

15 January 2009

Grants Ridge Uranium Joint Venture, New Mexico

Uran has entered into a joint venture to acquire 65% of the Grants Ridge uranium project in the Grants Mineral Belt in north-west New Mexico, USA. The agreement is subject to Uran's due diligence, which is underway and will be completed by 15 February 2009.

The Grants belt produced over 340,000,000 lbs U₃O₈ (154,545 tonnes) prior to 1986 and was the largest producing uranium field in the USA in the previous production cycle. It is an area known for historic high-grade uranium production. At least two mines in the belt are currently in permitting to resume production.

The Grants Project includes 270 granted mining lode claims and several leases covering 1,724 hectares in the central part of the Grants Mineral Belt. The project targets the Todilto Limestone, which hosts numerous historic underground and open-pit mines with grades ranging from 0.18 – 0.38% U₃O₈, with an average mined grade of 0.2%.

Most of the historic uranium mines in the Todilto Limestone also produced substantial amounts of vanadium at grades ranging from 0.03-0.5% V₂O₅.

Known mineralisation is in fairly flat-lying stratigraphy, at depths ranging from surface at the Section 4 and Section 9 mines, to 150 metres at F33 mine under a small mesa. The shallow depths together with high-grade mineralisation make the area very attractive for mining.

Uran will be entitled to earn a 65% interest in the project from Uranium Energy Corp (AMEC:UEC) by payment of US\$75,000 upon satisfaction of the due diligence, and exploration expenditure of \$100,000 in Year 1, \$200,000 in Year 2, \$300,000 in Year 3, \$400,000 in Year 4, and \$500,000 in Year 5 with completion of a feasibility study. Uran will also deliver a total of 3.25 million shares to UEC staged over 3 years. Uran will be entitled to withdraw from the joint venture after expenditure of \$250,000.

The Company considers that this presents an exciting opportunity based on the granted mining lode claims, the high grade of historical production, the mineralisation being generally near-surface, excellent access and infrastructure, and active exploration and development in the area.

New Mexico provides a stable social and political environment with well-established mining laws and a long history of uranium mining. There are no annual expenditure commitments required to maintain the tenements, allowing the company to stage its exploration program to suit the current economic downturn.

Exploration will commence in February immediately following completion of the due diligence with acquisition of satellite imagery, mapping, and application for an environmental exploration licence to allow drilling to commence in 2009.



Background

The Grants Mineral Belt was the largest producing uranium field in the USA in the previous production cycle, from 1950 to about 1986. Much of the production from the mines in the Todilto limestone was by shallow open-pit mining or underground mining by smaller operators, although Homestake and Anaconda both carried out mining within the project area.

There were several smaller-scale open pit and underground operations on the project area in addition to the underground operations at F33 (Homestake) and the open pits at Sections 4 and 9 (Anaconda). Some of these have had significant historical production at high grades. The widespread mineralisation of the host limestone is considered to provide potential to delineate mineralisation suitable for bulk mining of large tonnages.

Active exploration in the immediate area around the project is currently being carried out by companies including Cameco, Strathmore, Laramide, and Western Energy. A number of uranium deposits in the belt have stated NI 43-101 compliant resources including:-



Church Rock 15,373,349 lbs U₃O₈ @ 0.10% (6,975 tonnes)
Roca Honda 33,344,000 lbs U₃O₈ @ 0.20% (15,129 tonnes)
La Jara Mesa 10,430,470 lbs U₃O₈ @ 0.22% (4,733 tons)

Church Rock and Roca Honda are currently in permitting for mining. A number of deposits in the immediate area have substantial historic (non NI 43-101) resources including Marquez, Nose Rock and San Mateo deposits.

