

Paladin Energy Ltd. becomes new owner of Aurora

On December 17th, 2010, Paladin Energy Ltd. (Paladin) announced the purchase of Aurora Energy's uranium assets from Fronteer Gold.

Who is Paladin Energy?

Paladin is an experienced and well-financed global uranium mine operator and developer. Based in Perth, Australia, the company has been active for nearly 20 years and has two operating uranium mines in Africa: Langer Heinrich in Namibia and Kayelekera in Malawi. It is the seventh largest uranium producer in the world. Paladin's assets also include a number of uranium projects in Australia and in Niger, Africa. Acquisition of Aurora's assets in the Central Mineral Belt of Labrador marks the company's entry into North America.

Social and environmental stewardship are part of Paladin's approach to successful mine development. "The time Aurora's team has spent with Paladin's staff and the visits we have had to their operations have made it clear Paladin places a high importance

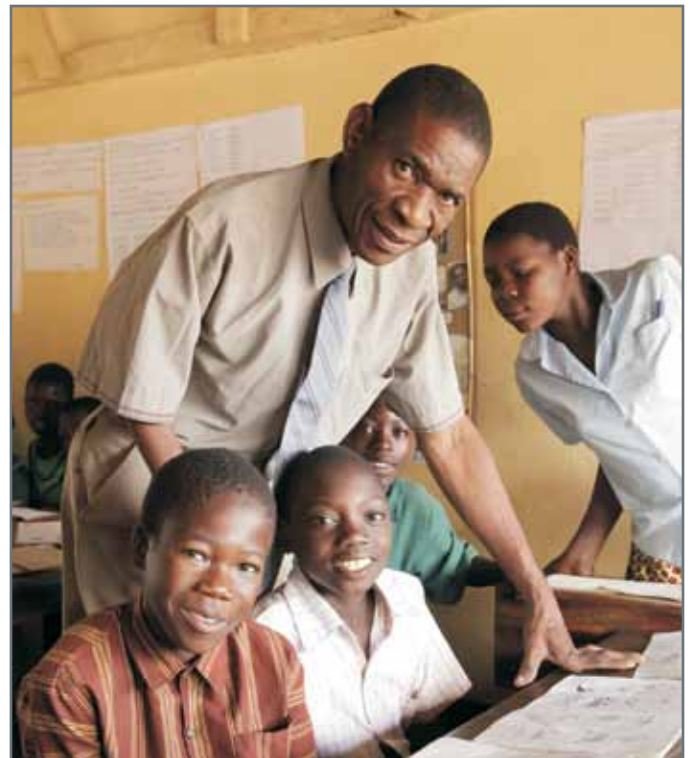
on minimizing the environmental impacts of mining," said Bruce Dumville, Aurora's President and CEO. "The company's 2009 certification of its Environmental Management System (ISO 14001:2004) at the Langer Heinrich mine is only one example of Paladin's drive to beat global uranium first-world standards for its African operations. They will bring this same expertise and commitment to the Michelin Project in Labrador."

As part of its Environmental Policy, Paladin consults regularly with stakeholders and ensures that the importance of environmental responsibility is understood by all its employees and contractors. Environmental performance is continuously being evaluated and improved, contributing to the company's excellent environmental record.

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Mill at Paladin's Kayelekera mine site in Malawi.



Contributions to education initiatives are a key focus of Paladin's community outreach efforts in Malawi and Namibia. The company has undertaken a number of renovation and expansion projects on some 10 schools situated in the towns and villages near its Kayelekera Mine, like the one pictured above.

The consistency of Paladin's expectation and enforcement of first-world standards at its operations also applies to occupational health and safety, with the company imposing the strict National Occupational Safety Association (NOSA) health and safety standards at all its mines and exploration projects. NOSA is a South Africa-based, internationally-recognized system used by many mining companies to manage occupational health and safety.

In the areas where they operate, Paladin has also demonstrated commitment to community consultation, social accountability and community development. Working with communities near their operations, Paladin identifies projects that best meet the needs of the community and reflect the core values of the company. In Africa, this has meant a focus on water supply projects, food production initiatives, infrastructure improvement and support of a variety of education programs targeting the earliest grades up to vocational training.

What does it mean for the Michelin Project?

"Paladin's skill in developing uranium mines and strong track record of social and environmental stewardship in the communities near their operations make them

a good match for the Michelin Project," said Mr. Dumville. "The company has a significant pipeline of uranium projects in all stages of development which it plans to bring into production over the next decade. The Michelin Project fits nicely in this growth strategy."

The skills of Aurora's team will be an important part of Paladin's success in moving forward. The plan is to keep the company name, Aurora Energy, and keep Aurora's offices open.

"Paladin sees great potential in the Central Mineral Belt," concluded Mr. Dumville.

