TECHNICAL REPORT

ON THE

URANIUM RESOURCES

ON THE

CEBOLLETA URANIUM PROJECT, CIBOLA COUNTY, NEW MEXICO, U.S.A.

ON BEHALF OF

CIBOLA RESOURCES, LLC

C/O NEUTRON ENERGY, INC.
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Report for NI 43-101

BY:

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September 28, 2007

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3.0 Summary

The Cebolleta uranium project of Cibola Resources, LLC ("Cibola" or "Company"), a limited liability Company whose members are Neutron Energy, Inc. ("NEI") (51% interest) and Uranium Energy Corporation (49% interest), is situated in the Laguna mining district, about 45 miles (72 kilometres) west of the city of Albuquerque, New Mexico, United States of America. The project is situated on the south-eastern portion of the Cebolleta Land Grant, a former Spanish land grant. Cibola Resources holds a mineral lease covering about 6,700 acres (2,994 hectares) of privately owned surface and mineral rights.

The project area is the site of the formerly active St. Anthony and L-Bar uranium mines. The St. Anthony group of mines, which included two open pits and one shallow underground mine, was operated by several different companies since the discovery of significant uranium mineralization on that portion of the property in the 1950's. Substantial uranium mineralization was identified in the L-Bar area by the Anaconda Company in the 1950's, and was later developed by a joint venture between Reserve Oil and Minerals and Sohio Western Mining Company. The St. Anthony group of mines is reported to have produced more than 2.5 million pounds of U_3O_8, and the L-Bar underground mine produced in excess of 1.75 million pounds of U_3O_8 prior to shut-down of mining and processing operations in mid 1981.

At Cebolleta, six separate uranium deposits have been outlined by the former project operators, Sohio Western Mining and United Nuclear/UNC Resources. The project is estimated to host the following mineral resources (calculated prior to the adoption of National Instrument 43-101 and not compliant with NI 43-101):

Area	Short Tons	Grade (%eU_3O_8)	Pounds U_3O_8
L-Bar:	4,075,000	0.154	12,653,000
St. Anthony:	4,320,000	0.095	8,208,000
Total:	8,395,000	0.124	20,861,000

(note: stated grades are based on radiometric assays [%**e**U_3O_8])

Area	Total pound's U_3O_8	NEI (51%)	UEC (49%)
L-Bar	12,653,000	6,453,030	6,199,970
St. Anthony	8,208,000	4,186,080	4,021,920
Total:	20,861,000	10,639,110	10,221,890

The uranium deposits are hosted in fluvial sandstones of the Jackpile sandstone unit of the Brushy Basin Member of the Morrison Formation, which is the same host as the famous Jackpile-Paguate uranium mine. The mineralization occurs as a series of tabular bodies in the lower portion of the sandstones, near the contact with the underlying Brushy Basin shale. Individual deposits range in size from several hundred thousand tons to more than two million tons, and have grades ranging from 0.09% to nearly 0.20% U_3O_8. Individual mineralized bodies can contain between many hundreds of thousands of pounds to more than 5 million pounds of U_3O_8, based upon historical data. The deposits range in depth from as shallow as 200 to nearly 700 feet (61 to 213 metres).

The Cebolleta project of Cibola Resources is a project with considerable technical merit and is worthy of additional work. The project may also benefit from the fact that it is situated on privately held property, rather than on government-managed lands.

All resource estimates quoted herein are based on data and reports obtained and prepared by previous operators. They were calculated using methods and procedures that were standard in the United States uranium industry at the time they were prepared. This historic resource estimate is considered to be relevant, and is believed to be reliable based on the amount and quality of historic work completed. The Company has not completed the work necessary to independently verify the classification of the mineral resource estimates. Neither Cibola, NEI, Uranium Energy Corporation, nor Broad Oak are treating the mineral resource estimates as National Instrument 43-101 defined resources verified by a qualified person. The historical estimates should not be relied upon.

4.0 Introduction and Terms of Reference

Broad Oak Associates ("Broad Oak") was engaged by Cibola Resources, LLC to provide an independent technical report. This report was prepared under the direction of Geoffrey S. Carter P. Eng. a principal of Broad Oak and a Qualified Person. A site visit was made on March 22, 2007, and several locations on the property were investigated for evidence of previous development work and previous drilling activity. A visit to the NEI office in Albuquerque was made by Geoffrey S. Carter. Q.P., and along with Mr. Dean T. Wilton, discussed and examined the data at length. The extensive data base that NEI has assembled in their offices has been made fully available to Broad Oak.

The Company has provided Broad Oak, as of the date of this report, with Certifications of Representation, from Mr. Dean T. Wilton, Executive Vice President and C.O.O. of NEI, and Senior Technical Representative for Cibola, who is a Qualified Person.

Sources of Data and Information Contained in This Report: This report has been prepared using data collected by Sohio Western Mining Company, United Nuclear/UNC Resources, studies and reports prepared on behalf of the former property lessees by third-party consultants (in particular David S. Robertson & Associates and Geo-Management, Inc.), and published reports from the US Geological Survey, New Mexico Geological Society, the New Mexico Energy and Minerals Department, and the New Mexico Bureau of Geology and Mineral Resources (formerly the New Mexico Bureau of Mines and Mineral Resources). This technical information, and the work that served as the basis of the information, was collected prior to the adoption of National Instrument 43-101.

However, the author of this Technical Report considers the information to be reasonable and reliable.

Units of measurement used in this report are expressed in feet, statute miles, pounds, short tons (2,000 pounds), etc. Uranium grades are expressed as either %U_3O_8, the standard marketing unit for uranium concentrates, and are expressed as % eU_3O_8, (equivalent U_3O_8 determined by down-hole radiometric assaying), or % c U_3O_8, which is the grade of uranium mineralization as determined by chemical analysis.

Extent of Field Involvement of the Qualified Person: The author of this report has examined the data relating to the Cebolleta project, which serves as the basis of this report, has had extensive discussions with geologists with Neutron Energy, Inc. (operator of the project for Cibola Resources LLC) who are currently working on the Cebolleta project, and engineers and geologists on the staff of Uranium Energy, Inc.

5.0 Reliance on Other Experts

Broad Oak relied upon Cibola and their corporate counsel for information regarding the current status of legal title of the property, property agreements, corporate structure, permits, and any outstanding environmental orders.

The author of this report has also had discussions with Dan W. Dowers, PG, Exploration Manager, Michael W. Coleman, LRPG, Regional Geologist, and Dean T. Wilton, PG, Vice President, all of whom are employees of Neutron Energy, Inc. and are working on the Cebolleta project. The author has also benefited from consultations with Paul Pierce, Manager of Mine Development for Uranium Energy Corporation. Mr. Pierce, a mining engineer, was previously assigned to the L-Bar project (part of the Cebolleta project) for the mine’s operator, Sohio Western Mining Company.

6.0 Property Description and Location

The Cebolleta project is situated in the eastern-most portion of Cibola County, New Mexico, United States of America. It is located approximately 45 air miles (72 kilometres) west-northwest of the city of Albuquerque, and approximately 10 miles (16 kilometres) north of the town of Laguna. Three small villages, Bibo, Moquino, and Seboyeta, are located a short distance west and northwest of the project area.

NEI, the manager of Cibola, obtained a lease from the Board of Trustees of the Cebolleta Land Grant Board for an area of the land grant covering approximately 6,700 acres (2,994 hectares) of mineral rights. The majority of the leased mineral rights are covered by the surface estate held by the Cebolleta Land Grant, and surface use and access rights are included as provisions of the lease. A portion of the leased mineral rights are covered by surface rights held by a third party, and are not leased by NEI. NEI has assigned the lease to Cibola.

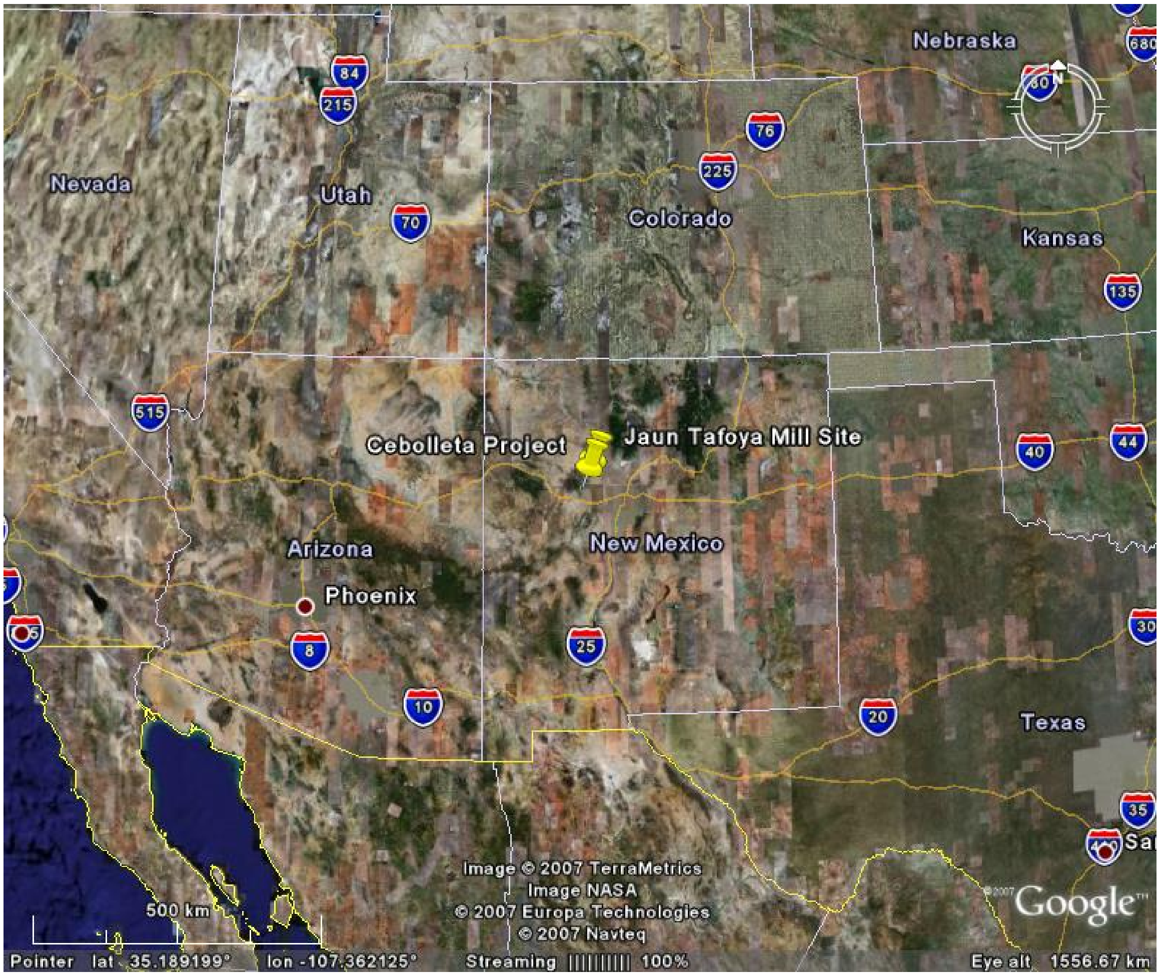


Fig. 1, Location Map

The leased lands are part of a land grant that was made to certain individuals by the King of Spain prior to the inclusion of the State of New Mexico as part of the United States.

When the territory of New Mexico was acquired by the United States of America, the rights and title first conveyed by the creation of the Cebolleta Land Grant were honoured by the United States Senate through the ratification of the Treaty of Guadalupe Hidalgo (Byers, 2006). Although the area of the Cebolleta Land Grant, including a portion of the Cebolleta project was never surveyed into the US Section-Township-Range system, the property has been legally surveyed by a registered land surveyor, and the appropriate monuments have been put in place.

