

5 December 2009

Uravan Uranium Joint Venture, Utah and Colorado

Uran Limited (ASX:URA) is pleased to advise that it has entered into an agreement with Canadian company Summit Point Uranium Corp. ("Summit") to earn up to an 85% equity in the Uravan Project.

The Uravan Project consists of registered mineral claims covering approximately 4,080 hectares (10,100 acres) straddling the Utah and Colorado border. The project area lies at the junction of the Uravan Belt and the Lisbon Valley trend on the Colorado Plateau, two of the largest uranium production areas in the USA between 1945 and the early 1980s.

The mineral claims cover numerous historic small to medium-sized open pit and shallow underground uranium mines and lie within an active uranium exploration and mining area. Denison Mines has three uranium mines nearby in Colorado, and operates the White Mesa uranium processing plant at Blanding in Utah. Permitting is underway for construction of a new uranium processing plant at Paradox Valley in Montrose County, Colorado, about 30 km north-east of the Uravan Project. This is expected to be operating in 2010.

Uran can earn a 65% interest in the project by:-

- expending US \$300,000 on exploration within two years, with a minimum expenditure of \$100,000 in Year 1; and
- issuing 2,000,000 shares to Summit upon confirmation of the joint venture following completion of the due diligence, and a further 3,000,000 shares on the earlier of grant of an exploration permit to allow drilling, or the first anniversary.

Uran is entitled to increase its equity to 85% by:-

- expenditure of a further \$1,200,000 within a further three years; and
- issuing 3,000,000 shares to Summit upon completion of earning the 85% equity.

Once it has completed earning its 85% interest, Uran will have a pre-emptive right to acquire the remaining 15% if Summit wishes to divest its interest.

The agreement is conditional on Uran's due diligence, which will be completed by 31 January 2010.

The project lies in the north-west of the San Juan sedimentary basin which extends eastwards into New Mexico, where it also hosts the Grants Ridge project. It is about five hours drive from Grants, which will allow effective utilisation of staff and drilling equipment.

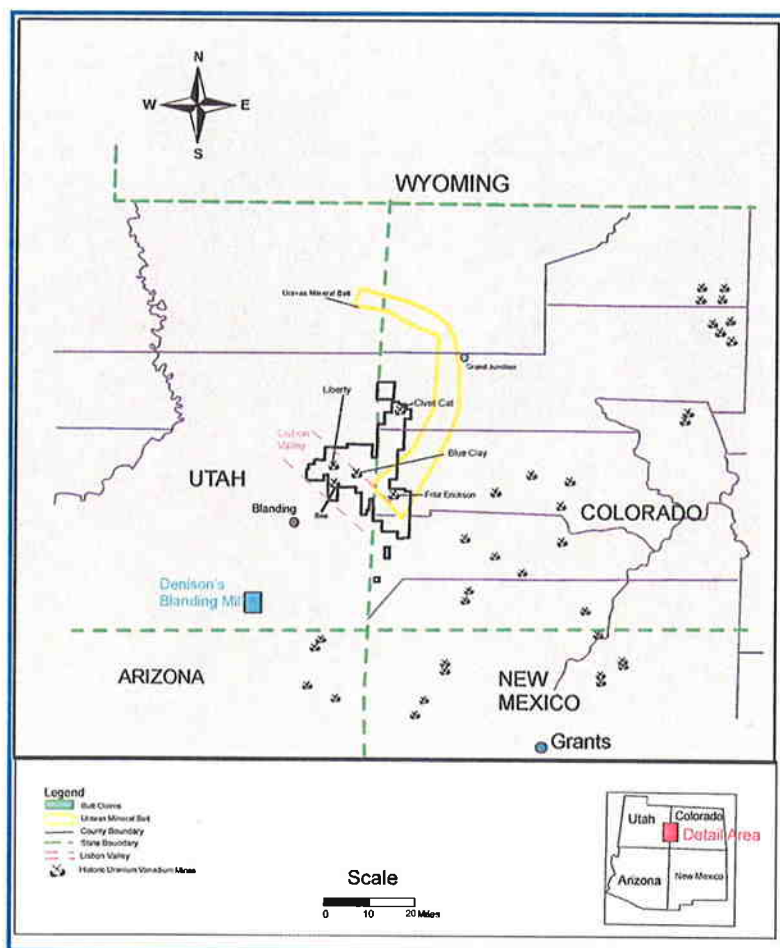


The Company sees this as an outstanding low-cost opportunity to acquire a second operational area in a politically favourable environment, in an area which is an active uranium mining area with wide-spread historic high-grade mining. The shallow nature of the mineralisation will allow comparatively rapid and cheap exploration utilising the Company's air-core drill rig.

