



Union Resources Limited

A.B.N. 40 002 118 872

Tel: +61 2 9233 4750
Fax: +61 2 9233 4749

Suite 201, Level 2, Watson House 300 George Street,
Sydney, NSW, Australia

Postal Address:
GPO Box 1494
Sydney NSW 2001
Australia

7 October 2011

Company Announcements Office
Australian Securities Exchange

SMALL SHAREHOLDERS

The Company has written to all of the Company's shareholders having less than a "marketable parcel" (i.e. less than \$500 worth by market value) of shares in the Company as at close of business on 4 October 2011 ("Small Shareholders"). In accordance with the procedure laid down in the Company's constitution the Company has advised each Small Shareholder that unless the Small Shareholder elects to remain a shareholder in the Company or increases their holding to a marketable parcel the Company will sell the Small Shareholder's shares and account to the Small Shareholder for the proceeds of the sale. The Company will meet all costs associated with the sale of the shares.

The Company is aware that some shareholders with very small parcels of shares in the Company would be willing to sell their shares except for the fact that they cannot easily trade such a small parcel of shares on the ASX, or the cost of brokerage makes it uneconomic for them to do so. The Company values all its shareholders and welcomes their continued participation as shareholders, however for those shareholders who wish to sell their shares the procedure adopted offers them a convenient and cost effective way to do so, free of brokerage.

Attached are copies of the following documents which have been sent to Small Shareholders:

1. Continuing Member Notice;
2. Continuation Election Form; and
3. text of clause 11 of the Company's constitution.

Yours faithfully

UNION RESOURCES LIMITED

John Lemon
Director/Company Secretary



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7 October 2011

CONTINUING MEMBER NOTICE PURSUANT TO CLAUSE 11 OF THE COMPANY'S CONSTITUTION

Dear Shareholder

The Company's records show that as at the close of business on Tuesday, 4 October 2011 you held less than a "marketable parcel" of shares in the Company, i.e. you held less than \$500 worth of shares in the Company based on the closing price of the Company's shares on the ASX on that date.

The Company is aware that some shareholders in the Company have very small holdings of shares in the Company and would be willing to sell their shares, except for the fact that they cannot easily trade such a small parcel of shares on the ASX, or the cost of brokerage may make it uneconomic for them to do so.

The Company's Directors have decided to utilise the procedure provided for in clause 11 of the Company's constitution. Under clause 11 the Company is entitled to write to each shareholder who holds less than a marketable parcel of shares in the Company and give the shareholder the option to elect to continue to hold his/her shares in the Company. If the shareholder does not elect to continue to hold his/her shares the Company is entitled to sell the shareholder's shares, and account to the shareholder for the proceeds of the sale.

Enclosed with this letter are the following:

1. Continuation Election Form;
2. reply-paid envelope; and
3. text of clause 11 of the Company's constitution.

If you do not sign and return the Continuation Election Form in accordance with the instructions on the form by 5.00 pm (AEDST) on Friday, 18 November 2011 ('the Closing Date') the Company will be entitled to sell your shares. If your shares are in a CHESS holding the Company may, after the Closing Date, move your shares from the CHESS holding to an Issuer Sponsored or certificated holding for the purpose of the sale.

What you need to do:

A. To sell your holding

If you wish to dispose of your shares in the Company you do not need to do anything.

If you do not sign and return the enclosed Continuation Election Form by 5.00 pm (AEDST) on Friday, 18 November 2011 or, alternatively, increase your shareholding to a marketable parcel (\$500) or more by that date, the Company will sell your shares (as well as the shares of other "non-electing" shareholders) on your behalf on the

ASX, or in such other manner as it may determine, and account to you for the sale proceeds. The sale proceeds to which you are entitled will be calculated by dividing the total proceeds from the sale of all shares sold by this procedure by the total number of shares sold under the procedure and multiplying the average sale price by the number of your shares sold.

The proceeds will be paid to you in Australian dollars. The Company will meet all brokerage and other costs associated with the sale of your shares.

B. To retain your holding

If you wish to retain your shareholding you must complete and return the enclosed Continuation Election Form in accordance with the instructions on the form by 5.00 pm (AEDST) on Friday, 18 November 2011.

If you do not complete and return the form, or if you do not increase your shareholding to a marketable parcel, by 5.00 pm (AEDST) on Friday, 18 November 2011 your shares will be sold.

If you have more than one shareholding in the Company it may be appropriate to consolidate them into the one holding. Please contact the Company's share registry, Link Market Services Limited, by telephone on 1300 554 474 for more details.

Neither the Company nor its Directors make any recommendation to you as to whether to elect to have the Company sell your shares on your behalf as provided for in this Notice. The Company values **all** its shareholders and welcomes your continued participation as a shareholder if you wish to maintain your existing shareholding. However, should you wish to sell your shares this offers you a convenient and cost effective way to do so, free of brokerage. If you are in any doubt as to what course of action to take please consult your legal, financial or other adviser.

If you have any questions concerning this letter please contact the Company Secretary, Mr. John Lemon by telephone on (07) 3832 1329.

Yours Faithfully
UNION RESOURCES LIMITED

A handwritten signature in blue ink that reads "Ian Ross". The signature is written in a cursive style and is positioned above a horizontal line.

Ian Ross
Chairman



UNION RESOURCES LIMITED

ABN 40 002 118 872

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 2 8280 7454
Facsimile: (02) 9287 0309
ASX Code: UCL
Website: www.linkmarketservices.com.au



SRN/HIN:

**Number of Shares held as at
the Record Date, 7:00pm (AEDST)
on 4 October 2011**

IMPORTANT NOTICE

Please complete this form if you do not wish your Shares in Union Resources Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

CONTINUATION ELECTION FORM

If you wish to retain your Shareholding in Union Resources Limited ("UCL") you must complete this form and return it to UCL's Registry, so that it is received no later than 5:00pm (AEDST), on 18 November 2011. Forms may be mailed or delivered to the addresses below.

