

## **CHAIRMAN'S ADDRESS**

**It is in a very different political and economic framework that I address you, than prevailed at the time of the 2007 AGM.**

**In the last 12 months, as you know, we have seen the collapse of major international investment banks and investment funds, and the rescue of others only by intervention of the governments of the countries in which they are located.**

**The Australian dollar has fallen from almost parity with the \$US in June this year, to about \$0.60 at the moment.**

**The investment climate for resource companies, whether exploration or mining, has changed radically, with even near-production companies now struggling to achieve investment and even offtake agreements for commodities which a year ago would have caused a frenzy of investor excitement.**

**Prices of many commodities have fallen sharply in the same period, although the contract prices for uranium (as opposed to the spot price) and for tungsten appear to have remained stable throughout.**

**Uran Limited has extended its strategy to meet this changed world, to obtain granted mineral tenements in politically stable nations with transparent mining legislation. We have also reduced staffing, salaries and other overheads to conserve our cash while the current turmoil plays out, whilst still developing value in the company for the future.**

**Whilst uranium remains the primary focus of Uran (and will continue to be so), we have established a subsidiary to take advantage of other excellent value-adding opportunities other than in uranium. It was in the course of pursuing uranium opportunities in the Americas that we became aware of the opportunity that the Finley Basin in Montana, USA, presented for tungsten operations. The company has acquired 100% ownership at what, we are confident, will prove to be an excellent price, of a large belt of granted mineral claims over drilled tungsten deposit as well as historic base metal and silver mines. Exploration commenced in September with airborne surveys and surface mapping.**

**The investment in Finley Basin not only promises involvement in a commodity that has, in terms of price and demand, been relatively stable in the recent commodity price gyrations, but has a lesser capital requirement to move into production.**

**Now to our core activities in uranium**

**In the Ukraine we have made progress, although at a disappointing rate and with numerous setbacks and delays. Geological data on the**

prospects has been received by Uran but it was not as complete as promised. Uran has tabled a comprehensive commercial agreement which is currently being considered by the Ukrainians, and which when finalized will be presented to the Cabinet of Ministers for approval. The process of applying for the necessary licenses has commenced, carried out by VostGOK with support from Uran.

Even so the environment in which these discussions have taken place has changed dramatically. The current turmoil in world financial markets not only makes the prospects of capital raisings for any project for any company quite uncertain, but the failure of the 12-month old Ukrainian government coalition, and increasing tension between Russia and its neighbours, have significantly elevated the sovereign risk in that region.

At this meeting last year I expressed the view that after the frustrating delays experienced in the preceding twelve months in our negotiations with the Ukrainian authorities on the joint development of uranium prospects in that country, political circumstances in the Ukraine had changed positively and we could reasonably expect to progress matters. This view has unfortunately not been fully realized.

Given current uncertainty about the future composition of the Cabinet of Ministers, whose approval is needed to progress, Uran will now await the outcome of the elections called for later this year. Uran is not abandoning the Ukraine, and will seek to re-enliven the same opportunities as the situation is clarified.

Clearly, in terms of finance, the next year at least is going to be difficult and demanding for Uran as well as other small cap companies.

As a consequence of these cost reduction measures Thomas Schrimpf, who has served as an executive director since April 2007, will be leaving the company as of today. On behalf of the board I extend our real appreciation for the contribution that Thomas has made to the company and wish that circumstances were such that we could continue to benefit from his expertise. The board was earlier diminished by the resignation of Ross Kennedy and announcement of that was made in September this year. Sadly the medical circumstances that caused Ross's resignation were far graver than was appreciated at the time, and our thoughts are with him and his family at this difficult time.

Our Managing Director has also, as you can see, had her own problems. Notwithstanding the severe discomfort that she has endured over the last 18 months Kate has been insistent on undertaking travel to places as has been required to further the company's interests. I thank her, my fellow directors and the staff for their efforts in what has been a difficult year.