



# Union Resources Limited

A.B.N. 40 002 118 872

Tel: +61 7 3833-3833  
Fax: +61 7 3833-3888

Level 1, 500 Boundary Street, Spring Hill

Postal Address:  
PO Box 728  
Spring Hill Q  
Australia 4004

21 April 2009

Company Announcements Office  
Australian Securities Exchange Limited

## **Substantial Increase in Inferred Mineral Resource estimates for Sandpiper/ Meob Phosphate Joint Venture in Namibia**

Union Resources Limited ("Union" or "the Company") is pleased to announce the maiden independent mineral resource estimate of 593.4 Million tons at 18.1% P<sub>2</sub>O<sub>5</sub> for EPLs 3414 and 3415.

Assays completed to date on 66 wide spaced gravity core samples from a total of 145 cores recovered in EPLs 3414 and 3415 has yielded a fully JORC-Compliant Inferred Mineral Resource estimate of 593.4 million tons ("Mt") at a grade of 18.1 % P<sub>2</sub>O<sub>5</sub> (phosphate), based on a cut off grade of 15% P<sub>2</sub>O<sub>5</sub> and an estimated in-situ wet bulk density of 1.7 tonnes per m<sup>3</sup>. These samples were recovered in early 2009 as part of the current Joint Venture sampling programme in the Sandpiper/Meob Phosphate JV area off the coast of Namibia. The resource estimate covers 5 main areas covering a total of 328 km<sup>2</sup> in EPLs 3414 and 3415 as shown in Table 1 below and in Figure 1.

With the inclusion of the JORC-Compliant Inferred Mineral resource estimate for EPL3323 reported in January 2009 by Bonaparte Diamond Mines NL ("Bonaparte") the cumulative Indicated Mineral resource estimate for the 3 primary tenements in the Joint Venture area currently stands at some 789.5 million tonnes comprising 611.1 Mt at 18.1% (from gravity cores samples) and 178.4 Mt at 15.6% P<sub>2</sub>O<sub>5</sub> (from grab samples) (Refer Table 1).

Wide spaced gravity core samples covering an area of approximately 360km<sup>2</sup> in the central part of 3414 are currently being assayed and results will be used for updating the current mineral resource estimates.

A further update of the mineral resource estimates is anticipated after:

- completion of assays on the rest of the wide spaced gravity cores recovered from the central part of EPL3414 in early 2009,
- completion of assays on close spaced sampling in three 10km<sup>2</sup> focus areas, one each in EPL3323, 3414 and 3415 which were also completed in 2009 and
- completion of additional wide spaced gravity core sampling in EPL3323.

The results to date are very encouraging and are indicative of a potential major world class phosphate deposit.

The Sandpiper/Meob Phosphate Joint Venture agreement was signed In October 2008 between Union (42.5%), Bonaparte (42.5%) and Tungeni Investments cc (15%) now incorporating an area of some 8000 km<sup>2</sup> in granted licences and licence applications covering the core of the regional phosphate province to the south of Walvis Bay.

**Table 1 Resource Estimate for Sandpiper/Meob JV**

Resource Area	Sample Type	Volume (10 <sup>6</sup> ) Cu M	Tons (10 <sup>6</sup> Cu M <sup>3</sup> )	Grade (%P <sub>2</sub> O <sub>5</sub> )
EPL3414 North	Core	99.0	168.3	17.6
EPL3414 South	Core	9.7	16.5	19.6
EPL3415 North	Core	67.0	113.9	19.6
EPL3415 Central	Core	119.7	203.5	17.2
EPL3415 South	Core	53.7	91.2	19
EPL3323 Western	Core	10.4	17.7	18.1
<b>Total Inferred Resource (Core)</b>		<b>359.5</b>	<b>611.1</b>	<b>18.1</b>
EPL3323 Western	Grab	75.8	128.9	16.4
EPL3415 North Eastern	Grab	29.1	49.5	13.4
<b>Total Inferred Resource (Grab)</b>		<b>104.9</b>	<b>178.4</b>	<b>15.6</b>

Sample locations, and sample type are shown in Fig 1

The mineral resource estimate detailed in Table 1 has been compiled by independent expert Dr A E Annelis who is a Chartered Engineer and Fellow of the Institute of Materials, Minerals and Mining (IOM3) with 42 years experience in the exploration, geological interpretation and resource estimation of mineral deposits. The estimate is made in accordance with JORC Code guidelines and is based on:

- Assay Results from 66 gravity cores samples covering 5 parts of EPLs 3414 and 3415, collected on a regional grid spacing of 1,600m x 4,000m (as shown on Figure 1)
- 96 gravity cores taken from a selected 10km<sup>2</sup> target area on a grid spacing of 500m x 400m with average mineralised layer thickness of 105cm in EPL3323.
- Results from 294 grab samples collected over a regional grid of 800m x 4,000m and extrapolated to a depth of 40cm, in EPL3323

The wet bulk density value of 1.7 tonnes m<sup>3</sup> was selected as a conservative estimate based on a review of published scientific literature.

Mineral resource estimates are rounded to reflect the level of confidence in these resources at the present time. Resource estimates are based on assumed modelled resource block cut-off grades of 15% for gravity cores and 10% for grab samples. The lower cut off grade for grab samples reflects the fact that in the case of grab sampling, the grade is likely to be an underestimate due to the localised near-seabed winnowing and higher shell content and a downward increasing grade profile as demonstrated by the core sampling.