Past production from the area in and around the claims includes:-

Todilto Limestone, Grants Ridge

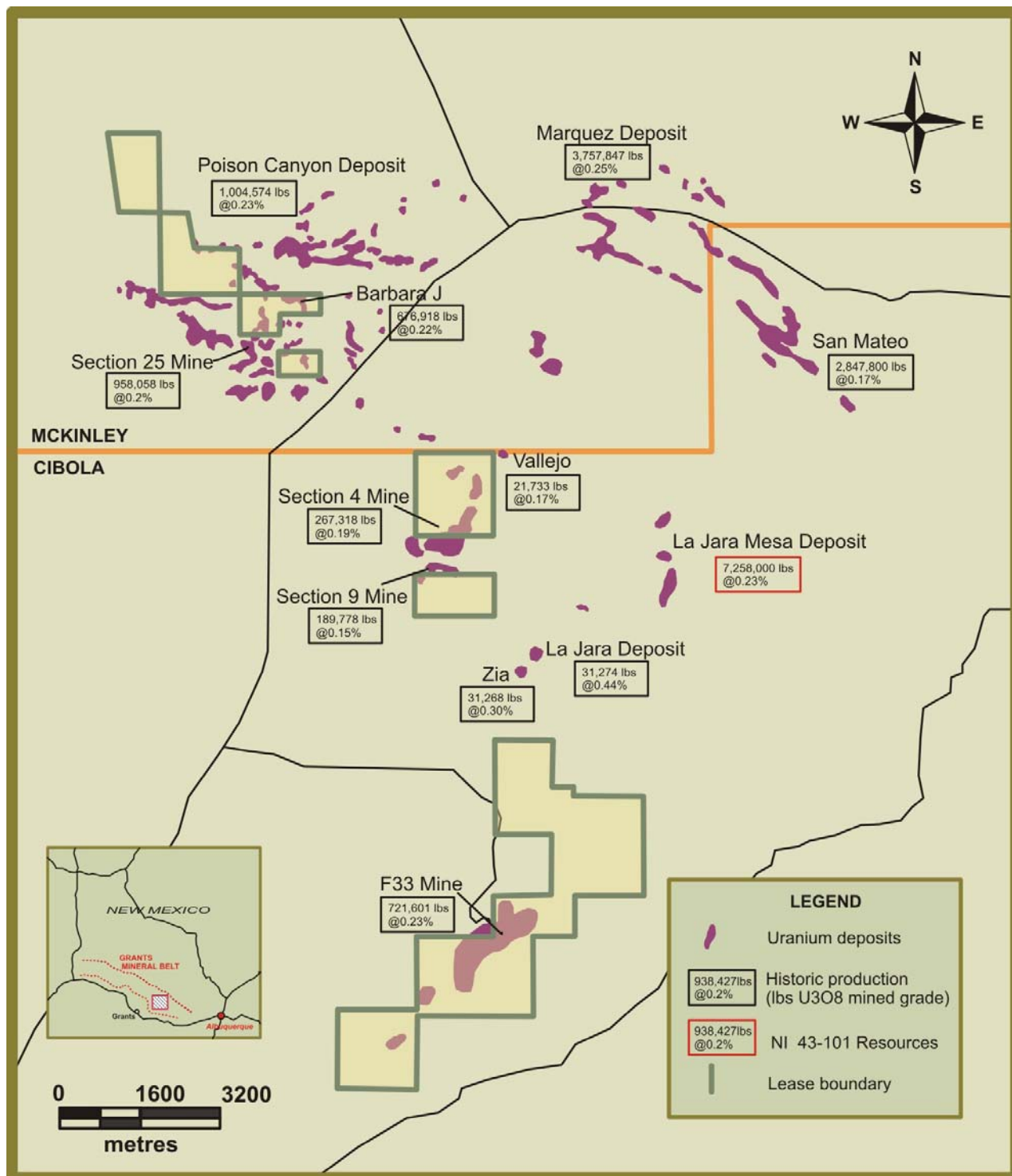
- Marquez 3,757,847 lbs @ 0.26% U₃O₈ (1,705 tonnes)
- San Mateo 2,847,800 lbs @ 0.17% U₃O₈ (1,292 tonnes)
- Poison Canyon 1,004,574 lbs @ 0.23% U₃O₈ (456 tonnes)
- Section 25 958,058 lbs @ 0.20% U₃O₈ (435 tonnes), 153,657lbs V₂O₅@ 0.03%
- F33 721,601 lbs @ 0.23% U₃O₈ (327 tonnes), 31,306 lbs V₂O₅ @ 0.12%
- Haystack 581,798 lbs @ 0.20% U₃O₈ (264 tonnes), 165,494lbs V₂O₅ @ 0.05%
- Barbara J 676,918 lbs @ 0.22% U₃O₈ (307 tonnes)

Kate Hobbs
Managing Director

Competent Person

The information was reviewed by Mr Phillip Schiemer, the Company's Exploration Manager, a full time employee of the Company. Mr Schiemer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he 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. Mr Schiemer consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Grants Ridge Joint Venture Location Map



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