

QUARTERLY REPORT
for the period ending
31 December 2007

HIGHLIGHTS

- ◆ Applications of Exploration Permits have been lodged over Osecna and Plouznice uranium projects in northern Czech Republic. Previous exploration has indicated the existence of substantial uranium deposits.
- ◆ Replacement applications for Exploration Permits have been lodged over Veznice, Jamne and Polna uranium deposits in south-eastern Czech Republic.
- ◆ The political impasse in Ukraine was resolved with the appointment of a majority government, paving the way for exploration to commence on the Novogurevskoye and Surskoye uranium projects.

PROJECTS

Czech Republic

Uran Limited has, through its wholly-owned Czech subsidiary company Urania Mining s.r.o., lodged 5 new applications for exploration permits in Czech Republic.

Liberec District

Two applications for exploration permits were lodged in January 2008 in the Liberec District in northern Czech Republic. The Osecna-Kotel and Plouznice applications cover uranium deposits previously identified by Czech state uranium mining body Diamo, in the area of known uranium deposits south of Straz pod Ralskem where Diamo has a uranium processing plant which is currently on care and maintenance.

Uranium mineralization is developed in sandy sediments of the basal part of the Cretaceous formation, which lie within a fault-bounded block overlying crystalline basement. The sedimentary complex is up to 230 metres thick. Mineralisation is predominantly in extensive fairly flat-lying lenses 0.5 – 4.5 metres thick within coarse fluvial and lacustrine sandstones.

Previously both ISL and conventional uranium mining in similar deposits in the area have been carried out, with grades reported to be in the range 0.04 – 0.12% U₃O₈. Mr Jiri Jez, the President of Diamo, has recently stated that in excess of 120,000 tonnes of U₃O₈ occurs within deposits in this area.

Osecna application covers 9.81km² between the towns of Osecna and Kotel. Diamo has recently applied for a Mining Reserve to be declared over Osecna. This is not a mineral tenement but a reserve designed to preserve mineral deposits for possible future exploitation by restricting development of new buildings.

Previous detailed exploration indicated the existence of large areas of uranium mineralisation in shallow flat-lying sedimentary strata within the area of the application.

Plouznice application covers 11.91 km² to the west of Osecna. Previous exploration was not as detailed as that for Osecna, but disclosed the existence of uranium mineralisation in this area, which was not further explored due to the existence of a military airport and high-security area. A Mining Reserve has been declared over this deposit.

Brzkov Area

Three applications have been lodged as replacements for the Veznice, Polna and Jamne exploration permit applications which were applied for in 2007 through Uran's Czech consultant geologists Timex Zdice s.r.o. At the time when the earlier applications were lodged Urania Mining had not received the permits necessary to apply for the tenements in its own right, however these permits were received in January 2008 allowing the applications to be lodged directly in the name of Urania.

These projects are located around Pribyslav in the Vysocina highlands of south-eastern Czech Republic. The previous applications were refused by the Department of Environment, which is responsible for considering all mineral tenement applications in Czech Republic, in 2007 and an appeal against the rejection of Veznice was rejected during the Quarter. No new application has been lodged in respect of Brzkov application because this is still under appeal.

Uran took the decision to re-apply for the areas rather than to plead in the administrative court, because the registration necessary to apply for exploration permits have now been received. The previous applications were lodged by our consulting geologists, Timex Zdice, however this caused some concerns with communities in the area regarding transparency.

Appeals over the rejections were refused by the Remonstrance Commission of the Department of Environment on three major grounds, being the lack of community support; the belief that previous exploration had fully defined the uranium deposits so that no further exploration is required; and an interpretation that the Raw Materials Policy prohibits mining of uranium.

- Uran continued throughout the Quarter a substantial public relations program in the Pribyslav area in order to obtain support from the local community to the grant of Uran's applications. The company has retained a prominent Czech public relations firm to assist in this process, in cooperation with Uran's Prague office and Uran directors Ms Kate Hobbs and Dr Wolf Martinick who is a well-known environmental scientist.
- Despite the detailed nature and high technical standard of exploration and exploratory mining previously carried out by State bodies Geofond and Diamo, the mineral deposits at Brzkov, Veznice and Polna have only been defined to categories which would only equate to Resources under the JORC standards. No JORC-compliant Resources or Reserves can be defined without further exploration.

- We are also engaged in discussions with members of Parliament and influential political figures on the Raw Materials Policy. The company does not consider that the Raw Material Policy prevents exploration, and the Ministry of Trade and Industry, which is responsible for mining and exploration, has stated that exploration is permitted by both the Mining Act and the Raw Materials Policy.

