



A strong pre-feasibility study result has cashed up uranium play Anatolia Energy ready to take its Temrezli uranium project to the next level.

Anatolia Energy (ASX: AEK) managing director Paul Cronin has been a very busy man of late bringing the news of the company's recent achievements to the masses.

Although his voice was a bit scratchy when we caught up with him, Cronin still recounted his company's story, a tale he seems to enjoy telling, which is hardly surprising given the results received from a recently-completed pre-feasibility study of its Temrezli uranium project.

Anatolia's high-grade Temrezli ISR uranium project – to give it its full title – is located in central Turkey in one of the richest uranium districts in the country, approximately 200 kilometres east of the country's capital, Ankara.

Anatolia claims Temrezli to be the largest and highest grade uranium deposit known in Turkey.

"The completion and strong results of the PFS is a major advancement for Anatolia as it takes us a large step closer

towards our stated objective of becoming a high margin producer of uranium in the near-term," Cronin, told *The Resources Roadhouse*.



"Even at present uranium prices the Study has demonstrated Temrezli to be a robust project with a strong foundation, from which we can launch project financing and uranium sales discussions."

The PFS for the Temrezli project was carried out by engineering firm and uranium specialists Tetra Tech and was based on Anatolia's development plan, involving construction of a central processing plant at the Temrezli site, capable of producing 1.2

million pounds per annum of uranium.

The Study confirmed the financial return potential of the Temrezli

project, including: Development case NPV of US\$ 191.1 million (\$247.4 million) pre-tax; Cash operating costs of US\$16.89 per pound of uranium; Projected life of mine gross revenue of US\$644 million (\$833.7 million) and operating cash flow of US\$345.5 million (\$447.3 million) based on US\$65 per pound uranium price; Initial capital cost of US\$41 million, including US\$4.3 million in contingencies;



Total uranium recovery (Development Case) of 9.9 million pounds; and Project payback occurs within the first 11 months.

The current Resource at Temrezli stands at 5.2 million tonnes at 1,157ppm uranium equivalent (eU3O8) for 13.3 million pounds uranium, from which 9.9 million pounds of uranium are anticipated to be recovered over an initial mine life of 12 years.

The Study by Tetra Tech estimated the cost for the central processing plant using US dollars.

Anatolia doesn't consider this to be an accurate reflection of the project's potential to reduce upfront capital costs, even though the Study found Temrezli to be a very robust project making money at a uranium price of US\$40 per pound.

The company believes using US dollar figures overlooks construction of the plant can be achieved using local suppliers – of equipment and manpower – which it says would bring the price down considerably.

“We feel we can improve the economics of the project further and we are currently working on doing that through such elements

as a more detailed plant design, and we hope to engage a Turkish-based group to carry out all the EPC and oversee the construction of the plant,” Cronin explained. “As far as construction of the plant goes, it is pretty much a simple, modular water treatment facility.

“There's nothing in there that is particularly high-tech, apart from the control systems.

“We know we can get that built in Turkey for a fraction of the figure Tetra Tech has come up with in the PFS that was costed on US dollar-built numbers.

“So we think we can bring our upfront capex down considerably, and it's my expectation that we will reduce the upfront capex to be in the region of US\$33 to US\$34 million.

“That would really make the project financing a lot simpler, decreasing the pay-back and improving the leverage available.”

As it considers a Turkish redesign on the Temrezli plant, Anatolia is once again out in the field drilling at its Sefaatli uranium project, just 40 kilometres away.

The company is conducting Phase 2 drilling at the Deliler and Tulu Tepe prospects where it encountered some promising uranium hits late last year. Highlights from Deliler included:

6.2 metres at 810ppm eU3O8 from 59.8m, including 1.7m at 1,490ppm eU3O8;

1.8m at 940ppm eU3O8 from 75.4m, including 0.6m at 1,940ppm eU3O8; and

1.3m at 580ppm eU3O8 from 51.9m, including 0.5m at 1,520ppm eU3O8.

