



# Union Resources Limited

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Company Announcements Office  
Australian Securities Exchange

## **Namibian Phosphate Project Update**

As previously announced, Union Resources Limited ("Union"), Bonaparte Diamond Mines NL ("Bonaparte") and Namibian company Tungeni Investments cc have entered into a joint venture to develop their respective Sandpiper and Meob marine phosphate projects off the coast of Namibia.

By way of update please find attached an announcement released to ASX by Bonaparte yesterday.

Yours faithfully

**UNION RESOURCES LIMITED**

Dr Frank Reid  
Managing Director

## **ASX AND MEDIA RELEASE**

Monday 15<sup>th</sup> December 2008

### **PROGRAMME UPDATE AND POSITIVE INTERIM RESULTS FOR MARINE PHOSPHATE PROJECT, NAMIBIA**

#### **Key Points**

- Very encouraging results to date from the marine phosphate (“P<sub>2</sub>O<sub>5</sub>”) sampling programme from 390 samples taken to date.
- 294 grab samples assayed have confirmed mineralisation >15% P<sub>2</sub>O<sub>5</sub> in the fine sediment fraction (less than 1mm) over 300km<sup>2</sup> area, with maximum concentration of 26% P<sub>2</sub>O<sub>5</sub> (fine fraction).
- 96 gravity core samples from a 10km<sup>2</sup> focus site show 1.05m average sediment thickness with 25% P<sub>2</sub>O<sub>5</sub> average concentration in the fine sediment fraction (less than 1mm) and calculated whole rock concentration of 17%P<sub>2</sub>O<sub>5</sub>.
- Inferred JORC compliant resource estimate for (Meob Project) EPL3323 on track for completion late in December 2008.
- Expanded sampling programme about to start on the combined resource development area of some 1,000km<sup>2</sup> including the adjacent Union/Sandpiper Project area and Bonaparte/Meob project area.

#### **2008 Meob Sampling Programme:**

Bonaparte Diamond Mines (“Bonaparte” or “the Company”)(ASX: BON), together with Namibian partners Tungeni Investments cc, are pleased to advise of further sampling progress and positive initial assay results from work completed in November 2008 on the Meob Project area (EPL3323) in Namibia.

To date a total of 390 samples have been recovered in a revised resource development programme of 500 samples within the EPL3323 tenement, the objective of which is to achieve JORC compliant resource estimates in both the Indicated and Inferred categories.

Gridded assay results from 294 grab samples collected on a wide spaced (800m x 4,000m) regional grid covering the 1,000km<sup>2</sup> EPL3323 area have confirmed widespread phosphate mineralisation exceeding 15% P<sub>2</sub>O<sub>5</sub> in the fine sediment fraction (less than 1mm) occurring over an area of some 300km<sup>2</sup> within the tenement (Appendix, Figure 1). A maximum concentration of 26% P<sub>2</sub>O<sub>5</sub> (<1mm fraction) was measured within this 300km<sup>2</sup> area which represents the initial regional target for resource development sampling in this tenement. A summary of the grab sample results is provided in the Appendix, Table 1.

In addition, a further 96 gravity core samples have been recovered from close spaced sampling in a 10km<sup>2</sup> focus site within the regional target area (Appendix, Figure 1) in order to investigate the thickness and nature of the phosphate mineralisation. Mapping and assay results show that in this area the unconsolidated mineralised layer has an average thickness of 1.05m with an average of 25% P<sub>2</sub>O<sub>5</sub> concentration in the fine sediment fraction (<1mm). Based on weight percentages of various fractions, the indicative average whole rock concentration is calculated to be 17%. A summary of core results is provided in the Appendix, Table 2 together with further details.

Previous work by Bonaparte has confirmed that the fine sediment (<1mm) hosts the majority of the phosphate mineralisation which is the target for mining development. Sample processing and assaying are therefore focussed on this fraction which is easily separated with a simple wet screening process to remove coarse (>1mm) sediment and mud (<63 microns).

Work on an interim JORC compliant resource estimate is currently in progress using the available grab/core sample data and remains on track for completion in December 2008. Approximately 100 additional gravity core samples will be taken over an area of approximately 200km<sup>2</sup> to support the final resource estimate for the first sampling programme. This work is planned for completion early in 2009 subject to summer wind and sea conditions which are the dominant factors affecting the current rate of progress for marine sampling operations.

Managing Director Mike Woodborne said: "Although further coring work and assays remains to be completed, we are extremely pleased with the interim results which have substantially confirmed our best expectations for the scale and development potential of this phosphate deposit. It is also considered to be very positive for our broader Joint Venture (JV) with Union Resources Ltd, which incorporates their Sandpiper Project area."