If you would like more information about Paladin, please visit the company's website at:



www.paladinenergy.com.au



Aerial view of Paladin's Langer Heinrich mine in Namibia.

‘Understanding Community Interests’ focus of Aurora’s latest consultations

Fair weather through mid-January allowed Aurora to return to coastal Labrador to complete community information sessions begun in November 2010. These sessions, ‘Understanding Community Interests - Answering your questions about the Michelin Project’, were designed to answer the 10 most often asked questions we’ve heard from community members over the years we have been consulting with residents of Labrador. We were encouraged by the high turn-out.

The questions included in the presentation were:

- What is Aurora’s environmental baseline program and what are the results?
- What will the Michelin Project look like on the landscape?
- How will Aurora control dust during operations? Is the dust dangerous?
- How will radon affect people and wildlife?
- Will the mine contaminate the nearby environment and animals?
- How are workers protected during mine operations?
- How will Aurora safely transport yellowcake?
- What happens if Aurora has a tailings dam failure?
- Who makes sure Aurora will operate safely?
- What would happen after the moratorium is lifted?



John Roberts, Aurora’s Vice President of Environment, speaks to community members in Rigolet.

“The feedback we received from people after the presentation tells us that the content helped fill in the knowledge gaps about uranium mining,” said Ches Andersen, Aurora’s Vice President, Labrador Affairs. “And we had some good questions from the community members as well about how the mine would operate day-to-day. What we took away from this is that residents have a good understanding of what the Michelin Project is and how uranium mining can be done safely, alongside traditional activities.”

Several parts of the presentation addressed the minimal impact mining would have on hunting, trapping and gathering in the project area. The Michelin Project description focused on how Aurora is working hard to minimize the footprint of the Project and described the small area that will be impacted by the mines, roads, and other infrastructure. Project design ensures community members continue to have access to most of the land, while at the same time keeping mine workers and the public safe.

In explaining how radiation management would be carried out at the mine site, our team used data from operating uranium mines in Saskatchewan to demonstrate that proper control of dust, radon and process water has maintained healthy moose and caribou populations near these mines. People in the area continue to hunt and eat these animals without any impact on human health.



January’s information session attracted one of the largest groups of community members we have seen in Postville over our many years of consultation.

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Health and safety was also discussed in detail during the sessions. “A lot of people were surprised to know that uranium mines in Canada have some of the best safety records not only in the mining industry, but also among other industrial activities, like logging or machine shops,” said Mr. Andersen. “The extra regulation imposed on uranium mines, including all of the outside monitoring, tighter rules for transportation, and more stringent health and safety standards, works to the benefit of employees on the site and those of us living in nearby communities.”

Lela Evans, Aurora’s Manager of Environmental Affairs, has been overseeing and participating in Aurora’s environmental baseline program since she joined the company in 2008. During the information sessions, Ms. Evans had the chance to speak with community members about this part of her work, sharing the results of our baseline studies from 2005-2010.

Environmental baseline studies are required for major mining projects that have to go through an Environmental Assessment in Canada. They are carried out to collect information about what the environment is like before any development takes place. These studies are important for two reasons. First, they give us the information we need to design specific parts of the Michelin Project. Knowing about the environment where we operate allows us to build safe and long-lasting infrastructure with as little impact on the land and people as possible. Second, environmental baseline studies support company and government monitoring programs, helping us keep track of any changes resulting from project activity.

“The key findings of the baseline studies were that air and water quality in the Michelin region are good, with

no unsafe levels of contaminants, like dust, metals or radon,” said Ms. Evans. “And in animal samples from small mammals and fish, we likewise found no unsafe levels of contaminants.”

“We also found that there is less hunting, fishing and gathering taking place in the mine and mill area, compared to more heavily used areas. There are some trap lines which we identified from the Nunatsiavut Government database. This suggests that the Michelin mine site would not heavily impact the traditional activities of North Coast residents.”

Aurora’s presentation was filmed in Postville on January 10th. Questions from the presentation are now available as separate video clips on Aurora’s website in the video gallery: www.aurora-energy.ca/video-gallery.

Please visit the website to learn more.



Sheldon Andersen receives a door prize gift certificate from Lela Evans, Aurora’s Manager of Environmental Affairs, at our Makkovik session.

Want to know more about employment and training?

Throughout our recent consultations, many community members asked us about training and employment related to the Michelin Project. The Careers page on Aurora’s website contains a video and list of the types of jobs that will be available through the Michelin Project. As well, the Mining Industry Human Resources Council has prepared a number of short videos featuring Canadian mining industry workers describing their jobs and required education.

For those considering a job with the Michelin Project, we encourage you to check out these resources:

www.aurora-energy.ca/careers

www.acareerinmining.ca/en/onlineresources/explore_more_video.asp

Any questions or comments? Please contact us:

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