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30 June 2010

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Encouraging First Results for Process Study on Namibian Phosphate Project

Union Resources Limited ("ASX – UCL") is pleased to advise that the beneficiation test work currently being carried out by Bateman Advanced Technologies Limited as part of the Project Scoping Study, has produced encouraging initial results.

Heavy liquid separation studies show that the phosphate rich size fraction (-1mm to +0.074mm) can be enriched up to 26% P₂O₅, from whole rock samples with an average grade of 18-21% P₂O₅ using standard gravity separation techniques.

In addition, preliminary wet screening and attrition tests have shown trends favouring a slight improvement in the P₂O₅ concentrate grade along with partial removal of the contaminant gangue including iron (Fe), magnesium (Mg), aluminium (Al) and insoluble matter into the slimes waste stream (tailings) from the phosphate rich size fraction.

Further attrition tests are now being carried out at higher energy conditions to assess whether the increase in energy improves the grade in concentrate and the further removal of contaminant gangue.

The attrition and heavy liquid test work results indicate that the trends are coherent per layer in the two layers comprising the ore horizon and that the shelly layer 1 (top layer) and layer 2 (middle layer) are able to be blended as composites. From the results to date it would appear that layer 2 is more responsive to heavy liquid separation mainly due to more complete liberation of the phosphate particles versus layer 1 size fractions. The results indicate that there is significant enrichment of layer 2 size fractions particularly at the coarsest and finest sizes, ie. 1.00mm x 0.50mm and 0.150mm x 0.074mm. Layer 3 when present (bottom layer) is a marine clay with a low concentration of phosphatic material which forms a natural footwall to the deposit.

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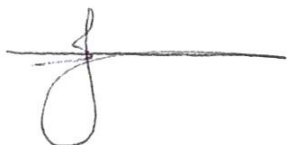
The attrition test work and heavy liquid separation analysis is ongoing, however the results to date confirm the historical data from previous work carried out and provide further encouragement that the P₂O₅ concentrate grade can be improved along with contaminant gangue being satisfactorily reduced.

The Bateman Advanced Technology Limited work final report setting out the test work results is expected to be issued in Q3 - 2010.

The technical information in this release is based on information from interim reports from Bateman Advanced Technology Limited and was compiled and reviewed by Roger J. Daniel, B.Sc. (Hons) Geology, London, Pr.Sci.Nat., technical consultant to the Company, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Daniel has sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Daniel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Yours faithfully

UNION RESOURCES LIMITED

A handwritten signature in black ink, consisting of a stylized 'C' followed by a horizontal line and a loop at the end.

Chris Jordinson
Managing Director