#### **Sandpiper JV Area:**

The Sandpiper Project area (EPL3414, EPL3415) of approximately 2,000km<sup>2</sup>, covers the core of the regional phosphate enriched zone south of Walvis Bay. The area, which abuts the Meob EPL3323 project area, has been the focus of significant previous exploration and economic evaluation in the period 1992-2004. Bonaparte and Union each hold 42.5% interest in the JV and 15% is held by Tungeni Investments cc.

Union Resources Ltd has reported that results from vibracoring show an area in EPL3415 of approximately 8km x 8km where 11 holes were drilled with analyses showing a layer of 4.6m average thickness at 17% P<sub>2</sub>O<sub>5</sub> concentration in the total sediment (coarse and fine fraction). Of the 38 holes for which Union have data, P<sub>2</sub>O<sub>5</sub> concentration ranges from 12% to 21% with most falling in the range of 15-20%P<sub>2</sub>O<sub>5</sub> and the phosphate horizon attaining a thickness of up to 6m in places.

Mr Woodborne added "We now plan to treat the Sandpiper and Meob project areas as a single geological entity and have rationalised the sampling programme to cover a combined resource development area of some 1,000km<sup>2</sup>."

A sampling programme has been designed in collaboration with an independent geostatistician, to cover an area of some 800km<sup>2</sup> in the Sandpiper Project area and to provide coverage adequate for JORC compliant resource estimates in the Inferred and Indicated categories (see Appendix, Figure 1). The work programme comprises wide spaced sampling for an Inferred resource estimate, a selected area of 5km<sup>2</sup> for detailed sampling to support an Indicated resource estimate and 100kg samples for verification of the positive results from the previous mineralogy and pilot plant test work. This programme of work is running concurrently with the Meob sampling programme. Samples will be assayed at the same laboratory currently being used by Bonaparte in Cape Town. Resource estimates from this work are expected early in 2009. In terms of the JV agreement Bonaparte will fund 50% of the work programme in the Sandpiper Project area.

Mr Woodborne further commented: “The Joint Venture partners are focusing on an accelerated programme for development and plan to commence mining at 3mtpa in 2011. In addition to current efforts on resource delineation, we are also progressing investigations and discussions with several reputable organisations in the key areas of marine mining/dredging technology, beneficiation and potential off take candidates”.

For further information please contact:

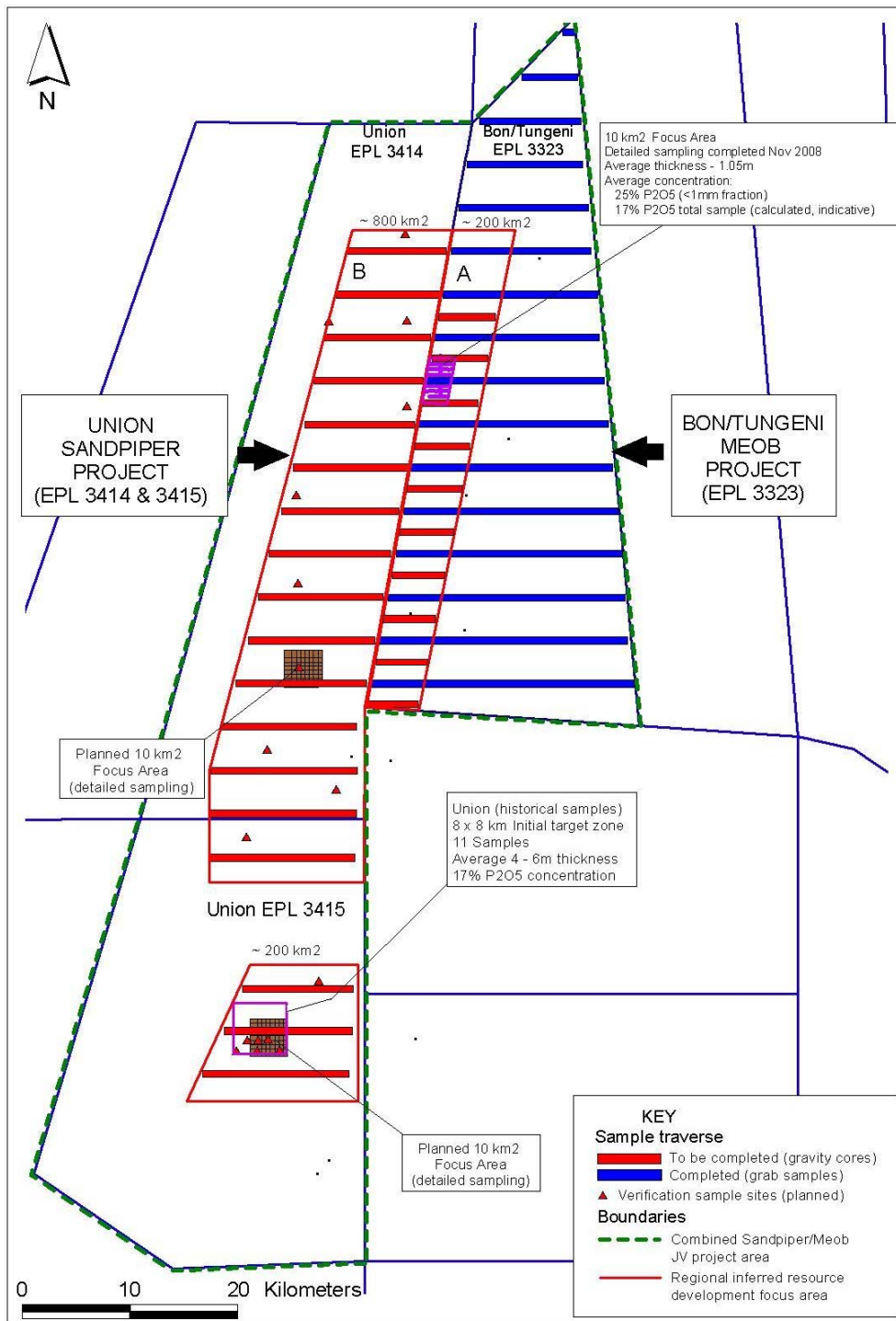
**Michael W Woodborne**

Managing Director

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Michael W Woodborne (M.Sc, AusIMM, AIG, Pr.Sci.Nat), who is an employee of the Company. Mr Woodborne has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Woodborne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Appendix



**Figure 1:** Summary of sampling coverage in Bonaparte/Tungeni EPL332 Meob Project area and planned coverage in adjacent Union Resources/Sandpiper Project area for combined resource development of 1,000km<sup>2</sup> off the coast of Namibia.

**Table 1** Regional Grab Sample P<sub>2</sub>O<sub>5</sub> Assay results (<1mm sediment Fraction) from 1,000km<sup>2</sup> EPL3323/Meob Project/Namibia (sample grid spacing 800m X 4,000m).

<b>Total No. Grab Samples</b>	<b>% P<sub>2</sub>O<sub>5</sub> range</b>	<b>No Samples &gt;10%P<sub>2</sub>O<sub>5</sub></b>	<b>No Samples &gt;15% P<sub>2</sub>O<sub>5</sub></b>	<b>Average penetration below seabed</b>
294	2%-26%	161 (55%)	99 (34%)	20cm

\*Note: Assays completed on samples after wet sieving to remove coarse sediment (>1mm) and mud (suspension) material. All results rounded to nearest 1%.

**Table 2:** Summary of Gravity Core Sample Results (<1mm fraction) from 10km<sup>2</sup> focus area (sample grid spacing 500 x 200m).

<b>Total No Cores</b>	96
<b>Average Total Core depth penetration</b>	1.30m
<b>No of cores with full penetration of phosphate layer (Units 1 and 2)</b>	79
<b>Average thickness of Phosphatic Layer</b>	1.05m
<b>% P<sub>2</sub>O<sub>5</sub> range (&lt;1mm fraction*) for all cores</b>	21% - 27%
<b>% P<sub>2</sub>O<sub>5</sub> average (&lt;1mm fraction)</b>	25%
<b>% P<sub>2</sub>O<sub>5</sub> average (Total Sample) (Calculated)**</b>	17%

Note: all concentrations rounded to nearest 1%.

\*Assays completed on <1mm size fraction, wet sieved to remove coarse (+1mm) material, mostly shell fragments as well as mud (-63micron) size material which washed out in suspension. Comparative analysis on 4 samples show the mud fraction apparently holds no significant P<sub>2</sub>O<sub>5</sub> and removal of mud increases concentration by up to 2.5% P<sub>2</sub>O<sub>5</sub>.

\*\*Whole rock/total sample concentration calculated by proportional correction of assayed percentage P<sub>2</sub>O<sub>5</sub> in the <1mm fraction using weight percent of total, +1mm and -1mm fractions and then reducing by a factor of 0.903 to compensate for the mud fraction.

The core sampling to date shows that the phosphatic sediment layer comprises two mineralised units, an upper 'shelly' unit and a lower unit of fine phosphatic sand. Typically the high shell content in the uppermost layer decreases moving down core while total % P<sub>2</sub>O<sub>5</sub> concentration increases with reducing shell content. The percentage P<sub>2</sub>O<sub>5</sub> concentration in the fine sediment fraction (<1mm) appears to remain relatively constant.