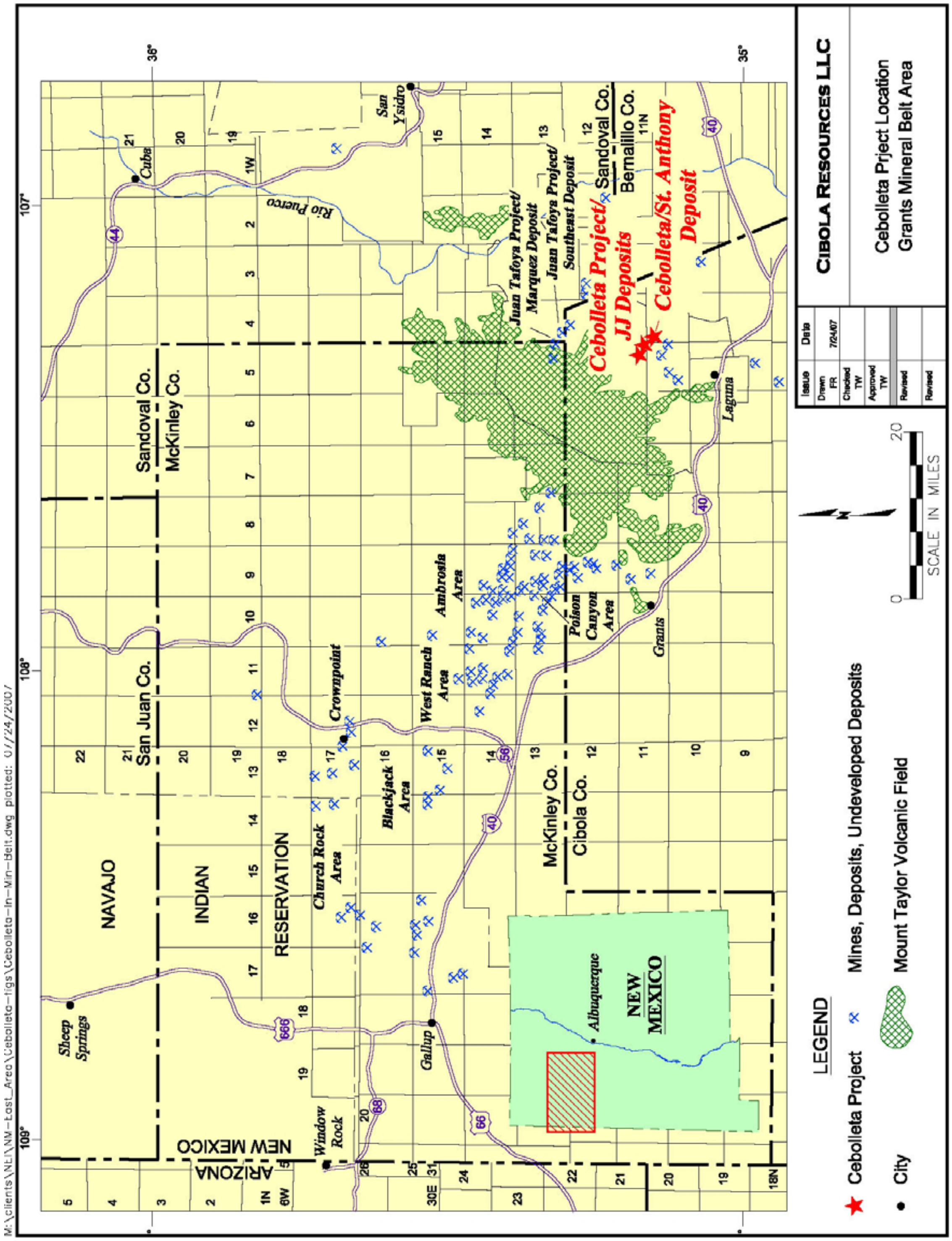


Fig. 2, Project Location Map

The Company has accepted assignment of the Cebolleta Land Grant mineral lease from NEI. The lease, which has an initial term of ten years, may be extended beyond the initial term by Cibola by undertaking mineral exploration, mine development and mining and/or mineral processing activities. The lease agreement requires the Company to make periodic (annual) advance royalty payments to the Cebolleta Land Grant, pay a sliding scale production royalty (based upon the sales price of U_3O_8) on any mine production from the property, provide employment opportunities and job training programs for the members of the Cebolleta Land Grant. Cibola is required to complete an independent "third-party" feasibility study within six years of the effective date of the lease, and make a "reserve bonus" payment of US$1 per pound of U_3O_8, within the "Measured" or "Proven" reserve category and determined to be recoverable by the feasibility study. All annual payments made to the Cebolleta Land Grant prior to the completion of the feasibility are deductible from the "reserve bonus" payment. The lease agreement conveys the rights to explore for, mine and process uranium deposits present on the leased lands. A "Short Form Memorandum of Uranium Mining Lease and Agreement" has been filed and recorded with the offices of the County Clerk and Recorder for Cibola County, New Mexico.

A portion of the leased properties are subject to a pre-existing $1/48^{th}$ (2.08%) royalty on a "Uranium Value". This third-party royalty is deductible from production royalties payable to the Cebolleta Land Grant, and does not represent a further economic burden to Cibola or the project.

The leased property was formerly the site of several underground uranium and open pit mines and processing plant (uranium mill). Open pit and underground mines in the St. Anthony area of the Cebolleta Land Grant lease are currently being reclaimed by the former operators of those mines, UNC Resources (a subsidiary of General Electric). The L-Bar mine and uranium mill were reclaimed by the successor to Sohio Western Mining Company, Kennecott Energy Company, and the mill site has been transferred to the US Department of Energy for long-term monitoring and management. The former L-Bar mill site is not a part the lease from Cebolleta Land Grant. An examination of the files of the State of New Mexico Environment Department and the New Mexico Energy and Minerals Department indicates that Kennecott has some limited reclamation obligations relating to subsidence associated with several ventilation holes for the former JJ #1 underground mine. UNC Resources has obligations to reclaim portions of the former St. Anthony mine area, and they are currently undertaking a comprehensive restoration program in accordance with the directives of the State of New Mexico. The Company and its Members, NEI and Uranium Energy Corporation have not assumed any reclamation liabilities for the properties.

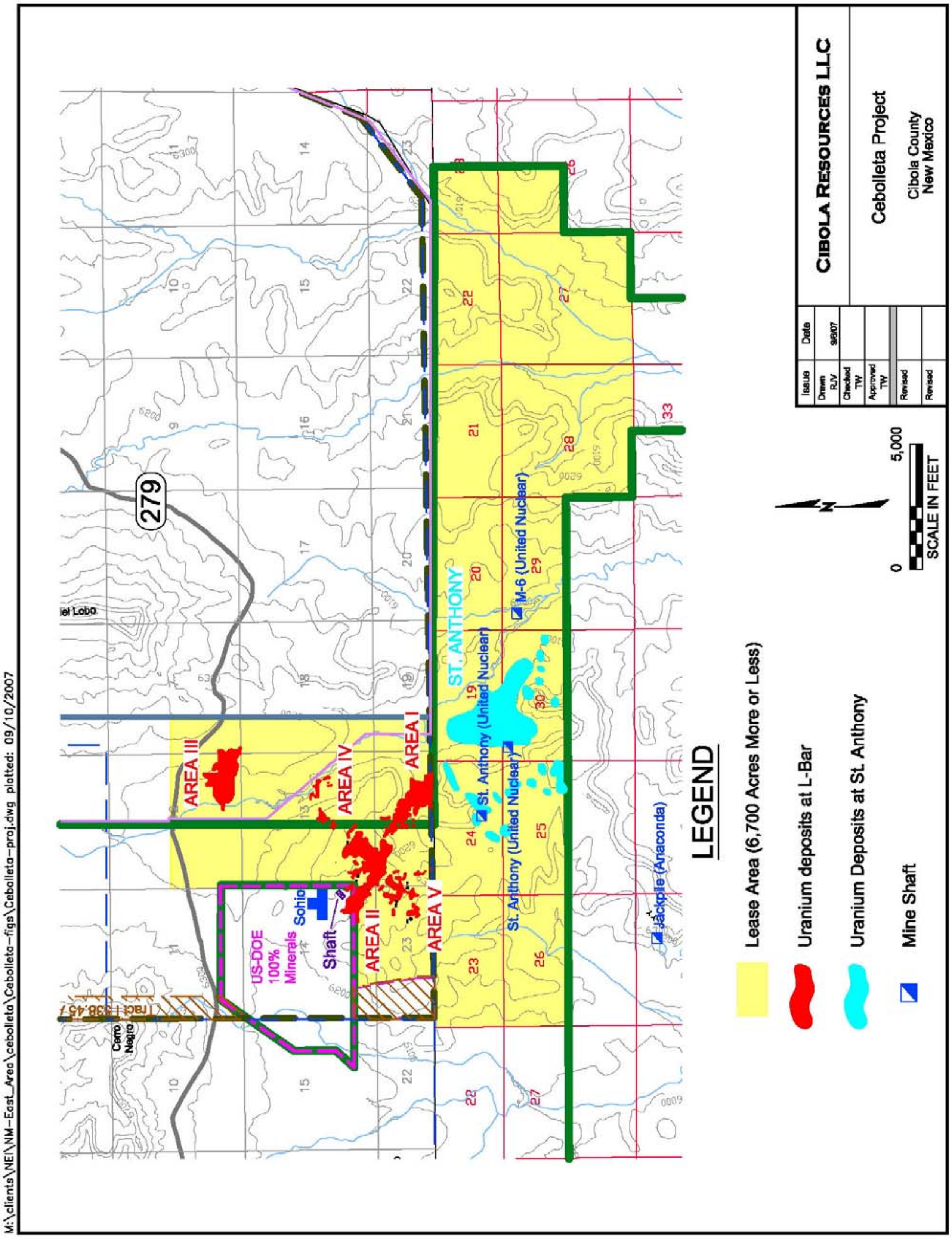


Fig. 3, Claim Locations

As with all drilling projects proposed in the State of New Mexico, Cibola will be required to obtain permits from the New Mexico Energy, Minerals and Natural Resources Department. Cibola is currently preparing an application for drilling on the project. Mining and milling operations will require additional permits from the New Mexico Energy, Minerals, and Natural Resources Department, the New Mexico Environment Department, as well as the US Environmental Protection Agency and the US Nuclear Regulatory Commission. At the time of this report the Company does not hold permits for any activities for the Cebolleta project.

7.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Cebolleta project is situated on the southern margin of the San Juan Basin of west-central and northwestern New Mexico. The project area adjoins Mesa Chivato, a broad volcanic capped mesa that surrounds Mount Taylor, a dormant volcano that is a prominent landmark. Elevations within the project area range from 6,400 feet to 7,100 feet above sea level (1,950 metres to 2,164 metres). Topography is typical of the mesa-and-canyon landforms that dominate this portion of New Mexico, with sharp local variations in elevation, on the order of 200 to 400 feet (61 metres to 122 metres) over short distances. A series of rounded hills, raising 200 to 300 feet (61 to 91 metres) above the surrounding landscape, are present in the vicinity of the former L-Bar uranium mine (in the western part of the project area). A prominent canyon, developed along Meyer Draw and Arroyo Pedro Padilla, cuts the southern part of the project area.

In spite of these local variations in topography, access to nearly all of the project area is good. Access to the project is over a paved State-maintained highway to the village of Seboyeta (a distance of approximately 10 miles, or 16 kilometres). One all-weather graded gravel road, maintained by Cibola County, and several private roads of varying quality cross the project lands and provide access to nearly all parts of the project area. Rail service is available from the BNSF Railroad at the towns of Grants and Milan, and scheduled air service is available in Albuquerque.

The area is populated with sparse mixed grasses, with very limited stands of mesquite, pinion pine trees, typical of a semi-arid high desert climate. Temperatures at Grants (the nearest town with meaningful weather records) range from lows of approximately 50° to 80° Fahrenheit (9.9° to 26.6° Celsius) in the summer season, and 10° to 40° F (-12.2° to 4.4° Celsius) in the winter. The area receives approximately 11 inches (279 millimetres) of precipitation annually. Much of this precipitation comes in the form of afternoon thundershowers during the months of July and August, and as much as 13 inches (330 millimetres) of snow during the winter months. Winter snows and summer thunderstorms may create temporary muddy ground conditions that interrupt access for short periods of time. Other than these short periods of muddy ground conditions, mineral exploration and mining activities normally can be conducted without interruption throughout the year.

