

25 March, 2008

## **URAN FORMS NEW TUNGSTEN SUBSIDIARY, ACQUIRES FINLEY BASIN TUNGSTEN PROJECT**

---

International uranium company Uran Limited (**ASX: URA**) announced today that it has formed a new subsidiary to take advantage of non-uranium opportunities it has been presented with whilst carrying out its core uranium business. The subsidiary company will initially focus on tungsten projects.

Uran Exploration Pty Ltd (UEPL), a 100% owned subsidiary of Uran Limited, has entered into an option agreement to acquire the Finley Basin tungsten project in Montana, USA. The project consists of 20 granted mineral claims within the Finley Basin (previously called Ho Mountain), an area of historical high-grade silver mining.

UEPL has entered into an option agreement with Mr Rich McKamy, the current owner of the mineral claims, whereby UEPL has paid US\$10,000 for a three-month option to carry out due diligence including seeking to locate historic drill records. UEPL can acquire 100% ownership of the project by payment of US\$165,000 plus a 1% net profit royalty to McKamy.

Uran Managing Director Kate Hobbs said while the company's focus remains solidly on advancing its uranium projects in Europe, particularly the Ukraine, the Board will continue to review and capitalise on opportunities to acquire new projects which add value to its shareholders.

"We have identified a number of low-cost opportunities which could create significant value for shareholders, given the high prices of certain commodities such as tungsten. The Montana tungsten project is a low price entry to a drilled high-grade tungsten project, and tungsten has surged in price in recent years to about US\$25,000 per tonne. We plan to put together a number of such deposits in the subsidiary.

"We regard such projects as low-cost high-upside opportunities for shareholders, but not a diversion from advancing our key uranium projects," Ms Hobbs said.

Upon full acquisition of the project, UEPL will undertake geophysical surveys to identify further mineralisation at Finley Basin and carry out detailed mapping prior to preparing an infill and extension drilling program.



Ms Hobbs said that if the market improves Uran may look at an IPO to make the tungsten arm self-funding, whilst providing a benefit to shareholders.

### **About Finley Basin**

Finley Basin project covers the Ho Mountain tungsten deposit discovered by Union Carbide in the early 1970's. Union Carbide drilled ten diamond drill holes at into Ho Mountain and 13 diamond drill holes at Ho Mountain North, as well as exploration holes at two other nearby tungsten occurrences.

Drilling by Union Carbide at Ho Mountain indicated the presence of significant scheelite mineralisation at an average grade of about 0.7% WO<sub>3</sub> at a depth of about 330 metres. The mineralisation lies in skarns along the contact between the Mississippian Madison Formation and the underlying granites, although tungsten was observed in tactites of the overlying Amsden Formation. Drilling also intercepted an overlying 70-metre thick breccia which outcrops at surface in places and which contains silver and copper oxides, however Union Carbide did not routinely assay for gold, silver and base metals. Surface samples from within the project area have been assayed with the best sample assaying 18.2 oz/ short ton (604 g/tonne) silver, 3.4% copper, 0.79% lead and 2.86% zinc.

Mineralogical studies carried out for Union Carbide in 1978 indicated that the tungsten mineralogy should not pose a problem to beneficiation. Tests indicated that the effective scheelite liberation from the heavy gangue minerals is at least 97% complete at 90 microns. Scheelite was the only tungsten mineral observed.

Due to low prices, Union Carbide stopped field work in the late 1970s and the mineral claims later lapsed until pegged by Mr McKamy.

### **About Tungsten**

Following flooding of the tungsten market by China in the 1970s, tungsten prices fell sharply from about US\$175 per metric ton unit (MTU) in 1977 to less than US\$50 in 1986. Prices have risen strongly since about 2002, due to export restrictions and internal demand in China. Price is currently about US\$250 per MTU, which is equivalent to US\$25,000 per tonne.

The major uses of tungsten are as "hardmetals" or tungsten carbide for tool manufacture, and in production of hardened steel.

**For media enquiries contact**

Kate Hobbs  
Uran Limited  
+61 8 9321 3445

Caroline de Mori  
Purple Communications  
+61 8 9485 1254