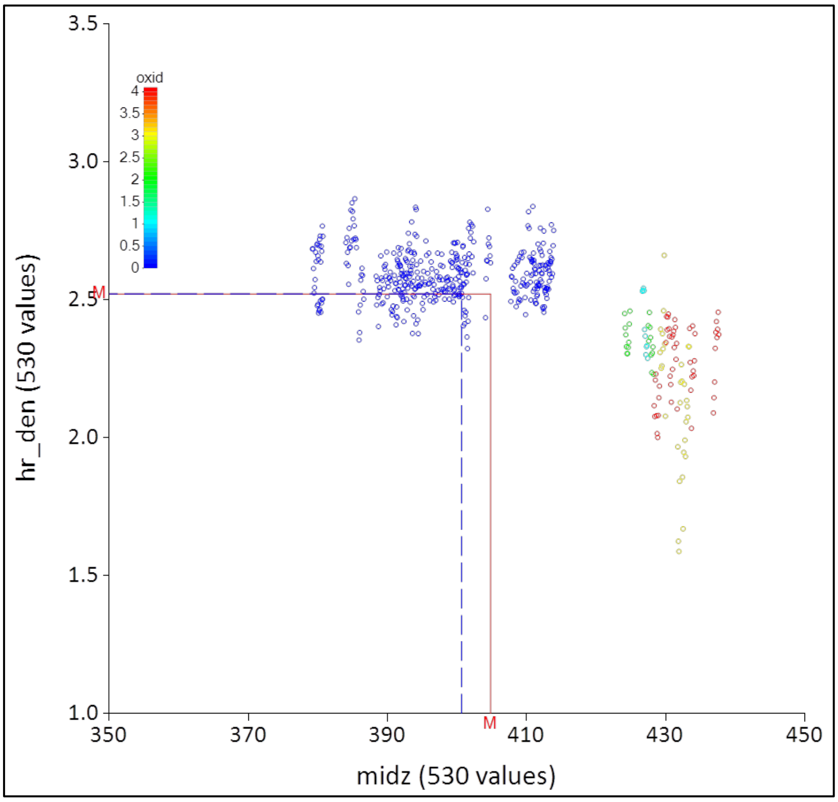


Figure 3-10: Density (t/m3) versus elevation (m). Points are colored by logged oxidation intensity (Legend inset upper left).

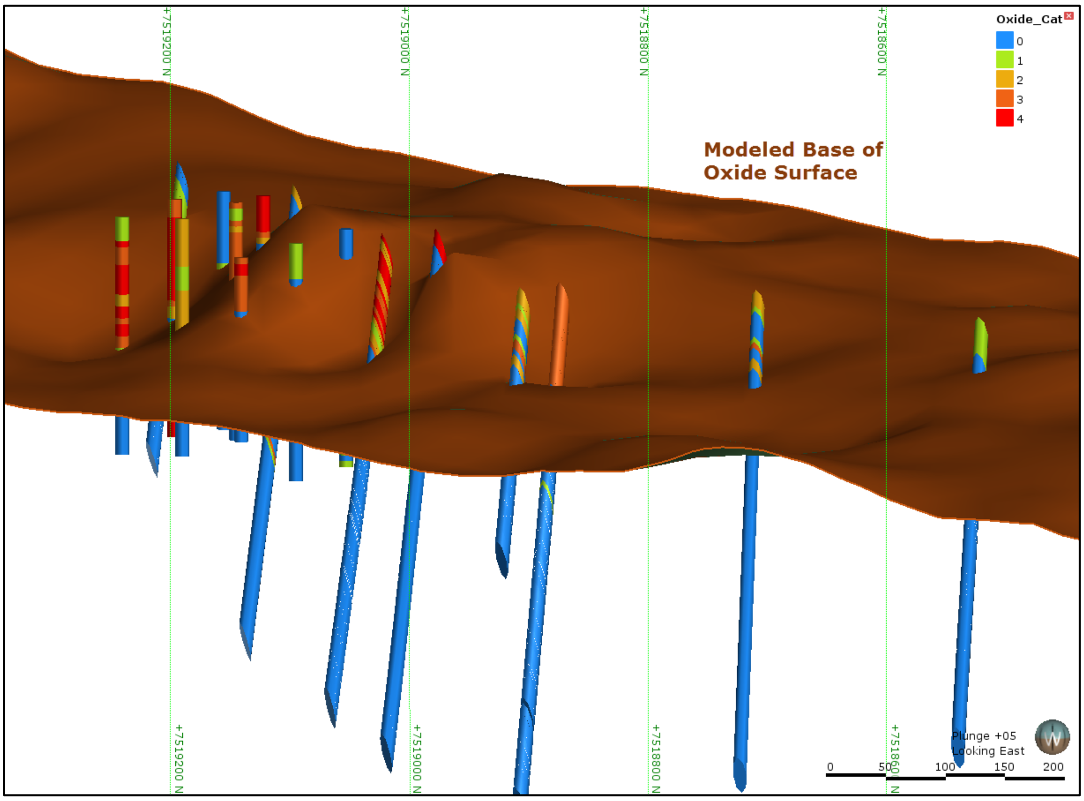
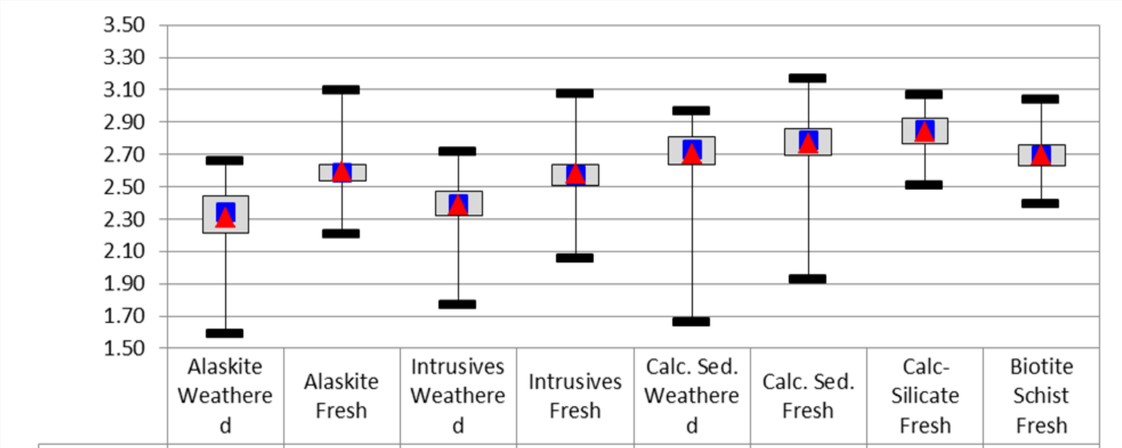


Figure 3-11: Long Section looking down to the East at the modeled base of oxide in Area 1. Drill holes are colored by logged oxidation intensity (legend inset upper right).



	Alaskite Weathered	Alaskite Fresh	Intrusives Weathered	Intrusives Fresh	Calc. Sed. Weathered	Calc. Sed. Fresh	Calc-Silicate Fresh	Biotite Schist Fresh
Q1	2.21	2.53	2.32	2.51	2.64	2.69	2.77	2.63
Min	1.59	2.21	1.76	2.05	1.66	1.92	2.51	2.39
Median	2.34	2.58	2.39	2.57	2.73	2.79	2.85	2.69
Mean	2.31	2.59	2.39	2.58	2.70	2.77	2.84	2.70
Max	2.66	3.10	2.71	3.08	2.96	3.17	3.06	3.04
Q3	2.44	2.64	2.47	2.64	2.81	2.86	2.93	2.76
NSamples	140	2060	136	1510	228	2015	195	701

Figure 3-12: Bulk density statistics by rock type and Weathered/Fresh domain.

3.4.3 Estimation Domain Design

In Area 1 the individual modelled veins themselves have been used for the purposes of the interpolation, except for domains 113 to 116 in Area 1 North, which have not been interpolated into as there is very little data. Table 3-4 shows the estimation domains for both Area 1 North and Area 1 South. Hard domain boundaries were used in the resource estimation, except for domain 124, where a soft boundary with domain 123 was employed due to insufficient sampling.

Table 3-4 Area 1 estimation domains

Area	Vein Number	Vein Volume (m^3)	Estimation Domain	Estimation Domain Volume (m^2)
Area 1 North	111	197,197	111	197,197
	112	278,252	112	278,252
	113	221,536	Not Estimated (Mean Declustered Grade Applied)	333,278
	114	48,187		
	115	49,015		
	116	14,540		
Area 1 South	121	336,796	121	336,796
	122	497,031	122	497,031
	123	271,183	123	271,183
	124	67,480	124	67,480

In Area 3 the individual modelled veins have been grouped for the purposes of the interpolation in order to generate estimation domains which include sufficient assay data to derive a reasonably informed estimate. The veins were predominantly grouped on the basis of spatial association. Table 3-5 shows the estimation domains for both Area 3 North and Area 3 South. The domains were used as hard boundaries in the resource estimation.

Table 3-5: Area 3 estimation domains

Area	Vein Number	Vein Volume (m^3)	Estimation Domain	Estimation Domain Volume (m^2)
Area 3 North	311	287,510	EZONE 11	1,702,979
	312	877,130		
	313	281,710		
	318	17,747		
	319	234,010		
	321	4,872		
	314	95,179	EZONE 12	411,189
	315	316,010		
	316	419,500	EZONE 13	1,652,837
	317	1,192,600		
	320	40,737		
Area 3 South	331	401,720	EZONE 31	3,553,220
	332	1,596,200		
	333	1,555,300		
	334	613,820	EZONE 32	1,790,720
	335	717,380		
	336	225,400		
	337	234,120		
	338	1,252,900	EZONE 33	1,252,900
	339	792,400	EZONE 34	1,451,440
	340	659,040		

3.5 Data Conditioning

Before completing any statistical or geostatistical analysis, it is important to ensure that the samples used all represent an equal volume (support volume). This is called the support of the sample. This can be completed by compositing the sample intervals into appropriate, regular lengths. The possibility of sample 'clustering' must also be considered to ensure equal support volume, although in this case the drilling has been generally oriented on regular grids so this is unlikely to be an issue.

3.5.1 Compositing

The sampling lengths employed for the Rossing North resource assay data are regular 1 metre samples, equivalent to the RC chip sample intervals. SRK observed that a number of the logged alaskites are locally thin, down to 1 sample wide. SRK chose to keep the 1 metre sample length and not composite to a greater interval so that these thin features could be retained.

Downhole radiometric probing and density measurements were taken at 0.1 metre intervals downhole. SRK has composited these datasets to 1 m sample intervals, corresponding to the assayed intervals, for use in data validation (Section 2.1.3).

Before further statistical analysis was completed, a cell declustering technique was employed in order to account for any 'clustering' bias of the samples. The samples were assigned declustering weights based on a cell size roughly equal to the wider spaced drilling patterns in of 100x100 and 200x200 in the northern and southern blocks respectively.

Outlier Assay Treatment

Block grade estimates may be unduly affected by very high grade assays. SRK investigated the presence of such high-grade outliers by observing the grade distributions on histograms and log-probability plots (Figure 3-13).

For Area 1, this analysis was completed using all samples, since the total sample count is only 164 and the grade distribution for most individual domains is difficult to interpret. The samples have a log-normal distribution and there is some evidence of multiple populations, probably as a result of multiple domains (alaskites) being included in the distribution. There is a sharp slope change in the log-probability plot at approximately 900 ppm, possibly representing high-grade outlier samples. SRK applied a cap to the U3O8 grade data at 900ppm to test the sensitivity of the estimate to these samples (Table 3-6). Only 3 samples were capped, resulting in an overall metal loss of only 1.5%. With the current level of sampling in mind, SRK has chosen not to implement a cap on the U3O8 estimate in Area 1, although this should be reviewed in the future as additional data is collected for the deposit.

In Area 3, capping analysis was completed separately for each estimation domain. The majority of estimation domains include some high grade (>900ppm) samples, but these are typically spatially associated and form a coherent high grade population (see Section 3.6.1), and thus capping was deemed unnecessary for the majority of estimation domains. Initial grade estimation runs on the uncapped U3O8 data resulted in a positive bias (estimate grade in excess of 150% of the composite grade) in the estimated U3O8 grade in EZONE 32, predominantly relating to a single high grade sample of 3,242 ppm on the southern-most drillhole section in Area 3 South. For this reason, the U3O8 grade in EZONE 32 was capped to 700 ppm. Log-histogram and log-probability plots of the 1m U3O8 composites per EZONE in Area 3 are displayed in Figure 3-14 through to Figure 3-20.

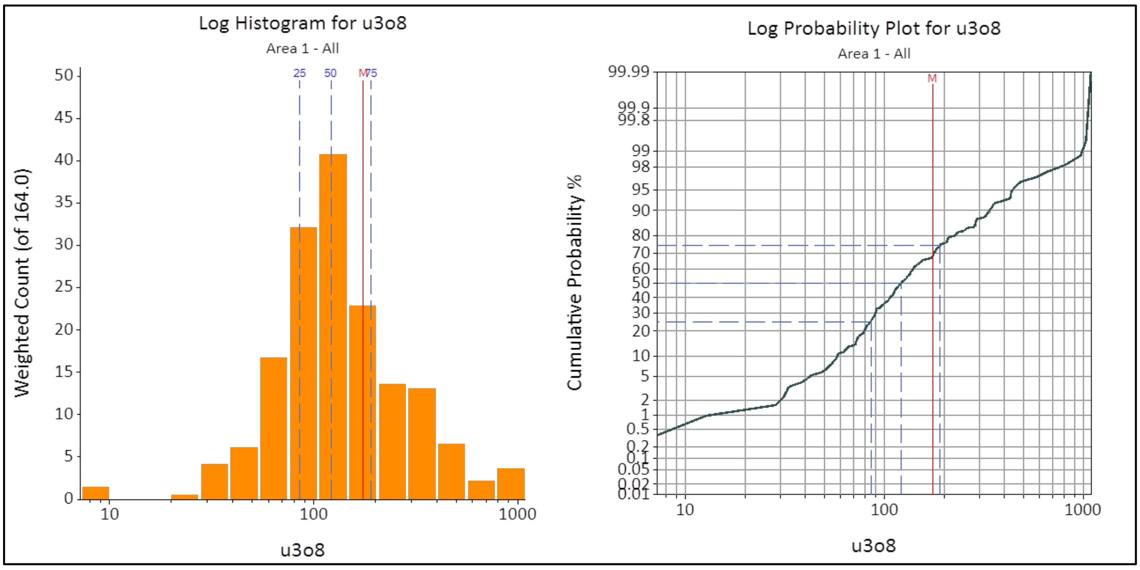


Figure 3-13: Log-histogram and log-probability plot of declustered 1m U3O8 composites in Area 1.