The project area has sufficient surface resources to support mining and processing operations, tailings ponds, and mine waste dumps. There are numerous sources of water, electricity, and fuel in the area. Personnel experienced in open pit and underground mining, construction, and mineral processing are available in Grants (40 miles, or 64 kilometres, to the southwest of the project area) and at the town of Laguna. Two high voltage electrical transmission lines cross the region several miles north of the project area, and electrical lines have been constructed to the sites of the former Sohio L-Bar uranium mine.

8.0 History

The Cebolleta project is located in the northern portion of the Laguna mining district, the eastern-most portion of the prolific Grants mineral belt. The first discovery of uranium mineralization in the Laguna district was made by geologists and engineers of the Anaconda Copper Company in late-1951 (Beck, et al, 1980). The identification of strong uranium mineralization resulted in the discovery of the Jackpile-Paguate uranium mine. Anaconda also undertook an exploration program on the nearby Evans Ranch, located northeast of the Jackpile mine, in 1955 and this program continued until 1957. During this period of exploration more than 350 holes were drilled in the area of the Cebolleta project by Anaconda (Geo-Management, 1972).

Climax Uranium, a subsidiary of American Metals Climax, obtained a lease from the Cebolleta Land Grant for the St. Anthony area and subsequently discovered several uranium deposits on the leased properties. Climax operated a series of small-scale open pit and underground mines, commencing in 1953 and ending in 1960, when the lease was acquired by United Nuclear Corporation (later to become UNC Resources, now a subsidiary of General Electric). During the period of Climax's operations the company produced 320,942 pounds of U_3O_8. UNC's mining activities are reported to have commenced (McLemore, 2000) in 1977. Production rates for the last two years of production at St. Anthony (1979 and 1980) were 1.134 million pounds of U_3O_8 from stockpiles at the mine site (Hatchell and Wentz, 1981).

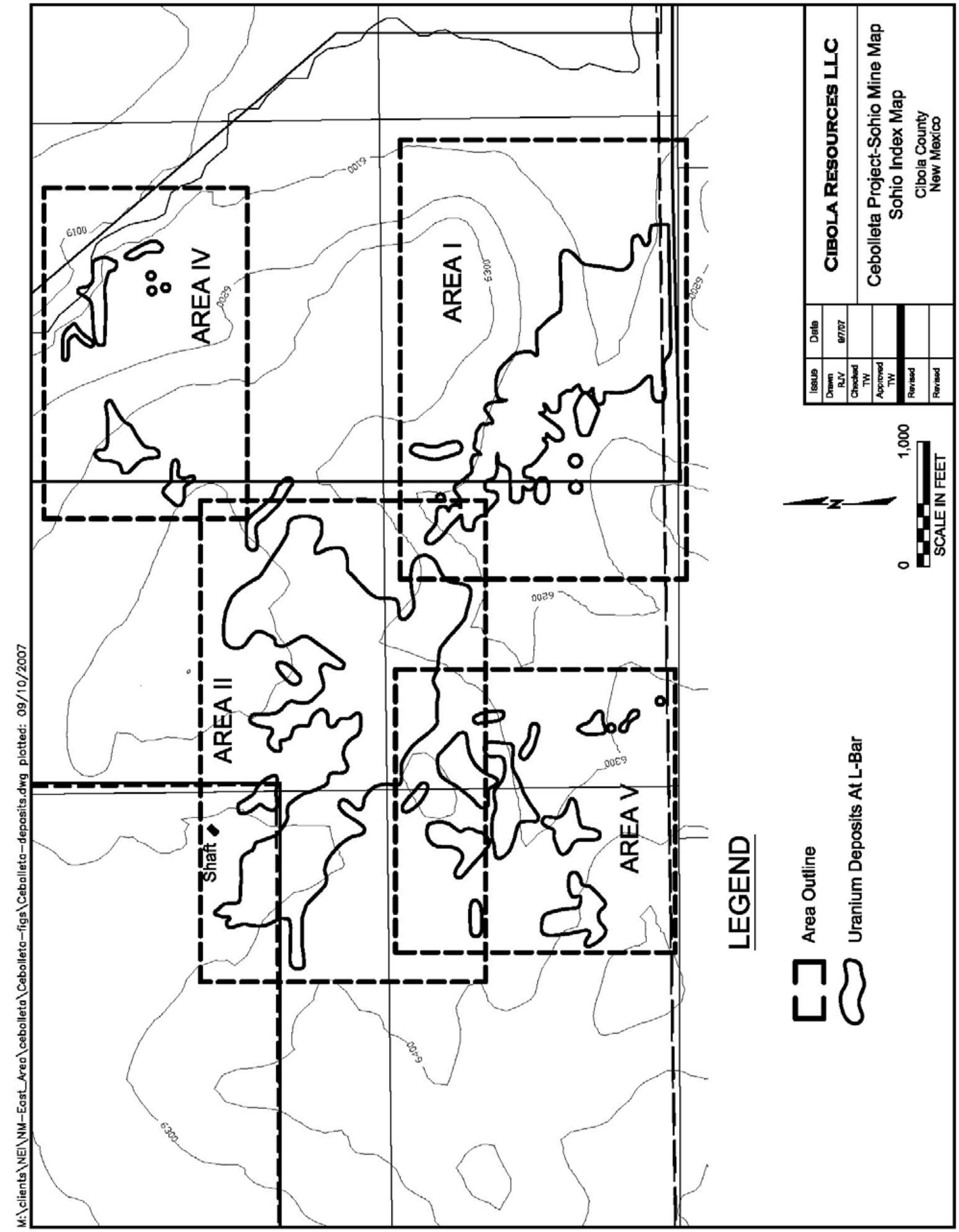
Reserve Oil and Minerals, a publicly-traded resource development company purchased the Evans Ranch (surface and mineral rights) in 1968. Reserve sold an undivided 50 percent interest in the ranch, including the mineral rights, to Sohio (then a subsidiary of the Standard Oil Company of Ohio) in 1969 and formed a joint venture to explore for and develop uranium deposits on the Evans Ranch (Melting, 1980, a, b,). Sohio operated the joint venture and discovered extensive uranium mineralization on the property prior to the construction of an underground mine and uranium mill complex (the L-Bar mine and mill). Sohio acquired Reserve's interests in the property in 1982, and subsequently deeded their property interests in the area to the Cebolleta Land Grant in 1989.

Resource estimates were initially made using both the 'general outline' and 'polygonal methods' (Geo-Management, 1972). The initial resource estimation was based upon data from more than 996 core and conventional drill holes (Geo-Management, 1972) totalling more than 601,000 feet. From that data set holes that contained a grade – times - thickness (GT) product of 0.50 or more, with a minimum grade of 0.08%eU_3O_8 were utilized in the resource estimations. Historical uranium resources at the St. Anthony mine were estimated by the then-project operator, UNC Resources utilizing gamma ray logs from more than 600 hundred drill holes (UNC Resources, 1979). All mineralized intervals were "diluted" with one-half foot (0.15 meters) of barren material at the top and bottom of each mineralized interval. All mineralized zones used in the historic resource calculations were a minimum of 6 feet (1.828 meters) thick; those mineralized intervals that were less than 6 feet thick were "diluted" to the minimum 6 foot thick interval. A listing of selected representative drill hole intercepts is in Table 2.

All resource grades were calculated from down-hole gamma-ray logging undertaken by the project operators, UNC Resources and Sohio Western Mining Company by independent geophysical contractors (Dalton Well Logging and Geoscience Associates). These calculations were checked by an independent firm, David S. Robertson & Associates, who compared their calculations to those initially prepared by the staffs of Geo-Management and Sohio and found differences to be "minor" (Robertson & Associates, 1978).

The historical and in-place mineral resources present at the Cebolleta uranium deposits (which were calculated prior to the adoption of National Instrument 43-101) were derived from several studies undertaken by independent contractors (Geo-Management, 1971 and Robertson & Associates, 1978) and were updated several times by Sohio Western Mining Company personnel (Boyd, 1981; Olsen and Kopp, 1982; UNC Resources, 1979). The L-Bar resource estimates benefited from production history from the JJ #1 underground mine and an understanding of the geological controls on uranium mineralization, as well as production history relating to disequilibrium ratios of the formerly mined areas. All historic mineral resource estimates were based upon surface drilling, at a nominal 100 foot by 100 foot (20.4 metres by 20.4 metres) hole spacing (a portion of the Area III deposit was drilled on a 200 foot by 200 foot [60.96 by 60.96 metres] grid), underground long-hole drilling, and underground exposures. None of the resource estimates were adjusted to reflect a disequilibrium factor as various studies (Geo-Management, 1971; Boyd, 1981) indicated that the mineralization at the Cebolleta project is in chemical equilibrium.

The author has reviewed the various resource calculation reports and has cited only those resources estimated in the reports prepared by Sohio Western Mining Company (Boyd, 1981) and UNC Resources (UNC Resources, 1979). These are the most complete and up-to-date estimates of resources present at the Cebolleta uranium project. The reports reflect the progress of mining of mineralization on the property and include only the remaining historic mineral resources in the various uranium deposits at Cebolleta. Both reports were prepared by the staffs of companies highly experienced in the mining of sandstone-hosted uranium deposits in the Grants mineral belt. Neither report classifies the resources by any resource code and each uses grades determined from radiometric assay calculations.



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AREA IV
AREA I
AREA II
AREA V
Shaft
6100
6200
6300
6400
LEGEND
Area Outline
Uranium Deposits At L-Bar
0
1,000
SCALE IN FEET
Issue
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Drawn RJV
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Revised
CIBOLA RESOURCES LLC
Cebolleta Project-Sohio Mine Map
Sohio Index Map
Cibola County
New Mexico

Fig. 4, Area Index Map

Cutoff grades and thicknesses were applied by Sohio in the 1980's to the mineralized zones as follows for the purpose of calculating updated resources in each of the deposits:

Area	**Thickness (ft)**	**Grade (%e U3O8)**	**GT (Grade X Thickness)**
Area I	2 feet	0.05%	0.10
Area II	7 feet	0.07%	0.49
Area III	2 feet	0.10%	0.10
Area IV	6 feet	0.05%	0.30
Area V	7 feet	0.07%	0.49

Areas I and II, with cut off grades of 0.05% U_3O_8 over minimum thicknesses of 2 feet, were considered to be open pit development targets by Sohio (Boyd, 1981; Olsen and Kopp, 1982), while the remaining deposits were considered to be underground mining targets only.

Mining at the Cebolleta project removed, prior to shut-down of mining operations due to depressed commodity prices, only a portion of the previously identified mineral resources in place at the project. The remaining in-place resources (which are historical in nature and were prepared prior to the adoption of National Instrument 43-101) were estimated (Boyd, 1981; Olsen and Kopp, 1982; UNC Resources, 1979): to be

Area	**Short Tons**	**Grade (e%U_3O_8)**	**Pounds U_3O_8**
L-Bar:			
Area I	872,000	0.130	2,237,000
Area II	1,676,000	0.165	5,584,000
Area III	1,126,000	0.160	3,640,000
Area IV	141,000	0.070	197,000
Area V	260,000	0.190	995,000
Sub-Total:	**4,075,000**	**0.154**	**12,653,000**
St. Anthony:			
	4,320,000	0.095	8,208,000
Total:	**8,395,000**	**0.124**	**20,861,000**

(Note: stated grades are based on radiometric assays [%**e**U_3O_8])

Mineral resources (pounds of U_3O_8) held by the members of Cibola Resources are estimated to be:

Area	**Total #'s U_3O_8**	**NEI (51%)**	**UEC (49%)**
L-Bar	12,653,000	6,453,030	6,199,970
St. Anthony	8,208,000	4,186,080	4,021,920
Total:	**20,861,000**	**10,639,110**	**10,221,890**

The historical resources cited in this report were prepared prior to the adoption of current reserve and resource codes, particularly the current CIM code. As such, the resources cannot be classified under this code. The historical resource estimates were prepared by independent consultants and the staff and employees of United Nuclear Corporation/UNC Resources and Sohio Western Mining Company in the period between 1971 and 1984 utilizing drilling data from more than 1,500 holes gathered by respective operating companies. The generation of the data and the subsequent resource estimations were prepared using methodologies that were commonly employed by the US uranium industry at the time of preparation. The author has examined this data and believes that the information is relevant to the evaluation of the Cebolleta project.

