

NIMRODEL

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NIMRODEL TO ACQUIRE SIGNIFICANT URANIUM EXPLORATION ASSETS VIA THE ACQUISITION OF LINIA PRAVA CENTRAL ASIA LTD

Nimrodel Resources Limited ("Nimrodel" or "the Company") is pleased to announce that it has signed a Heads of Agreement for the acquisition of 90% of Linia Prava Central Asia Limited ("Linia Prava") ("the transaction").

The key terms and conditions of the Heads of Agreement, including the consideration payable are attached as Appendix One to this announcement.

Linia Prava is a company based in Kyrgyzstan and currently holds a 100% interest in four exploration licences covering an area of in excess of 3,900 square kilometres in the south western region of Kyrgyzstan located in the southern Fergana Valley. Linia Prava has been actively exploring in this region for the past two years and has a fully operational office in the capital city of Bishkek with 22 staff including two geologists, field support staff and office personnel.

Sedimentary rocks in the Fergana Valley are host to significant uranium deposits of "sandstone-style" or "roll-front" uranium deposits. Uranium from these deposits is considered to have been shed from primary uranium occurrences in the Alay mountain range immediately south of the Linia Prava project areas. The project areas were the subject of historic uranium exploration up until the 1970's, and are known to contain numerous radiometric anomalies based on regional airborne radiometric surveys undertaken by Soviet geologists at that time.

In addition to airborne radiometric data, work conducted to date on the license areas by Linia Prava and the former Soviet geologists includes radiometer spot checks of uranium anomalies followed up by water, soil, and rock geochemical sampling. This has been supported by trenching, pitting and adits within some target areas. This work has confirmed the existence of uranium mineralization in a number of localities and a number of prospects have been delineated for immediate exploration follow up and extension.

Mr Alan Broome, Chairman of Nimrodel says that "this acquisition by Nimrodel is directly in line with the company's stated objectives of acquiring energy and mineral assets both in Australia and internationally. In addition, Linia Prava's established geological activities in the region and developed network of business associates will ensure that additional opportunities will be offered to the Company in the future"

Delineated targets based on prior exploration work will be the focus of immediate attention by Linia Prava geological personnel in order to advance priority areas towards a drilling programme. In addition, an extensive regional geophysical programme is planned in the following months to cover the entirety of the licence areas, with field work follow up to be carried out on selected targets on a priority basis.

RSG Global Consulting has carried out an independent technical report for the Linia Prava projects, concluding that "...their prospectivity for exploitable uranium deposits is to be considered high".

Timeframe

The Company will be convening a meeting of shareholders to approve the transaction and all other related matters. It is expected that this meeting will be convened in May 2007. The Company will keep the market informed of its progress in relation to completing the transaction.

About the Republic of Kyrgyzstan

The Republic of Kyrgyzstan is considered to have outstanding exploration potential for mineral deposits, excellent infrastructure and a supportive mining fiscal regime.

Kyrgyzstan is dominated by the Tien Shan mountain system, a major metallogenic province hosting world class mineral deposits. The Tien Shan is host to some of the world's largest deposits of gold and uranium.

Kyrgyzstan is a major producer of gold from the giant Kumtor mine operated by Centerra Gold. Kumtor has remaining reserves and resources of around 300 tonnes of gold (9.6 million oz) It is currently the largest foreign goldmining venture in the entire former Soviet Union and demonstrates the potential for success of good working practice in Kyrgyzstan. A tradition of historic uranium production in the country up until the 1970's similarly demonstrates its capability to support a uranium mining industry.

Appendix One – Key Terms of Heads of Agreement

- (a) In consideration for the acquisition of 90% of Linia Prava, Nimrodel will issue 47,250,000 Nimrodel Shares to the shareholders, directors and executive management of Linia Prava;
- (b) these Shares will be subject to the escrow provisions of the ASX but as a minimum a voluntary escrow period of one year, except for those Shares that ASX would not apply escrow to under the cash relief formula if ASX were to impose mandatory escrow under the Listing Rules will apply;
- (c) Nimrodel will also issue the following securities on or before completion of the transaction as part of the transaction:
- (i) 4,000,000 Nimrodel Shares to the parties associated with the introduction of the transaction;
 - (ii) 10,000,000 Nimrodel Options to be issued to the promoters of the Proposed Transaction and parties associated with them and existing Nimrodel directors. These options will have a nil issue price, and an exercise price of \$0.30. These options will be divided into 5 equal tranches of 2,000,000 options, with each tranche not vesting until the vesting conditions outlined at (c) (iv) are satisfied; and
 - (iii) 5,000,000 Nimrodel Options to be issued to parties associated with Linia Prava Shareholders. These options will have a nil issue price, and an exercise price of \$0.30. These options will be divided into 5 equal tranches of 1,000,000 options, with each tranche not vesting until the vesting conditions outlined at (c) (iv) are satisfied;
 - (iv) Options Vesting Conditions

Tranche of Nimrodel Options that vest	Vesting Condition
Tranche 1	5 business day volume weighted average share price of Nimrodel equals or exceeds \$0.70
Tranche 2	5 business day volume weighted average share price of Nimrodel equals or exceeds \$0.75
Tranche 3	5 business day volume weighted average share price of Nimrodel equals or exceeds \$0.80
Tranche 4	5 business day volume weighted average share price of Nimrodel equals or exceeds \$0.85
Tranche 5	5 business day volume weighted average share price of Nimrodel equals or exceeds \$0.90

- (d) upon completion of the transaction, one current member of the board of Nimrodel will resign and two persons nominated by the Linia Prava Shareholders will be appointed as Nimrodel directors, such nominees to be determined in consultation with Nimrodel;

Key Conditions Precedent to the Transaction

The key conditions precedent to the transaction is as follows:

- a) Nimrodel raising \$5 million through the issue of 16,666,666 Nimrodel Shares at \$0.30 per share, of which at least \$2.5 million is to be raised by parties introduced by the Linia Prava Shareholders
- b) execution of a Share Purchase Agreement by the parties;
- c) the Board of Directors of Nimrodel approving the transaction;
- d) completion by each party, to their reasonable satisfaction, of all necessary due diligence investigations in respect of the other parties;
- e) receipt by Nimrodel's directors of an independent expert's report confirming that the Proposed Transaction is fair and reasonable to Nimrodel shareholders;
- f) Nimrodel's shareholder approval of all the required resolutions in relation to the transaction;
- g) receipt of all necessary ASIC, ASX and other regulatory approvals in respect of the Proposed Transaction;

Initial Cash Advance

In order for Linia Prava to continue the exploration and development of its license areas during the transaction completion process, Nimrodel has agreed to advance Linia Prava \$300,000 on the signing of the Heads of Agreement ("Cash Advance").

The Cash Advance is immediately repayable to Nimrodel on agreed circumstances primarily in relation to the completion of the transaction. In summary, should a material adverse matter in relation to Linia Prava and its license areas be discovered by Nimrodel during due diligence or a party other than Nimrodel terminates or purports to terminate the transaction or a matter classified as force majeure occurs, the Cash Advance becomes due and payable on demand.

A personal guarantee in favour of Nimrodel has been granted by parties associated with Linia Prava to ensure the repayment of the Cash Advance to Nimrodel should one of the circumstances resulting in the Cash Advance becoming due and payable occurs.