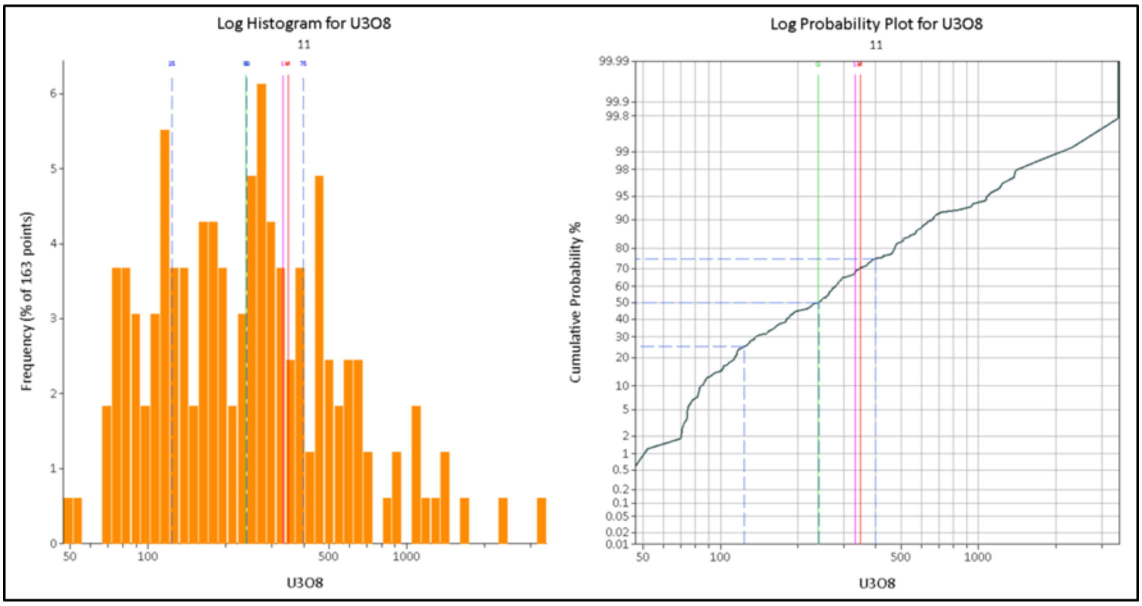


Figure 3-14: Log-histogram and log-probability plot of 1m U3O8 composites in Area 3, EZONE 11.

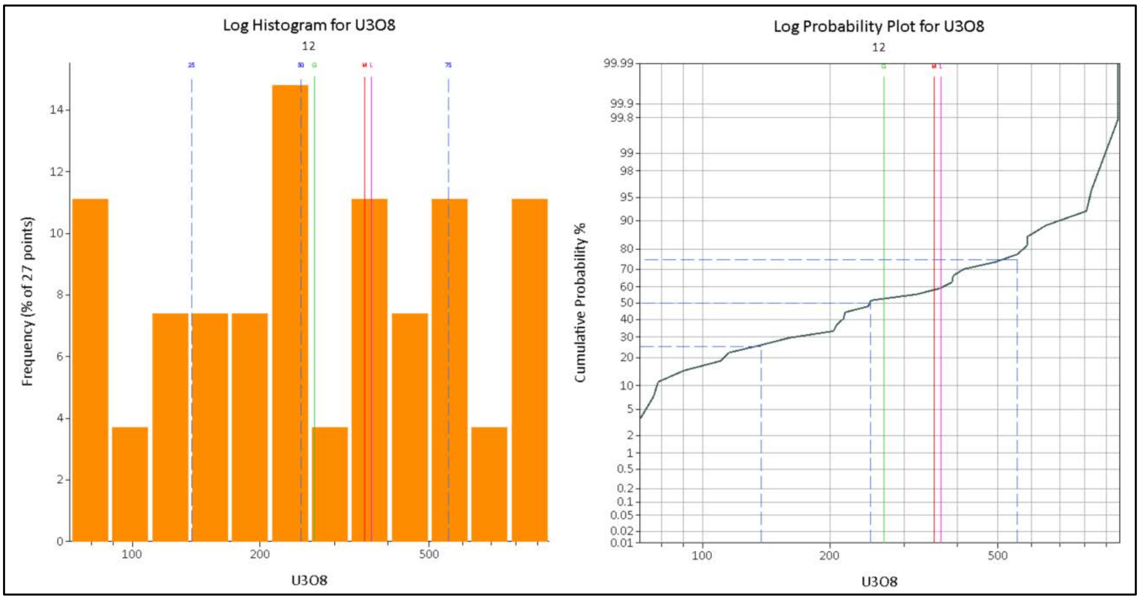


Figure 3-15: Log-histogram and log-probability plot of 1m U3O8 composites in Area 3, EZONE 12.

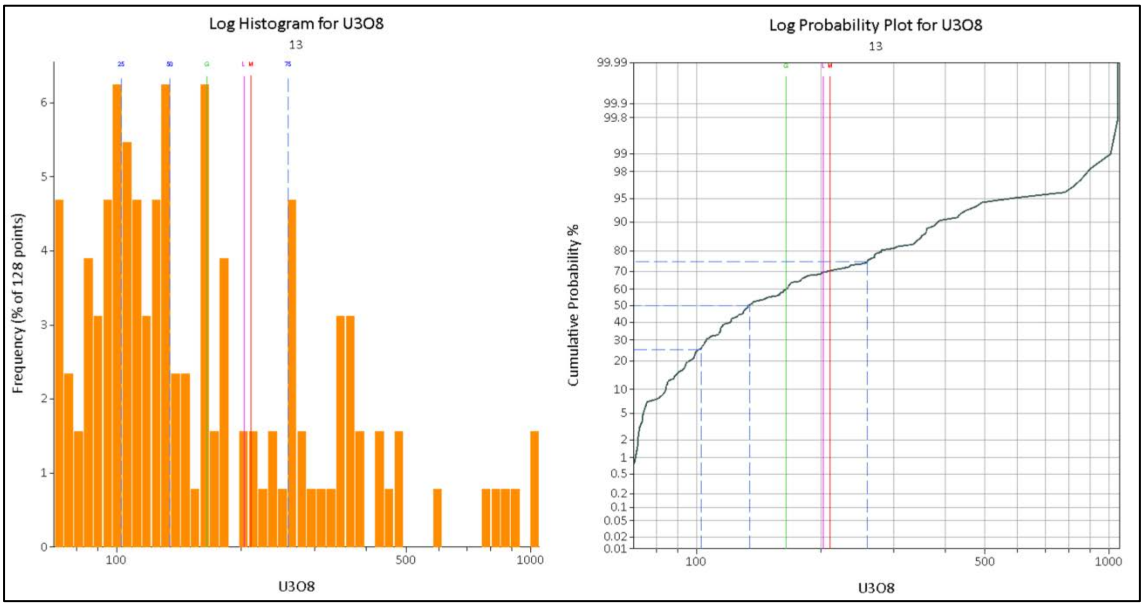


Figure 3-16: Log-histogram and log-probability plot of 1m U3O8 composites in Area 3, EZONE 13.

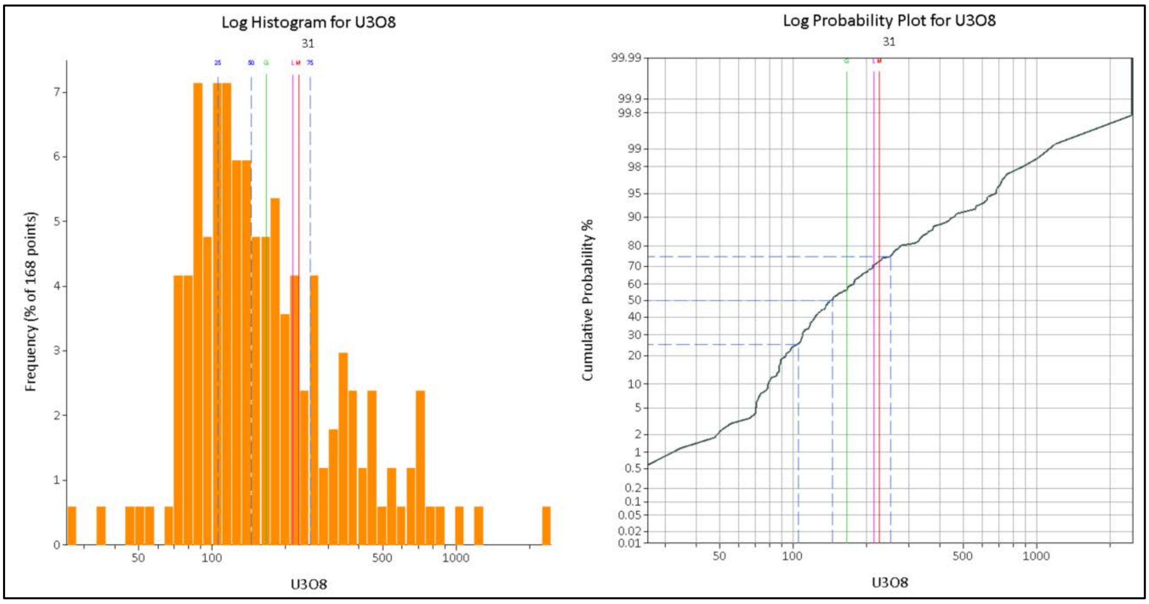


Figure 3-17: Log-histogram and log-probability plot of 1m U3O8 composites in Area 3, EZONE 31.

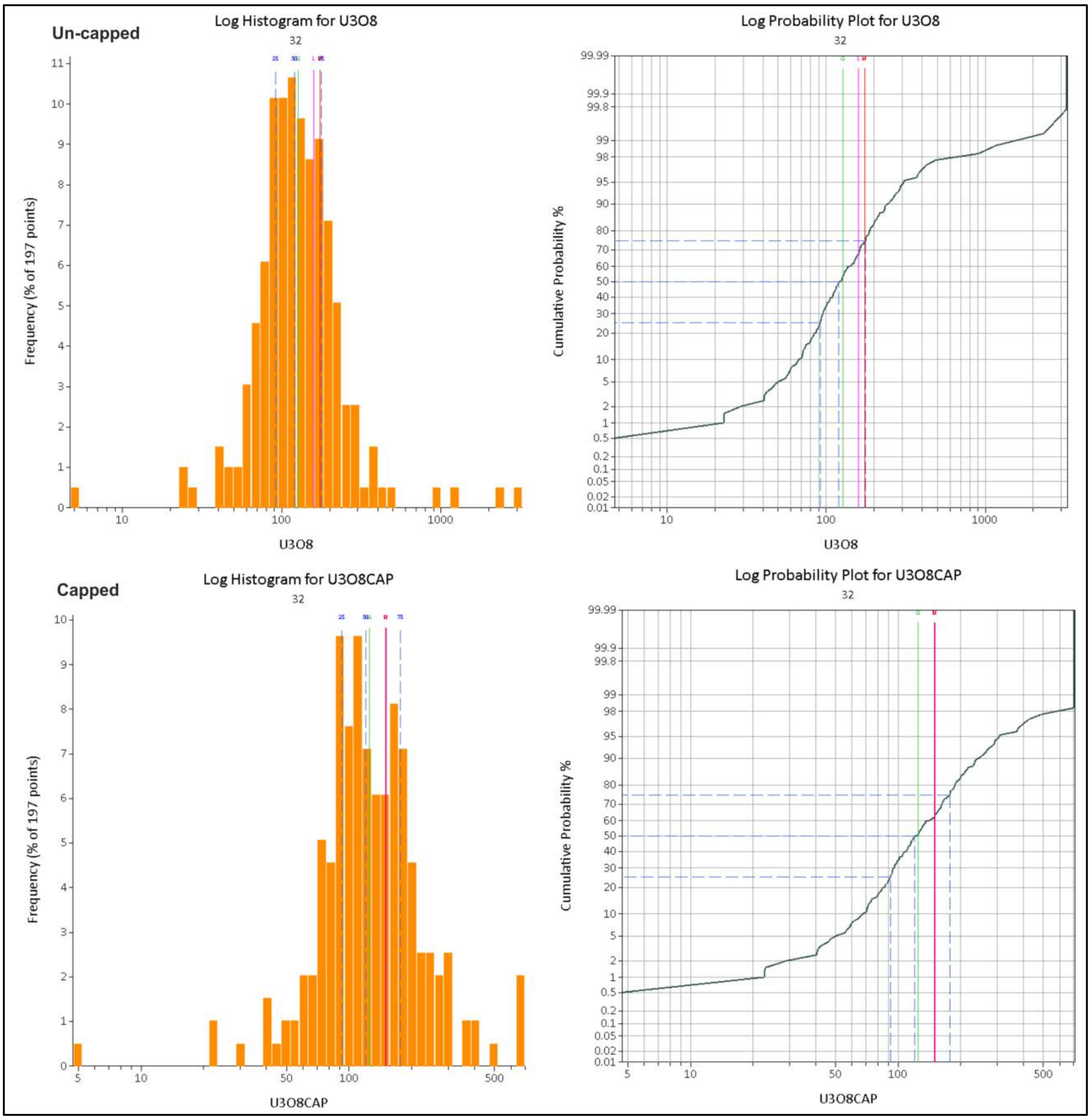


Figure 3-18: Log-histogram and log-probability plot of 1m U3O8 composites in Area 3, EZONE 32.

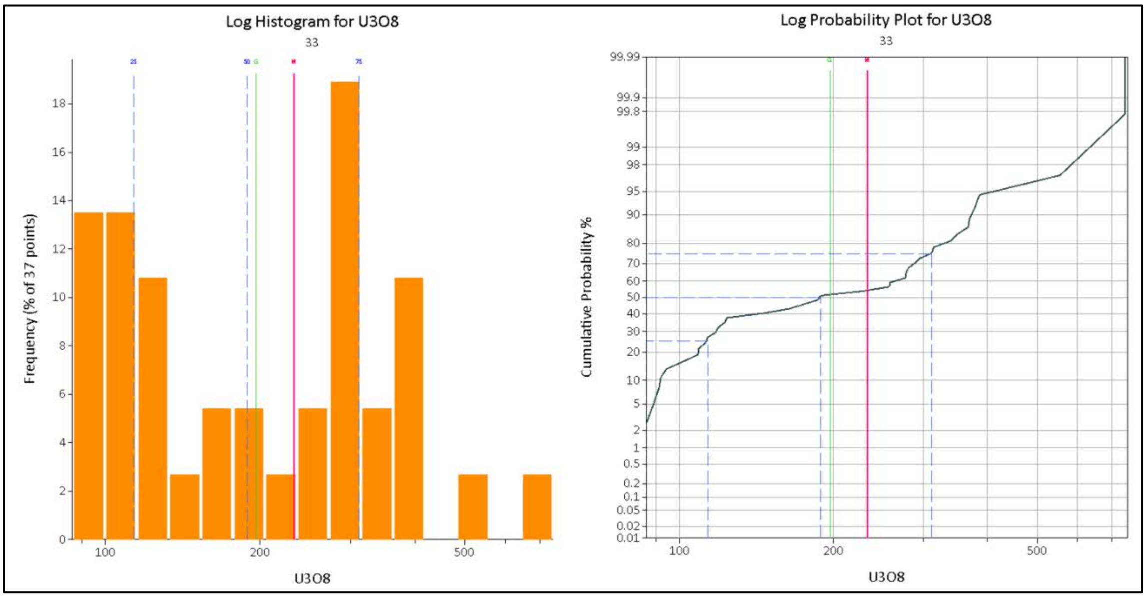


Figure 3-19: Log-histogram and log-probability plot of 1m U3O8 composites in Area 3, EZONE 33.