Sohio staff (Olsen and Kopp, 1982) state "experience has shown that the uranium grades determined radiometrically at the L-Bar property corresponded well with grades determined chemically." This work verified earlier studies by Sohio, based upon 150 core samples (Geo-Management, 1972) that the deposits were generally in radiometric equilibrium.

Table 1: Comparison of Chemical versus Radiometric Assays for Selected Core Holes at the Cebolleta Uranium Project:

Hole #	From (feet)	To (feet)	Thickness Feet	Chemical Grade (%cU3O8)	Radiometric Grade %eU3O8)
AREA II					
RLB-271C	568.5	573.5	5.0	0.166	0.131
RLB-279C	542.0	546.5	4.5	0.191	0.242
RLB-287C	552.0	556.0	4.0	0.130	0.144
	555.5	557.5	2.0	0.080	0.109
	597.5	614.0	16.5	0.093	0.095
	615.5	619.0	3.5	0.430	0.388
	642.5	644.0	1.5	0.340	0.225
RLB-301C	589.0	612.5	23.5	0.265	0.288
	560.5	565.5	5.0	0.060	0.060
RLB-323C	546.0	567.5	21.5	0.508	0.486
RLB-423C	548.5	560.5	12.0	0.215	0.202
AREA III			0.0		
RLB-260C	390.5	398.5	8.0	0.222	0.262
	396.0	399.5	3.5	0.116	0.136
	409.0	410.0	1.0	0.288	0.211
	421.0	431.5	10.5	0.535	0.625
RLB-261C	358.0	363.5	5.5	0.083	0.099
	410.5	428.0	17.5	0.621	0.631
	429.0	431.5	2.5	0.270	0.202

The staff of Sohio Western Mining Company updated the historical resources periodically (Boyd, 1981; Olsen and Kopp, 1982; Boyd and others, 1984) based upon mine production, cut-off grade changes, additional drilling results, underground long-hole drilling, and underground sampling of mine workings (which are no longer accessible) and muck-piles (Boyd, 1981). Underground sampling was undertaken with the aid of underground probes for muck-pile sampling, while grades of hauled muck were determined by the use of a scanner, with both methods yielding radiometric assays (%eU_3O_8). Sohio (Boyd, 1981) based the 1981 estimate, along with the 1982 and 1984 updates (Olsen and Kopp. 1982; Boyd and others, 1984) on the following criteria:

- Surface Resources: The maximum area of influence assigned to each hole is a 50 foot (15.24 metres) radius. Base elevations for mineralization were evaluated in developing the mineralized outlines. Once the final mineralized outline was established, the surface area of each mineralized block was determined by planimeter. The average thickness of the mineralized interval and the grade was calculated from drill hole data. Tonnages were computed using a tonnage factor of 16 cubic feet per short ton.

- Underground Long-hole Resources: The area of influence for long-hole mineralization was 25 feet (7.6 metres) or one-half the distance to the nearest "waste" intercept. Tonnages and grades were calculated in the same manner as surface resources;

Development Resources: This category of mineralization was calculated before the mining phase commenced. Average grades were calculated from muck-pile sampling (radiometric and chemical assaying). "Back-ore" and "floor-ore" were calculated from jackleg long-hole drilling data (radiometric assays). Pillar mineralization thickness was based upon the average height of underground drifts.

The authors of the historical reports that serve as the basis for the historical resource estimates referred to mineralization as "reserves" but the author of this report, Cibola Resources and its member companies, Neutron Energy, Inc. and Uranium Energy Corporation classify the uranium mineralization at the Cebolleta project as historical mineral resources only. None of the historical reports classified the resources as "proved", "probable", "measured" or "indicated".

The historical resources cited in this report were prepared prior to the adoption of current reserve and resource codes, particularly the current CIM code. As such, the resources cannot be classified under the code. These historical resource estimates were prepared by independent consultants and the staff and employees of United Nuclear Corporation/UNC Resources and Sohio Western Mining Company in the period between 1971 and 1984 utilizing drilling data gathered by respective operating companies. The generation of the data, and the subsequent resource estimations were prepared using methodologies that were commonly employed by the US uranium industry at the time. The author has examined this data, and believes that the information is both reliable and relevant to the project. Although considered relevant, Broad Oak, Cibola, and its Members, caution the reader of this report that the resources cited are historical in nature, and do not comply with the guidelines of National Instrument 43-101. Furthermore, the estimates have not been verified by a qualified person. Accordingly, the estimates should not be relied upon.

Table 2: Selected representative drill hole intercepts at the Cebolleta Uranium Project:

AREA (deposit)	Hole No.	From (feet)	To (feet)	Thickness (feet)	Grade (%eU3O8)
I	RLB-1	343.0	349.0	6.0	0.186
		355.0	361.0	6.0	0.081
I	RLB-4	329.0	335.0	6.0	0.096
I	RLB-5	352.0	358.0	6.0	0.116
I	RLB-7	337.0	348.0	11.0	0.130
I	RLB-11	264.5	273.0	8.5	0.154
I	RLB-15	258.5	264.5	6.0	0.193
		279.0	287.0	8.0	0.087
I	RLB-18	334.0	346.0	12.0	0.205
I	RLB-20	343.5	349.5	6.0	0.363
		362.5	368.5	6.0	0.104
I	RLB-23	339.5	352.5	13.0	0.237
I	RLB-32	322.0	336.5	14.5	0.114
I	RLB-58	222.5	233.0	10.5	0.102
		269.5	275.5	6.0	0.210
I	RLB-59	224.5	230.5	6.0	0.116
		254.5	260.5	6.0	0.111
		272.5	278.5	6.0	0.109
I	RLB-68	220.0	231.0	11.0	0.083
I	RLB-69	268.0	274.0	6.0	0.464
I	RLB-72	216.0	222.0	6.0	0.112
		236.0	260.0	24.0	0.501
I	RLB-83	231.0	246.5	15.5	0.150
I	A-3	333.0	349.0	16.0	0.236
I	A-7	327.0	344.0	17.0	0.101
I	A-8	323.5	347.5	24.0	0.161
I	A-12	313.5	323.5	10.0	0.266
		340.5	346.5	6.0	0.115
I	A-27	298.5	304.5	6.0	0.130
I	LJ-19	260.0	268.5	8.5	0.153
I	LJ-29	276.0	283.0	7.0	0.124
I	LJ-31	265.5	271.5	6.0	0.169
I	LJ-68	266.5	272.5	6.0	0.120
I	LJ-111	248.0	254.0	6.0	0.088
		280.0	286.0	6.0	0.103
I	LJ-118	305.0	311.0	6.0	0.089
I	LJ-121	302.5	311.0	8.5	0.106
I	LJ-124	330.0	337.0	7.0	0.109
I	LJ-126	352.0	362.5	10.5	0.162
II	F-3175	622.5	628.5	6.0	0.120
		631.5	638.5	7.0	0.880
II	F-3176	619.5	626.0	6.5	0.142

AREA (deposit)	Hole No.	From (feet)	To (feet)	Thickness (feet)	Grade (%eU3O8)
II	R-1	569.0	575.0	6.0	0.081
		591.5	623.5	32.0	0.201
		897.0	903.0	6.0	0.100
II	R-3	546.5	557.0	10.5	0.491
II	RLB-88	539.5	545.5	6.0	0.247
		585.5	593.0	7.5	0.190
II	RLB-90	556.6	566.6	10.0	0.102
II	RLB-93	557.5	568.0	10.5	0.211
		599.5	610.5	11.0	0.245
		624.0	630.0	6.0	0.133
II	RLB-94	602.5	614.0	11.5	0.267
II	RLB-97	582.5	597.0	14.5	0.316
		601.5	617.0	15.5	0.135
II	RLB-106	518.5	524.5	6.0	0.124
		556.0	563.0	7.0	0.205
		569.0	575.0	6.0	0.090
II	RLB-114	452.5	459.5	7.0	0.124
		468.0	480.5	12.5	0.094
II	RLB-115	475.5	483.0	7.5	0.086
		485.0	496.5	11.5	0.169
II	RLB-117	461.0	471.5	10.5	0.112
		477.0	494.0	17.0	0.112
II	RLB-122	574.5	601.5	27.0	0.096
		616.0	622.5	6.5	0.114
II	RLB-133	611.0	622.5	11.5	0.222
II	RLB-135	641.5	647.5	6.0	0.089
		656.5	662.5	6.0	0.091
II	RLB-277	517.0	527.5	10.5	0.235
II	RLB-279C	537.0	543.0	6.0	0.190
II	RLB-290	529.0	535.0	6.0	0.139
II	RLB-303	536.5	546.5	10.0	0.123
II	RLB-304	523.0	529.0	6.0	0.175
II	RLB-311	549.0	556.0	7.0	0.240
II	RLB-315	526.5	551.0	24.5	0.363

II	RLB-317	526.0	548.5	22.5	0.203
II	RLB-318	517.0	550.0	33.0	0.270
II	RLB-319	531.0	557.5	26.5	0.280
II	RLB-349	584.0	598.0	14.0	0.146
		633.5	639.5	6.0	0.132
II	RLB-350	574.5	582.0	7.5	0.147
II	RLB-370	524.0	533.5	9.5	0.098
II	RLB-372	491.5	500.5	9.0	0.104
		508.0	516.5	8.5	0.139
II	RLB-636	611.5	623.5	12.0	0.163
II	RLB-658	467.5	479.5	12.0	0.188
II	RLB-659	510.0	522.5	12.5	0.179
		547.0	553.0	6.0	0.092
II	LJ-182	544.0	550.0	6.0	0.138
		580.5	599.0	18.5	0.120
		635.5	641.5	6.0	0.118
III	RLB-151	446.5	452.5	6.0	0.103
		465.0	491.0	26.0	0.111
III	RLB-152	456.0	467.0	11.0	0.114
		478.0	484.0	6.0	0.204
III	RLB-154	469.5	486.0	16.5	0.140
III	RLB-156	460.5	476.0	15.5	0.227
III	RLB-160	385.5	396.0	10.5	0.162

AREA (deposit)	**Hole No.**	**From (feet)**	**To (feet)**	**Thickness (feet)**	**Grade (%eU3O8)**
III	RLB-161	388.5	402.0	13.5	0.125
III	RLB-172	389.5	405.0	15.5	0.263
III	RLB-180	390.5	396.5	6.0	0.087
		402.0	411.5	9.5	0.326
III	RLB-189	392.5	401.0	8.5	0.440
		415.0	428.5	13.5	0.129
III	RLB-	400.5	422.0	21.5	0.238

	191	434.0	440.0	6.0	0.094
III	RLB-192	405.5	431.5	26.0	0.201
		432.5	438.5	6.0	0.090
III	RLB-209	395.5	406.5	11.0	0.479
III	RLB-221	434.0	440.0	6.0	0.102
		446.0	452.0	6.0	0.089
		464.0	470.0	6.0	0.090
III	RLB-222	441.0	459.5	18.5	0.120
		472.5	478.5	6.0	0.276
III	RLB-223	433.0	445.0	12.0	0.396
III	RLB-242	439.0	452.5	13.5	0.160
		457.0	465.0	8.0	0.086
III	RLB-247	448.5	472.5	24.0	0.214
III	RLB-252	395.5	406.0	10.5	0.296
III	RLB-253	384.5	390.5	6.0	0.106
		406.0	413.0	7.0	0.084
III	RLB-254	391.5	397.5	6.0	0.085
		400.0	419.5	19.5	0.316
III	RLB-258	388.5	396.5	8.0	0.395
III	RLB-260C	383.5	396.5	13.0	0.199
		408.0	422.0	14.0	0.513
III	RLB-407	417.5	426.0	8.5	0.158
III	RLB-408	373.5	384.5	11.0	0.142
		412.5	418.5	6.0	0.097
III	RLB-409	374.5	387.0	12.5	0.261
III		404.5	410.5	6.0	0.191
III	RLB-410	367.5	374.5	7.0	0.137
III	RLB-411	392.0	401.5	9.5	0.172
III	RLB-413	389.5	402.5	13.0	0.221
III	RLB-561	532.5	538.5	6.0	0.092
IV	RLB-565	600.0	606.0	6.0	0.108
		784.0	790.0	6.0	0.215