Mailing Address

Union Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

or

Hand Delivery

Union Resources Limited
C/- Link Market Services Limited
Level 12, 680 George Street,
Sydney NSW 2000 **(Do not use this address for mailing purposes)**

This form must be received by UCL's Registry no later than 5:00pm (AEDST) on 18 November 2011 or your Shares will be sold.

Retention of Shares

I/we the Shareholder(s) described above, by signing this form, hereby give notice that I/we wish to retain my/our Shareholding in UCL pursuant to Clause 11 of the Company's Constitution.

Contact Details

Enter your telephone number(s) where we may contact you regarding this form.

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

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Shareholder Signature(s) – This MUST be completed

Shareholder 1

Shareholder 2

Shareholder 3

Individual or Sole Director and
Sole Company Secretary

Director

Director/Company Secretary

Date

/ /

This form should be signed by the Shareholder. If a joint holding, all Shareholders should sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEDST) ON 18 NOVEMBER 2011**

If you require further information on how to complete this form please contact the Company Secretary on (07) 3832 1329

UCL RSS001





Union Resources Limited

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CLAUSE 11 OF CONSTITUTION

11. Non-marketable parcels

- 11.1 If one or more Members hold less than a Marketable Parcel of Shares, the Directors may invoke the procedure for the sale of Shares under this clause 11 (**Procedure**).
- 11.2 To invoke the Procedure, the Directors must give each Member (or each Member whose Shares are not held in a CHESS Holding) who holds less than a Marketable Parcel of Shares (**Eligible Member**) written notice (**Notice of Divestiture**) that complies with this clause 11.
- 11.3 A Notice of Divestiture given to a Member must:
- (a) state that the Shares referred to in the Notice of Divestiture are liable to be sold in accordance with the Procedure if the Member does not advise the Company before a specified date (**Relevant Date**) that the Member wishes to keep those Shares; and
 - (b) if the Member holds Shares in a CHESS Holding, contain a statement to the effect that if those Shares remain in a CHESS Holding after the Relevant Date, the Company may, without further notice, move those Shares from the CHESS Holding to an Issuer Sponsored Holding or a Certificated Holding for the purposes of divestment by the Company in accordance with the Procedure.
- 11.4 The Relevant Date must be six weeks or more after the date that the Notice of Divestiture is sent.
- 11.5 A copy of a Notice of Divestiture must be given to any other person required by the CS Facility Rules.
- 11.6 If an Eligible Member on whom a Notice of Divestiture has been served wants to keep the Shares referred to in the Notice of Divestiture, the Eligible Member must give the Company written notice before the Relevant Date, advising the Company that the Member wants to keep those Shares in which event the Company will not sell the Shares.
- 11.7 If an Eligible Member on whom a Notice of Divestiture has been served does not give the Company written notice before the Relevant Date advising the Company that the Eligible Member wants to keep the Shares referred in the Notice of Divestiture, the Company may:
- (a) if the Member holds those Shares in a CHESS Holding, move those Shares from the CHESS Holding to an Issuer Sponsored Holding or a Certificated Holding; and
 - (b) in any case, sell those Shares in accordance with the Procedure,

but only if the Shares held by the Eligible Member on the Relevant Date is less than a Marketable Parcel.

- 11.8 Any Shares which may be sold under this clause 11 may be sold on the terms, in the manner (whether on-market, by private treaty, through a share sale facility established by, on behalf or, or at the request of the Company, or otherwise) and at the time or times determined by the Directors and, for the purposes of a sale under this clause 11, each Eligible Member:
- (a) appoints the Company as the Eligible Member's agent for sale;
 - (b) authorises the Company to effect on the Eligible Member's behalf a transfer of the Shares sold and to deal with the proceeds of the sale of the Shares in accordance with clause 11.10;
 - (c) appoints the Company, its Directors and the Secretary jointly and severally as the Eligible Member's attorneys to execute an instrument or take other steps in the Eligible Member's name and on the Eligible Member's behalf as they or any of them may consider appropriate to transfer the Shares sold; and
 - (d) authorises each of the attorneys appointed under clause 11.8(c) to appoint an agent to do a thing referred to in clause 11.8(c).
- 11.9 The title of the transferee to Shares acquired under this clause 11 is not affected by an irregularity or invalidity in connection with the sale of Shares to the transferee.
- 11.10 The proceeds of any sale of Shares under this clause 11 less any unpaid calls and interest (**Sale Consideration**) will be paid to the relevant Member or as that Member may direct.
- 11.11 The Company will hold the Sale Consideration in trust for the Member whose Shares are sold under this clause and will forthwith notify the Member in writing that the Sale Consideration in respect of the Member's Shares has been received by the Company and is being held by the Company pending instructions from the Member as to how it is to be dealt with. If the Member has been issued with a share certificate or certificates, the Member's instructions, to be effective, must be accompanied by the share certificate or certificates to which the Sale Consideration relates or, if the certificate or certificates has or have been lost or destroyed, by a statement and undertaking under subsection 1070D(5) of the Corporations Act.
- 11.12 Subject to the Corporations Act, the Company or the transferee will bear all costs, including brokerage and stamp duty, associated with the sale of any Shares under this clause.
- 11.13 The Procedure may only be invoked once in any 12 month period after its adoption or renewal.
- 11.14 If the Procedure has been invoked and there is an announcement of a takeover bid for Shares, no more sales of Shares may be made under this clause 11 until after the close of the offers made under the takeover. The Procedure may then be invoked again.