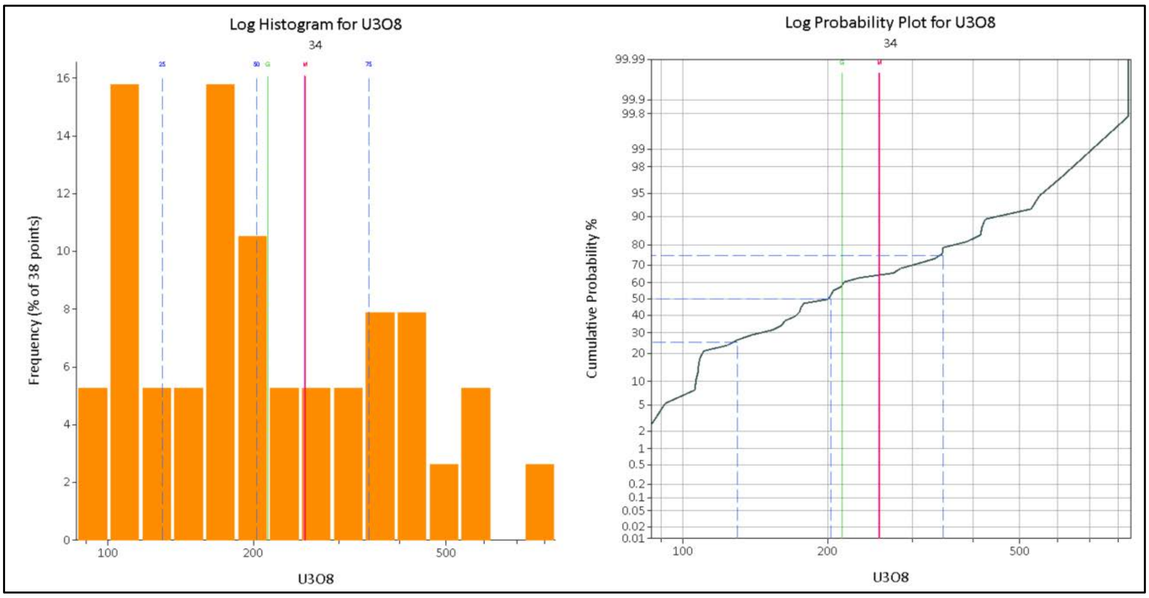


Figure 3-20: Log-histogram and log-probability plot of 1m U3O8 composites in Area 3, EZONE 34.

Table 3-6: Cap Levels and Metal Loss Due to Capping by Domain for Area 1

Domain	Samples		Uncapped			Capped			Metal Loss
	Total	Above Threshold	Tonnes	Grade (ppm U3O8)	Metal (K lbs U3O8)	Tonnes	Grade (ppm U3O8)	Metal (K lbs U3O8)	% Difference
111	50	1	500	171	190	500	170	189	0.6%
112	40	0	720	169	266	720	169	266	0.0%
113, 114, 115, 116	16	0	860	155	294	860	155	294	0.0%
121	14	1	860	216	410	860	203	385	6.0%
122	29	1	1270	217	609	1270	215	603	0.9%
123	12	0	690	160	244	690	160	244	0.0%
124	3	0	170	123	47	170	123	47	0.0%
All	164	3	5,070	184	2,060	5,070	182	2,029	1.5%

Table 3-7: Cap levels and metal loss due to capping by domain in Area 3

Domain	Samples		Uncapped			Capped			Metal Loss
	Total	Above Threshold	KTonnes	Grade (ppm U3O8)	Metal (K lbs U3O8)	KTonnes	Grade (ppm U3O8)	Metal (K lbs U3O8)	% Difference
11	163	0	4,403	349	3,388	NO CAPPING APPLIED			0.0%
12	27	0	1,066	356	837	NO CAPPING APPLIED			0.0%
13	128	0	4,288	211	1,995	NO CAPPING APPLIED			0.0%
31	168	0	9,211	226	4,589	NO CAPPING APPLIED			0.0%
32	197	1	4,635	174	1,778	4,635	150	1,533	13.8%
33	37	0	3,246	233	1,667	NO CAPPING APPLIED			0.0%
34	38	0	3,749	256	2,116	NO CAPPING APPLIED			0.0%
All	758	3	30,598	243	16,392	30,598	236	15,920	2.9%

3.6 Statistical and Geostatistical Analysis

3.6.1 Basic Statistics

Grade

To assess the global, unbiased characteristics of the composite grades within the estimation domains, the data are weighted by declustering weights as described in Section 3.5.1.

The basic declustered statistics of Area 1 assays composited to 1 m lengths by domain are presented in Table 3-8. The distribution of U3O8 in the modeled alaskite domains are generally log-normal (Figure 3-13) and are characterized by low coefficients of variation. There is no obvious evidence of additional subset populations within the domains.

Table 3-8: Declustered Composite Statistics by Estimation Domain.

Area	Domain	Composites	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variation
1	111	50	9	1091	157	184	1.17
	112	40	7	487	179	109	0.61
	113 - 116	16	78	356	155	91	0.59
	121	14	65	1043	218	256	1.18
	122	29	34	946	228	215	0.95
	123	12	80	433	176	102	0.58
	124	3	53	154	96	52	0.54

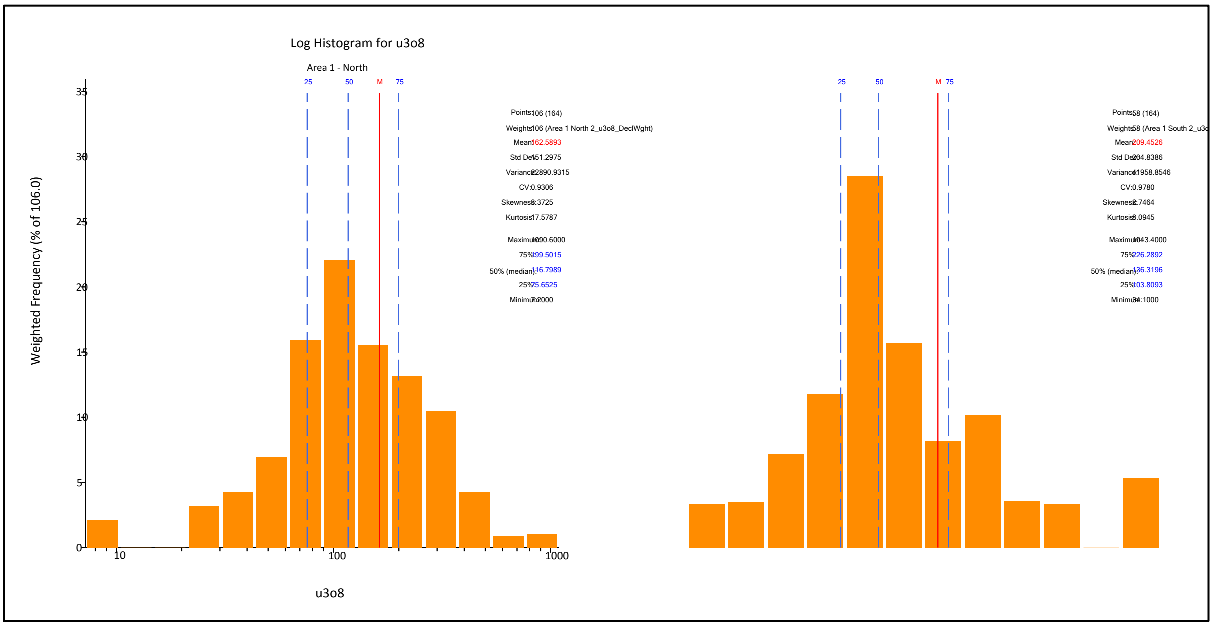


Figure 3-21: Histograms of declustered 1m U3O8 composites in Area 1 North (left) and South (right).

Basic statistics for the capped Area 3 assays for the combined Area 3 North and Area 3 South domains are displayed in Table 3-9. At least two, and possibly three, distinct populations are evident in both Area 3 North and Area 3 South. Throughout Area 3, the main mineralised population is at approximately >70 ppm U3O8. In Area 3 North, a clear high grade population is evident at >400 ppm U3O8 (Figure 3-22), whilst an additional second high grade population possibly exists at >800-900 ppm U3O8, although evidence for this in the histogram and log histogram plots isn't as definitive. Two high grade populations are also detected in Area 3 South (Figure 3-22), at slightly lower grade cut-offs of approximately >250 ppm U3O8 and >600 ppm U3O8.

At the current drillhole spacing it is not possible to identify any specific spatial relationship between the data points in these high grade populations, such that they could be modelled and treated as a separate estimation domain in the grade interpolation process. It is noted that the high grade data is typically (but not always) concentrated in the centre of individual alaskite veins, but is not predominantly confined to any particular vein or vein set. As such, in this case, the high grade assay populations in Area 3 were not treated any differently within the estimation process. However, it is strongly recommended that the controls on these high grade populations, and the potential impact of this data on the overall Area 3 grade, are closely monitored and considered during any subsequent infill drill campaigns and Mineral Resource Estimate updates.

Table 3-9: Area 3 U3O8 statistics by estimation domain.

Area	Domain	Composites	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variation
3	11	163	47	3466	349	407	1.17
	12	27	71	959	356	250	0.70
	13	128	71	1048	211	188	0.89
	31	168	25	2452	226	254	1.12
	32	197	5	700	150	108	0.72
	33	37	86	743	233	142	0.61
	34	38	86	842	256	167	0.65

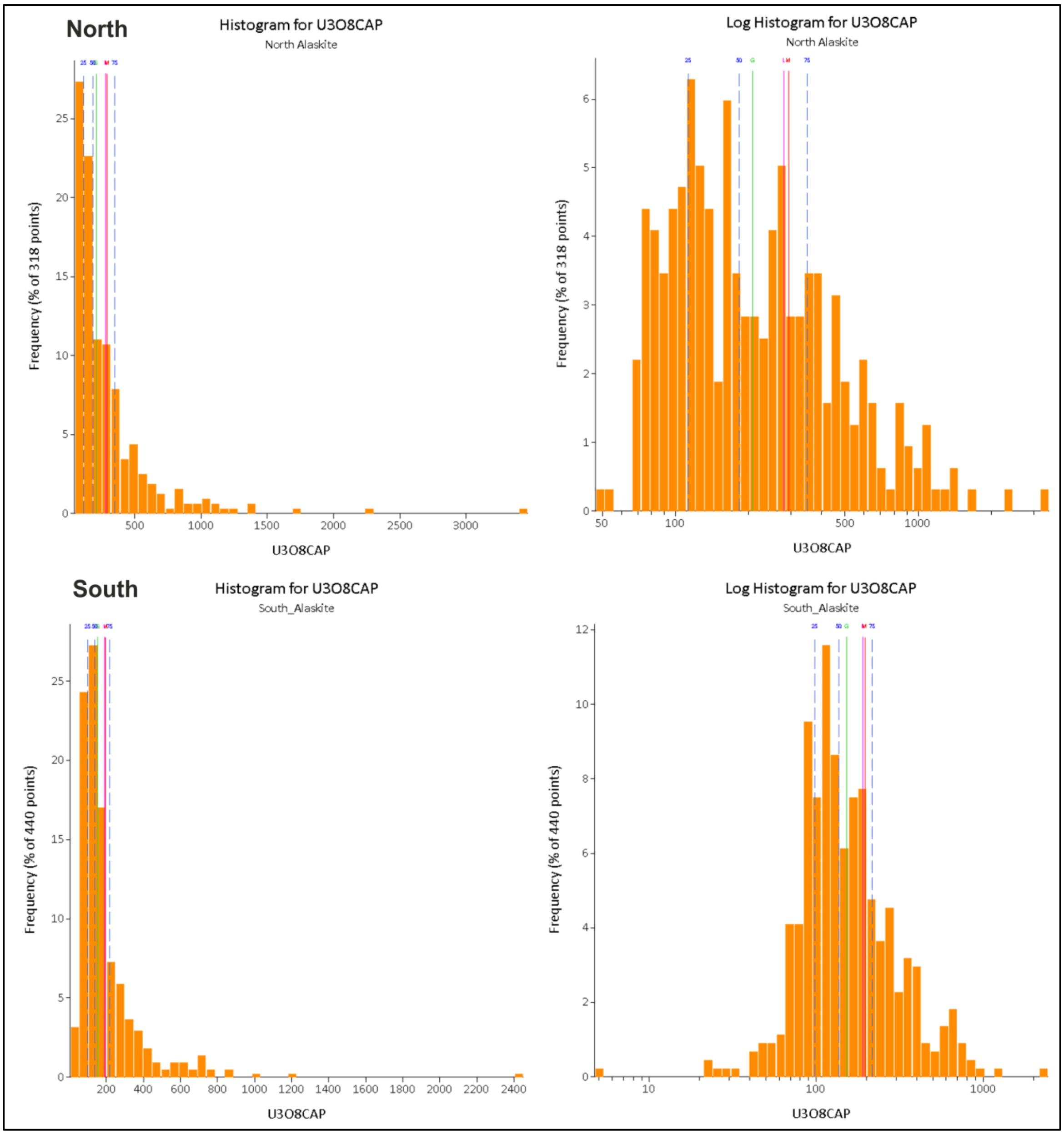


Figure 3-22: Histograms and log histograms of the capped 1m U3O8 composites in Area 1 North (top) and South (bottom).

Density

Basic statistics for the density measurements are presented in Figure 3-12.

3.6.2 Contact Analysis

Grade

U3O8 grades can change substantially across contacts between the modelled estimation domains at distances shorter than average drill hole spacing.

Figure 3-23 and Figure 3-24 show that U3O8 grades in the Area 1 modelled alaskites are higher than in the waste domains. Also, the grade change across the contact is very sharp. Similarly, Figure 3-25 and Figure 3-26 show that U3O8 grades in the Area 3 modelled alaskites are higher than in the waste domains. Like Area 1, the grade change across the contact is sharp, although for the south domain 31 there is a distinct grade contact within the modelled alaskite about 6 m from the waste contact, which could suggest the presence of a higher grade sub-domain.

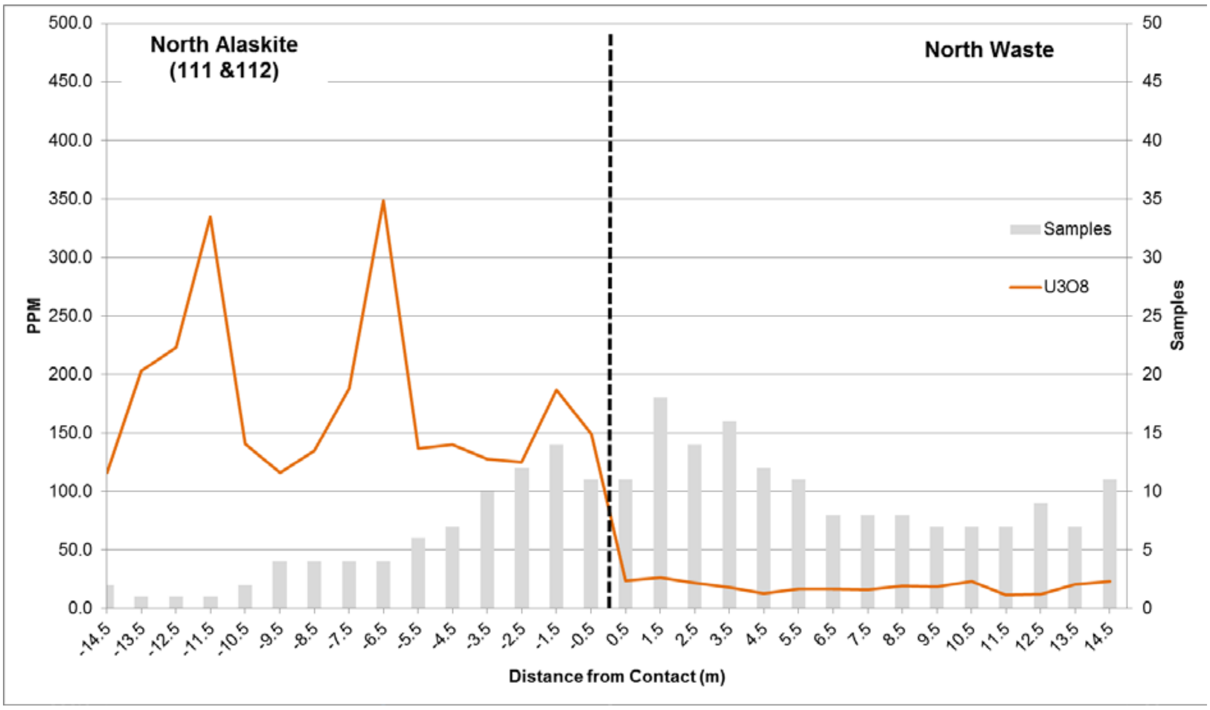


Figure 3-23: U3O8 grades on contact between the modeled alaskite and waste domains in Area 1 North.