IV	RLB-575	617.5	623.5	6.0	0.083
IV	LJ-162	600.5	606.5	6.0	0.091
V	RLB-526	567.0	573.5	6.5	0.236
V	RLB-527	580.5	592.5	12.0	0.398
V	RLB-533	565.0	571.0	6.0	0.213
V	RLB-539	561.0	567.0	6.0	0.155
V	RLB-542	617.5	629.0	11.5	0.188
V	RLB-543	591.0	598.5	7.5	0.130
V	RLB-582	560.0	567.0	7.0	0.196
V	RLB-593	486.0	492.0	6.0	0.089

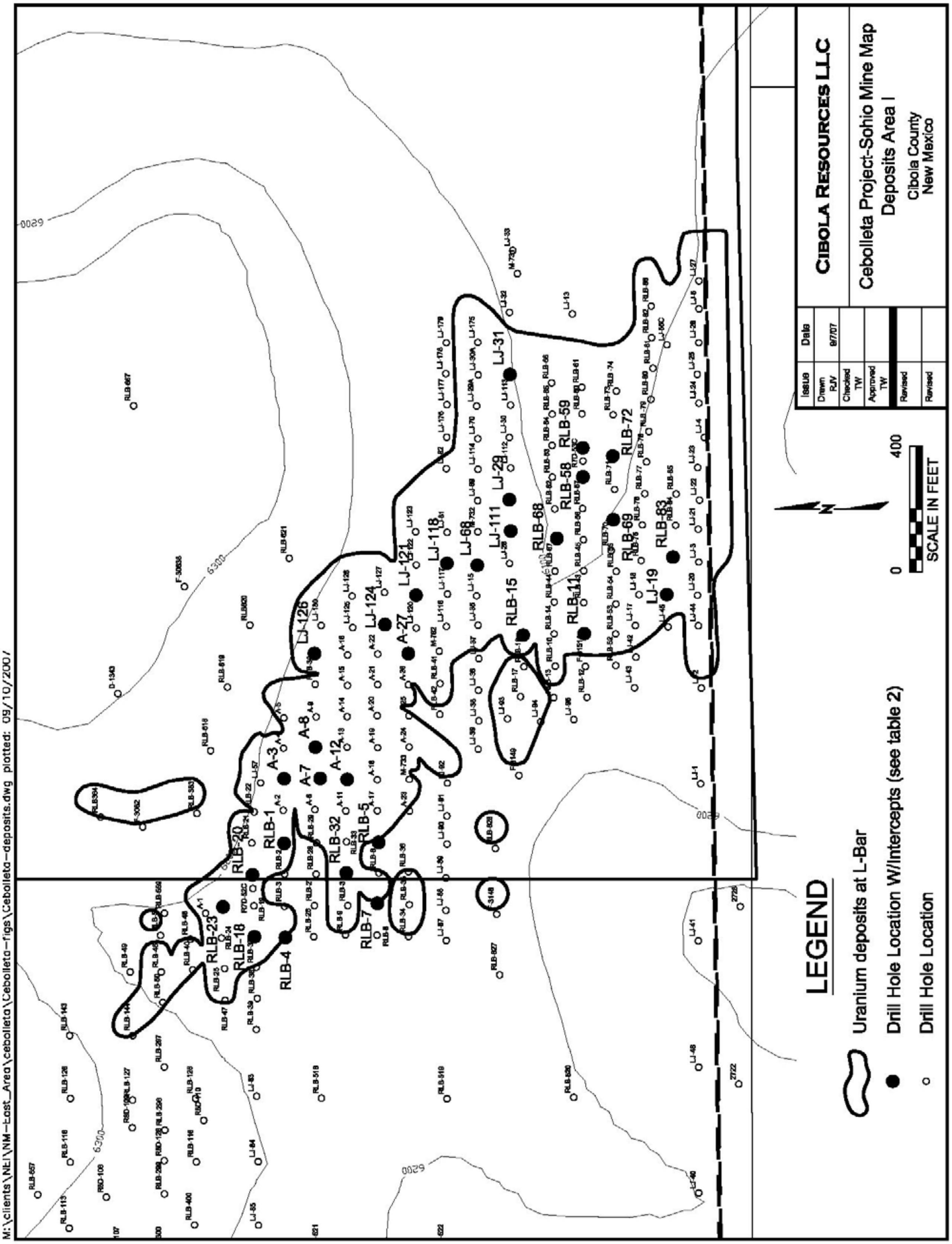

Fig. 5, Drill Hole Locations – Deposits Area I

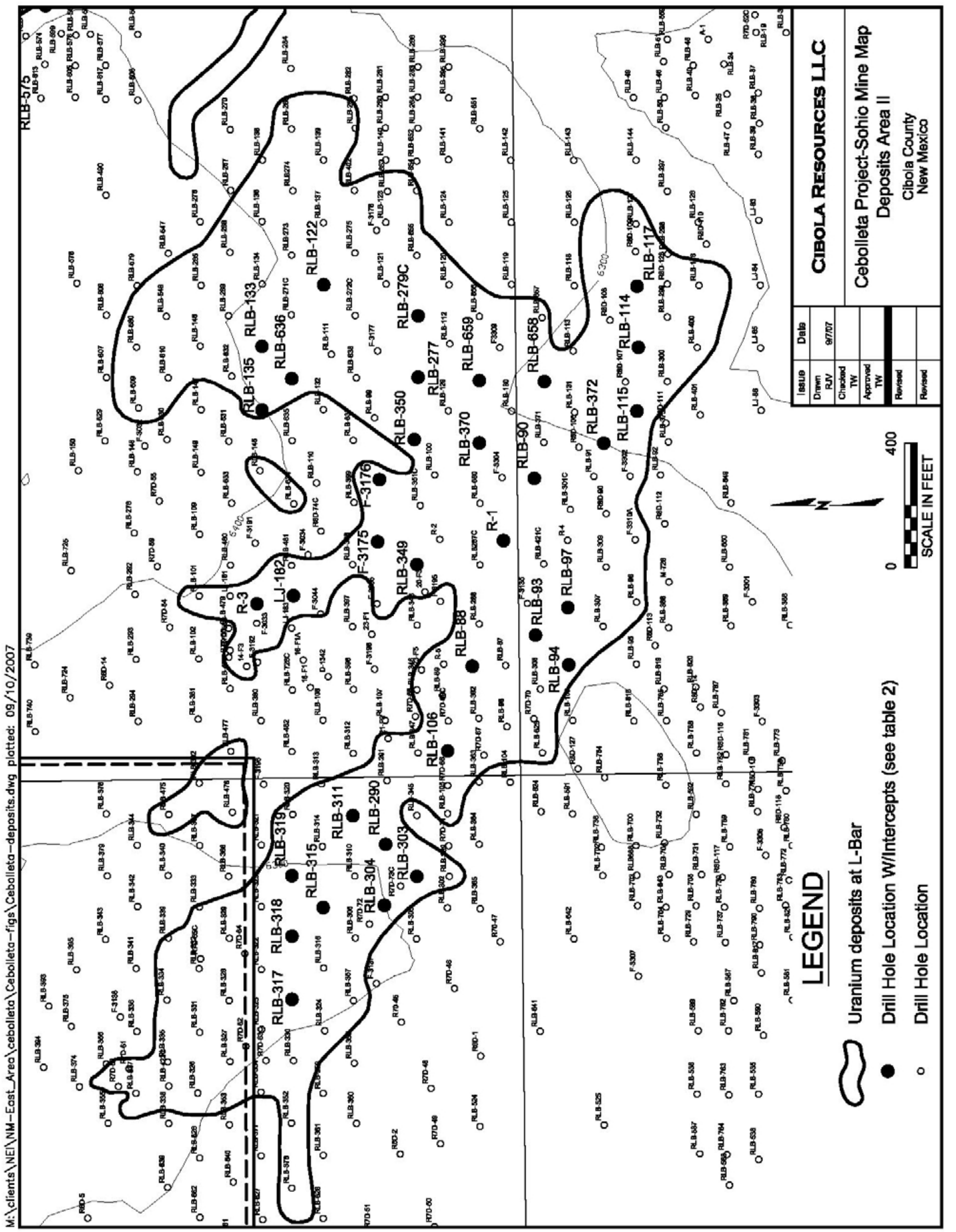

Fig. 6, Drill Hole Locations – Deposits Area II

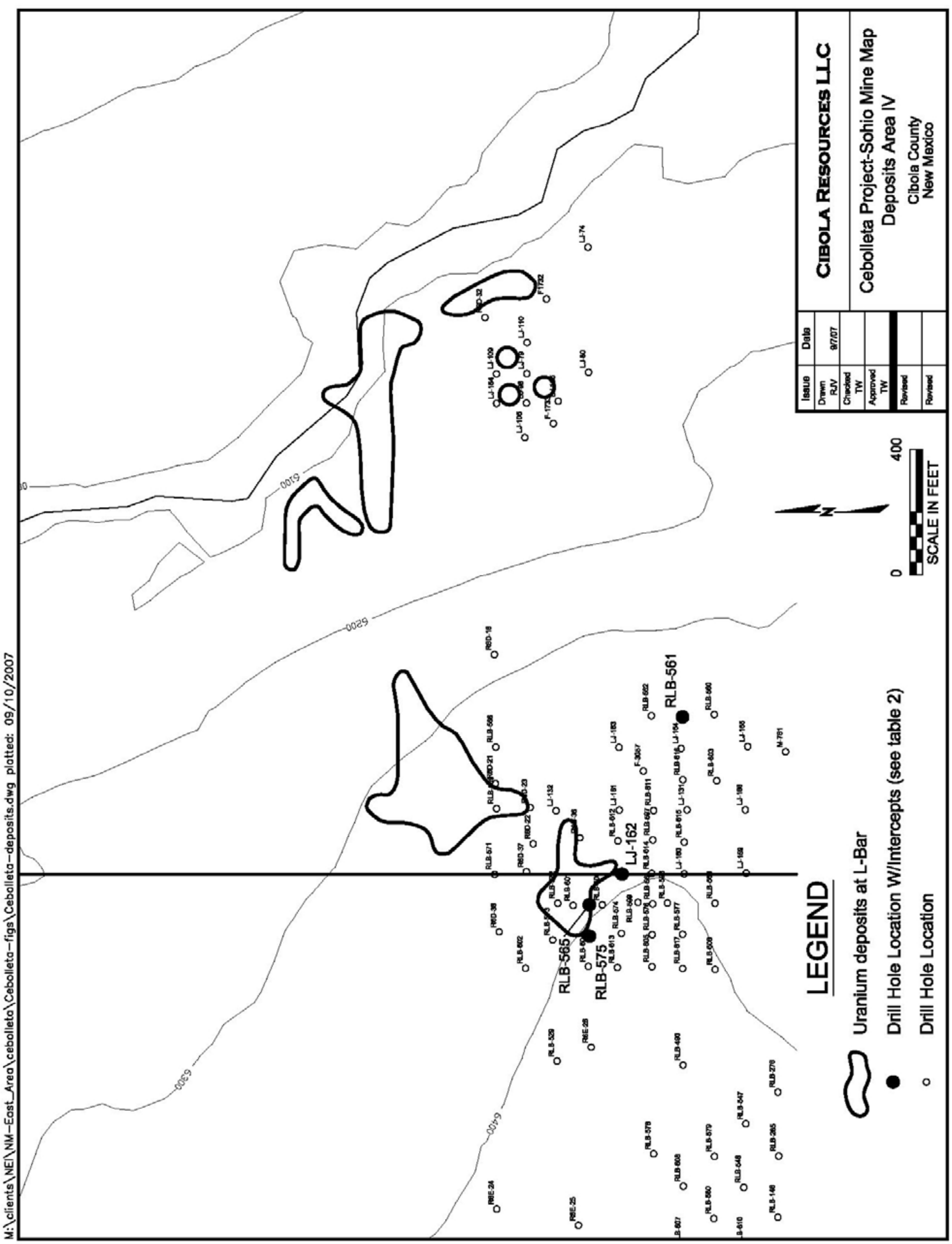

Fig. 7, Drill Hole Locations – Deposits Area IV

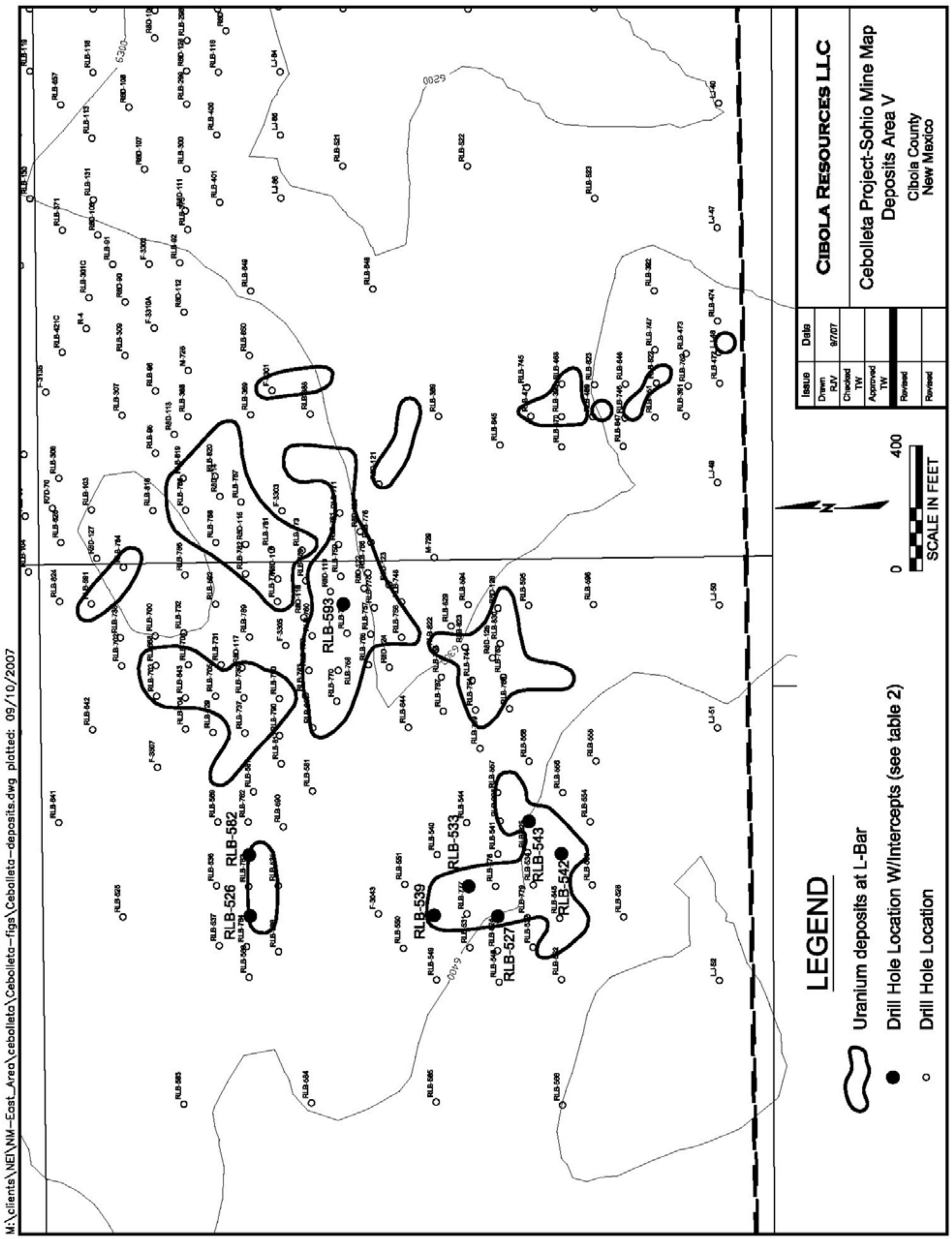

Fig. 8, Drill Hole Locations – Deposits Area V

9.0 Geological Setting

The Cebolleta project is situated at the eastern end of the prolific Grants mineral belt, which is located on the southern and south-eastern margins of the San Juan Basin and the northern margin of the ancestral Mogollan Highland (Moench and Schlee, 1967). The geology of the region is dominated by a thick sequence of sedimentary rocks ranging from Triassic to Late Cretaceous in age. This sedimentary sequence is overlain by volcanic rocks (basalt) that were erupted from the Mount Taylor volcanic center, which is located a short distance to the northwest of the project area. Additionally, isolated basalt plugs and diabase dikes have been intruded into Cretaceous-aged rocks immediately north and southwest of the project area (Schlee and Moench, 1963).

Stratigraphy:

A thick sequence of sedimentary rocks, ranging in age from Triassic through upper Cretaceous (Baird and others, 1980; Jacobsen, 1980; Moench and Schlee, 1967; Schlee and Moench, 1963) is present within the immediate project area. Of particular importance is the Jurassic-aged Morrison Formation, which is the host unit for nearly all of the significant uranium deposits in the Grants mineral belt. The Morrison Formation has been subdivided by various workers in to three principal units (in ascending order) in the southern portion of the San Juan Basin: the Recapture unit, the overlying Westwater Canyon Member, and the upper-most Brushy Basin Member. The Morrison Formation is unconformably overlain by the Cretaceous-aged Dakota Sandstone, which in turn is overlain by the Mancos Shale.

Regionally, the Recapture Member of the Morrison Formation ranges from 50 to 600 feet (15 to 183 metres) in thickness, and is about 50 feet (15 metres) thick in the project area (Moench and Schlee, 1967). It is comprised of interbedded mudstones, siltstone, sandstones, and occasional limestone. Moench and Schlee (1967) report that the unit normally greyish-red on surface exposures, while fresh exposures of the various lithologies are grey (limestone), greyish-green (mudstone), or greyish-yellow (sandstone).

