



URAN LIMITED

10 August 2007

Applications For Exploration Licences Lodged Over Uranium Deposits in Bulgaria

Uran Limited has lodged three applications for exploration licences over a number of known uranium deposits in Bulgaria.

Uran lodged applications for two exploration permits over the Pravoslaven, Tristilnik, Manole and Belozem uranium deposits near the Maritsa River east of Plovdiv region of central Bulgaria. These deposits occur within the flat-lying Thracian sedimentary basin, within poorly-cemented Pliocene sandstones and siltstones. Uranium mineralisation occurs at the redox boundary, typically at depths of 60 to 250 metres in depth, in the form of ningyoite, coffinite and uranophane. Similar deposits in the region have been previously extracted by In-Situ Leaching.

The exploration target for these projects is 4,000 to 5,000 tonnes of contained U_3O_8 , based on previous drilling by Bulgarian state uranium mining bodies. At this stage Uran has not reviewed the geological data and has not carried out a due diligence on these mineral properties. Therefore Uran considers the reported range of U_3O_8 content as conceptual by nature, and it is uncertain that Uran will be able to determine a Mineral Resource.



An application for an exploration permit over the Tenevo-Okop area, east of Pravoslaven, was also lodged. This application covers a number of uranium deposits in the Thracian Basin to the east of Pravoslaven, with an exploration target of 850 to 1,200 tonnes of contained U_3O_8 based on previous drilling by Bulgarian state uranium mining bodies. Mineralisation in this area is thought to be less well-defined than those of the Pravoslaven area, with

greater potential to expand the mineralisation through exploration. However, Uran has not reviewed the geological data and has not carried out a due diligence on these mineral properties. Therefore Uran considers exploration target as conceptual by nature, and it is uncertain, that Uran will be able to determine a Mineral Resource.

Applications for exploration permits over mineralisation considered by the Bulgarian Government to constitute mineral reserves must go through a tender process prior to grant. This process will apply to these applications and is unlikely to be completed before the first Quarter of 2008.

Previous Uranium Mining and Exploration

Uranium production was carried out in Bulgaria under the Soviet regime between 1939 and 1990, both by underground mining and In Situ Leaching. Bulgaria was reported to be the world's 13th largest historical producer of uranium, with 19,600 tonnes of U_3O_8 produced up to 1990. Peak



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annual production was 688 tonnes in 1988. No mining has taken place since independence, and the government has, with assistance from the EU, largely completed the rehabilitation of previously mined areas.

Two types of uranium deposit have been mined in Bulgaria:-

- Hydrothermal vein and tectonic-magmatic deposits, located within or close to Rhodope-Rila granites and acid volcanics of the Rhodopes Massif
- Sedimentary hosted deposits within Permian, Oligocene and Pliocene sediments.

The first recorded reference to uranium was in 1920 at Bukhova, approximately 20km northeast of Sofia. Exploration began in 1935, and in 1939 first production of 300 tonnes U was recorded from a quarry at Bukhova.

Full-scale uranium exploration, under the management of Soviet geologists, commenced at Bukhova in 1945. Until 1956 uranium mining and exploration was completed under a joint Soviet - Bulgarian enterprise, after which Redki Metali Enterprise (Rare Metals), a state owned enterprise, took over responsibility with input from Soviet consultants. Uranium exploration and production from a large number of generally small deposits continued until 1990, with ore being treated at either the Eleshnitsa or Bukhova plants.

From 1990 a combination of low prices, high production costs and poor public perception on the impact of mining practices adopted under Russian control saw the cessation of mining. No mining has occurred since that time.

Varying total uranium production figures are reported, ranging from 19,600 – 25,200 tonnes U_3O_8 . For the period 1946–1990 Bulgaria was reportedly the world's 13th largest uranium producer. The majority of uranium was extracted via conventional underground mining operations, with in-situ leaching of sedimentary-hosted uranium contributing about 25% of total production.

Economic factors were not the sole factor in uranium mining, and it is thought that the hydrothermal deposits would be unlikely to be economic even at current prices. Sandstone-hosted deposits in a number of locations outside Uran's applications in the Thracian Basin and have been reported to contain up to 3,000 tonnes U_3O_8 , often at shallow depth and in favourable sediments for ISL extraction.

In 2006 the Minister of Economy and Energy, Mr Rumen Ovacharov, stated that Bulgaria has an estimated 12,000 tonnes of uranium in resources and reserves.

Kate Hobbs
MANAGING DIRECTOR

The information in this statement as it relates to Exploration Results and metal content is based on information published by the Government of Bulgaria. The information was reviewed by Ms Karilyn Farmer, the Company's Exploration Manager, a full time employee of the Company. Ms Farmer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Ms Farmer consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

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