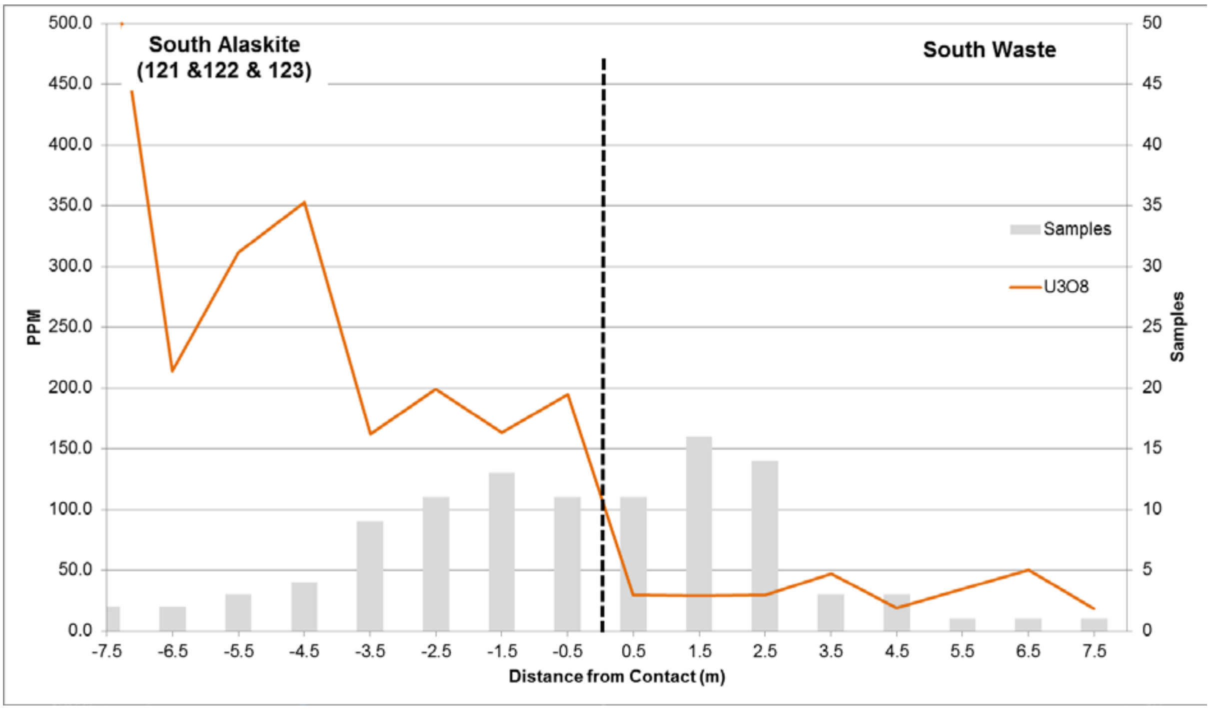


Figure 3-24: U3O8 grades on contact between the modeled alaskite and waste domains in Area 1 South.

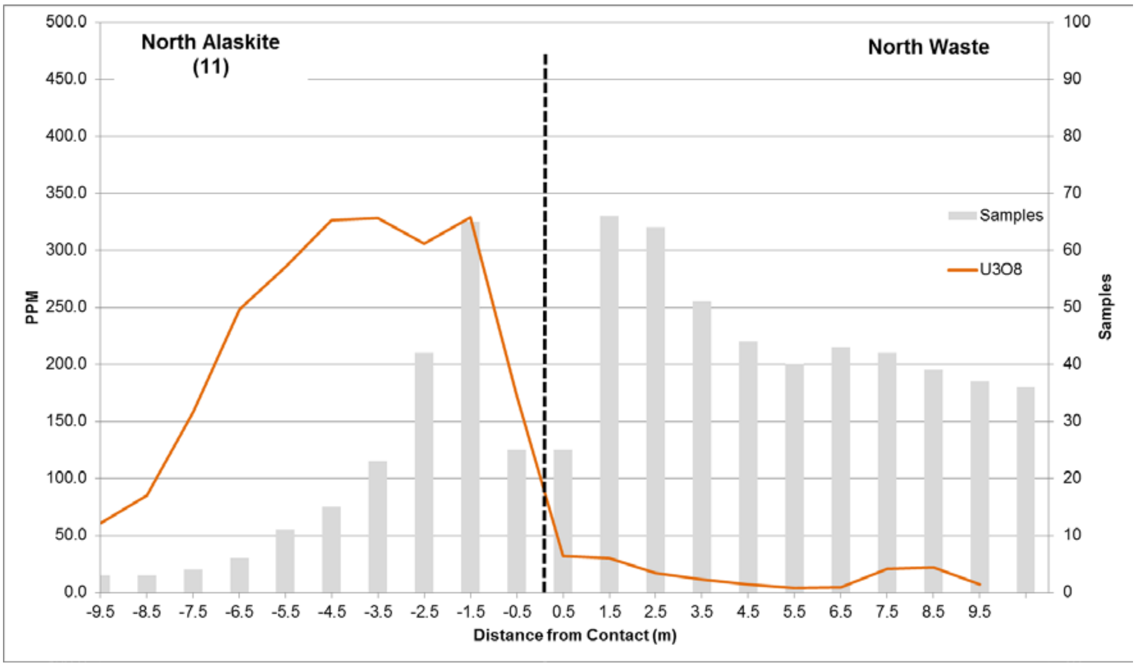


Figure 3-25: U3O8 grades on contact between the domain 11 modeled alaskite and waste domains in Area 3 North.

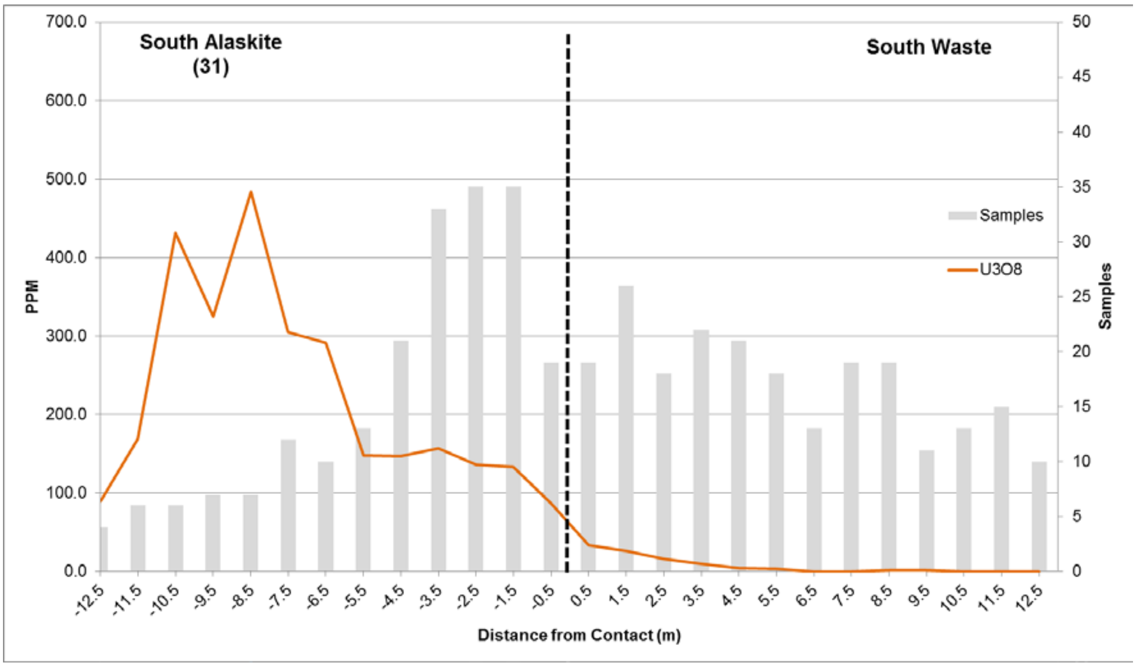


Figure 3-26: U3O8 grades on contact between the domain 31 modeled alaskite and waste domains in Area 3 South.

Density

Like grade, the density values can change substantially across the modelled weathering surface. Figure 3-27 shows that density values in the fresh Area 1 modelled alaskites are higher than in the weathered modelled alaskites. Also, the density change across the contact is very sharp.

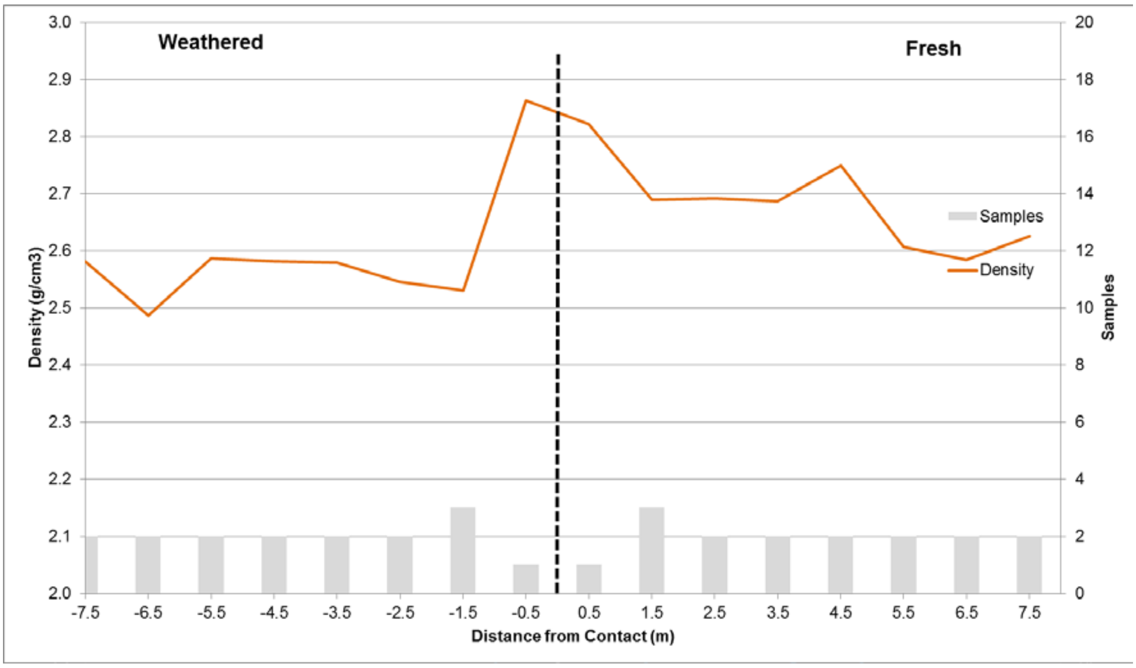


Figure 3-27: Density values within modeled Alaskite across the modeled weathering surface in Area 1.

3.6.3 Continuity Modeling

Grade

U3O8 grade continuity was assessed using experimental variograms. Downhole variograms were used to model nugget effects, i.e., assay variability at very close distance. Directional variograms, supported by correlogram maps, were used to model grade continuities for larger distances.

Due to the small amount of data available in each domain in Area 1, experimental variograms were calculated for all northern domains (using domain 111 and 112 samples) and all southern domains (using 121, 122, 123, and 124). Even after combining all of the southern domain samples, the resulting experimental variograms were unstable. SRK used the along-strike (major) and down-dip (semi-major) modelled variogram ranges from the north and applied these to the south, to construct a similar model, but oriented appropriately for the south domains. The experimental and modelled variograms for U3O8 along specific directions of continuity in the North and South domains are presented in Figure 3-28 and Figure 3-29 respectively. Note the strong anisotropy in these domains. The modelled variogams indicate grade continuity that generally conforms to the modeled alaskites (Figure 3-31). The modelled variogram parameters are presented in Table 3-10.

In Area 3, it was not possible to generate reliable variogram models for the individual estimation domains, and so, in order to establish a model, samples from all alaskite estimation domains were merged into a single data set. Downhole, along-strike (0° - 015°), down-dip (55° - 285°) and orthogonal (35° - 105°) variograms were produced in Snowden Supervisor (Figure 3-29: Downhole (top-left), Major Directional (top-right), Semi-major (bottom-left), and Minor Directional (bottom-right) U3O8 variogram models for Area 1 South.). The search ellipse direction for variography was determined based on the average strike and dip of the orebody and validated through horizontal, across strike and dip plane continuity fan analysis. An angular tolerance of 10° was applied to the along strike directional variography search, and an angular tolerance of 30° was applied to both the down-dip and orthogonal searches. A 50 m bandwidth was applied in all directions. SRK notes that the experimental variograms derived variogram models are not particularly robust, however the derived models indicate grade continuity that generally conforms to the modelled alaskites. The modelled variogram parameters are presented in Table 3-11.

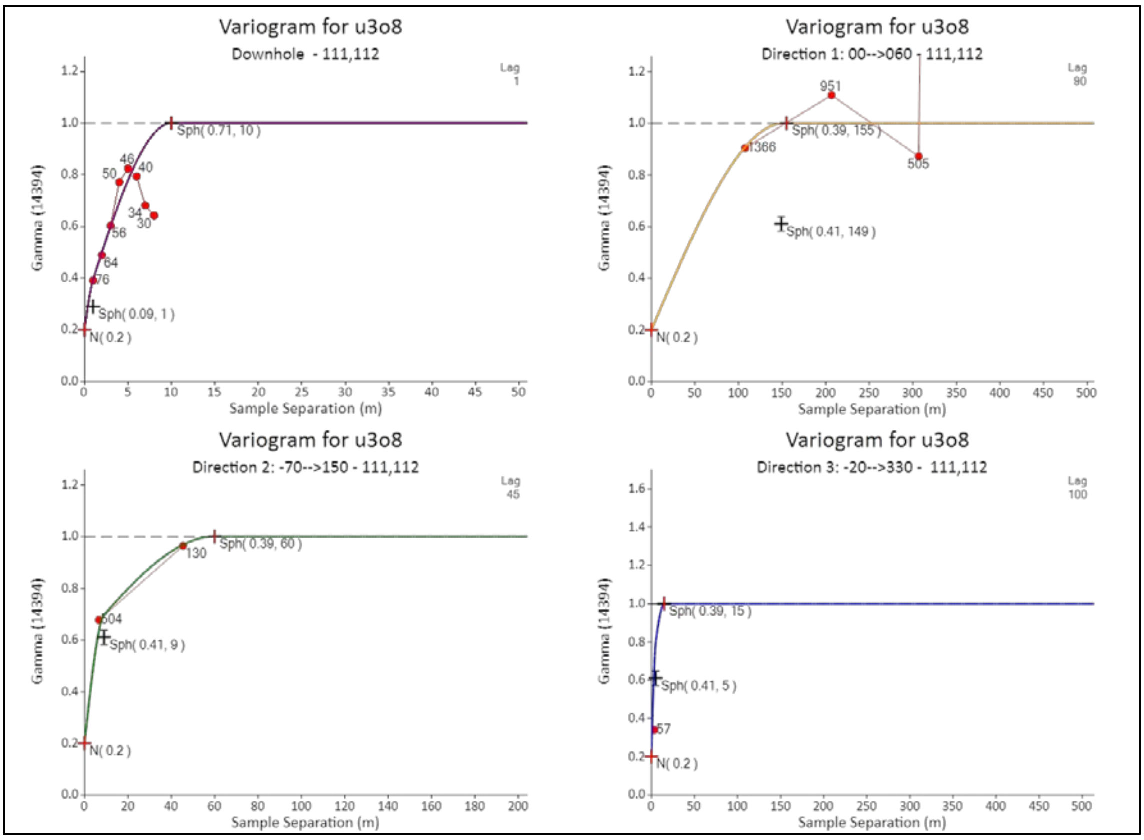


Figure 3-28: Downhole (top-left), Major Directional (top-right), Semi-major (bottom-left), and Minor Directional (bottom-right) U3O8 variogram models for Area 1 North.