In a letter sent late in 2007 by Dr Vaclav Reznicek, a member of the Remonstrance (Appeals) Commission, to the Director of the Department of Raw Material and Energy Policy of the Ministry of Trade and Industry, Dr Richard Nouza, Dr Reznicek noted that despite the support for Uran's applications by the Ministry for Trade and Industry, the application was rejected as it was "at variance" with the Raw Material Policy. However Dr Reznicek also noted that "a change in the world economic situation which has occurred since the Raw Material Policy was approved, is in the matter of uranium raw material significant enough to urgently require a revision of such policy, also with respect to the EU declarations on energy sources. For the above stated reasons I recommend your department to initiate, prepare and enforce such revision".

A review of the future energy requirements of the Czech Republic is being carried out by the Academy of Science. The final report is expected in June 2008.

Recent statements by the President and the Prime Minister of Czech Republic indicate that expansion of the nation's nuclear power generation capacity may be considered.

Whilst there remains considerable uncertainty about the possible grant of the applications for exploration permits, Uran considers that there is strong support amongst some political parties for a change to the Raw Materials Policy. The applications cover previously explored uranium mineralisation which Diamo considers to host very substantial uranium deposits. The company therefore intends to pursue the grant of the exploration permits by all means possible.

Pribram Dumps

During the September Quarter Uran co-operated with Czech rock-sorting firm Ecoinvest in trial sorting of about 18,000 tonnes of rock from the uranium-bearing rock dumps or "haldi" in the Pribram area. These haldi were derived from uranium mining carried out between 1957 and about 1968.

Following encouraging results Uran has agreed in principle with Ecoinvest to carry out trial mining of about 100,000 tonnes of material to provide a more statistically significant sample from the haldi. Discussions have been held with State body Diamo regarding treatment of any pre-concentrate

which may be produced from sorting of uranium-bearing dumps or "haldi" in the Pribram area, and Diamo has agreed in principle to treat the pre-concentrate. Diamo has also been helpful in advising on permitting necessary to allow trial mining of 100,000 tonnes of material. Permitting for the trial mining is likely to take 6 months to conclude.



Ukraine

Following elections in mid-2006 an interim government was appointed in Ukraine, which caused difficulties in matters including foreign investment. Elections in late September 2007 resulted in the appointment in

December 2007 of an elected coalition government under Prime Minister Mrs Julia Tymoshenko who is a political ally of the President, Mr Victor Yevtushenko.

During January 2008 the Government decided to disband state body Ukratomprom which had been unsuccessfully introduced by the interim government to manage all Ukraine's nuclear power generation and uranium mining interests. A new state body with more focus on mining is being created.

Despite the frustration and delays arising from the political situation, Uran remains confident that its rights under the protocol signed in December 2006 will be preserved, and will lead to commencement of work on the Novogurevskoye and Surskoye projects in this half year. A program is currently under discussion with the Ministry for Fuel and Energy and state uranium mining enterprise VostGOK.

Bulgaria

Uran lodged applications during the June Quarter 2007 for three exploration permits over the Pravoslaven, Tristilnik, Manole and Belozem uranium deposits near the Maritsa River east of Plovdiv region of central Bulgaria, in a region of previously In-Situ Leaching of uranium deposits.



Applications for exploration permits over mineralisation considered by the Bulgarian Government to constitute mineral reserves must go through a tender process prior to grant. This process will apply to these applications and tenders have not yet been called..

Bulgaria produced about 20,000 tonnes of uranium prior to 1992, mostly from conventional underground mining operations with in situ leaching of sedimentary hosted uranium making up about 25% of total production.

Kazakhstan

In September 2007 Uran signed a Memorandum of Understanding with two key governmental agencies in Kazakhstan, Volkovgeologia and the Institute for High Technologies, to facilitate the acquisition of advanced uranium projects in major uranium mining regions within Kazakhstan. Under the terms of the Memorandum, the parties will cooperate closely in exchange of technologies in the fields of exploration, mining and processing of uranium.

Discussions are continuing based on establishment of a joint venture to acquire small to medium uranium deposits of 2,000 – 10,000 tonnes contained U (2,400 – 12,000 tonnes U_3O_8).

Joint Stock Company Volkovgeologia is the body responsible for exploration of mineral resources within Kazakhstan, including uranium. It holds the information on extensive past uranium exploration, and is currently responsible for carrying out exploration on a number of large uranium deposits being brought to mine status in cooperation with companies including Cameco and Areva.

The Institute of High Technologies is a department of Kazatomprom, the governmental agency responsible for all uranium mining in Kazakhstan. The Institute is responsible for research into

uranium mineralisation, exploration technology, and technology associated with uranium extraction and processing.

Kazakhstan has 15% of the world's uranium resources and is currently the world's third-largest producer of uranium with about 6,355 tonnes U_3O_8 in 2006. A number of large new mines are in development and it plans to produce about 18,000 tonnes U_3O_8 annually by 2010, which would make Kazakhstan the largest producer in the world.

CORPORATE

FINANCIAL

The Company had \$3.9 million in available cash at the end of the Quarter.

Kate Hobbs
MANAGING DIRECTOR

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ms Kate Hobbs who is a Fellow of the Australian Institute of Mining and Metallurgy. Ms Hobbs has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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