Background

The Uravan mineral claims lie partly within Utah and partly within Colorado. Utah is an 'agreement state', meaning that that permitting from drilling through exploration, mining and processing is the sole responsibility of the state. In non-'agreement' states permitting for processing is handled by the Nuclear Regulatory Commission, and this is thought to be generally slower and more difficult.

Utah is seen as a permitting-friendly state, illustrated by the fact that White Canyon Uranium Ltd (ASX:WCU) was able to complete permitting for its Daneros uranium mine in Utah within about one year.



The Uravan Project conforms to Uran's strategy in the USA of acquiring projects within historic uranium mining areas in 'mining-friendly' locations where mineralisation is close to surface, and where previous mining targeted only the high-grade core of uranium deposits leaving lower grade mineralisation which may be amenable to bulk mining and heap leaching.

The area is similar in many ways to Grants Ridge in that it covers numerous historic small to medium-sized open-pit or shallow underground uranium mines. The uranium is present primarily as uraninite with some carnotite alteration. The average mined grade for both areas was 0.22% U_3O_8 . Both lie within the San Juan Basin sedimentary basin.

However the surface mineralisation at the Uravan Project is generally in the Salt Wash Sandstone rather than the

underlying limestone member. The Salt Wash is the stratigraphic equivalent of the Westwater Canyon sandstone in New Mexico which hosts the large high-grade Ambrosia Lake and Mt Taylor uranium mines, as well as the current NI 43-101 resources at Church Rock, La Jara Mesa, and Roca Honda.

In the project area there are 3 mineralised 4- to 5-metre thick sandstone members stacked at roughly 20-metre vertical intervals. All have been exploited, often simultaneously from a single mine. The mining was very similar to that at Grants in that it only exploited the shallow high-

grade parts of a broad mineralised lithology, generally through shallow open pits and drifts into the sides of mesas.

The Uravan project is seen as suitable for drilling relatively quickly and inexpensively with the Company's air-core drill rig, which due to the proximity of the projects can be 'campaigned' between drill programs at Grants Ridge and Uravan providing operational efficiencies.

There are four historic mining areas within the claims, as well as many smaller operations that produced small amounts of high grade material. They are close to the surface in the Salt Wash except for Civet Cat and Blue Clay which are in the Brushy Basin sandstone of the Morrison Formation, which hosts the Poison Canyon workings around Rick Claims at Grants Ridge. All historic workings can be accessed using existing roads.

Uranium is generally present as uraninite with secondary carnotite alteration. Both these minerals are readily leachable and present no metallurgical problems. Vanadium is present as several minerals including tyuyamunite which is amenable to alkaline leaching.

Vanadium represents a potentially valuable co-product in the Uravan area. The $V_2O_5:U_3O_8$ ratio from historic uranium mining is typically between 5:1 and 10:1, as compared to 1:1 to 5:1 in the Grants area. The whole Utah-Colorado uranium belt was worked initially for radium in the early 1900s, then for vanadium between the wars, and after the atomic tests of 1945 for uranium until the early 1980s.

Fritz-Erickson/ Cone Group (Colorado)

This prospect consists of numerous small underground mines generally to less than 10 metres in depth, scattered over an area of 1.5km x 0.5 km. Very small production is recorded up to 1971, aimed only at extracting small high-grade pods of uranium mineralisation.

The lower cut-off grade for historic mining is not known, but the average for 10 spectrometer readings on the waste dumps around the Fritz Erikson workings is 224ppm eU_3O_8 , with values up to 468 ppm and a lowest of 82 ppm. This suggests there may be a significant halo mineralisation in the area that was not exploited by the historic workings but which may be of interest for heap leaching.

Civet Cat (Colorado)

Civet Cat workings lie close to the north edge of the leases where the ground rises above the valley floor. They sit some 250-300m from the wall of the mesa, but do not immediately enter under it.

Recorded production up to 1971 was very small but high-grade due to the mining strategy of the time, with 12,000 lbs U_3O_8 at average mined grade of 0.39% U_3O_8 and 62,000 lbs V_2O_5 at average grade 2.5%. Spectrometer readings taken by Uran in 2009 on the walls of the pit average 350 ppm, ranging up to 3,121ppm eU_3O_8 .

Liberty (Utah)

Liberty is a small underground operation exposed in a canyon wall for which no production figures are available. The open adit on the site yielded eU_3O_8 readings of between 245 ppm and 1,250 ppm eU_3O_8 on the walls, with the average from broken material left on the surface being 232 ppm eU_3O_8 .

Mineralisation lies within 15 metres of surface.

Blue Clay (Utah)

Blue Clay is a large open pit about 25 metres deep. No production figures are currently available, but hand prospecting of surface dumps located samples up to 0.118% U₃O₈.

Kate Hobbs
Managing Director

Competent Person

The information was reviewed by Mr Phill 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.