



**KALGOORLIE-BOULDER  
RESOURCES LTD**

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**ASX Code: KAL**

### **GASCOYNE URANIUM ALLIANCE**

Kalgoorlie-Boulder Resources Ltd (ASX Code: KAL) and Cazaly Resources Limited (ASX Code: CAZ) announce that they have recently concluded a Strategic Alliance and Data Co-Operation Agreement.

The Agreement is aimed at ensuring maximum value is obtained from the quality uranium exploration projects held by each Company. The Alliance does not preclude either party from sole development nor from entering into Agreements with third parties but the spirit of co-operation should ensure productive and efficient exploration on the uranium tenements.

Kalgoorlie-Boulder Resources Ltd ("Company") previously announced it had entered into an agreement which will give the Company the right to acquire a 90% interest in the Lyndon Uranium Project. In addition the Company has made priority applications for three Exploration Licences that are prospective for uranium mineralisation.

The **Lyndon** project, ELA 09/1180 was the subject of exploration during the early seventies which resulted in the delineation of calcrete hosted uranium mineralisation. Subsequent work identified at least five medium to high intensity radiometric anomalies, four of which remain untested.

The **Eudamullah**, ELA 09/1224 and 09/1225 and **Winmar Creek**, ELA 09/1226, projects are located in the Gascoyne Mineral Field, approximately 50 kilometres south east of the Lyndon project. Both have been the subject of reconnaissance style uranium exploration dating from the late seventies which has generated a number of radiometric anomalies requiring further investigation.

Cazaly Resources Limited ("Cazaly") recently announced it has made priority applications for two Exploration Licences situated in the Gascoyne region of Western

Australia. The two applications lie some 150 kilometres apart and are called the **Jailor Bore** (ELA09/1194) and **Pells Range** (ELA09/1193) projects and are deemed to be particularly prospective for Uranium mineralisation.

The **Jailor Bore** project surrounds known mineralisation at Jailor Bore, which is excised from the application area, and is prospective for calcrete hosted uranium mineralisation numerous occurrences of which occur throughout the area.

The **Pells Range** project contains some very significant historical results including rock samples up to 1.95 kg/t U<sub>3</sub>O<sub>8</sub> and drilling results including 0.4m @ 0.8 kg/t U<sub>3</sub>O<sub>8</sub> from drilling spaced at 1,600 metres and has yet to be followed up. Classic "roll front uranium" mineralisation styles are recognised at Pells Range.

### **Lyndon Project**

The Lyndon Uranium project is situated 180 km north east of Carnarvon. The company has acquired an option to acquire the 90% interest in the exploration licence application ELA 09/1180.

Shallow, calcrete hosted uranium mineralisation within ELA 09/1180 is derived from surrounding graintoid rocks which have a high background uranium content. The mineral is leached from the granitoids during weathering and deposited in favourable locations usually controlled by prevailing drainage patterns at the time. The mineralisation at Yeelirrie, 35Mt at 1.5kg/tonne U<sub>3</sub>O<sub>8</sub>, occurs in a similar geological environment.

Pacminex Pty Limited first explored the tenement in the early seventies as part of a regional uranium project to evaluate both hard rock and secondary uranium occurrences. The Jailor Bore tenements (now ELA 09/1180) became the prime targets and extensive ground and airborne radiometric surveys were undertaken. This was followed up by bulk sampling at shallow depth and reverse circulation drilling and resource and reserve studies were completed in 1973.

Visible carnotite, a uranium bearing mineral, was observed in a bulk sample that returned a uranium assay of 1.81 kg/tonne. Drilling intercepts have returned results as high as 1.80kg/t and 1.70kg/t from 5 and 2 metres in depth respectively, with most mineralisation within 4 metres of the surface.

Drilling has adequately tested only one of at least five medium to high intensity radiometric targets within the property. The Company plans to re-examine the drilling and other available information and to test the remaining four anomalies.

### **Eudamullah and Winmar Creek Projects**

Eudamullah South, ELA 09/1224 was first explored for uranium by Esso Australia Ltd in 1997. The tenement overlies a portion of the Lower Proterozoic Wyloo Group and is surrounded by granite. Radiometric anomalies overlie ferruginous sandstones interbedded with a kaolinitic talcose clay containing carnotite. Assays up to 255ppm uranium have been recorded.

The Company has an initial 50% interest in the ELA's. With funding of exploration and other expenditure it can increase its interest to 95%.

### **Market Forecasts**

As demand has risen in the last 5 years, the spot price of uranium has increased from US\$8/lb in 2001 to US\$29/lb currently. Market analysts have forecast further increases in the spot price for uranium in the next few years as demand continues to outstrip supply. The Company is of the opinion that a re-appraisal of the mineralisation at Lyndon and extensions resulting from exploration will provide strategic exposure to a commodity with expected increased demand and prices.

Yours sincerely

**Trevor Matthews**  
Managing Director

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Lindsay Cahill, who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Lindsay Cahill is a self employed consultant. Lindsay Cahill 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'. Lindsay Cahill consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*