

3 June 2009

## Placement and Fully Underwritten 1:1 Rights Issue

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Uran Limited (ASX:URA) advises that it has entered into an underwriting agreement with Transocean Securities Pty Ltd ("Transocean") to raise up to \$2 Million through a placement and a rights issue to allow Uran to progress the evaluation of the Grants Ridge uranium project in New Mexico, USA.

Uran has a right to earn 65% of the Grants Ridge Project from joint venture partner Uranium Energy Corp (NYSE:UEC) by spending US\$1,500,000 and issuing 3,250,000 fully paid ordinary shares in the capital of URA (**Shares**) to UEC and completing a feasibility study within 5 years.

Grants Ridge Project is located in the Grants Mineral Belt which was the largest uranium producing belt in the USA in the previous production cycle, producing about 155,000 tons of  $U_3O_8$ . Mining up to the 1980s targeted numerous high-grade uranium bodies at or near surface within the flat-lying Todilto Limestone, with average mined grade of 0.23%  $U_3O_8$ . Uran is evaluating the potential of the project to support larger-tonnage bulk mining and heap leaching of the Todilto Limestone.

Recently announced assay results of 148 10-metre spaced vertical channel samples, ranging in height from 1–4.8 metres, gave an average weighted grade of 490 ppm  $U_3O_8$  with a maximum value of 1.5 metres at 21,811 ppm  $U_3O_8$  (2.18%). The average weighted value for  $V_2O_5$  assays carried out is 700 ppm, with a maximum value of 2,800 ppm.

The Company has planned 10,500 metres of aircore and RC drilling and other exploration to be carried out at Grants Ridge in 2009 and 2010 which it is hoped will enable estimation of resources to JORC standards. The purpose of the proposed placement and rights issue is to provide funding to complete this work.

URA has appointed Transocean to provide the following fundraising services:

- (a) **Placement** – a placement of 6,654,886 Shares, being about 12.8% of the current issued capital of URA, at an issue price of \$0.03 per Share to raise approximately \$200,000. These Shares will be placed to 'sophisticated investors'.
- (b) **Rights Issue** –an underwritten rights issue of up to 58,687,459 shares will be offered to shareholders at the issue price of \$0.03, on the basis of one Share for every one Share held. One free option will attach for every two Shares subscribed for. The options will be listed on ASX and exercisable at \$0.08 each within 3 years from the date of issue. The rights issue is intended to raise approximately \$1.76 million before costs.

(together the **Capital Raisings**).



It is intended that the Shares to be issued pursuant to the Placement will be issued before the record date for determining entitlements under the Rights Issue.

Full details of the Right Issue are contained in the Prospectus which will be lodged with ASIC and the ASX and will be mailed to all shareholders who are registered on the record date, as well as being available on the Company's website at [www.uranlimited.com.au](http://www.uranlimited.com.au) .

Kate Hobbs  
MANAGING DIRECTOR

**Competent Person**

*The information in this announcement which relates to exploration results, mineral resources or ore reserves is based on information compiled 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 this announcement of the matters based on his information in the form and context in which it appears.*