

QUARTERLY REPORT
for the period ending
31 December 2006

HIGHLIGHTS

- ◆ A protocol was signed with two key State agencies in Ukraine to jointly complete final feasibility studies on two sedimentary hosted uranium deposits in eastern Ukraine.
- ◆ SRK Consulting (Russia) Ltd retained to assist with final feasibility study in Ukraine. Technical reviews scheduled to commence in the first quarter of 2007.
- ◆ A Preliminary Review of Rozna Uranium Mine in Czech Republic was carried out as part of discussions with Czech Government regarding Rozna.
- ◆ SRK Consulting (UK) Ltd retained to assist with Joint Evaluation of Rozna uranium mine.
- ◆ Initiation of discussions with the governments of Kazakhstan and Uzbekistan on identified uranium projects.
- ◆ Uran announced that it will exercise its option to acquire all of the shares in Discovery Minerals Pty Ltd, subject to approval of shareholders. Discovery Minerals is a private company which is pursuing existing uranium resources and operating uranium mines, mainly in the area of the former Soviet Union including Ukraine and Uzbekistan.
- ◆ Mr Pat Ryan was appointed non-executive director.
- ◆ Dr Wolf Martinick was appointed non-executive director.

Strategic Development.

During the Quarter Uran announced its intention to exercise an option to acquire all of the shares in Discovery Minerals Pty Ltd ("Discovery"), subject to shareholder approval which will be sought at an Extraordinary General Meeting. Discovery is a private company which is in advanced negotiations to acquire uranium resources, reserves and producing uranium mines in the Czech Republic, Ukraine, Uzbekistan and Kazakhstan.

Pricewaterhouse Coopers has been retained by Uran to provide an independent assessment of whether the option terms are fair and reasonable.

Pending shareholder approval Uran will issue shareholders of Discovery fully-paid ordinary shares in Uran which constitute 54.9% of the shares in Uran on a fully-diluted basis.

PROJECTS



Czech Republic

The company has been involved in discussions with the Department of Fuel and Energy of Czech republic since March 2006, regarding Uran's interest in obtaining ownership of or an interest in the Rozna uranium mine. In November the company met with management of DIAMO, the Czech enterprise responsible for uranium including mining at Rozna, and following this meeting a preliminary review of the mine and processing plant was carried out including site visits in November and December.



On the basis of the review Uran advised DIAMO in January that it is interested in pursuing negotiations regarding a potential involvement by the Company in exploration and mining of Rozna.

The Company has been requested to submit a proposal to DIAMO and the Ministry of Industry and Trade by 20 February 2007.

The Czech nation was formed in the 14th Century with an economy based on mining rich gold, silver and base metal deposits. The country has a highly developed engineering and scientific workforce and an economy reliant on heavy industry. It is a member of the European Union.

Czech Republic has been one of the world's largest producers of uranium, having produced about 105,000 tonnes U. About 65,000 tonnes of this came from the Pribram underground mines, and about 20,000 tonnes from Rozna. All uranium mines other than Rozna have

closed, and a decision was taken in 2005 to close Rozna at the end of 2008. Little funding has been available for the last 10 years for capital upgrades and reserve drilling, so reserves only exist to end 2008.

Rozna has been mined continuously since 1957, and is currently being mined at a depth of about 1,000 metres, producing high-grade uranium ore at 0.44% U_3O_8 . The mine and processing plant are very well run and maintained despite limited funding. The Company considers that with significant investment in reserve definition drilling and near-mine exploration, as well as introduction of new mining technology, there is excellent potential to significantly extend the life of the mine.

Ukraine

Uran has entered into an agreement with the State Enterprise VostGOK, which has historically been responsible for all uranium development and mining in Ukraine, and The Department of Fuel and Energy of the Ukraine, to jointly complete a final feasibility study on two sedimentary hosted uranium deposits in eastern Ukraine.

The uranium projects are located in the Dnipropetrovsky region of the Ukraine approximately 380km southeast of the capital Kiev. The region is the largest uranium mining district in the Ukraine.

Infrastructure is excellent and the uranium processing facilities at Zheltye Vody, which are owned by VostGOK, are within

120km of the deposits. VostGOK has been mining uranium since 1957 and has extensive experience in both underground and ISL mining, and processing uranium ore.

Since 2002 the Zheltye Vody mill is estimated to have produced 800 tonnes of uranium per annum, 80% of its nominal production capacity. Mill capacity is planned for expansion to 2,000 tonnes of uranium per annum (*source: Uranium 2005: Resources, Production and Demand. Joint report: OECD Nuclear Energy agency and IAEA*).

Feasibility studies verifying the economic potential of the two uranium deposits were completed in 1972 and 1982. This work will be reviewed and classified in accordance with international standards prior to release of resource or reserve figures.

SRK Consulting (Russia) Ltd has been retained to assist with feasibility studies scheduled to commence in the first quarter of 2007. SRK's team will be led by an expert in the evaluation and cost modeling of In-Situ Leach uranium operations. He has consulted to and managed due diligence studies for financial institutions and mining companies on uranium deposits throughout the world. Most recently he was Project Manager and Engineer for the due



diligence on the North Inkai ISL uranium deposit in Kazakhstan, a sedimentary deposit which will have an annual production capacity of 5.2 million pounds of U₃O₈.

If the results of this work are favourable it is anticipated that production will commence as early as the second half of 2007.

In January 2007 Ukraine announced that a new body was being formed to encompass all the Ukrainian uranium and nuclear assets including power generation and mining. The formation of this body may cause some delay in commencement of the feasibility studies, however the relevant bodies are highly organized and efficient and this process is not thought likely to cause extended delays.

Uzbekistan and Kazakhstan

Kazakhstan is currently the world's 3rd largest producer of uranium, and Uzbekistan is the 7th largest producer. Discovery has entered into a strategic alliance with Integra Group, a Russian company which carries out mining and engineering projects largely within the CIS, to acquire existing uranium resources and advanced uranium projects in these countries. The terms of the agreement with Integra and the formation of a jointly owned company Russian based company called Urasia Mining were reported last quarter.

Urasia Mining has identified suitable uranium projects in Uzbekistan, and discussions on their acquisition have been initiated with the government.

Mt Gibb Nickel Project

Subsequent to the end of the Quarter the Company announced that it intends to spin out its nickel sulphide assets, located in the Forrestania Greenstone Belt of Western Australia, into a new public company to be called Great Western Exploration. An in-specie distribution of shares in the new company will be made to shareholders of Uran Limited.

Board Appointments

Two new directors were appointed to the Board of Directors. Mr Pat Ryan and Dr Wolf Martinick bring to Uran expertise and skills which complement those of existing board members.

Mr Ryan has extensive experience in the financial sector, including having been Managing Director of Challenge Bank, Chief Executive of the Hospital Benefit Fund of WA, and Chairman of Skywest, as well as a Director of a number of ASX listed companies across several sectors.

Dr Martinick is a highly respected environmental scientist with very broad experience in uranium mining, including having been involved on various stages of Ranger, Narbarlek, Rum Jungle, Mary Kathleen and Olympic Dam uranium mines. He is also Chairman of the AIM-listed Weatherly International Limited, an African copper mining company.

Kate Hobbs
MANAGING DIRECTOR

For media enquiries contact

Ms Kate Hobbs
Uran Limited
0414 323 408

Mr Nicholas Read
Jan Hope and Partners
08 9388 1474