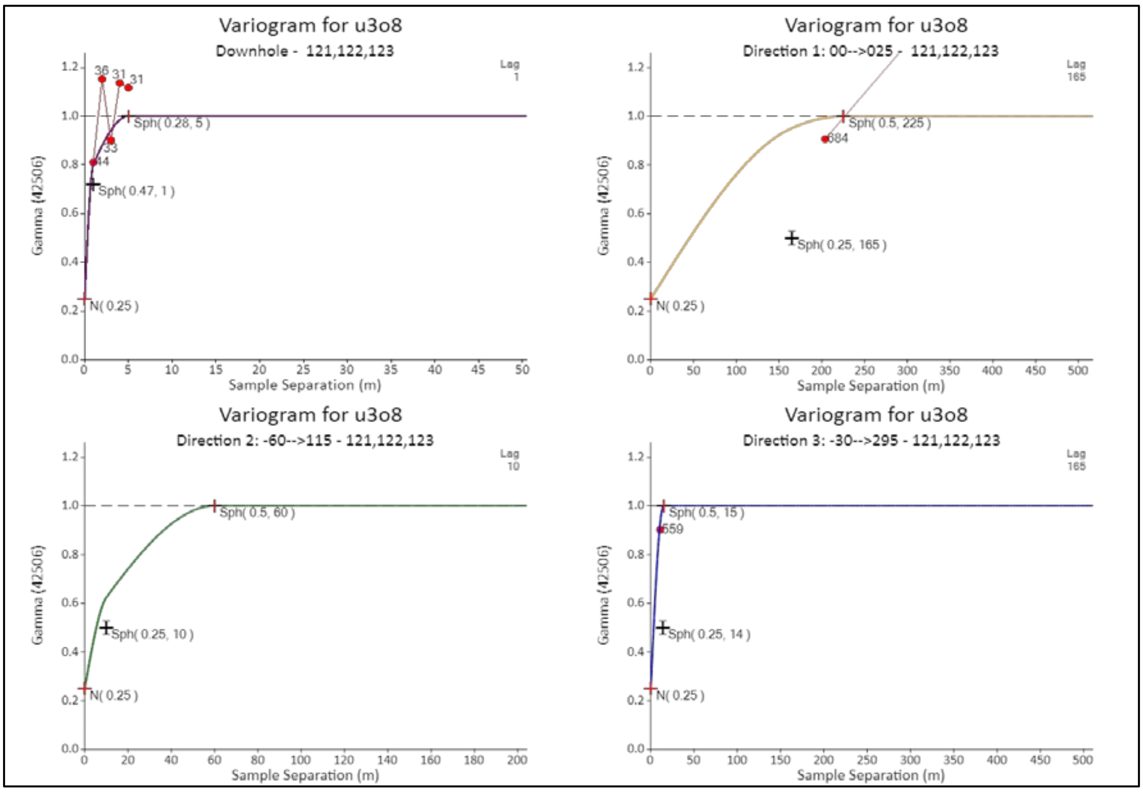


Figure 3-29: Downhole (top-left), Major Directional (top-right), Semi-major (bottom-left), and Minor Directional (bottom-right) U3O8 variogram models for Area 1 South.

Table 3-10: Modelled Variograms By Domain for Area 1.

Domain	Model Type	Nugget	Structure Component	Orientation			Radii (m)		
				Bearing	Plunge	Dip	Major	Semi-Major	Minor
111 & 112	SPHERICAL	0.20	0.41	60	0	110	149	9	5
			0.39				155	60	15
121, 122, 123, 124	SPHERICAL	0.25	0.25	25	0	120	165	10	14
			0.50				225	60	15

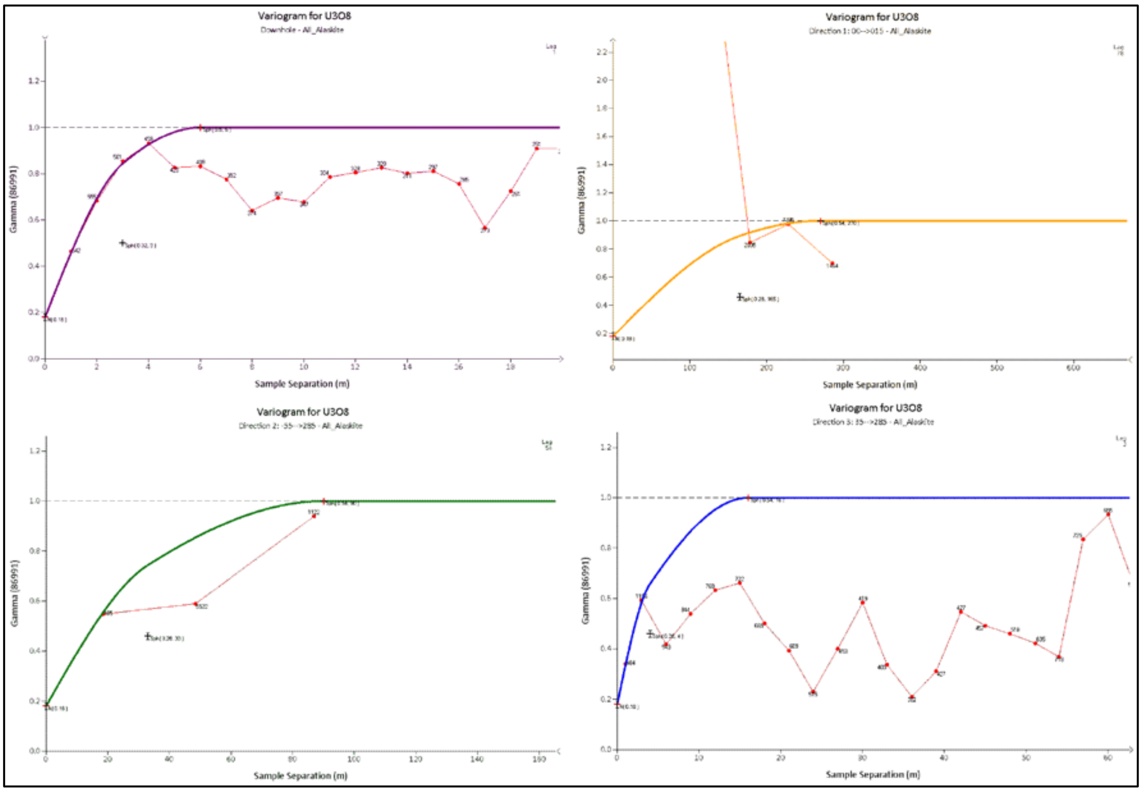


Figure 3-30: Downhole (top-left), Major Directional (top-right), Semi-major (bottom-left), and Minor Directional (bottom-right) U3O8 variogram models for the Area 3 combined domain data.

Table 3-11: Modelled variogram parameters for the Area 3 combined data.

Domain	Model Type	Nugget	Structure Component	Orientation			Radii (m)		
				Bearing	Plunge	Dip	Major	Semi-Major	Min
A3 All Alaskite	SPHERICAL	0.18	0.28	15	0	55	165	33	
			0.54				270	90	

Density

Given the current level of sampling, SRK does not consider it appropriate to model spatial variations in the density and has rather applied mean density values based on lithology type, as discussed in Section 3.4.2.

3.7 Resource Estimation Methodology

3.7.1 Area 1

Resource estimation was completed within an area encompassing all modelled Area 1 Alaskites with block model geometry and extents as presented in Table 3-12. A parent block size of 25x50x25 m rotated to 45 degrees, sub-blocked to 1x1x1 m, was chosen for the Area 1 deposit model. The block size chosen is approximately one-half the average drillhole spacing. In the case of the Area 1 North and one-quarter the drillhole spacing in Area 1 South.

Table 3-12: Area 1 Block Model Extents

Description	Easting (X)	North (Y)	Elevation (Z)
Block Model Origin (Lower left corner)	485100	7518600	300
Parent Block Dimension	25	50	25
Number of Blocks	40	40	8
Sub-Block Dimension	1	1	1
Rotation	45	0	0

The resource estimation methodology was based on the following:

- 1 m composite data were not capped for high-grade outliers;
- In estimation domains 111, 112, 121, and 122, composite assay grades were used in the estimation process with hard boundary conditions between each domain, preventing sharing of composites across the boundaries;
- For estimation domains 113, 114, 115, and 116, the average composite grade from the four domains combined was assigned to all blocks due to (except for domain 124 where a soft boundary was applied with 123 due to low sample count).
- All fields were estimated by Ordinary Kriging;
- Sub-block grades were assigned the grade of the parent block;
- A discretization level of 3,3,3 was set for all estimates;
- Search orientation and radii were based on the modeled variograms separately for the North and South area domains;
- The estimation involved three successive steps. The first step considered a relatively small search ellipsoid (designed at 100% of the modelled continuity range), which was increased to 200% of the modelled continuity range for the second step and a third step at 300% (200% for the Southern domains);
- Sample selection was roughly based on qualitative kriging neighbourhood analysis

(QKNA) but adjusted for each domain to accommodate for differences in the number of available samples; and

- Bulk Density was assigned, according to the mean values summarized in Figure 3-12, depending on the weathering domain (weathered or fresh).

The selection of the search radii and rotations of search ellipsoids were guided by modelled continuity from the variograms (Figure 3-31). In addition, the search radii were established to assure that the blocks within the modelled area were estimated. The search ellipse and sample selection parameters were refined by conducting repeated test resource estimates and reviewing the results as a series of plan views and sections (Table 3-13).

Table 3-13: Search Ellipse and Sample Selection Parameters by Estimation Domain and Estimation Step.

Domain	Step	Search Direction			Search Ellipse Radii			Samples		
		Dip Direction	Dip	Plunge	Major	Semi	Minor	Min	Max	Max per Hole
111	1	330	-80	0	155	60	60	12	20	10
	2				310	120	120	8	20	5
	3				310	120	120	4	20	4
112	1	330	-80	0	155	60	60	12	20	10
	2				310	120	120	6	20	5
	3				350	120	120	4	20	4
121	1	295	-70	0	225	60	60	6	20	10
	2				450	120	120	4	20	5
	3				450	120	120	3	20	3
122	1	295	-70	0	225	60	60	12	20	10
	2				450	120	120	12	20	10
	3				450	120	120	2	20	2
123	1	295	-70	0	225	60	60	6	20	4
	2				450	120	120	6	20	4
	3				450	120	120	2	20	2
124	1				225	60	60	4	6	3
	2				450	120	120	4	6	3
	3				450	120	120	3	6	3

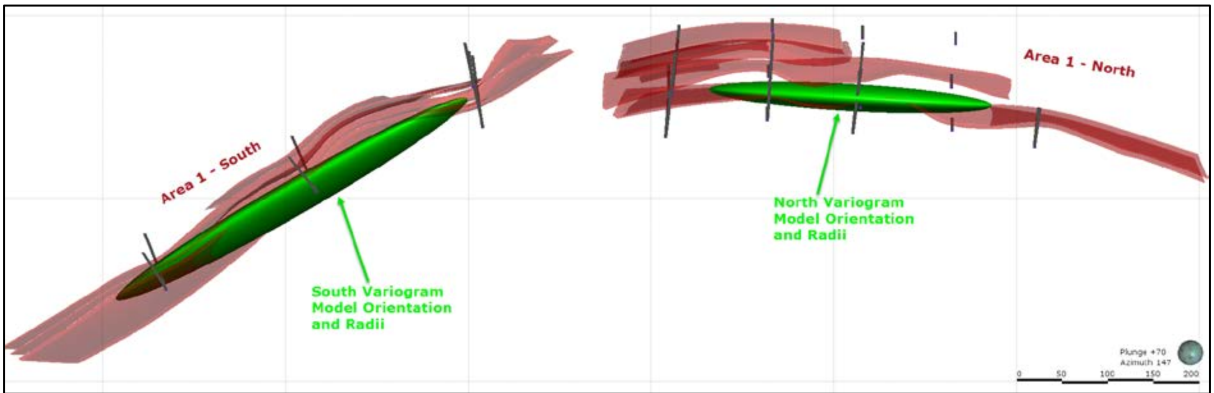


Figure 3-31: Rotated view of the modeled Area 1 North and South search ellipses (with radii equal to the modelled grade continuity) with respect to the modeled alaskites.

3.7.2 Area 3

Resource estimation was completed within an area encompassing all modelled Area 3 alaskites with block model geometry and extents as presented in Table 3-14. A parent block size of 12.5x35x20 m, sub-blocked to 1.25x1x1 m, was chosen for the Area 3 deposit model. No block model rotation was applied.

The Y block dimension of 35 m is equal to approximately half the minimum section spacing in Area 3 North and one-sixth the minimum drillhole spacing in Area 3 South, whilst the Z block dimension of 20 m is equal to approximately half the down-dip interval spacing in Area 1 and one-third the downhole interval spacing in Area 3 South. The X block dimension was set 12.5 m in order to reflect the across-strike variability within individual estimation domains.

Table 3-14: Area 3 block model extents.

Description	Easting (X)	North (Y)	Elevation (Z)
Block Model Origin (Lower left corner)	494788	7514675	420
Parent Block Dimension	12.5	35	20
Number of Blocks	167	72	9
Sub-Block Dimension	1.25	1	1

The resource estimation methodology applied was based on the following:

- The grade interpolation process used the U3O8 1 m composite assays, un-capped, other than in EZONE 32, which was capped at 700 ppm;
- All EZONE domains were used as hard boundaries in the estimation process;
- All fields were estimated by Ordinary Kriging;
- Sub-block grades were assigned the grade of the parent block;
- A discretization level of 3,3,3 was set for all estimates;
- In Area 3 North, an anisotropic ellipse was applied (Figure 3-32), with search ellipse orientation and radii based on the modelled Area 3 North variograms presented in Section 3.6.3;
- In Area 3 North, the estimation involved three successive steps (Search Volumes 1, 2 and 3). Search Volume 1 considered a relatively small search ellipsoid designed at 2/3rd the variogram range, forcing the interpolation to only use samples where covariance between samples exists. Search Volume 2 was increased to 100% of the modelled continuity range, whilst Search Volume 3 used a search ellipse set at 300% of the modelled continuity range. The orthogonal ellipse range was increased to 30 m in Search Volume 1, 45 m in Search Volume 2 and 135 m in Search Volume 3, to account for local variability in the trend of the alaskite model from section to section;
- In Area 3 South, an isotropic search ellipse was applied (Figure 3-33). An anisotropic search ellipse was considered inappropriate considering the folded geometry of the estimation domains;
- For Area 3 South, Search Volume 1 was based on the dominant drillhole spacing. The ellipse was expanded to 150% of the Search Volume 1 ellipse size in Search Volume 2, and to 450% of the Search Volume 1 ellipse size in Search Volume 3;

- For both Area 3 North and South, the sample weightings applied in the grade interpolation process were based on the variogram parameters presented in Section 3.6.3. The nugget and structure components were re-scaled based on the total variance values of the individual domains;
- Sample selection, including minimum and maximum number of samples used to estimate each block, and the maximum number of samples used to estimate a block from a single drillhole, were adjusted for each domain to accommodate for differences in the number of available samples; and
- EZONE 34 in Area 3 South is only based on a single drillhole and, as such, has been assigned an average grade, rather than being estimated through Ordinary Kirging.

