

10 May 2010

Favourable Developments in Czech Republic

A recent decision of the Supreme Administrative Court (“SAC”) in Czech Republic has overturned a decision of a lower court refusing applications for exploration permits in Czech Republic. The reasons for this decision potentially create a significant precedent regarding applications for exploration permits covering three known uranium deposits in Czech Republic, which Uran has a right to acquire 100% through its rights over Discovery Minerals Ltd.

These applications are under appeal following their rejection by the Prague Municipal Court (“PMC”). The primary grounds for rejection of the applications were that:-

- Mining for uranium is contrary to the Czech Raw Materials Policy;
- The deposits are fully defined by past drilling and that no further exploration is necessary;
- The applications were not supported by the local communities (except at Plouznice where the application was supported in writing by the community).

In a decision which may have significant implications for Uran’s applications, a recent ruling by the SAC has overturned the PMC’s rejection of applications by Czech company Altenberg s.r.o for exploration permits to allow exploration for gold and polymetallic ores.

Altenberg’s applications had also been opposed by the Ministry for Environment on the grounds that they did not comply with the Raw Materials Policy. Gold mining, unlike uranium mining, is specifically prohibited by the Czech Raw Material Policy.

In its decision the SAC made the following findings:-

- Geological exploration and mining are two distinct processes which must be assessed separately;
- Applications for geological exploration may not be rejected solely on the grounds that the eventual mining is contrary to the State Raw Materials Policy;
- To reject an application for geological exploration, the Ministry must claim that the eventual mining would be contrary to a public interest;
- The public interest must be substantiated by the Ministry;
- The public interest may be a matter such as preservation of nature or countryside, protection of endangered species, or that is in the public interest that there are no further major impacts into the countryside.

Clearly this is very positive for Uran’s applications as it removes the principal ground, reliance on the Raw Materials Policy, used to reject our applications.



The company is preparing submissions to the PMC citing the decision of the Supreme Administrative Court.

A new Raw Materials Policy has been prepared which is likely to be submitted to a new Government following elections to be held on 28 and 29 May 2010. It is thought likely that the new Raw Materials Policy, if approved, will be more favourable for mineral exploration and mining.

Czech Uranium Projects

Uran has, through its right to acquire 100% of Discovery Minerals Ltd, applications for 6 exploration permits over 3 previously drilled uranium deposits in 2 areas of Czech Republic.

Brzkov Project

The Company has 4 exploration permits over defined uranium deposits around Brzkov, in the Bohemian Massif about 50km from Rozna uranium mine. These applications have been refused and are currently the subject of appeals.

The applications cover several uranium deposits in the Strazec Arc, 50 km north-west of Rozna uranium mine. Based on a report published in 1988 by the State Geological Service Geofond, the company has an exploration target of 7,000 – 8,000 tonnes contained U_3O_8 @ average grades of 0.15 – 0.18% in vein deposits at Brzkov Project.

Intensive regional exploration was carried out in the period 1976 to 1990 by the Geological Survey of the Uranium Industry over an area of 220km² in the region, including 1,641 RC drillholes and 223 diamond drill holes.

This exploration identified a number of deposits including the most significant, Brzkov and Veznice which lie within the company's applications. The mineralisation is similar to that at Rozna uranium mine and consists mainly of uraninite and coffinite extending from near surface to at least 600 metres below surface. Similar deposits in the region are known to extend to at least 1,000 metres.

At the most developed deposit within the Brzkov Project, intensive exploration included 67 diamond drill holes for 22,112 metres and 33 underground diamond drill holes for 5,891 metres. An exploration shaft was sunk to 5 Level, and trial mining 1988-90 from 5 Level of an unknown tonnage reportedly produced 77 tonnes U_3O_8 .

Liberec District, Northern Czech Republic

The Company's other two applications, Osečná-Kotel and Plouznice, are located in northern Czech Republic over uranium deposits previously identified by Czech state uranium mining body Diamo. They are in the area of known uranium deposits and previous ISL uranium mining south of Diamo's Straz pod Ralskem uranium processing plant, which is currently on care and maintenance.

Previously both ISL and conventional uranium mining in similar deposits in the area, but not within Uran's applications, have been carried out with grades reported to be in the range 0.04 – 0.12% U_3O_8 . Diamo has publicly stated that in excess of 120,000 tonnes of U_3O_8 occurs within deposits in the Liberec area.

Mining Reserves have been declared over both Osečná-Kotel and Plouznice to preserve mineral deposits for possible future exploitation by restricting development of new buildings.

Osečná - Kotel

This application covers 9.81km² between the towns of Osečná and Kotel. Previous detailed exploration indicated the existence of large areas of uranium mineralisation in shallow flat-lying sedimentary strata within the area of the application.

Based on information published in 1991 and previous mining in the area, the company has an exploration target at Osečná–Kotel of 20,000-25,000 tonnes contained U₃O₈ @ average grades of about 0.1% U₃O₈.

Plouznice

This application covers 11.91 km² to the west of Osečná. Previous drilling and other exploration was not as detailed as that for Osečná–Kotel, but disclosed the existence of uranium mineralisation in this area, which was not further explored or mined due to the existence of a military high-security area.

Based on information published in 1991 and previous mining in the area, the company has an exploration target at Plouznice 15,000-20,000 tonnes contained U₃O₈ @ average grades of about 0.1-0.12% U₃O₈.

Kate Hobbs
Managing Director

Competent Person

The information was reviewed by Ms Kate Hobbs, the Company's Managing Director, a full time employee of the Company. Ms Hobbs has sufficient experience which is 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 Exploration Results, Mineral Resources and Ore Reserves. Ms Hobbs consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Conceptual Exploration Targets

These targets are conceptual in nature and it is uncertain if future exploration will result in complete or substantial translation to a Mineral Resource.