

**QUARTERLY REPORT
for the period ending
30 September 2009**

Highlights

- All technical issues relating to the exploration permits for drilling at Grants Ridge have been resolved to the satisfaction of the New Mexico agencies, and the exploration permits have been prepared by the New Mexico Department of Environment, Mining and Minerals Division (MMD). The permits are undergoing the final management review which we are advised may take up to two weeks.
- A drill rig has been acquired and is being converted to be capable of both aircore and shallow RC drilling. The rig is in Grants and will be ready to start drilling within about two weeks.
- A new National Energy Concept has been prepared in Czech Republic which proposes sweeping changes to the nation's laws on uranium and coal mining, to strengthen its self-sufficiency in energy production.

Grants Ridge Joint Venture, New Mexico

Drilling Approvals

Applications for exploration permits to allow drilling at Grants Ridge were originally lodged in May. Following completion of the archaeological and flora and fauna studies the applications were finalised in July. During the Quarter follow-up work was carried out in response to requests from the Mexico Department of Environment, Mining and Minerals Division (MMD), including a follow-up archaeological inspection of an area of F33, which did not identify any areas of significance.

All technical issues relating to the exploration permits for drilling at Grants Ridge have been resolved to the satisfaction of the New Mexico agencies, and the exploration permits have been prepared by the MMD. We are advised that the permits are now undergoing the final management review, and that this may take up to two weeks.

Uran is preparing to carry out drilling to test the potential for bulk mining and heap leaching of the Todilto Limestone, which has been the subject of historic small to medium scale high-grade uranium mining.

Phase 1 drilling at Armijo Project will consist of 3,300 metres of aircore drilling on a nominal 120 x 120 metre grid to a maximum of about 15 metres depth, with a further 3,000 metres planned for 2010.



The planned Phase 1 drilling at F33 will include 1,996 metres of RC and some aircore drilling, with a further 2,200 metres to follow in 2010, subject to approval of the exploration permits.

Due to the shallow fairly flat-lying nature of the target lithology, the most suitable drilling method is considered to be aircore drilling. As this is a technique not used in USA it was not possible to contract a rig locally, so a small truck-mounted RC rig was purchased and is being modified to allow both RC and aircore drilling. An Australian driller experienced in aircore drilling is overseeing the modifications and will carry out the Phase 1 drilling whilst training a local driller in aircore technique. Aircore drilling is a comparatively quick and inexpensive technique widely used in Australia to test shallow mineral deposits.

Metallurgical Scoping Study

Perth-based METS metallurgical consultants has been retained to carry out a metallurgical scoping study on sample obtained from Phase 1 drilling at both F33 and Armijo, using the laboratories of Hazen Research in Golden, Colorado. This will expedite the metallurgical test-work, and will also avoid difficulties and delays in shipping radioactive materials to Australia.

Preliminary metallurgical testing has commenced as part of a doctoral thesis being undertaken at the University of Colorado.

The metallurgical scoping study will commence once the drilling is complete, and is expected to take about 4 months.

Administration

During the Quarter Uran has, through its 100%-owned USA subsidiary Grants Ridge Inc, established offices, a workshop and housing accommodation in Grants, and put in place a team and administrative framework to allow efficient field operations.

Acquisition of Further Land and Mineral Rights

In the first week of July Uran acquired on behalf of the Grants Ridge Joint Venture 998/1,000^{ths} of the 50% of mineral rights which were not already owned in the northern half of Section 9, Armijo Project. The outstanding 2/1,000^{ths} ownership of mineral rights in the northern part of Section 9 was subsequently acquired during the Quarter.

In July Uran purchased for US\$15,000 additional privately owned mineral rights in 2,700 acres in the area around the Grants Ridge Joint Venture. The ownership acquired is 50% of the mineral rights, except for Section 33 where it includes 100% ownership of minerals. Section 33 abuts the F33 Project and covers the portal for the historic F33 mine.