The search radii selected, as defined above and in Table 3-15, were established to ensure that all the blocks within the modelled area were estimated. The search ellipse and sample selection parameters were refined by conducting repeated test resource estimates and reviewing the results as a series of plan views and sections.

Table 3-15: Search Ellipse and Sample Selection Parameters by Estimation Domain and Estimation Step for Area 3.

Domain	Step	Search direction			Search Ellipse Radii			Samples		
		Dip Direction	Dip	Plunge	Major (m)	Semi (m)	Minor (m)	Min	Max	Max per hole
11	1	285°	15°	0°	180	60	30	22	35	10
	2				270	90	45	12	35	10
	3				810	270	135	6	35	10
12	1	285°	15°	0°	180	60	30	16	25	10
	2				270	90	45	12	25	10
	3				810	270	135	2	25	10
13	1	285°	15°	0°	180	60	30	22	35	10
	2				270	90	45	12	35	10
	3				810	270	135	6	35	10
31	1	0°	0°	0°	270	270	270	22	35	10
	2				405	405	405	15	35	10
	3				1215	1215	1215	15	30	10
32	1	0°	0°	0°	270	270	270	25	35	10
	2				405	405	405	12	25	10
	3				1215	1215	1215	5	25	10
33	1	0°	0°	0°	270	270	270	16	25	10
	2				405	405	405	12	25	10
	3				1215	1215	1215	5	25	10

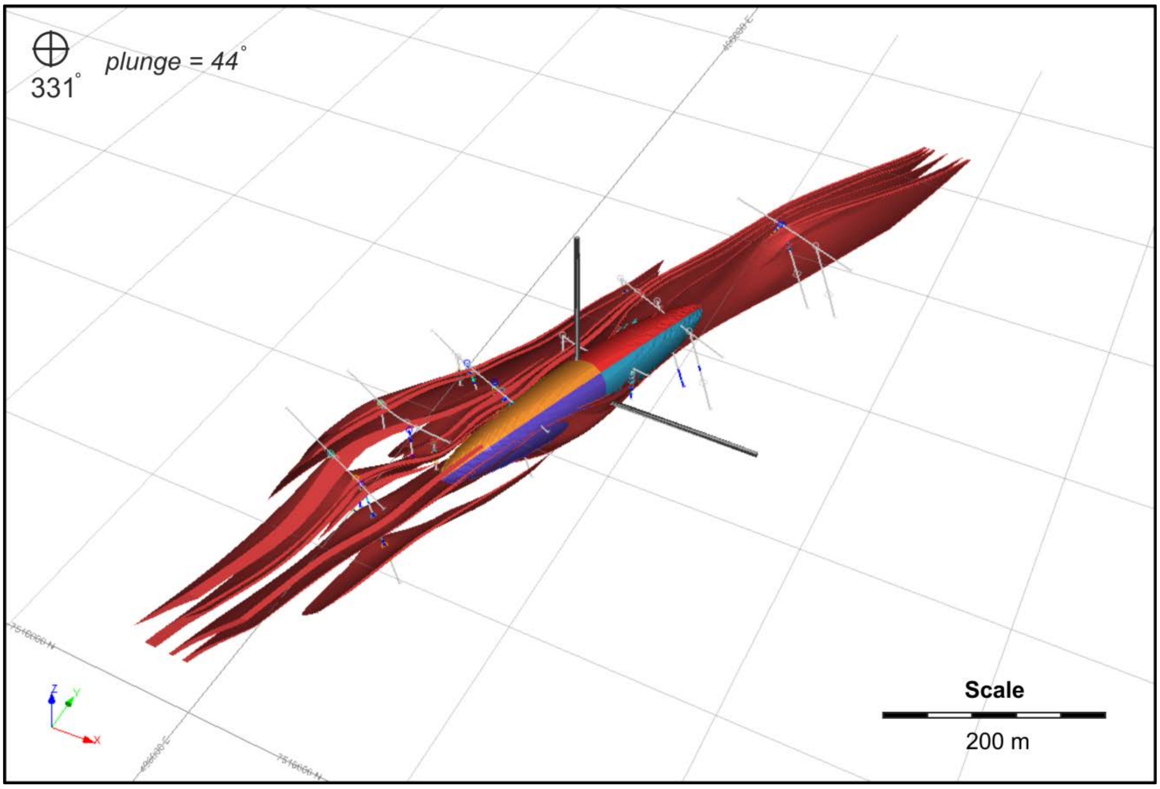


Figure 3-32: Area 3 North Search Volume 1 search ellipse.

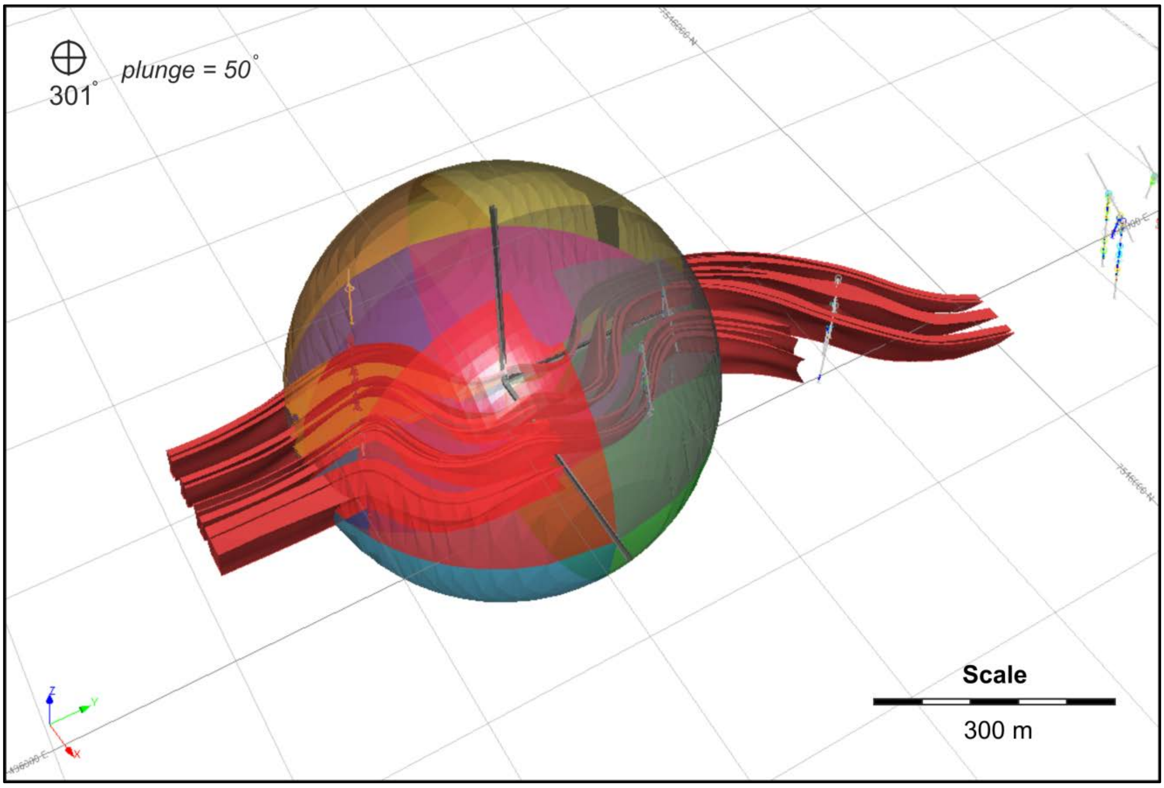


Figure 3-33: Area 3 South Search Volume 1 search ellipse.

3.8 Mineral Resource Estimate Validation

SRK used the following techniques to locally and globally validate the resulting block estimates:

- Visual inspections of drill hole assays versus estimated blocks in a series of sections and plans;
- Comparison of average assay grades with average block estimates along different directions (swath plots); and
- Comparison of global composite versus estimate statistics by domain.

3.8.1 Visual Inspections

Drill hole assays were viewed against block estimates in a series of section and plan views in order to locally validate the estimation with the resource data. SRK found good agreement between the drill hole assays and block estimates and did not identify any anomalous block estimates (Figure 3-34 and

Figure 3-35).

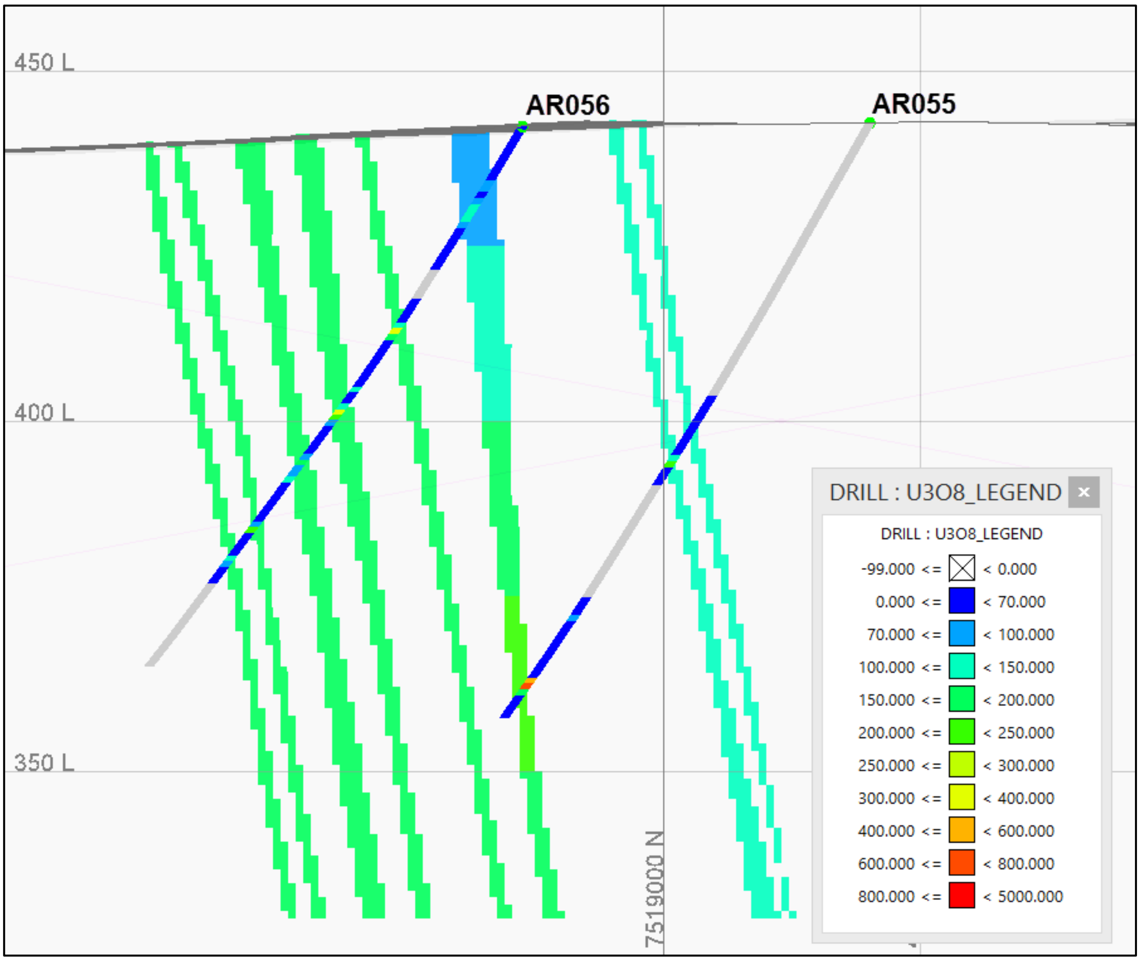


Figure 3-34: Cross Section through AR055 and AR056 looking northeast in Area 1 North. Blocks and drill hole samples are colored by U3O8 grade.

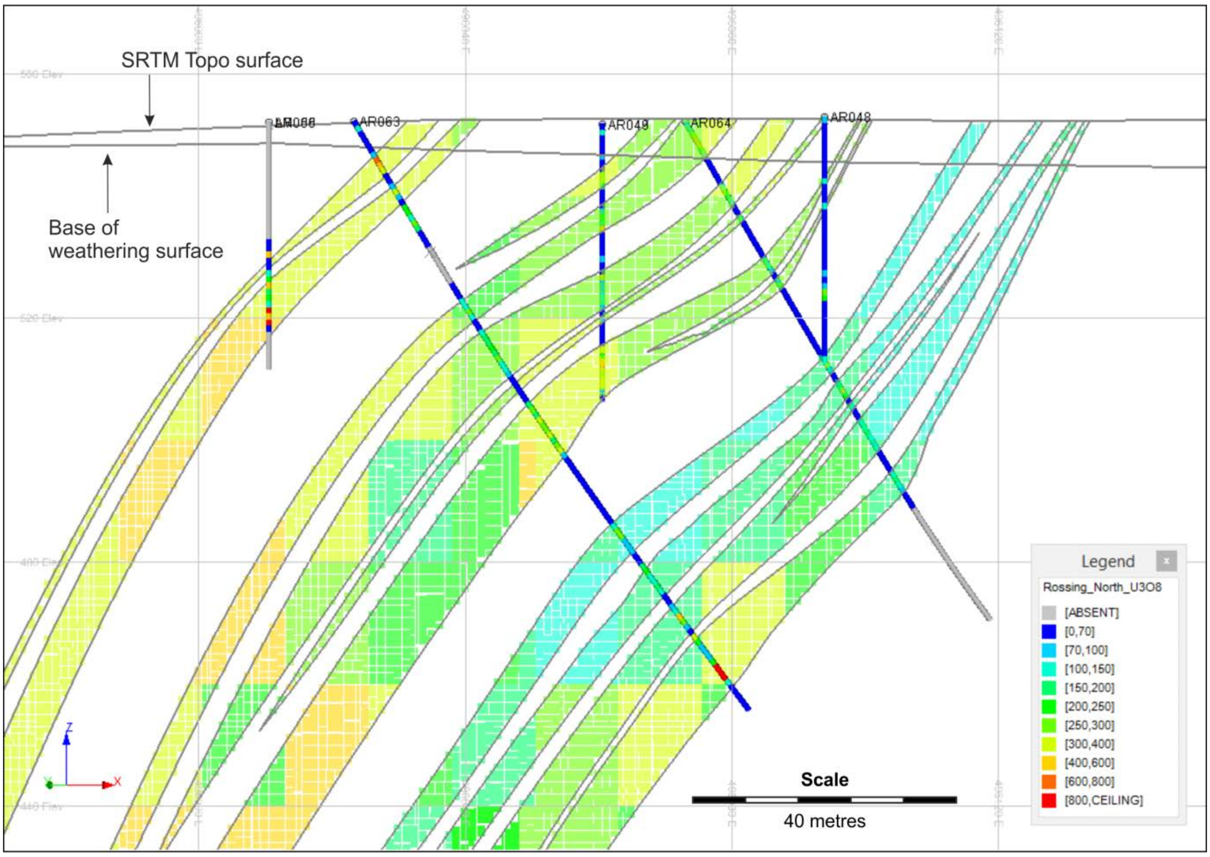


Figure 3-35: NNE facing cross-section through Area 3 North. The estimated block model and drill hole traces are coloured by U3O8 grade.

3.8.2 Swath Plots

De-clustered average composite grades were calculated for each domain and compared to the average block estimates along east-west, north-south and elevation swaths. The swath dimensions equal two parent blocks in each direction.

