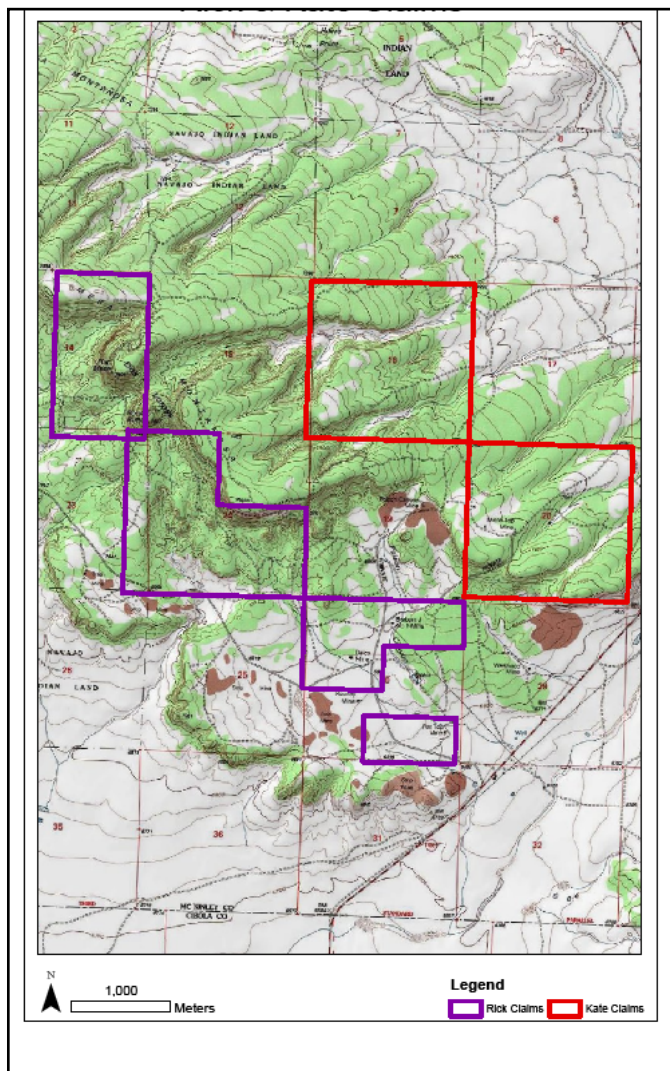


19 October 2010

**Acquisition of New Mineral Claims, Mesa Montanosa Area, New Mexico**

Uran has pegged claims over two Sections of 1 square mile each (totalling 518 hectares) close to the Mesa Montanosa Project in the Grants District of New Mexico, USA. Mesa Montanosa forms part of the Grants Ridge Joint Venture in which Uran is earning a 65% interest from Canadian company Uranium Energy Corporation (“UEC”).

The new claims are held 100% by Uran, and cover areas of previous uranium mining to the north and north-east of Mesa Montanosa.



Mineralisation is in the Poison Canyon Member of the Morrison Formation which overlies the Todilto Limestone. This was one of the most productive units for uranium mining in New Mexico, Colorado, and Utah.

Mines in this unit in the Grants area include the Jackpile, which produced over 46 million lbs U<sub>3</sub>O<sub>8</sub> @ 0.24% and was the world’s largest open-pit uranium mine at the time; the Marquez which produced about 3.7 million lbs @ 0.26%; San Mateo which produced 2.8 million lbs @ 0.17%; and Poison Canyon (adjacent to Mesa Montanosa) which produced 1 million lbs @ 0.23%.

The mineralised stratum is not at great depth, generally about 90-200 metres.

**Section 18**

Section 18 lies north of Mesa Montanosa, immediately to the north of the Hope and Poison Canyon Mines. Drilling prior to 1958 of 140 holes was carried out in the eastern half of the section; most were drilled in the extreme SE half of the section and defined the Gossett ore body. About 166,000 lbs @ 0.21% U<sub>3</sub>O<sub>8</sub> was mined from Poison Canyon sandstones at the Gossett. The average mined grade was reported to initially be **0.54%** U<sub>3</sub>O<sub>8</sub>.

Drilling at Gossett defined a body of continuous high-grade uranium mineralisation about 300 metres in length at fairly shallow depth, with results as follows.