Drilling at Tulu Tepe returned:

1.4m at 540ppm eU3O8 from 82.4m, including 0.6m at 1,270ppm eU3O8;

2.5m at 2,150ppm eU3O8 from, 81.7m including 1.2m at 3,980ppm eU3O8; and

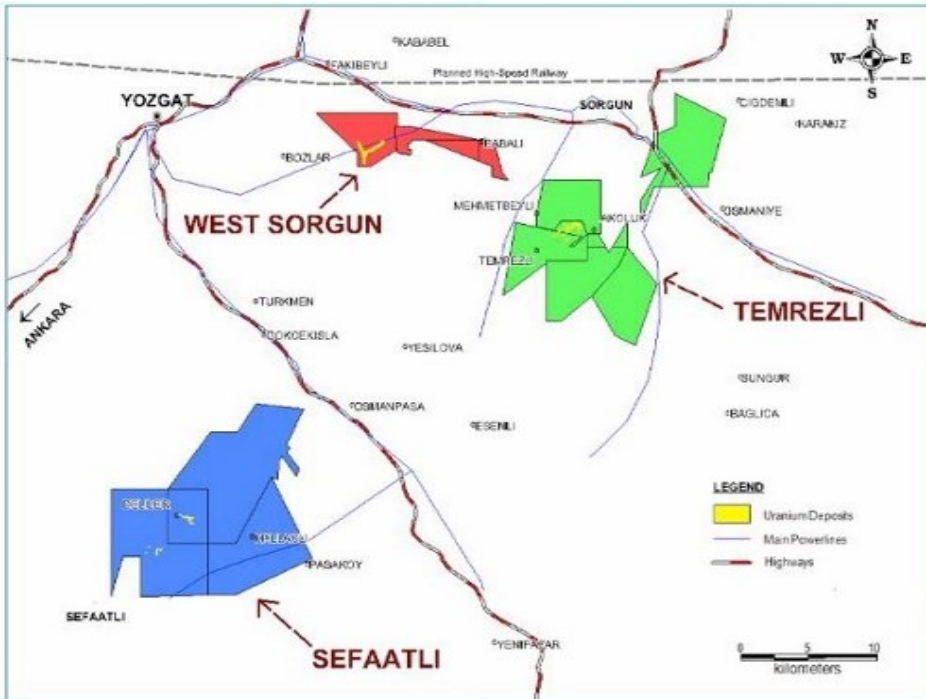
4.3m at 930ppm eU3O8 from 80.5m, including 0.5m at 2,240ppm eU3O8.

The Phase 2 drilling program is being completed at a density expected to be sufficient to produce an initial Resource estimate.

“The recent drill results we released from Sefaatli were much better than what we were expecting,” Cronin said.

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Anatolia is hoping to be able to announce some uranium offtake contracts in place over the next few months to underwrite the development of Temrezli.

However, with the results of the PFS now in, Anatolia's first move will be to commence the final plant design seeking cost estimates from local Turkish suppliers, which it sees as its best option to potentially reduce capital and partially reduce operating costs.

"All in all we are playing the whole thing reasonably conservatively, with the strategy being to place us in the ideal position where we can fund our progress with lower cost capital," Cronin said.

"We are currently very well-funded in comparative terms with \$3.9 million in the bank.

"We don't need to rush back out to raise further capital.

*"More importantly, we expect there to be some positive news flow in the near future."*

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### ...The Short Story

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Dr Hikmet Akin, Paul Cronin,  
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"We hit some very high-grade zones there and we think they could all be connected.

"The results we achieved at Sefaati encouraged us to think it likely it will be capable of being developed as a satellite operation to feed into the Temrezli project.

"So what we are doing now is bringing the drill spacing in to take a much more structured approach to our exploration efforts there.

"Just by drilling where we are, knowing that we have already hit some high-grade zones – I anticipate we will be able to announce a Resource on Sefaati by mid-year."

To match the robust nature of the Temrezli project, Anatolia has beefed up its management team recently appointing Cevat Er as general manager – Turkey.

Er has over 25 years of professional experience, at various stages of mine project development, in Turkey, which was put to good use when he was general manager at the Caldag nickel project discovered by European Nickel.

Er will manage operational activities in Turkey including a Plant Optimisation Study and the Sefaati drilling program, and will oversee the remaining EIA and permitting requirements at Temrezli.

His appointment follows Cronin's elevation to CEO and managing director and the appointment in January of Tom Young as chief operating officer. Young was formally vice president of operations for Cameco Resources, where he was responsible for the Smith Ranch Highland and Crowe Butte ISR uranium mines in the United States.

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