Figure 3-36 and Figure 3-37 show the swath plots from the 111 and 121 domains in Area 1. Here, and likewise in other Area 1 domains, the average U3O8 composite grades and the average U3O8 estimated block grades are quite similar, although the composite grades show greater variation. Figure 3-38 and Figure 3-39 show the swath plots for the 11 and 31 domains in Area 3. Similarly to the Area 1 results, the composite and estimated grades are quite similar. Overall, the validation shows that current resource estimates are good reflections of the available drill hole assay data.

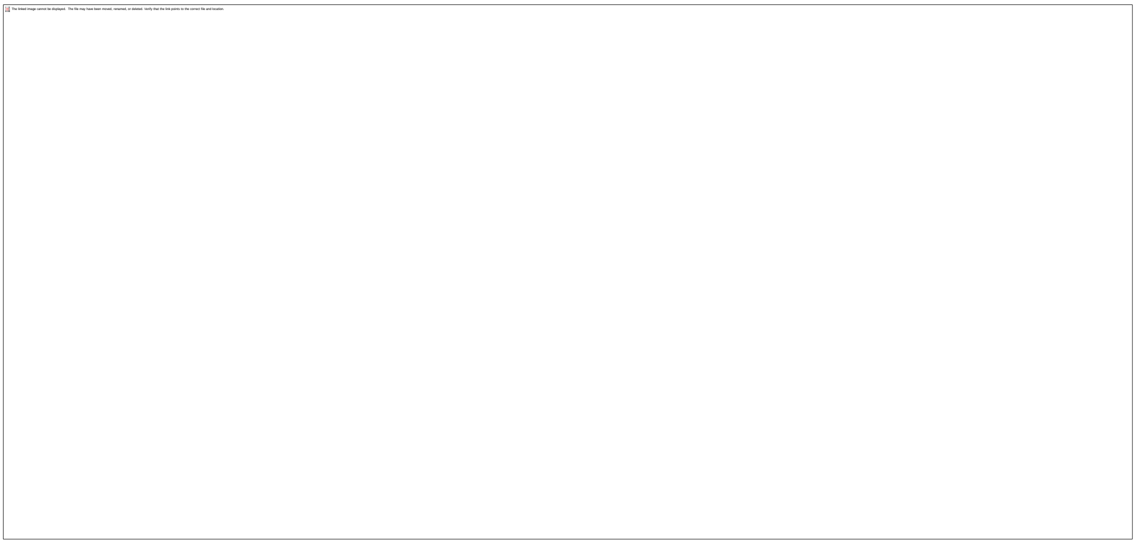


Figure 3-36: Area 1 Swath Plot for Domain 111 along the North direction (rotated 45 degrees to the block model orientation). Note that not all northing slices have available samples.

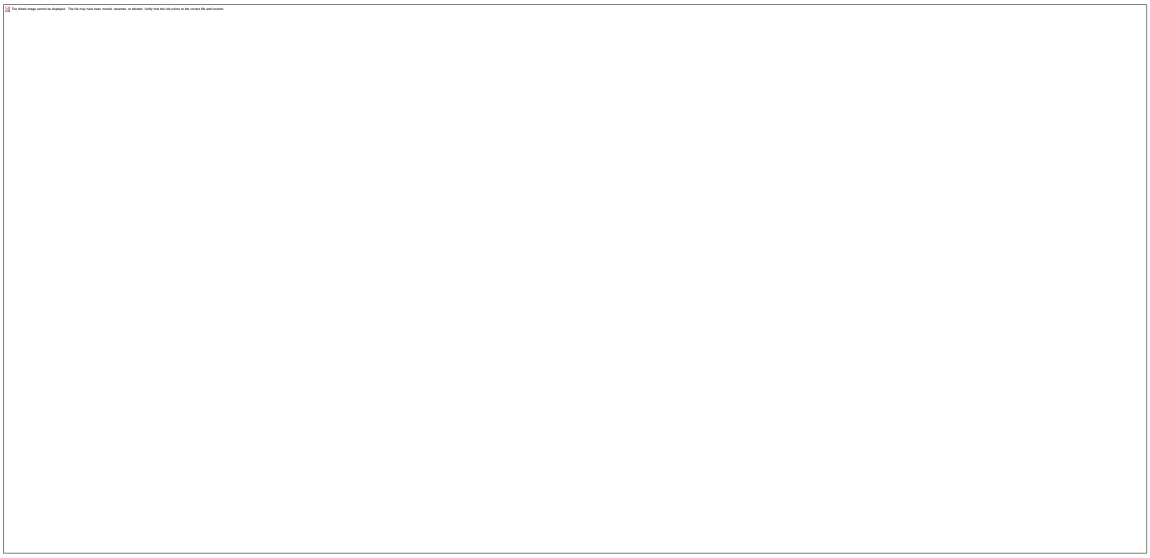


Figure 3-37: Area 1 Swath Plot for Domain 121 along the North direction (rotated 45 degrees to the block model orientation). Note that not all northing slices have available samples.

Figure 3-38: Area 3 Swath Plot for Domain 11 along the North direction. Note that not all northing slices have available samples.

Figure 3-39: Area 3 Swath Plot for Domain 31 along the North direction. Note that not all northing slices have available samples.

3.8.3 Global Statistics

The de-clustered mean composite grades were compared to the mean estimated grades to globally validate the estimates (Table 3-16). In Area 1, in all cases these are within 10% of each other which seems reasonable in this case, In Area 3, all domains are similarly within 10% of the composite grade, except for EZONE 31, which has a mean U3O8 grade 15.5% lower than the mean composite grade in this domain (Table 3-17). SRK has visually verified the EZONE 31 block model estimate with the downhole assay data, and has not identified any areas of systematic negative bias in the estimate. Because all other domains fall within 10%

of the composite grade, and the global grade is well within the 10% threshold, the 15.5% difference in block estimate and composite grade in EZONE 31 is not considered to be a concern. Overall, SRK considers the current resource estimate for both Area 1 and Area 3 to be a good reflection of the available drill hole assay data.

Table 3-16: Area 1 Mean Declustered Composite Grades Compared to the Mean Block Estimates.

Zone	111	112	121	122	123 & 124
Number of Samples	50	40	14	29	15
Estimated U3O8 Grade (ppm)	171	169	216	217	15
U3O8 Sample Mean (ppm)	157	179	218	228	160
Difference (%)	9	-6	-1	-5	-5

Table 3-17: Area 3 Mean Declustered Composite Grades Compared to the Mean Block Estimates.

Zone	11	12	13	31	32	33
Number of Samples	163	27	128	168	197	37
Estimated U3O8 Grade (ppm)	379	336	193	191	173	248
U3O8 Sample Mean (ppm)	349	353	211	226	174	233
Difference (%)	9	-5	-8	-15	-1	6

3.9 Mineral Resource Classification

Block model quantities and grade estimates for the Rossing North Project were classified according to the JORC Code.

Mineral Resource classification is typically a subjective concept; industry best practices suggest that resource classification should consider the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas where the estimates are at a similar confidence level rather than by assessing the resource block by block. In addition, reporting of Mineral Resources must satisfy the requirement that there are reasonable prospects for eventual economic extraction.

SRK is satisfied that the geological models in both Area 1 and Area 3 honour the current geological information and knowledge, although SRK is conscious of the fact that the geological complexity of the mineralisation is not adequately defined by the current level of sampling. Further while SRK considers the location of the samples and the assay data are sufficiently reliable to support the resource estimates as presented here, some of the QAQC protocols require some improvement and the current level of sampling is not adequate to model grade continuity with a high degree of confidence.

Based on SRK's opinion of the confidence in these criteria, the overall resource category considered for the Area 1 and Area 3 mineral resources is low.

3.9.1 Area 1

Given the above comments, SRK considers the resulting estimates to have sufficient data and to have been modelled to a sufficient degree of confidence to support an Inferred classification. The modelled domains are extrapolated 150 m along strike, or just under the modelled grade continuity range, beyond the drill sections (Figure 3-40). While it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will occur.

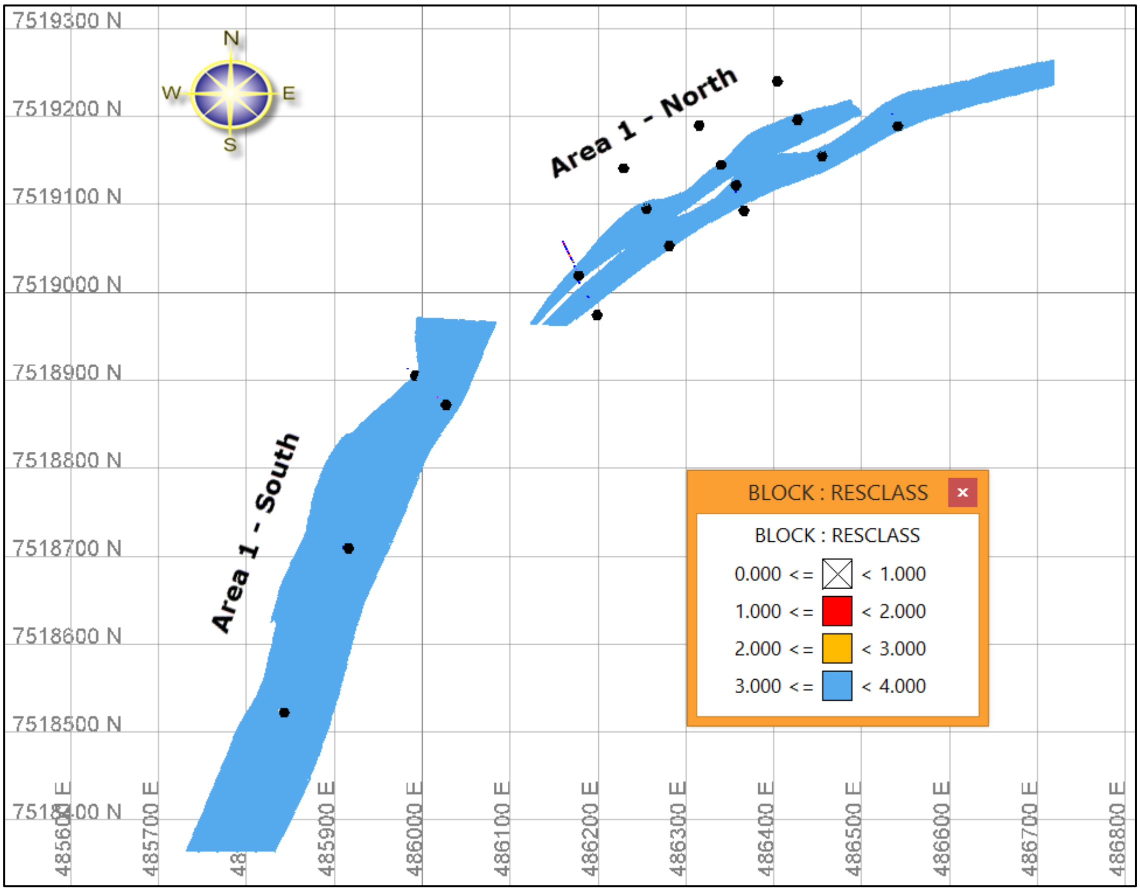


Figure 3-40: The Area 1 block model coloured by resource classification (blue = Inferred).

3.9.2 Area 3

EZONE 34 in Area 3 South is based on a single drillhole and was attributed an average grade, rather than being estimated using Ordinary Kriging. In SRK's opinion therefore there is not currently the level of information required to report this as a Mineral Resource (Figure 3-41). Notwithstanding this, SRK considers all of the other zones to be sufficiently well supported to be classed as Inferred. The modelled domains are extrapolated 150 m along strike, or just under the modelled grade continuity range, beyond the drill sections. As commented above in relation to Area 1, while it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will occur.

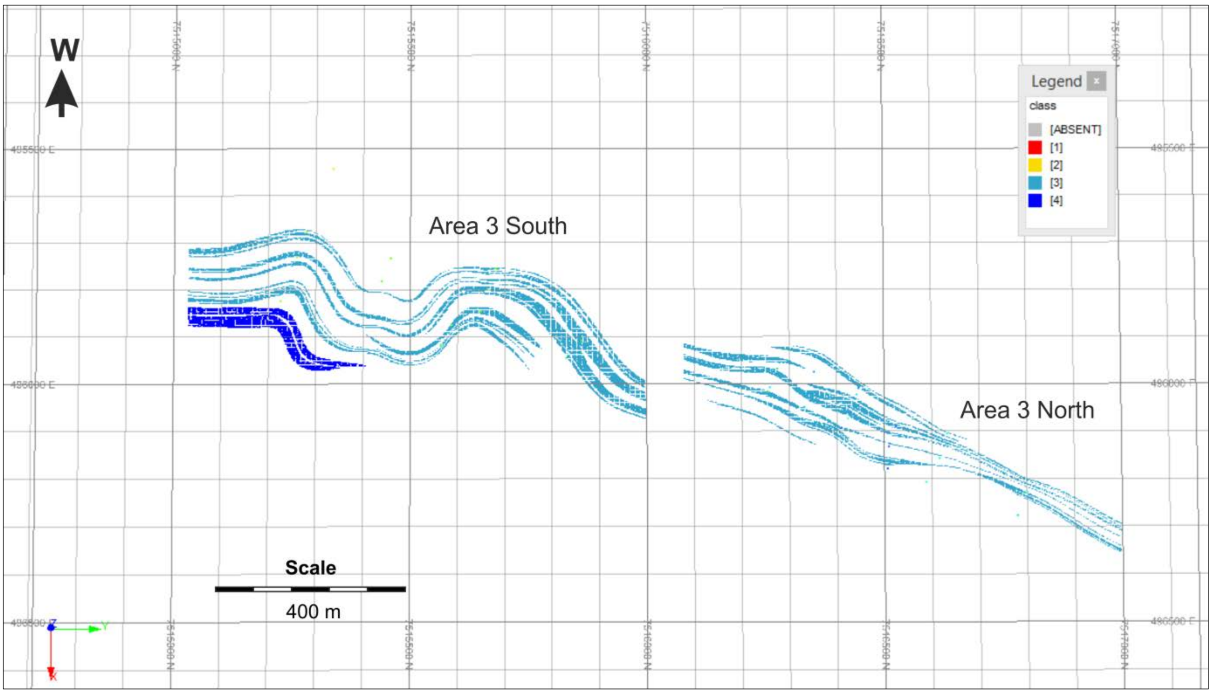


Figure 3-41: The Area 3 block model coloured by resource classification (blue = Inferred, dark blue = Unclassified).

3.10 Grade and Tonnage Sensitivity

The grade and tonnage estimates derived by SRK are sensitive to the selection of the U3O8 reporting cut off value. To illustrate this sensitivity, the block model quantities and grade estimates are presented at different U3O8 cut-off values (Table 3-18 and Figure 3-42 for Area 1 and Table 3-19 and Figure 3-43 for Area 3). The reader is cautioned that the figures presented in these tables do not comprise a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of a U3O8 cut-off value.

Table 3-18: Area 1 Tonnage and grade at various U3O8 cut-offs.