The Westwater Canyon Member ranges from 10 to 90 feet (3 to 27 metres) in thickness in the project area. While the Westwater Canyon conformably overlies the Recapture Member there is evidence, on a local scale, for Westwater Canyon channels having “scoured” into the uppermost parts of the underlying Recapture Member. The Westwater Canyon, which is the principal host for uranium mineralization throughout the Grants mineral belt, is a greyish-yellow to pale orange sandstone. The sandstones are poorly sorted, range from fine to coarse-grained, and are sub-arkosic to arkosic in composition (Moench and Schlee, 1967). In the Marquez Canyon area, approximately 15 miles (24 kilometres) north of the project area, the Westwater is comprised of several sandstone lenses that are separated by thin lenses of mudstone and siltstone.

The uppermost unit of the Morrison Formation is the Brushy Basin Member, a thick unit comprised primarily of variegated mudstones and claystones, which range in thickness from 220 to 300 feet (67 to 91 metres) in the vicinity of the project. The mudstone and claystone units are greyish-red, greyish-green to greenish-grey in color and form distinctive rounded outcrops. Several sandstone beds are present within the Brushy Basin throughout the Grants mineral belt, and certain of these sandstones have economic significance for hosting uranium deposits. Moench and Schlee (1967) report that several of the sandstone units are similar in character to the Westwater Canyon sandstone.

The Jackpile sandstone is a distinct, yet local, unit that is in the uppermost part of the Brushy Basin Member. This unit is the host for the significant uranium deposits at the Jackpile – Paguate, St. Anthony, and L-Bar mines. The Jackpile sandstone extends in a north-easterly-trending belt that may be as much as 13 miles (21 kilometres) wide and more than 65 miles (105 kilometres) long (Jacobsen, 1980). The unit may achieve a thickness of 200 feet (61 metres). In the St. Anthony mine complex the Jackpile ranges from 80 to 120 feet (24 to 37 metres) (Baird and others, 1980), while at the adjoining L-Bar mine it ranges from 80 to 100 feet (24 to 30 metres) in thickness (Jacobsen, 1980).

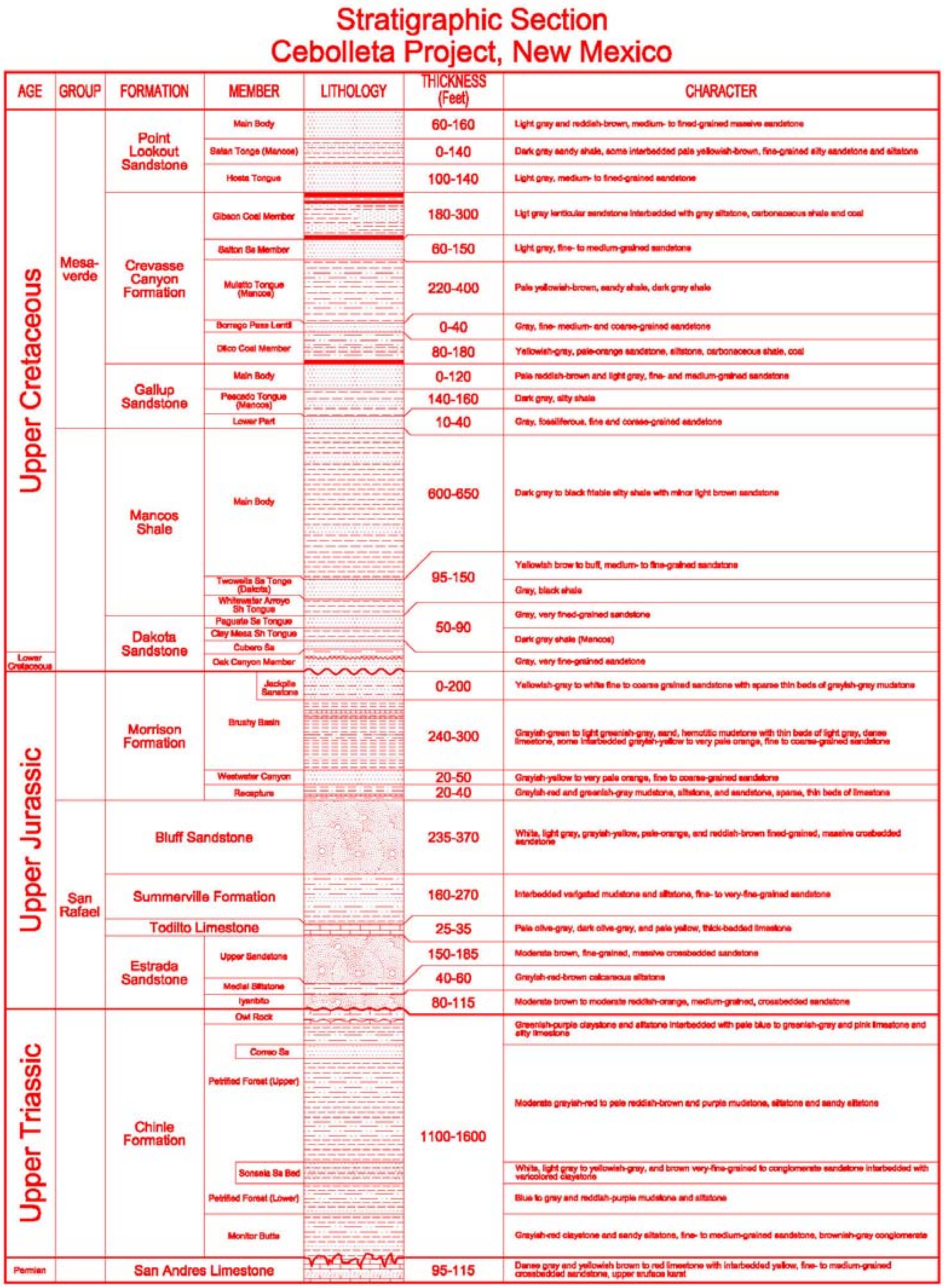

Fig. 9, Stratigraphic Section

Jacobsen (1980) reports that "thick, essentially uninterrupted sequences of sandstone are characteristic of the Jackpile. Shale or mudstone beds are not totally absent but they are rare…" The unit is a fine to medium-grained feldspathic sandstone, which is often cemented with clay. It is composed of 60 to 90% quartz, with clay and feldspar making up the remainder. Rock fragments are present, but are minor constituents. Clays occur as kaolinite, and more importantly, montmorillonite, and often serves as cement in the sandstone (Jacobsen, 1980). Locally, the Jackpile has also been cemented with calcite (Moench and Schlee, 1967).