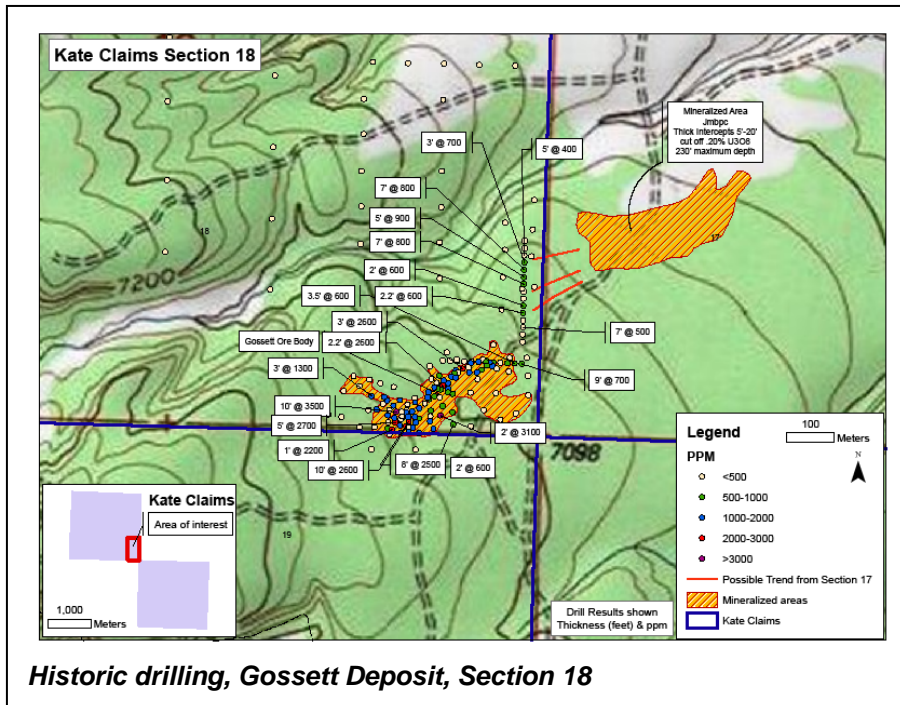
<b>Historic Drilling. Gossett</b>	
14'	@ 1,800 ppm U <sub>3</sub> O <sub>8</sub>
33'	@ 1,600 ppm
10'	@ 1,400 ppm
10'	@ 3,500 ppm
8'	@ 2,500 ppm
16.5'	@ 1,100 ppm
10'	@ 2,000 ppm
10'	@ 2,600 ppm



It is likely that mining extracted the high grade material. However there appears to have been little or no drilling of the immediate surrounding area to test for extensions and repeats of the Gossett, which indicate potential for further mineralisation in the area.

Only very wide-spaced drilling appears to have been carried out over the eastern half of the Section, with generally low results.

No drilling appears to have been carried out in the western half of the section. The mineralised structures which host the Barbara J mines on Mesa Montanosa, and the Hope Mine immediately to the north of Mesa Montanosa, appear to extend north onto this ground.



## Section 20

Section 20 lies north-east of Mesa Montanosa, and contains a number of underground uranium mines, some of which had reasonably significant production. Section 20 is directly north and on strike of the historic Faith underground mine.

A line of at least 6 mines runs E-W across the middle of Section 20, due east of the Poison Creek Mine. These mines appear fairly regularly spaced, generally about 1,000' (300m) apart. No historic drill or detailed mine information has been located at this stage. The mines operated in the period 1957-75, exploiting the Poison Canyon member of the Brushy Creek. There was further small-scale mining at some mines in 1978-80. Total reported production was 906,000 lbs

U3O8 @ 0.19%. Ore thickness ranged from 2-16', at a depth of about 90-115 metres.

The Mesa Top Mine extracted 198,500 lbs @ 0.24% U3O8 from the Brushy Basin sandstone from 1958 -61. The Mesa Top #5 mine, in the SW of Section 20, was mined between 1954-1961 and 1967-68, and produced 513,000 lbs @ 0.24% U3O8.

## UraVan Project

Uran had decided not to go ahead with the UraVan Joint Venture, in order to concentrate on the Mesa Montanosa area where increasing opportunities are being seen, and due to continuing delays in receiving information which would allow Uran to complete its Due Diligence. The company is continuing to actively investigate other properties in the immediate area of Mesa Montanosa which have potential to contribute to any future mining operations from mesa Montanosa.

Kate Hobbs  
Managing Director