Zone	Cutoff (ppm U3O8)	Grade (ppm U3O8)	Tonnage (K tonnes)	Metal (K lbs U3O8)
Area 1 – North & South	0	180	5,070	2,060
	25	180	5,070	2,060
	50	180	5,070	2,060
	75	180	5,070	2,060
	100	190	5,000	2,040
	125	190	4,760	1,980
	150	200	4,080	1,770
	175	220	2,430	1,200

	200	240	1,620	860
	225	250	1,200	670
	250	290	360	220
	275	340	130	100
	300	390	60	50

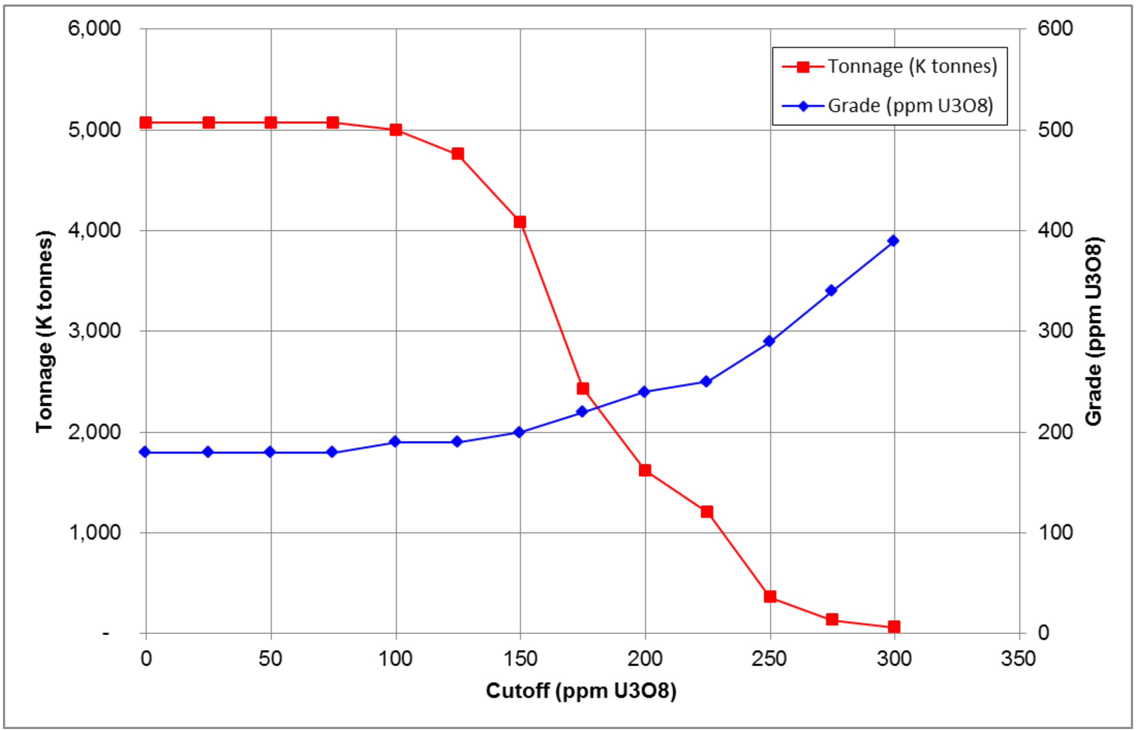


Figure 3-42: Area 1 Grade tonnage curves.

Table 3-19: Area 3 Tonnages and grades at various U3O8 cut-offs.

Zone	Cutoff (ppm U3O8)	Grade (ppm U3O8)	Tonnage (K tonnes)	Metal (K lbs U3O8)
Area 3 – North & South	0	230	26,850	13,720
	25	230	26,850	13,720
	50	230	26,850	13,720
	75	230	26,850	13,720
	100	230	26,760	13,700
	125	240	24,440	13,120
	150	250	22,480	12,520
	175	270	19,300	

				11,380
	200	290	15,130	9,650
	225	320	10,770	7,630
	250	350	7,860	6,120
	275	390	5,740	4,900
	300	420	4,300	4,000

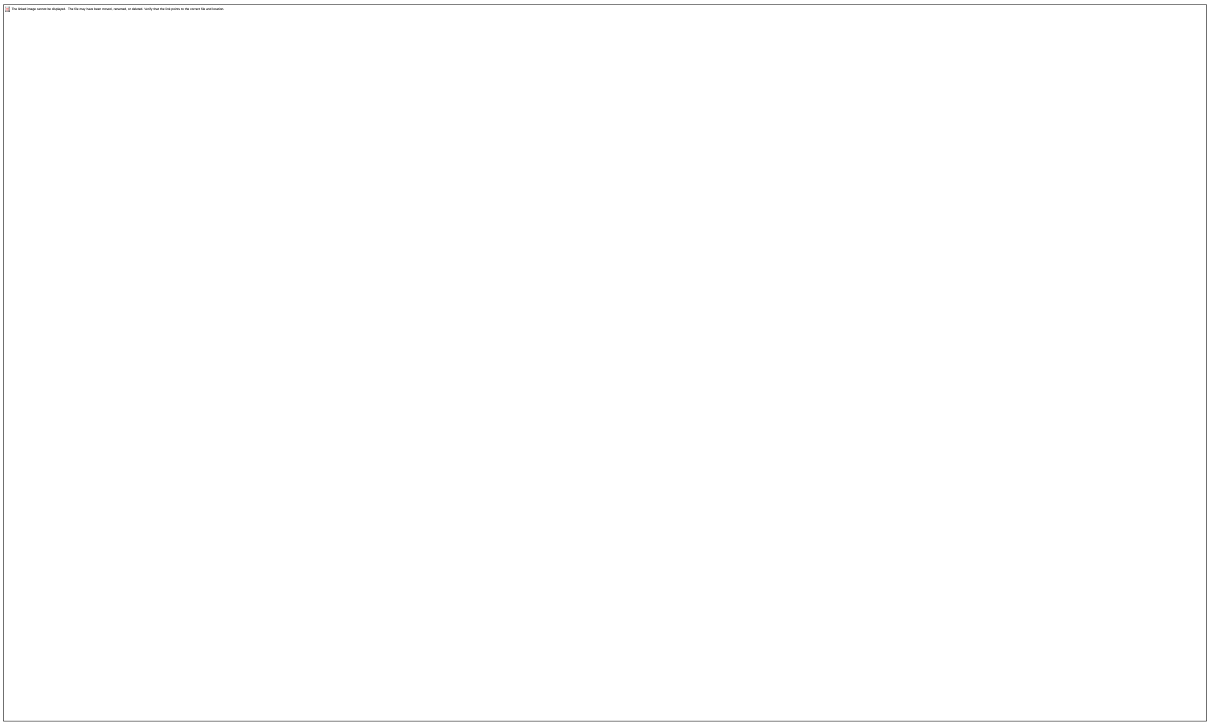


Figure 3-43: Area 3 Grade tonnage curves.

3.11 Resource Optimisation

To determine the final Mineral Resource Statement, the Area 1 and Area 3 block models have been subjected to a Whittle pit optimisation exercise to determine the proportion of the material defined that in SRK's opinion has a reasonable prospect of economic extraction.

The Whittle pit optimisation requires the input of processing and mining cost parameters in addition to appropriate pit slope angles and processing recoveries. The optimisation parameters applied in generating the Mineral Resource Statement presented in this report are summarised below. It should be noted that these parameters have been used purely to determine the potential for economic extraction, are based on SRK's experience and are not based on a rigorous technical analysis.

- Mining Cost – USD2.5/t
- Processing and G&A Cost – USD15.0/t

- Processing Recovery – 80%
- Pit Slope Angle - 50°
- Long term contract metal price – USD80 / lb U3O8 – USD81 / lb U3O8

The results of the pit optimisation exercise suggest that both Area 1 and Area 3 contain material that has a reasonable prospect of economic extraction, although the majority of this is contained within Area 3. The Area 3 pit shell extends to the base of the estimated block model, which indicates potential to extend the resource down-dip, as well as along strike, with further drilling. The Area 1 pit shell is relatively shallow, typically not extending beyond the upper portion of the estimated block model. On this basis, it is recommended that any future exploration within Area 1 should be focussed on looking for lateral rather than depth extensions to the mineralisation.

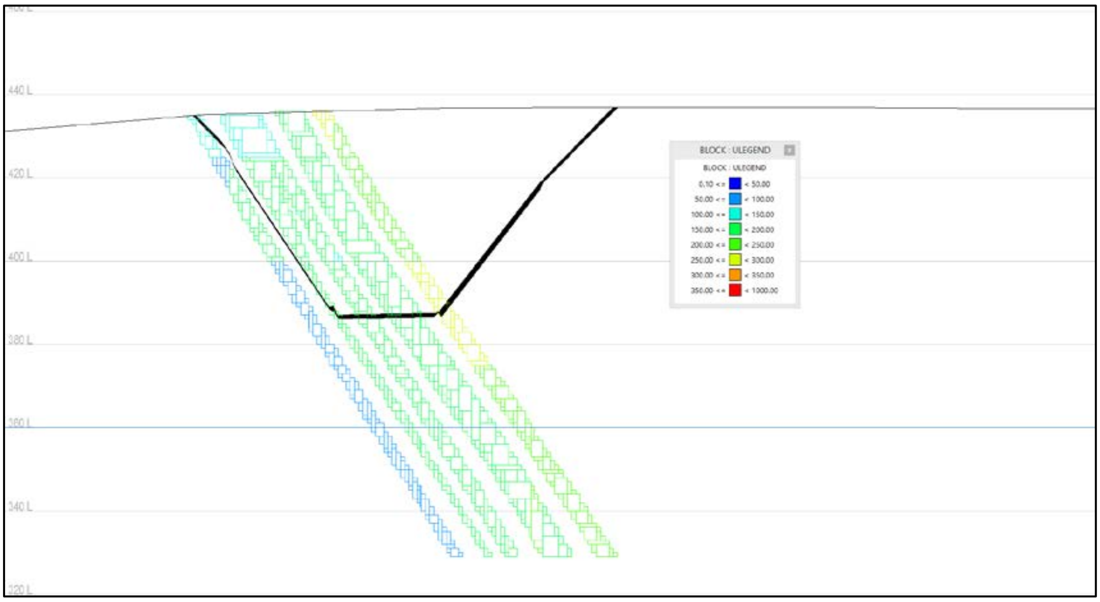


Figure 3-44: NE-SW section from 485800E, 7518700N to 486000E,751855N displaying the Area 1 optimised pit shown relative to the estimated block model coloured by U3O8.

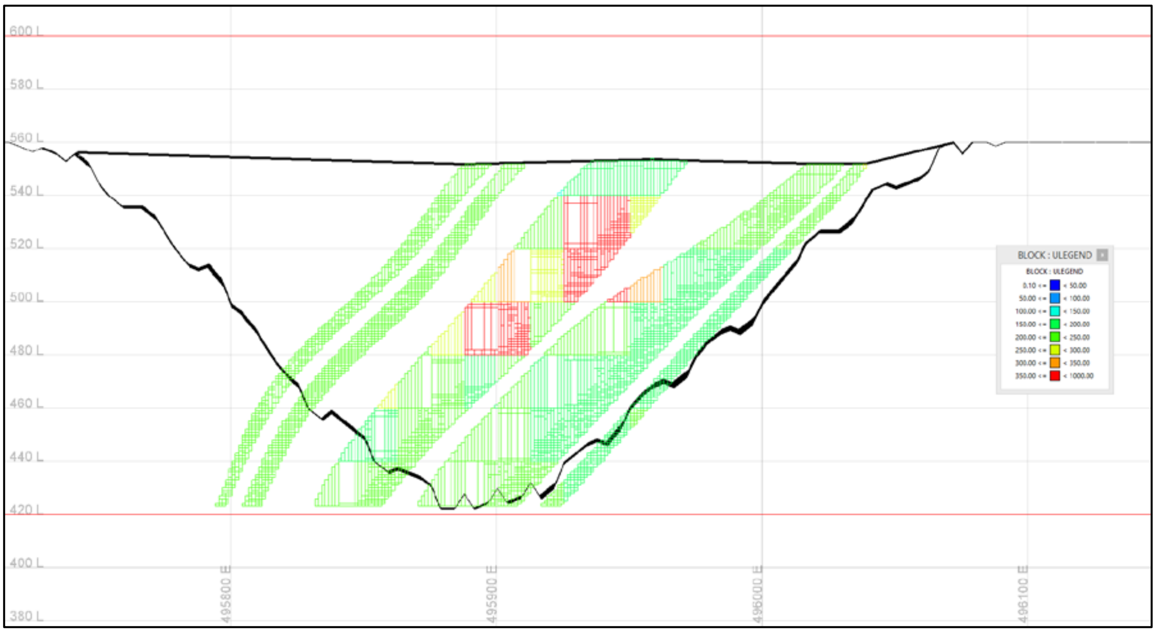


Figure 3-45: E-W section at 7515875N displaying the Area 3 optimised pit shown relative to the estimated block model coloured by U3O8.

3.12 Mineral Resource Estimate

The JORC Code defines a Mineral Resource as:

"*(A) concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories*" and that "*All reports of Mineral Resources must satisfy the requirement that there are reasonable prospects for eventual economic extraction (ie more likely than not), regardless of the classification of the resource*".

The "reasonable prospects for eventual economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries.

The Mineral Resource Statement generated by SRK has been restricted to all classified material falling within the Whittle shell representing a metal price of USD81 / lb U3O8.This represents the material which SRK considers has reasonable prospect for eventual economic extraction potential based on the above Whittle pit optimisation analysis. The table below shows the resulting Mineral Resource Statement for the combined Area 1 and Area 3 deposits. The slight difference between the total tonnage and the tonnages given for the two areas is a function of rounding.

Table 3-20: Combined Mineral Resource Statement for the Rossing North Area 1 and Area 3 deposits

Area	Classification	Tonnage (K tonnes)	Grade (ppm U3O8)	Metal (K lbs U3O8)
Area 1	MEAS	-	-	-
	IND	-	-	-
	MEAS + IND	-	-	-
	INF	960	200	420
Area 3	MEAS	-	-	-
	IND	-	-	-
	MEAS + IND	-	-	-
	INF	14,650	270	8,580
Total	MEAS	-	-	-
	IND	-	-	-
	MEAS + IND	-	-	-
	INF	15,620	260	9,000

In total, SRK has derived an Inferred Mineral Resource Estimate of 15.6Mt grading at 260ppm U3O8 for a contained metal total of 9.0 Mlbs U3O8. The majority of this tonnage is contained within the Area 3 deposit, which also has a higher U3O8 grade than Area 1. Area 3 comprises 14.65 Mt of Inferred material at 270ppm U3O8 for a contained metal total of 8.6Mlbs U3O8. The smaller Area 1 deposit includes 0.96 Mt of Inferred material at 200ppm U3O8 for a contained metal total of 0.4Mlbs U3O8.

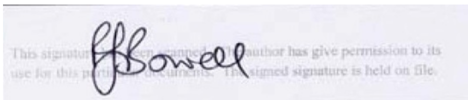
4 SUMMARY

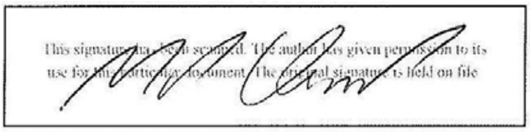
SRK has generated tonnage and grade estimates for the mineralisation demonstrated to be present by exploration to date on the two drilled areas of EPL3524 and 3624. In total this drilling has outlined over 15Mlb of U3O8.

In SRK's opinion, some 9Mlb of this mineralisation has already been demonstrated to be potentially economic to exploit and is supported by enough data, and is sufficiently well delineated, to be reported as an Inferred Mineral Resource as defined by the JORC Code.

In summary, the work completed to date has demonstrated the presence of uranium in significant quantities and SRK recommends the undertaking of further exploration with a view to determining both extensions to the two areas of mineralisation already discovered and other areas of the EPLs not yet drilled.

For and on behalf of SRK Consulting (UK) Limited





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GLOSSARY, ABBREVIATIONS, UNITS

Units

Mt	Million metric tonnes