The Dakota Sandstone, of Cretaceous age, unconformably overlies the Brushy Basin Member of the Morrison Formation throughout the project area. It is tan, orange, and white, well cemented sandstone that has minor interbeds of black shale. It averages about 50 feet (15 metres) in the project area. The Mancos Shale, also of Cretaceous age conformably overlies the Dakota Sandstone and is the uppermost sedimentary rock unit in the project area. It attains a thickness of approximately 400 feet (122 metres) in the area. It is comprised of grey to black friable shale with various interbedded sandstones that range from 5 to 30 feet (1.5 to 9 metres) in thickness (Schlee and Moench, 1963).

Structure:

Sedimentary rocks in the project area dip gently to the northwest, into the San Juan Basin, at less than 2 degrees. Several small scale dip-slip faults, generally down-dropped to the west, have been mapped on the surface several miles north of the project, and two similar structures, down-dropped to the east, have been mapped northeast and southwest of the immediate project area (Schlee and Moench, 1963). No major faulting has been recognized in the area.

Several small-scale high-angle faults were observed in the workings of the JJ #1 underground mine (Jacobsen, 1980), but these structures do not appear to have disrupted uranium mineralization in the mine, and do not appear to have influenced the localization of mineralization.

Ground Water:

Throughout the Grants mineral belt sandstones of the Morrison Formation, particularly the Westwater Canyon, and the Dakota Sandstone are aquifers. As reported by Hatchell and Wentz (1981), and various reports for the L-Bar mine, ground water inflows from the Jackpile sandstone range from 25 to 100 gallons per minute (113 to 454 litres). Water wells capable of producing between 25 and 35 gallons per minute (113 and 159 litres) were completed into the Jackpile sandstone at L-Bar, and wells capable of producing between 35 and 50 gallons per minute (159 and 227 litres) from the Westwater Canyon Member of the Morrison Formation (Geo-Management, 1972). Although pumping data is not available to determine the ability of either aquifer to provide sustained water supplies considerable water is known to exist in the Westwater Canyon in the vicinity of the Cebolleta project.

10.0 Deposit Types

The mineralization at the Cebolleta project is classified as tabular sandstone-hosted uranium deposits (Turner-Peterson and Hodges, 1986). The St. Anthony and L-Bar uranium occurrences were formed by the mobilization of uranium from either granitic rocks of the ancestral Mogollon Highlands, located south of the Cebolleta project area, or from the devitrification of tuffaceous rocks, and tuffaceous material contained in the host sandstones and in the Brushy Basin Member. The uranium was transported from its “source” area to current locations by alkaline ground waters. Uranium minerals were deposited in the host sandstones, where humic acids derived from decayed vegetal material and transported by ground water “scavenged” uranium from the active ground water system (Adams and Saucier, 1981).

At the L-Bar deposits carbonaceous material, which was the reductant for the precipitation of uranium occurs in two forms, as detritus, and as humate (Jacobsen, 1980). Jacobsen reports that no significant uranium mineralization occurs where carbonaceous material is absent.

As previously noted, the uranium mineralization is hosted (primarily) in porous and permeable sandstones within the Jackpile unit of the Brushy Basin Member of the Morrison Formation. This type of uranium deposit generally occurs at several different levels in the host, and a group of deposits may extend along an ill-defined “trend”, which may reflect channel facies of the host, for a distance of several miles. This style of uranium deposit is very well known in the Grants mineral belt, where it is the dominant mode of uranium occurrence.

Uranium minerals at the Cebolleta project are reported to be Coffinite $[U(SiO_4)_{1-x}(OH0_{4x})]$, Uraninite $[UO_2]$, organo-uranium complexes, and unidentified oxidized uranium complexes (Robertson & Associates, 1978).

11.0 Mineralization

There are several uranium deposits located on the Cebolleta project. The L-Bar portion of the project includes four distinct zones of mineralization, known as Area I, Area II, Area VI, and Area V. Mining operations undertaken by Sohio Western Mining were limited to the Area II and Area III deposits, but based upon historical resources data prepared by Sohio after the closure of the L-Bar mine (Boyd, 1981; Olsen and Kopp, 1982; Boyd and others, 1984) substantial mineralization remains in both deposits. The Area I deposit, located in the southern part of the L-Bar complex (and was never mined) extends south of the former property boundary onto the former St. Anthony area, and additional uranium mineralization is present in the St. Anthony area adjacent to the St. Anthony open pit and the Willie P. underground mine (McLemore and Chenoweth, 1991; McLemore, 2000).

The six known uranium deposits on the Cebolleta project share a common set of geological controls;

- All are hosted in medium to coarse-grained sandstones that exhibit a high degree of large-scale tabular cross-stratification (Baird and others, 1980)
- Near the margins of the deposits the mineralization thins appreciably, although halos of low-grade mineralization exist surrounding the deposits
- Higher grade mineralization usually occurs in the core of the mineralized zones
- Strong mineralization appears to be concentrated in the lowermost portions of the Jackpile, although anomalous concentrations of uranium are present throughout the vertical extent of the unit (Jacobsen, 1980)
- Most of the mineralization appears to be “reduced”, with only isolated small pods, especially in the Willie P area, of discontinuous mineralization exhibiting oxidation (Baird and others, 1980)
- Extensive chemical and radiometric analyses on core holes by Sohio demonstrated that the mineralization is generally within equilibrium (Geo-Management, 1972; Olsen and Kopp, 1982). The table 1 outlines comparative assay methods from several core holes in two of the deposits at the Cebolleta project
- Individual deposits do not show a preferred orientation or trend, and do not fully reflect the orientation of the main Jackpile sandstone channel trend
- Nearly all of the deposits show a strong spatial (and genetic?) relationship with carbonaceous material
- The deposits range in depth from approximately 200 feet (61 metres) in the south, at the St. Anthony area, to approximately 700 feet (213 metres) in the vicinity of the Area II and Area III deposits at L-Bar

At the L-Bar complex, mineralization occurs in tabular bodies that may be more than 1,000 feet (305 metres) in length, and attain thicknesses of 6 to 12 feet (1.8 to 3.7 metres). The upper and lower boundaries of these mineralized bodies are generally quite abrupt. There is some tendency for individual deposits to develop in clusters. Locally, these clusters may be related to the coalescence of separate channel sandstone bodies. In this instance, mineralization is often thicker and higher grade than adjoining areas. Although, Jacobsen (1980) suggests that the geologic controls on this type of mineralized occurrence is not known.

12.0 Exploration

Cibola Resources has not undertaken any exploration on the properties covered by this report, other than a review and analysis of available historical and published information.

13.0 Drilling

Cibola Resources has not carried out any drilling on the subject properties.

The drilling data that served as the basis for the historical mineral resources for the Cebolleta project includes more than 1,500 conventional (open-hole) rotary and core holes (totalling in excess of 600,000 feet [182,880 metres]) that were drilled between the late 1950's and the early 1980's. All drill holes were logged with truck mounted surface recording gamma/Self-Potential/single point resistivity logging units, which is a standard method of determining the presence and magnitude of subsurface uranium mineralization. This method of "sampling" provided a continuous record of the intensity of uranium mineralization in each drill hole. Cibola Resources has a significant number of the gamma/S-P/resistivity logs for holes at the Cebolleta project, and this data effectively defines the nature and extent not only of the subsurface uranium mineralization in the project areas, but also the thickness and lateral extent of the host rocks within the areas of drilling.

Drill holes were generally drilled on a square grid pattern, with holes spaced at 100 feet (30.48 metres), although some drilling at the "Area III" uranium deposit was spaced at 200 foot (60.96 metres) intervals. All drill holes were drilled vertically (-90 degrees) and intersected the generally flat-lying host rocks in a manner that gave an accurate depiction of the true thicknesses of the host rocks and the mineralized horizons.

Samples collected from the conventional rotary and core holes have not been available for examination, and likely no longer exist.

14.0 Sampling Method and Approach

Exploration drilling carried out by Reserve Oil and Minerals, Sohio and UNC Resources/United Nuclear Corporation at the Cebolleta uranium project involved the use of conventional, or open-hole, rotary drilling to explore for, and to sample zones of uranium mineralization on the property. Holes were designed to penetrate the target horizon, which is the Jackpile sandstone unit of the Morrison Formation, and were terminated in the lowermost members of the Morrison Formation. Samples of the rotary cuttings were collected at intervals of 5 or 10 feet (1.5 to 3 metres) and the samples were examined by a geologist, who prepared a lithologic log describing rock types, alteration, presence, and nature of carbonaceous material, accessory minerals (including pyrite, hematite and/or limonite), oxidation state of the target sediments, and other geologic information. Drill cuttings samples were rarely used for geochemical analysis.

The standard operating procedure in the US uranium industry during the time of the Cebolleta exploration program was to continuously log each drill hole with a down-hole probe, which recorded gamma radioactivity, S-P (self potential), and single point resistivity values. Equivalent uranium (% eU_3O_8) grades, which are radiometric assays, were calculated from the resulting gamma ray logs. The calculations and methods utilized for the determination of radiometric assays were checked by an independent consulting firm in 1978. David S. Robertson & Associates hand calculated grades and thicknesses from selected drill holes "using standard procedures adopted by the US Atomic Energy Commission", and compared their results with those obtained by Geo-Management and the Sohio staff. They found only minor differences and accepted the calculated grades (Robertson & Associates, 1978).

To provide a check against the radiometric assays obtained from the gamma ray logs of all of the drill holes, Sohio/Reserve collected more than 150 samples (Geo-Management, 1972) from core holes, which were also logged with gamma ray logging equipment. The uranium content of these samples (all with radiometric assays of eU_3O_8 of 0.03% or greater) was chemically analyzed and a comparison of the radiometric grades (as determined from the corresponding gamma ray logs) was made with the chemical grades. A table (Table 1) comparing chemical assays to radiometric assays from selected core holes is in the Section 8: History portion of this report.

As the target horizons on the Cebolleta uranium project are at depths ranging from approximately 200 feet to nearly 700 feet (61 to 213 metres) below the surface, neither Cibola nor Broad Oak were able to collect any samples from the subject properties for geochemical analysis. Mine workings at the Cebolleta are no longer accessible and are not available for sampling.

15.0 Sample Preparation, Analysis, and Security

All of the historical drill holes drilled at the Cebolleta project were logged with truck-mounted continuous surface recording natural gamma-ray/S-P/resistivity probe units. This process provided a continuous reading of gamma radioactivity through the entire length of the drill hole. Gamma-ray log values were then used to calculate radiometric grades from all of the mineralized holes. Most of the gamma logging was done by Dalton Well Logging and Geoscience Associates, Inc., both of whom were competent, experienced and independent geophysical logging contractors, on behalf of Reserve Oil and Minerals, Sohio Western Mining Company, and United Nuclear/UNC Resources. The author of this report has examined gamma logs from holes drilled on the property, and has concluded that they appear to be reasonable and reliable. The gamma logging equipment was periodically calibrated at "test pits" of the US Atomic Energy Commission (now US Department of Energy) near Grants, New Mexico and Grand Junction, Colorado in accordance with the standard operating procedures utilized in the industry at the time.

Radiometric assays, calculated from gamma ray logging of the exploration drill holes at the Cebolleta project were checked by the then project operators, Sohio and United Nuclear, by drilling core holes at selected locations. Sohio collected more than 150 samples that were analyzed by chemical and radiometric assay methods. Samples were collected from drill holes in several areas of the project area. Analytical results tabulated by Geo-Management (Geo-Management, 1972), show minor differences between radiometric and chemical assays, with general pattern of chemical assays being slightly higher than radiometric assays, especially at grades in excess of 0.20% U_3O_8.

Cibola has no information regarding the preparation of samples for chemical assay, methods of determination of the uranium content of these samples, or the security of those samples. The methods of sampling of the uranium deposits at the Cebolleta project were standard operating procedures utilized throughout the US uranium industry during the time that the project was active.

16.0 Data Verification

Property Examination

G. S. Carter visited the property on March 22, 2007 and several locations on the property were examined. No known mineralization from the deposit outcrops was available on the site so it was not possible to obtain any samples for independent testing.

All of the data cited in this report is of a historic nature, and was collected prior to the adoption of National Instrument 43-101. The author of this report has examined the cited data, including gamma-ray/S-P/resistivity logs which served as the basis for the determination of radiometric assays for the mineralized zones. This data appears to meet the standards employed by the uranium exploration and mining industry in the United States at the time it was collected. Reports (Geo-Management, 1972; Robertson & Associates, 1972; Boyd, 1981; Olsen and Kopp, 1982; and Boyd and others, 1984) outlining resource calculation methods, and the resultant historical mineral resource estimations, were reviewed in detail during the preparation of this report. The gamma-ray logging was done primarily by Dalton Well Logging (St. Anthony portion of the project area) and Geoscience Associates, Inc (Sohio L-Bar portion of the project area). Both firms held reputations of providing accurate and well executed logging services that adhered to the then prevailing industry standards.