The current results show that there are 19km<sup>2</sup> of resource at block grade of >20% P<sub>2</sub>O<sub>5</sub> at water depths shallower than 225m in the northern resource block in EPL 3414, adjacent to the EPL3323 with a further area of some 43km<sup>2</sup> of >20% P<sub>2</sub>O<sub>5</sub> block grade at depths of up to 300m. Accessing the seabed to depths of 225 is within the range of current dredging technology and depths of up to 300m are accessible to more specialised systems.

Average thickness of the mineralized layer as defined in the shallow penetrating gravity core programme is 1.06m. The gravity coring method has limited penetration and does not frequently penetrate beyond 2m. Therefore the current resource estimates are restricted to the upper part of the mineralised zone. Historical vibrocore sampling which has superior penetration capacity shows thicknesses of up to 6m do occur in places in EPL3414.

The results are a major boost to the project. They are consistent with historical data from credible sources which has been well known to management for some time, but which could not previously be published due to ASX reporting restrictions. The Company intends to expedite the upgrading of the resource as soon as possible.

The successful completion of this program represents a major step forward for the project and has given management increased confidence as we move towards taking the project to full feasibility.

The final work in the initial gravity core sampling programme is being completed currently, subject to weather and sea conditions along with completing final analysis in order to complete the initial resource development programme in the Sandpiper/Meob Phosphate JV area.

For further information please contact:

#### **UNION RESOURCES LIMITED**



Dr Frank Reid  
Managing Director

*The information in this report that relates to Exploration Results and Mineral Resources 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.*

*The information in this report that relates to the Mineral Resource estimates for the Sandpiper/Meob Joint Venture Project (EPL332, EPL3414 and EPL3415) is based on information compiled by Dr Alwyn Annels C.Eng, FIOM, who is not an employee of the Company. Dr Annels 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". Dr Annels consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

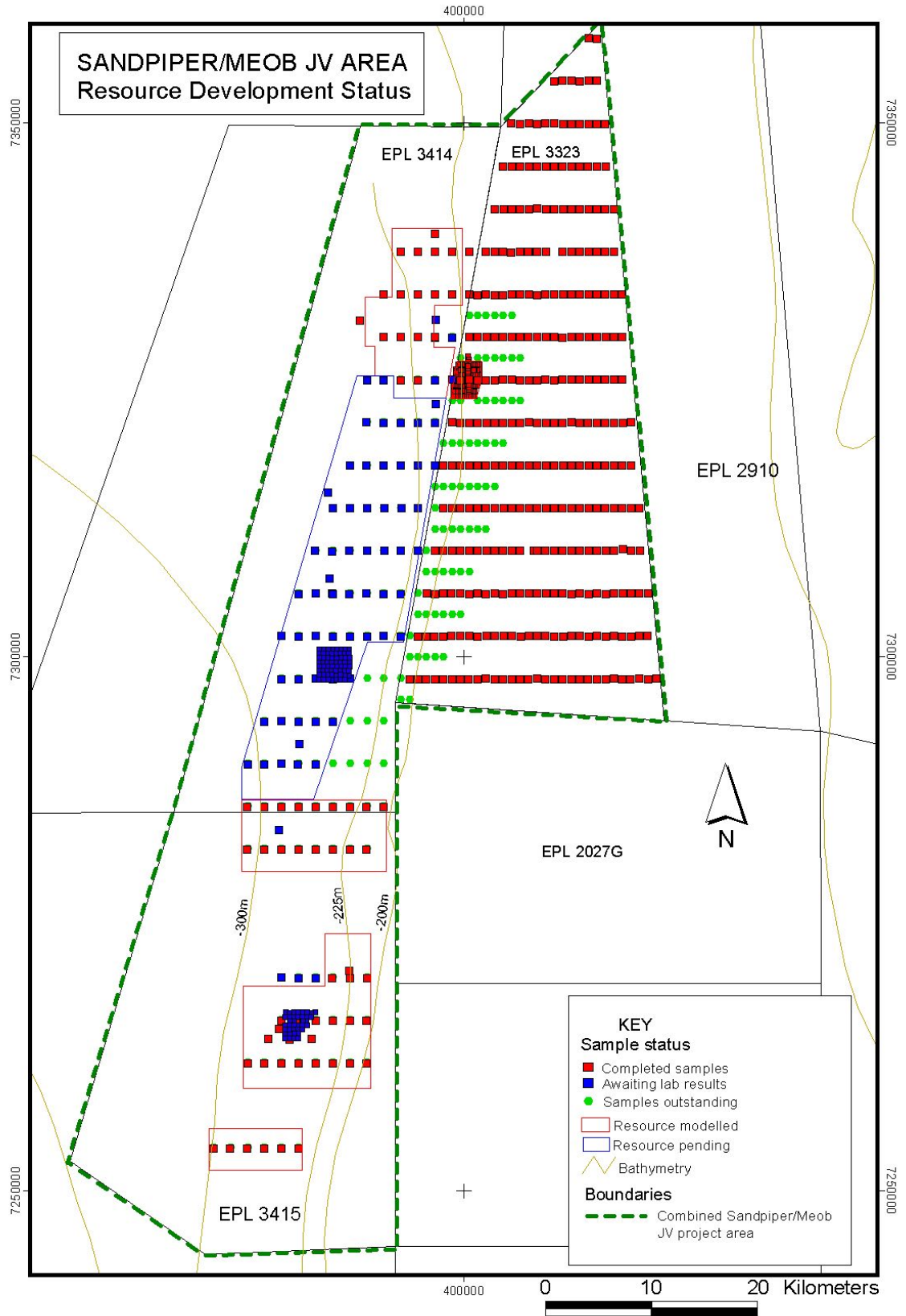


Figure 1 - Sample locations for resource estimate on EPLs 3414, 3415 and 3323