



# UNITED URANIUM LIMITED

ACN 123 920 990

## ASX Announcement

27 September 2010

### **UNITED URANIUM SIGNS TERM SHEET WITH SHANDONG NO 1. INSTITUTE OF GEOLOGY AND MINERALS EXPLORATION**

United Uranium Limited (ASX: UUL; the “Company” or “United”) is pleased to announce it has signed a Term Sheet (“Term Sheet”) with Shandong No.1 Institute of Geology and Minerals Exploration (“SDGM”), who has a State sanctioned mandate to actively source a variety of minerals throughout the world to support China’s, and in particular Shandong Provinces industries and economic growth. The signing of the Term Sheet follows visits by representatives of SDGM earlier in the year, ongoing discussions and negotiations, culminating in the signing ceremony in Perth on 24 September 2010.

The key commercial terms of the Term Sheet are as follows:-

- SDGM and or its nominees is able to subscribe for up to 5,600,000 shares in the Company at an issue price of 21 cents per share for total consideration of up to \$1,176,000;
- On completion of the above share placement SDGM have the right to nominate one director to the Board;
- SDGM having first right of refusal to participate in future capital raisings to earn up to a maximum interest of 51% in the issued capital of United (subject to any FIRB approval, ASX, shareholder or regulatory approvals required both in Australia and China);
- SDGM can earn up to a 50% interest in the following tenements EL24815, EL25835, EL25838, EL25839, ELA25836 and ELA25840, collectively referred to as the (“Tenements”) by spending a minimum of \$ 3 million in total on the Tenements. The percentage earned will be based on the following milestones:-
  - An initial 20% interest by spending \$1 million on the Tenements;
  - An additional 20% interest by spending a further \$1 million on the Tenements; and
  - An Additional 10% interest by spending a further \$1 million on the Tenements.
- A payment of \$100,000 by SDGM within 7 days of the signing of the Term Sheet, which is non refundable if a definitive Farmin Agreement is not executed within 30 calendar days of the signing of the Term Sheet.

The Term Sheet is subject to FIRB Approval, ASX, shareholder or regulatory approvals required both in Australia and China.

The Company is delighted to sign this Term Sheet with a significant group such as SDGM that has a successful track record of exploration success and that is committed to the exploration and development of mineral projects in Australia.

United looks forward to working with SDGM to further advance its Tenements in the Northern Territory.

**- ENDS -**

***For more information please contact:***

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## **About Shandong No.1 Institute of Geology and Minerals Exploration**

Shandong No.1 Institute of Geology & Minerals Exploration (No.1 Institute) is an integrated geological exploration entity with the scope of business as follows:

- geological prospecting
- mining
- engineering geophysical exploration
- agricultural geology
- disaster-related Geology
- hydrogeology survey
- geothermal prospecting and development
- marine geological survey
- marine surveying,
- geotechnical construction,
- engineering mapping
- map making
- publishing and printing
- geological drilling machine market
- laboratory analysis of samples
- vehicle driver training

As one of the 13 institutes under management of SDMG, No.1 Institute is the biggest of its kind with a staff of some 1,100, among which are 180 senior engineers and 36 senior research fellows. Since its inception, the institute has prepared some 1,200 reports detailing the resources identified through their work over years:

- Iron ore: 376 million tonnes
- Coal: 78.4 billion tonnes
- Gypsum: 38.17 billion tonnes
- Halite: 7.521 billion tonnes
- Limestone: 900 million tonnes

In addition, No. 1 Institute has conducted geological survey and mapping for over 90% of the ropeway projects in the mountainous areas in China and for 7 major airports in east China. Also, thanks to its experience in marine survey, it has undertaken the overall technical support to the country's first offshore coal project.