All resource estimates quoted herein are based on data and reports obtained and prepared by previous operators. This historic resource estimate is considered to be relevant, and is believed to be reliable based on the amount and quality of work completed. The Company has not completed the work necessary to independently verify the classification of the mineral resource estimates. Neither Cibola, NEI, Uranium Energy Corporation, nor Broad Oak are treating the mineral resource estimates as National Instrument 43-101 defined resources verified by a qualified person. The historical estimates should not be relied upon.

17.0 Adjacent Properties

The Cebolleta project is situated in the Laguna mining district, and adjoins the former Jackpile-Paguate open pit and underground uranium operations of Anaconda. At one time the Jackpile-Paguate mine was the largest uranium mine in the United States, and is reported to have produced more than 80 million pounds of U_3O_8 (Beck and others, 1980) prior to its shut-down in the early 1980's.

The author is not aware of any current uranium mining or exploration on properties adjoining the Cebolleta project.

18.0 Mineral Processing and Metallurgical Testing

The Company has not carried out any metallurgical test work on the mineral deposits at the Cebolleta project. An audit of several former uranium mills, including the former Sohio L-Bar processing facility (Kemp, 1986) outlines the general process design for the mill. The mill included conventional SAG mill grinding, CCD liquid/solid separation, and an acid leach-solvent extraction process (Kemp, 1986). The mill operated from late 1976 through mid-1981 and processed approximately 2.5 million short tons of feed material.

The author of this report has not examined any metallurgical test work that led to the development of process design criteria or any mill performance and recovery data.

19.0 Mineral Resource and Mineral Reserve Estimates

The mineral resource estimates prepared for the Cebolleta uranium project were undertaken prior to the introduction of National Instrument 43-101, and are, therefore not compliant with it. Furthermore, these estimates are not consistent with the definitions of the Joint Ore Reserve Committee (JORC) Code or the CIM code. It is the opinion of the author of this report that the estimates were prepared in a technically sound manner and utilized accurate data, and are a fair representation of the magnitude and intensity of uranium mineralization at the Cebolleta project. Please refer to the "History" section of this report for this data.

Estimates were made using both the 'general outline' and 'polygonal methods' (Geo-Management, 1972). The initial resource estimation was based upon data from more than 996 core and conventional drill holes (Geo-Management, 1972) totalling more than 601,000 feet. From that data set holes that contained a grade- times-thickness (GT) product of 0.50 or more, with a minimum grade of 0.08%eU_3O_8 were utilized in the resource estimations. All mineralized intervals were "diluted" with one-half foot (0.15 meters) of barren material at the top and bottom of each mineralized interval. All mineralized zones used in the resource calculations were a minimum of 6 feet (1.828 metres) thick; those mineralized intervals that were less than 6 feet thick were "diluted" to the minimum 6 foot thick interval. A total of 436 holes met this minimum qualification (Geo-Management, 1972).

All resources were calculated from down-hole gamma-ray logging undertaken by the project operators, UNC Resources and Sohio Western Mining Company by independent geophysical contractors (Dalton and Geoscience Associates). These calculations were checked by an independent firm, David S. Robertson & Associates, who compared their calculations to those initially prepared by the staffs of Geo-Management and Sohio and found differences to be "minor" (Robertson & Associates, 1978).

The staff of Sohio Western Mining Company updated the historical resources periodically (Boyd, 1981; Olsen and Kopp, 1982) to reflect mine production, cut-off grade changes, additional drilling results, underground long-hole drilling, and underground sampling of mine workings (which are no longer accessible) and muck-piles (Boyd, 1981). Sohio (Boyd, 1981) based the 1981 estimate, along with the 1982 update (Olsen and Kopp. 1982) on the following criteria:

- Surface Resources: The maximum area of influence assigned to each hole is a 50 foot (15.24 meters) radius. Base elevations for mineralization were evaluated in developing the mineralized outlines. Once the final mineralized outline was established, the area was determined by planimeter. The average thickness of the mineralized interval and the grade was calculated from drill hole data. Tonnages were computed using a tonnage factor of 16 cubic feet per short ton.

- Underground Long-hole Resources: The area of influence for long-hole mineralization was 25 feet (7.6 metres) or one-half the distance to the nearest "waste" intercept. Tonnages and grades were calculated in the same manner as surface resources;

- Development Resources: This category of mineralization was calculated before the mining phase commenced. Average grades were calculated from muck-pile sampling (radiometric and chemical assaying). "Back-ore" and "floor-ore" was calculated from jackleg long-hole drilling data (radiometric assays). Pillar mineralization thickness was based upon the average height of underground drifts.

Sohio staff (Olsen and Kopp, 1982) state "experience has shown that the uranium grades determined radiometrically at the L-Bar property corresponded well with grades determined chemically."

There are no NI 43-101 compliant reserves/resources on this property.

All resource estimates quoted herein are based on data and reports obtained and prepared by previous operators. This historic resource estimate is considered to be relevant, and is believed to be reliable, based on the amount and quality of work completed. The Company has not completed the work necessary to independently verify the classification of the mineral resource estimates. Neither Cibola, NEI, Uranium Energy Corporation, nor Broad Oak are treating the mineral resource estimates as National Instrument 43-101 defined resources verified by a qualified person. The historical estimates should not be relied upon.

20.0 Other Relevant Data and Information

There is no other relevant data and information.

21.0 Interpretation and Conclusions

The Cebolleta project of Cibola Resources contains significant uranium deposits, as defined by historical data.. The geology of these mineralized zones at the St. Anthony and L-Bar areas is very similar to other deposits mined in the same areas in the past, as well as at the nearby Jackpile-Paguate uranium mine.

The historic uranium occurrences discussed in this Technical Report have been defined by extensive surface drilling (to a nominal grid of 100 feet in most cases), and from underground drilling and sampling. Although this information is of a historical nature, the author has concluded that the data is reliable and relevant to the evaluation of the project. It appears to have been collected in a manner that was consistent with standards that prevailed in the United States uranium industry at the time. The companies who undertook these work programs were well experienced and knowledgeable of the uranium industry and operated uranium mining and processing facilities.

It is the author's opinion that the information fairly represents the mineral resource potential of the Cebolleta uranium project. From this review, the author has concluded that the Cebolleta uranium project of Cibola is a project of merit.

All resource estimates quoted herein are based on data and reports obtained and prepared by previous operators. This historic resource estimate is considered to be relevant, and is believed to be reliable, based on the amount and quality of work completed. The Company has not completed the work necessary to independently verify the classification of the mineral resource estimates. Neither Cibola, NEI, Uranium Energy Corporation, nor Broad Oak are treating the mineral resource estimates as National Instrument 43-101 defined resources verified by a qualified person. The historical estimates should not be relied upon.

22.0 Recommendations

Geoffrey S. Carter, the Qualified Person preparing this Technical Report, believes that the character of this Cebolleta project is of sufficient merit to justify the following two stage program which would be completed over a 12 to 24 month period.

Phase 1

While the historical data pertaining to the L-Bar and St. Anthony deposits is sufficient to outline the nature and extent of uranium mineralization, it remains historical in nature and must be verified in detail. Additional technical information on the uranium deposits must be collected and assessed in order to determine the economic significance of the Cebolleta project. The author of this report recommends that the following work be undertaken on the project:

- Enter all drill hole information into a data base and construct a model of the mineralization using MineSight, Vulcan, or a similar program
- Digitize the mine maps and incorporate this information in the digital model of the uranium deposits at the project
- Commence environmental baseline data collection for the project area, focusing upon groundwater chemistry and volumes, sensitive plant and animal species, and cultural (historical) resources
- Locate and survey drill hole locations from the Sohio and UNC Resource drilling programs;
- Undertake a verification drilling program. This program should focus upon data collection for disequilibrium studies (including core holes), verification of the extent of high-grade mineralization in pre-existing drill holes, verification of low grade mineralization in the main deposits, and verify select holes in each of the known uranium deposits. This task will likely require 50 to 100 holes, along with 10 to 20 core intercepts of the mineralize horizons.

A proposed budget for the work program outlined above is:

Activity	**Unit Cost (US$)**	**Total Cost (US$)**
Database construction:	$25,000	$25,000
Digitize mine maps:	$25,000	$25,000
Construction of drill hole and resource model:	$50,000	$50,000
Environmental data collection:	$135,000	$135,000
Geologic services:	$18,500/mo.	$185,000
Rotary drilling:	$13.50/foot	$810,000
Core drilling:	$45.00/foot	$15,000
Probing:	$2.00/foot	$150,000
Assays:	$35.00/ea	$3,500

Drill hole plugging:	$2.00/foot	$150,000
Reclamation:	$750/hole	$75,000
Permitting:	$40,000	$40,000
TOTAL		**$1,663,500**

Contingent upon the results of Phase I:

Phase II

Assuming that the program outlined above is successful in verifying the historical data as it relates to the nature, location and extent of mineralization additional work will be required for the Cebolleta project:

- Completion of the collection of baseline environmental data, and initiation of mine permitting
- Modeling of the deposit to determine mineral resources at various cut-off grades
- Engineering evaluation of potential mining methods
- Drilling to complete the definition of the uranium deposits
- Collection of geotechnical data for mine design (including drilling)
- Core drilling to obtain material for metallurgical testing

23.0 References

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24.0 Date and Signature Page

CERTIFICATE of AUTHOR

I, Geoffrey S. Carter P. Eng., do hereby certify that:

1 I am a Principal of:
Broad Oak Associates
365 Bay Street, Suite 304
Toronto, Ontario,
Canada, M5H 2V1

2. I graduated with an Honours Bachelor of Science (1968) degree in Mining Engineering from University of Wales, University College Cardiff, South Wales, UK in 1968.

3. I am a member of the Professional Engineering Association of Manitoba, (5341) and I am a Professional Engineer in Ontario, (100084354). I am also a member of the Canadian Institute of Mining and Metallurgy.

4. I have practiced my profession in excess of thirty five years.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education and past relevant work experience, I fulfill with requirements to be a "qualified person" for the purposes of NI 43-101. This report is based on my personal review of information provided by the Issuer and on discussions with the Issuer's representatives. My relevant experience for the purpose of this report is:
   - Anglo American Corporation 1968-1983, Mine Engineer, General Mine Foreman, Hudson Bay Mining and Smelting Limited, Vice President Operations Inspiration Coal
   - Senior Mining Engineer - Project Technical Evaluation Hudson Bay Mining and Smelting Co. Limited 1980-1981
   - Mining Analyst, Midland Doherty, 1983-1986
   - Author of several Technical Reports, 2002-2007

6. I am responsible for the preparation of the technical report titled Uranium Resources on The Cebolleta Uranium Project and dated September 28, 2007 (the Technical Report). I visited the property on March 22, 2007.

7. I have not had prior involvement with the properties that are the subject of the Technical Report.

8. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

9. I am independent of the issuer applying all of the tests in section 1.4 of National Instrument 43-101.

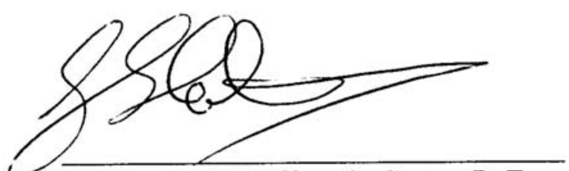
10. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

12. I consent to the public filing of extracts from, or a summary of, the Technical Report in the clarification news release being filed in connection with the issuer's properties.

13. I have read the clarification news release being filed and it fairly and accurately represents the information in the Technical Report that supports the disclosure relating to the properties that are the subject of the Technical Report.

Dated the 28th day of September, 2007.



Signature of Geoffrey S. Carter, P. Eng.

Seal or Stamp

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25.0 Additional Requirements for Technical Reports on Development Properties and Production Properties

As there are no NI 43-101 compliant resources, this cannot be considered to be at the development or production stage.

26.0 List of Illustrations