Background

Uran Limited has a right to earn 65% interest in the Grants Ridge Joint Venture from joint venture partner Uranium Energy Corp (NYSE:UEC).

The Grants Ridge Joint Venture (GRJV) comprises 2,270 hectares of registered mineral claims and freehold (minerals to owner) land, and consists of three projects which lie near to one another and close to the town of Grants, in the historic Grants Ridge Mineral Belt. This mineral belt was the largest uranium producing region in the USA in the previous production cycle, producing a reported 155,000 tons of U₃O₈.

The Grants Ridge 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 0.23%. This compares very favourably with resources currently being explored in other parts of the world. Historic uranium mines in the Todilto Limestone which used carbonate extraction also produced substantial amounts of vanadium at grades ranging from 0.03-0.5% V₂O₅.

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 project is very favourable for uranium exploration due to the high grade of historical production, at or near surface mineralization, excellent access and infrastructure, and active exploration and development in the area. In addition the acquisition cost is very low compared to similar projects in countries such as Namibia or Australia.

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 wide-spread mineralisation of the host limestone is considered to provide potential to delineate mineralisation suitable for bulk mining of large tonnages.

Known mineralisation within the project 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.

A number of uranium deposits in the belt have stated NI 43-101 compliant resources including:-

Church Rock	15,373,349 lbs U ₃ O ₈ @ 0.10% (6,975 tonnes)
Roca Honda	33,344,000 lbs U ₃ O ₈ @ 0.20% (15,129 tonnes)
La Jara Mesa	10,430,470 lbs U ₃ O ₈ @ 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.

Czech Republic

Uran continues to seek the grant of its Exploration License Applications in the Brzkov and Liberec regions of Czech Republic. The applications cover areas of known uranium deposits where intensive exploration was carried out by the Czech Geological Survey of the Uranium Industry in the period 1976 to 1990. The Ministry of Environment has again rejected Uran's applications and a legal appeal has been lodged.

Elections which were to be held in October 2009 following a vote of no confidence in the government have been deferred to mid-2010. The Minister for Environment in the previous Government was the leader of the Green Party. In Senate elections in September 2008 the Green Party, which forms part of the current Government coalition, appeared to have lost much of its support. In the European Union Parliamentary elections held in July, there was a large swing to conservative parties, but the possible impact of this on the Czech election, or on the outcome of Uran's applications is not clear.

Subsequent to the end of the Quarter, the Ministry of Industry and Trade released a new draft National Energy Concept, which calls for the removal of current limits to mining of brown coal and uranium. Prime Minister Fischer has stated that discussion of the draft concept will not wait until the elections due in spring 2010.

The draft National Energy Concept calls for the opening of new uranium mines before the closure of Rozna, which is expected within the next few years. It proposes additional exploration of known uranium deposits using modern methods. The plan also calls for the strengthening of the Mining Act and zoning laws to balance the interests of communities and the State's energy security needs.

The Concept also proposes the construction of new nuclear reactors to augment those operating at Temelin and Dukovany, and for the construction of uranium enrichment facilities and possibly also for reprocessing of spent fuel. Nuclear energy is seen as forming a key component of domestic electricity production. .

This proposal will require review by the Government and enactment of new legislation to give force to these ideas. However it is seen as symptomatic of the changes occurring due to an increasing desire for energy self-sufficiency and an increasing reluctance to be dependent on Russia for energy. The Company sees this as a positive step, and will maintain its position in regard to the Exploration Permit applications.

Corporate

In July the company successfully completed a rights issue at 3 cents which was underwritten by Transocean Securities Pty Ltd ("Transocean"), raising \$1.5 million after the costs of the raising.

The Company had \$1.1 million cash at the end of the Quarter.

Kate Hobbs
MANAGING DIRECTOR

Competent Person Statement

The information in this statement as it relates to Exploration Results and metal content is based on information compiled by Mr Phill Schiemer, the Company's Exploration Manager, and 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.