

Uran Secures Agreements for CIS Projects

International uranium company Uran Ltd has taken further steps towards securing advanced uranium production assets in Eastern Europe after yesterday announcing an option agreement encompassing a key strategic alliance, and the signing of a Protocol regarding the proposed acquisition of advanced uranium projects and resources in three former Soviet bloc countries.

The multi-faceted announcement represents the first major milestone since Uran announced plans to reposition as an international uranium company with the appointment of senior mining executives Michael Kiernan and Kate Hobbs respectively as Chairman and Managing Director.

Central to the announcement is an option entered into by Uran to acquire all of the shares in privately owned company, Discovery Minerals Pty Ltd, which is currently in negotiations to acquire advanced and producing uranium properties in the countries of the Commonwealth of Independent States (CIS), including Uzbekistan, Kazakhstan and Ukraine. Uran may exercise the option within 3 months by issuing shares to the shareholders of Discovery equivalent to 60% of Uran's issued capital on a fully-diluted basis. An independent valuation will be completed prior to exercise of the option, with the transaction also subject to shareholder approval.

Discovery Minerals' key assets include 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 Uzbekistan and Kazakhstan. Kazakhstan is currently the world's 3rd largest uranium producer and Uzbekistan the world's 7th largest producer.

Integra Group is headed by its founder, Alexei Kantsel, doctor of geology and mineralogy, who was one of the main leaders of uranium science in the Soviet era. Dr Kantsel has more than 40 years experience working in the central Asian region of the former USSR, particularly in Uzbekistan where he acts in an advisory capacity to the Government of Uzbekistan on uranium.

Uran's Managing Director, Kate Hobbs, said that under the terms of the strategic alliance, Discovery and Integra would establish a company based in Russia – to be provisionally called UranUzbek – which will be owned on a 50/50 basis. "Integra will identify and, if Discovery agrees, seek to acquire for UranUzbek the rights to advanced uranium projects in Uzbekistan and Kazakhstan, with Discovery to contribute the first \$1 million for acquisition, exploration and development of any advanced uranium project which is acquired," Hobbs said.

Discovery may increase its interest in the project, should Integra elect not to contribute, to 60% by sole funding the next \$1 million expended and to 70% by sole funding the subsequent \$1 million. Discovery may fund all subsequent expenditure, in which case Integra's 30% share will constitute a loan repayable to Discovery from first production.

"Given Integra's excellent understanding of the uranium mineralisation in the region and its strong presence in Uzbekistan, we believe this strategic alliance will provide significant opportunities for Uran to build a strong uranium portfolio in the region," Hobbs said.

Subject to the terms of the Discovery option agreement, Uran also yesterday announced that it has agreed, under the supervision of the Ministry of Fuel and Energy of Ukraine, the terms of a Protocol with the State Enterprise VostGOK, which has historically been responsible for all uranium development and mining in the Ukraine. While Ukraine is thought to be the world's 10th largest uranium producer, it does not report uranium production or resources and some estimates are considerably higher. The Ukraine Government has announced plans to increase its uranium production by 800% by 2030.

The Protocol sets out terms under which Uran may enter into a Joint Venture over certain uranium deposits in the Dnipropetrovsky region, including both sedimentary deposits amenable to In-Situ Leaching (ISL) and underground mines. The Protocol is subject to certain secrecy requirements as all uranium mining in Ukraine is subject to State secrecy provisions.

Ms Hobbs said feasibility studies had been completed over a number of sedimentary uranium deposits in this region, including those under negotiation, while pilot In Situ Leach extraction of two of the deposits had indicated that they can be profitably exploited. "The deposits are located in a region hosting a number of existing uranium mines as well as processing facilities owned by VostGOK, and have access to excellent infrastructure," she said.



Uzbekistan